

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2022 AND 2021

Address: No.11, Lixing Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)

Telephone: +886-3-577-2000

English Translation of a Report Originally Issued in Chinese**Review Report of Independent Accountants**

To Coretronic Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Coretronic Corporation (the “Company”) and its subsidiaries as of March 31, 2022 and 2021, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT\$30,346,998 thousand and NT\$19,078,728 thousand, representing 49.75% and 38.83% of the consolidated total assets, and total liabilities of NT\$6,293,048 thousand and NT\$962,416 thousand, representing 16.99% and 3.48% of the consolidated total liabilities as of March 31, 2022 and 2021, respectively; and total comprehensive income of NT\$853,050 thousand and NT\$18,973 thousand, representing 72.48 % and 7.85 % of the consolidated total comprehensive income for the three-month periods ended March 31, 2022 and 2021, respectively. As explained in Note 6(9), the financial statements of certain associates and joint ventures accounted for using the equity method were not reviewed by independent accountants. Those associates and joint ventures under the equity method amounted to NT\$43,373 thousand and NT\$45,842 thousand as of March 31, 2022 and 2021, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$308 thousand and NT\$(591) thousand for the three-month periods ended March 31, 2022 and 2021, respectively. The information related to above subsidiaries, associates and joint ventures accounted for using the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using the equity method and the information been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2022 and 2021, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2022 and 2021, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan
April 25, 2022

Notice to Readers

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2022, December 31, 2021, and March 31, 2021

(March 31, 2022 and 2021 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	March 31, 2022	%	December 31, 2021	%	March 31, 2021	%
Current assets							
Cash and cash equivalents	6(1)	\$ 10,775,049	17.66	\$ 11,229,839	18.27	\$ 11,134,183	22.66
Financial assets at fair value through profit or loss - current	6(2)	643,141	1.05	180,759	0.29	392,010	0.80
Financial assets at fair value through other comprehensive income - current	6(3)	-	-	-	-	1,330	-
Financial assets at amortised cost - current	6(4)	5,850,175	9.59	5,483,485	8.92	7,371,782	15.00
Hedging financial assets - current	6(5)	-	-	-	-	2,768	0.01
Notes receivables, net	6(6), 6(20)	32,676	0.05	28,098	0.05	46,757	0.10
Trade receivables, net	6(7), 6(20)	15,241,786	24.99	18,937,127	30.81	12,151,831	24.73
Trade receivable - related parties, net	6(7), 6(20), 7	3,921	0.01	5,842	0.01	-	-
Other receivables	8	834,365	1.37	722,000	1.17	373,467	0.76
Current tax assets	4, 6(25)	89,912	0.15	77,866	0.13	25,545	0.05
Inventories, net	6(8)	11,970,448	19.62	9,301,377	15.13	5,763,136	11.73
Prepayments		717,947	1.18	850,479	1.38	566,785	1.15
Other current assets		183,746	0.30	139,432	0.23	80,965	0.17
Total current assets		46,343,166	75.97	46,956,304	76.39	37,910,559	77.16
Non-current assets							
Financial assets at fair value through other comprehensive income - noncurrent	6(3)	3,724,909	6.10	3,988,804	6.49	950,346	1.94
Investments accounted for using the equity method (Unreviewed)	6(9)	43,373	0.07	43,035	0.07	45,842	0.09
Property, plant and equipment, net	6(10), 8	7,686,706	12.60	7,513,806	12.22	7,211,631	14.68
Right-of-use assets	6(21)	1,962,611	3.22	1,938,026	3.15	1,902,758	3.87
Investment property, net	6(11), 8	150,283	0.25	152,301	0.25	158,340	0.32
Intangible assets	6(12)	317,884	0.52	330,634	0.54	393,568	0.80
Deferred tax assets	4, 6(25)	271,777	0.45	270,147	0.44	332,566	0.68
Net defined benefit assets - noncurrent	6(16)	18,935	0.03	18,385	0.03	15,726	0.03
Other noncurrent assets	8	481,455	0.79	258,951	0.42	210,147	0.43
Total non-current assets		14,657,933	24.03	14,514,089	23.61	11,220,924	22.84
Total assets		\$ 61,001,099	100.00	\$ 61,470,393	100.00	\$ 49,131,483	100.00

(continued)

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2022, December 31, 2021, and March 31, 2021

(March 31, 2022 and 2021 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	March 31, 2022	%	December 31, 2021	%	March 31, 2021	%
Current liabilities							
Short-term borrowings	6(13)	\$ 11,332,313	18.58	\$ 11,812,397	19.22	\$ 8,371,521	17.04
Financial liabilities at fair value through profit or loss - current	6(14)	335,672	0.55	57,060	0.09	82,614	0.17
Contract liabilities - current	6(19)	437,675	0.72	301,242	0.49	288,057	0.59
Notes payable		12,347	0.02	666	-	12,913	0.03
Accounts payable		11,171,901	18.31	13,465,920	21.90	8,918,797	18.15
Accounts payable - related parties	7	41,346	0.07	29,824	0.05	12,824	0.03
Other payables	7	6,363,217	10.43	5,297,433	8.62	5,403,825	11.00
Current tax liabilities	4, 6(25)	848,832	1.39	895,552	1.46	718,149	1.46
Provisions - current	6(17)	595,994	0.98	578,084	0.94	673,618	1.37
Lease liabilities - current	6(21)	340,251	0.56	331,267	0.54	270,122	0.55
Other current liabilities		717,302	1.17	639,571	1.04	492,800	1.00
Current portion of long-term borrowings	6(15)	391,388	0.64	316,446	0.51	115,789	0.23
Total current liabilities		32,588,238	53.42	33,725,462	54.86	25,361,029	51.62
Non-current liabilities							
Long-term borrowings	6(15)	2,721,194	4.46	1,826,901	2.97	522,940	1.06
Deferred tax liabilities	4, 6(25)	93,622	0.15	78,069	0.13	81,968	0.17
Lease liabilities - noncurrent	6(21)	1,452,985	2.38	1,439,893	2.34	1,450,375	2.95
Net defined benefit liabilities - noncurrent	6(16)	154,810	0.26	156,435	0.26	162,007	0.33
Other noncurrent liabilities		24,808	0.04	26,632	0.04	43,666	0.09
Total non-current liabilities		4,447,419	7.29	3,527,930	5.74	2,260,956	4.60
Total liabilities		37,035,657	60.71	37,253,392	60.60	27,621,985	56.22
Equity attributable to owners of the parent							
Share capital							
Common stock	6(18)	3,909,811	6.41	3,909,811	6.36	3,909,811	7.96
Capital surplus	6(18)	2,596,094	4.26	2,893,442	4.71	2,766,136	5.63
Retained earnings	6(18), 6(26)						
Legal reserve		4,046,623	6.63	4,046,623	6.58	3,889,871	7.92
Special reserve		2,469,437	4.05	2,469,437	4.02	2,469,437	5.03
Unappropriated retained earning		8,956,147	14.68	9,650,179	15.70	8,161,605	16.61
Total retained earnings		15,472,207	25.36	16,166,239	26.30	14,520,913	29.56
Other equity		(170,484)	(0.28)	(817,388)	(1.33)	(1,703,851)	(3.47)
Total equity attributable to owners of the parent		21,807,628	35.75	22,152,104	36.04	19,493,009	39.68
Non-controlling interests	6(18)	2,157,814	3.54	2,064,897	3.36	2,016,489	4.10
Total equity		23,965,442	39.29	24,217,001	39.40	21,509,498	43.78
Total liabilities and equity		\$ 61,001,099	100.00	\$ 61,470,393	100.00	\$ 49,131,483	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2022 and 2021
(Unaudited)
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For three months ended March 31		For three months ended March 31	
		2022	%	2021	%
Net sales	6(19), 7	\$ 13,137,908	100.00	\$ 10,023,287	100.00
Operating costs	6(8), 6(12), 6(16), 6(21), 6(22), 7	11,122,852	84.66	8,366,149	83.47
Gross profit		2,015,056	15.34	1,657,138	16.53
Operating expenses	6(12), 6(16), 6(20), 6(21), 6(22)				
Selling expenses		488,891	3.72	457,975	4.58
General and administrative expenses		503,994	3.84	435,238	4.34
Research and development expenses		706,091	5.37	684,303	6.83
Expected credit (gain) loss		(7,880)	(0.06)	1,159	-
Total operating expenses		1,691,096	12.87	1,578,675	15.75
Operating income		323,960	2.47	78,463	0.78
Non-operating income and expenses					
Interest income	6(23)	82,729	0.63	98,413	0.98
Other income	6(23)	102,578	0.78	140,951	1.41
Other gains and losses	6(23)	182,398	1.39	194,296	1.94
Finance costs	6(23)	(49,756)	(0.38)	(29,094)	(0.29)
Share of gain (loss) of associates and joint ventures accounted for using the equity method	6(9)	308	-	(591)	(0.01)
Total non-operating income and expenses		318,257	2.42	403,975	4.03
Income before income tax		642,217	4.89	482,438	4.81
Income tax expense	4, 6(25)	(151,201)	(1.15)	(118,985)	(1.18)
Net income		491,016	3.74	363,453	3.63
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Unrealized (loss) gain from equity instrument investments measured at fair value through other comprehensive income	6(24)	(365,122)	(2.78)	38,406	0.38
Income tax related to items that will not be reclassified subsequently to profit or loss	6(24), 6(25)	(3,010)	(0.02)	49	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(24)	1,054,051	8.02	(160,327)	(1.60)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	6(24)	30	-	-	-
Other comprehensive income (loss), net of tax		685,949	5.22	(121,872)	(1.22)
Total comprehensive income		\$ 1,176,965	8.96	\$ 241,581	2.41
Net income for the periods attributable to :					
Shareholders of the parent	6(26)	\$ 478,912		\$ 386,440	
Non-controlling interests	6(18), 6(27)	\$ 12,104		\$ (22,987)	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 1,125,816		\$ 269,043	
Non-controlling interests		\$ 51,149		\$ (27,462)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 1.22		\$ 0.93	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 1.21		\$ 0.92	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2022 and 2021

(Unaudited)

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent									Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity			Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)	Treasury stock			
Balance as of January 1, 2021	\$ 4,344,231	\$ 3,548,559	\$ 3,889,871	\$ 2,469,437	\$ 10,229,840	\$ (2,020,488)	\$ 434,034	\$ -	\$ 22,895,484	\$ 2,043,951	\$ 24,939,435
Changes in subsidiaries' ownership	-	(4,816)	-	-	-	-	-	-	(4,816)	-	(4,816)
Appropriation and distribution of 2020 earnings:											
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income (loss) for the three months ended March 31, 2021	-	-	-	-	386,440	-	-	-	386,440	(22,987)	363,453
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	(155,852)	38,455	-	(117,397)	(4,475)	(121,872)
Total comprehensive income (loss)	-	-	-	-	386,440	(155,852)	38,455	-	269,043	(27,462)	241,581
Treasury stock acquired	-	-	-	-	-	-	-	(2,102,777)	(2,102,777)	-	(2,102,777)
Treasury stock retired	(434,420)	(386,626)	-	-	(1,281,731)	-	-	2,102,777	-	-	-
Balance as of March 31, 2021	\$ 3,909,811	\$ 2,766,136	\$ 3,889,871	\$ 2,469,437	\$ 8,161,605	\$ (2,176,340)	\$ 472,489	\$ -	\$ 19,493,009	\$ 2,016,489	\$ 21,509,498
Balance as of January 1, 2022	\$ 3,909,811	\$ 2,893,442	\$ 4,046,623	\$ 2,469,437	\$ 9,650,179	\$ (2,276,257)	\$ 1,458,869	\$ -	\$ 22,152,104	\$ 2,064,897	\$ 24,217,001
Acquisition or disposal of the interest of subsidiaries	-	92,448	-	-	-	-	-	-	92,448	41,768	134,216
Changes in subsidiaries' ownership	-	1,185	-	-	-	-	-	-	1,185	-	1,185
Appropriation and distribution of 2021 earnings:											
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income for the three months ended March 31, 2022	-	-	-	-	478,912	-	-	-	478,912	12,104	491,016
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	1,015,036	(368,132)	-	646,904	39,045	685,949
Total comprehensive income (loss)	-	-	-	-	478,912	1,015,036	(368,132)	-	1,125,816	51,149	1,176,965
Balance as of March 31, 2022	\$ 3,909,811	\$ 2,596,094	\$ 4,046,623	\$ 2,469,437	\$ 8,956,147	\$ (1,261,221)	\$ 1,090,737	\$ -	\$ 21,807,628	\$ 2,157,814	\$ 23,965,442

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2022 and 2021
(Unaudited)
(Amounts in thousands of New Taiwan Dollars)

Description	For the three months ended March 31		Description	For the three months ended March 31	
	2022	2021		2022	2021
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 642,217	\$ 482,438	Acquisition of financial assets at fair value through profit or loss	(41,610)	(86,848)
Adjustments for:			Acquisition of financial assets at fair value through other comprehensive income	(41,610)	-
The profit or loss items which did not affect cash flows:			Acquisition of financial assets at amortized cost - current	(366,690)	(7,371,782)
Expected credit (gain) loss	(7,880)	1,159	Acquisition of property, plant and equipment	(300,013)	(335,233)
Depreciation (including investment property and right-of-use assets)	356,341	322,889	Proceeds from disposal of property, plant and equipment	21,694	28,870
Amortization (including other noncurrent assets)	21,552	29,497	Acquisition of intangible assets	(6,750)	(11,379)
Interest expenses	49,756	29,094	Proceeds from disposal of intangible assets	103	-
Interest income	(82,729)	(98,413)	Increase in prepayment of land use rights	(295,759)	-
Dividend income	(44,475)	(34,640)	Decrease (increase) in other noncurrent assets	53,438	(3,568)
Transfer of property, plant and equipment to expenses	93	728	Net cash used in investing activities	(977,197)	(7,779,940)
Gain on disposal of property, plant and equipment	(9,832)	(14,630)			
Share of (gain) loss of associates and joint ventures accounted for using the equity method	(308)	591	Cash flows from financing activities:		
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(197,800)	114,457	(Decrease) increase in short-term borrowings	(480,084)	3,234,104
Changes in operating assets and liabilities:			Increase (decrease) in long-term borrowings (including current portion of long-term borrowings)	969,235	(30,750)
Note receivables	(4,578)	(21,557)	Decrease in guarantee deposits	(1,938)	(722)
Accounts receivables	3,702,956	(493,434)	Increase in other noncurrent liabilities	114	113
Accounts receivables - related parties	1,921	-	Cash payment for the principal portion of lease liabilities	(78,333)	(75,424)
Other receivables	(168,840)	26,750	Proceeds from disposal of subsidiaries' ownership (without a change of control)	136,814	-
Inventories	(2,685,411)	(873,513)	Treasury stock acquired	-	(2,102,777)
Prepayments	132,532	25,794	Net cash provided by financing activities	545,808	1,024,544
Other current assets	(44,314)	14,449			
Other operating assets	13,979	1,997	Effect of exchange rate changes on cash and cash equivalents	905,567	(153,844)
Contract liabilities	136,433	37,582			
Notes payable	11,681	12,580	Net decrease in cash and cash equivalents	(454,790)	(7,166,381)
Accounts payable	(2,294,019)	770,197	Cash and cash equivalents at the beginning of the period	11,229,839	18,300,564
Accounts payable - related parties	11,522	1,441	Cash and cash equivalents at the end of the period	\$ 10,775,049	\$ 11,134,183
Other payables	(502,216)	(374,703)			
Provisions - current	17,910	(27,346)			
Other current liabilities	77,731	(48,999)			
Net defined benefit assets/liabilities	(2,175)	(3,697)			
Cash used in operating activities	(867,953)	(119,289)			
Dividend received	44,475	34,640			
Interest received	139,245	36,052			
Interest paid	(45,681)	(27,720)			
Income tax paid	(199,054)	(180,824)			
Net cash used in operating activities	(928,968)	(257,141)			

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 2022 and 2021

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

1. HISTORY AND ORGANIZATION

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

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

The consolidated financial statements of CORE and its subsidiaries (“the Group”) were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on April 25, 2022.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended, which are recognized by the Financial Supervisory Commission (“the FSC”) and become effective for annual periods beginning on or after January 1, 2022. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by the International Accounting Standards Board (“the IASB”) which are not endorsed by the FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendments to Consolidated Financial Statements and Investments in Associates and Joint Ventures	To be determined by the IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1 Amendment	Classification of Liabilities as Current or Non-current	January 1, 2023

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IAS 1 Amendment	Disclosure Initiative - Accounting Policies	January 1, 2023
IAS 8 Amendment	Definition of Accounting Estimates	January 1, 2023
IAS 12 Amendment	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

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

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

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

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model. Under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfillment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); providing additional transition reliefs; simplifying some requirements to reduce the costs of applying IFRS 17 and revising some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

C. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

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

D. Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures to provide more useful information to investors and other primary users of the financial statements.

E. Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

F. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12, so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by the IASB have not yet been endorsed by the FSC, and the local effective dates are to be determined by the FSC. As the Group is currently determining the potential impact of the standards and interpretations listed above, it is not practicable to estimate their impacts on the Group at this point in time.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and standards, interpretations, and amendments issued, revised, or amended which are endorsed and became effective by the FSC (collectively, “the TIFRS”).

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(2) Basis of Preparation

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

(3) General Description of Reporting Entity

Principles of consolidation

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

- A. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- B. exposure, or rights, to variable returns from its involvement with the investee; and
- C. the ability to use its power over the investee to affect its returns.

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

- A. the contractual arrangement with the other vote holders of the investee;
- B. rights arising from other contractual arrangements;
- C. CORE’s voting rights and potential voting rights.

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

If loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;
- E. recognizes any surplus or deficit in profit or loss; and
- F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are as follows:

Entity Name	Relationship	Business nature	Percentage of Ownership		
			March 31, 2022	December 31, 2021	March 31, 2021
Tecpoint Limited ("Tecpoint") and its subsidiaries	Subsidiary	Tecpoint is a holding company and invests in Mainland China. Tecpoint's joint ventures are the production, manufacturing, marketing and R&D of acrylic plate, light guide plate and backlight module. The joint ventures also provide the after-sales services.	100.00%	100.00%	100.00%
Visicorp Limited ("Visicorp") and its subsidiaries	Subsidiary	Visicorp is a holding company and invests in Mainland China. Visicorp's joint ventures are the R&D, production and marketing of backlight module and components. The joint ventures also provide after-sales services.	100.00%	100.00%	100.00%
Coretronic (BVI) Investment Corp. ("Coretronic BVI") and its subsidiaries	Subsidiary	BVI is a holding company and invests in Mainland China. BVI's joint ventures are the R&D, production, manufacturing and marketing of digital projector, LCD monitor and components. The joint ventures also provide after-sales services.	100.00%	100.00%	100.00%

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			March 31, 2022	December 31, 2021	March 31, 2021
Sinolink Global Limited ("Sinolink") and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink's joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after-sales services for self-produced and non-self-produced products.	100.00%	100.00%	100.00%
Young Green Energy Co. ("YGE") and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer and peripheral devices, and electronic material. YGE's joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%	99.91%
Young Optics Inc. ("TYO") and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optical engines and key components. TYO's joint ventures are the R&D, the production and after-sales services of electronic components, optical modules and components.	36.31%	37.61%	38.74%
Young Lighting Limited (YLL) and its subsidiaries	Subsidiary	YLL is a holding company and invests in Mainland China. YLL's joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL's joint ventures also provide after-sales services.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			March 31, 2022	December 31, 2021	March 31, 2021
Optoma Corporation (“Optoma”) and its subsidiaries	Subsidiary	Optoma is engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment, electronic appliances. Optoma’s joint ventures are engaged in the marketing and after-sales services of products of the brand Optoma in America, Canada, Europe, Hong Kong, and Mainland China.	100.00%	100.00%	100.00%
Chung Tsen Investment Corp. (“CGT”) and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	100.00%	100.00%	100.00%
Coretronic Intelligent Cloud Service Corporation (“CICS”) and its subsidiaries	Subsidiary	CICS is engaged in intelligent cloud, IT information, intelligent applications of new media and platform development. CICS’s joint ventures are contractor in intelligent building engineering and provide services to customers from various domains.	100.00%	100.00%	100.00%
Coretronic Venture Capital Co. (“CVC”)	Subsidiary	The investment activities of business expansion.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			March 31, 2022	December 31, 2021	March 31, 2021
uCare Medical Electronics Co., Ltd. ("UCM")	Subsidiary	UCM is engaged in R&D, design, production and marketing of intelligent exercise and medical care related software and hardware products.	60.69%	60.69%	60.69%
Champ Vision Display Inc. ("CVD")	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	80.00%	80.00%	80.00%
Calibre UK Ltd. ("CAL")	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%	100.00%
InnoSpectra Corporation ("ISC")	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	80.00%	80.00%	80.00%
Coretronic Intelligent Robotics Corporation ("CIRC")	Subsidiary	CIRC is engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	100.00%	100.00%	100.00%
Coretronic MEMS Corporation ("CMC")	Subsidiary	CMC is engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	100.00%	100.00%	100.00%
Coretronic Reality Inc. ("CRI")	Subsidiary	CRI is engaged in R&D, and marketing of AR (Augmented reality) and MR (Mixed reality) wearable display solutions.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			March 31, 2022	December 31, 2021	March 31, 2021
Coretronic Vietnam Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	100.00%	100.00%	100.00%
Coretronic Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary	System integration and application service solutions for intelligent logistics and smart manufacturing.	100.00%	100.00%	100.00%
Coretronic Investment Limited	Subsidiary	Coretronic Investment Limited is a holding company and invests in Europe. Coretronic Investment Limited (UK)’s joint ventures are engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%	-

A. Refer to Note 13 for intercompany transactions between consolidated entities. Subsidiaries are fully consolidated in accordance with the Regulations.

B. The significant changes of consolidated entities described as follows:

- (a) Dynamic Time Investments Limited made an investment to establish 100% held subsidiary Optoma Holding Limited (“Optoma Holding”) and had completed registration of establishment in June 2021. Optoma Holding has been fully consolidated since the investment date.
- (b) CORE made an investment of EUR 100 thousand to establish 100% held subsidiary Coretronic Investment Limited in the United Kingdom in December 2021. Coretronic Investment Limited is a holding company and invests in Europe.
- (c) In consideration of group business strategy, Coretronic Investment Limited acquired 100% ownership of Optoma Holding from Dynamic Time Investment Limited in December 2021.

The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants. As of March 31, 2022 and 2021, total assets of those unreviewed subsidiaries were NT\$30,346,998 thousand and NT\$19,078,728 thousand, respectively. Total liabilities were NT\$6,293,048 thousand and NT\$962,416 thousand, respectively. The related total comprehensive income amount to NT\$853,050 thousand and NT\$18,973 thousand for the three-month periods ended March 31, 2022 and 2021, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(4) Apart from the accounting policies which are described below, the same accounting policies of consolidation have been applied in the Group's consolidated financial statements as those applied in the Group's consolidated financial statements for the year ended December 31, 2021. For the summary of significant accounting policies, please refer to the Group's consolidated financial statements for the year ended December 31, 2021.

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

B. Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The average annual effective income tax rate is estimated by current income tax expenses only. Deferred income tax is recognized and measured according to IAS 12 "Income Tax" and follows the same accounting policies of the Group's annual consolidated financial statements. When income tax rate changes occur in interim period, the effect on deferred income tax is recognized in profit or loss, other comprehensive income or equity at once.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Group has considered the economic implications of COVID-19 on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. The same significant accounting judgments, estimates and assumptions have been followed in the preparation of CORE's consolidated financial statements for the year ended December 31, 2021. Please refer to the consolidated financial statements for the year ended December 31, 2021 for the summary of significant accounting judgments, estimates and assumptions.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand, savings and checking accounts	\$3,774,649	\$4,993,183	\$3,720,243
Time deposits	6,834,400	6,078,756	7,413,940
Cash equivalents - repurchase agreements	166,000	157,900	-
Total	<u>\$10,775,049</u>	<u>\$11,229,839</u>	<u>\$11,134,183</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets designated at fair value through profit or loss:			
Negotiable certificates of deposit	\$-	\$-	\$86,847
Financial assets mandatorily measured at fair value through profit or loss:			
Derivative not designated as hedging instruments			
Forward foreign exchange contracts	600,203	125,399	247,355
Forward cross currency contracts	-	-	738
Subtotal	600,203	125,399	248,093
Convertible bonds	42,938	-	-
Stock option	-	55,360	57,070
Total	<u>\$643,141</u>	<u>\$180,759</u>	<u>\$392,010</u>
Current	\$643,141	\$180,759	\$392,010
Noncurrent	-	-	-
Total	<u>\$643,141</u>	<u>\$180,759</u>	<u>\$392,010</u>

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Equity instruments investments measured at fair value through other comprehensive income			
Unlisted companies stocks	<u>\$3,724,909</u>	<u>\$3,988,804</u>	<u>\$951,676</u>
Current	\$-	\$-	\$1,330
Noncurrent	3,724,909	3,988,804	950,346
Total	<u>\$3,724,909</u>	<u>\$3,988,804</u>	<u>\$951,676</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For unlisted equity securities recognized as financial assets at fair value through other comprehensive income - current, due to expiration of trust fund, the unlisted company has completed the liquidation process in December 2021.

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

(4) Financial assets measured at amortized cost

	March 31, 2022	December 31, 2021	March 31, 2021
Time deposits (with original maturities of more than six months)	\$5,850,175	\$5,483,485	\$7,371,782
Current	\$5,850,175	\$5,483,485	\$7,371,782
Noncurrent	-	-	-
Total	\$5,850,175	\$5,483,485	\$7,371,782

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 12 for more details on credit risk.

(5) Hedging Financial Assets

	March 31, 2022	December 31, 2021	March 31, 2021
Hedging financial assets:			
Forward exchange contracts	\$-	\$-	\$2,768
Current	\$-	\$-	\$2,768
Noncurrent	-	-	-
Total	\$-	\$-	\$2,768

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

(6) Notes Receivables

	March 31, 2022	December 31, 2021	March 31, 2021
Notes receivable - arose from operating activities	\$32,676	\$28,098	\$46,757

Notes receivables were not pledged.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6(20) for more details on accumulated impairment and refer to Note 12 for more details on credit risk disclosure.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(7) Trade Receivables and Trade Receivables - Related Parties

	March 31, 2022	December 31, 2021	March 31, 2021
Trade receivables	\$15,263,734	\$18,966,690	\$12,193,753
Less: allowance for doubtful accounts	(21,948)	(29,563)	(41,922)
Subtotal	15,241,786	18,937,127	12,151,831
Trade receivables for related parties	3,921	5,842	-
Total	<u>\$15,245,707</u>	<u>\$18,942,969</u>	<u>\$12,151,831</u>

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The total carrying amounts as of March 31, 2022, December 31, 2021, and March 31, 2021 were NT\$15,267,655 thousand, NT\$18,972,532 thousand and NT\$12,193,753 thousand, respectively. Please refer to Note 6(20) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

The Group entered into factoring contracts without recourse with a domestic bank. The bank pays the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factored delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. As of March 31, 2022 and December 31, 2021, factored trade receivables of NT\$1,717,068 thousand and NT\$1,660,011 thousand were derecognized, and annual interest rates for advances from the bank was 1.2% and 0.68~0.75%, respectively. As of March 31, 2021, the Group has no outstanding derecognized factored trade receivables. The credit lines of factoring contracts provided by CTBC Bank were US\$60,000 thousand, US\$60,000 thousand and US\$40,000 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

As of March 31, 2022 and December 31, 2021, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$5,583,023 thousand and NT\$8,694,391 thousand, respectively.

(8) Inventories

	March 31, 2022	December 31, 2021	March 31, 2021
Raw materials and supplies	\$7,259,990	\$6,555,737	\$1,765,115
Work in process	1,167,302	405,578	703,165
Finished goods	3,543,156	2,340,062	3,294,856
Total	<u>\$11,970,448</u>	<u>\$9,301,377</u>	<u>\$5,763,136</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The cost of inventories recognized in expenses amounted to NT\$11,122,852 thousand and NT\$8,366,149 thousand for the three-month periods ended March 31, 2022 and 2021, including the write-down of inventories and obsolescence loss of NT\$29,404 thousand and NT\$12,300 thousand, respectively.

The allowance of inventories write-down amounted to NT\$655,398 thousand, NT\$629,953 thousand and NT\$687,919 thousand as of March 31, 2022, December 31, 2021, and March 31, 2021, respectively.

No inventories were pledged.

(9) Investments Accounted for Using the Equity Method

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

Investees	March 31, 2022	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$43,373	18.50%
Investees	December 31, 2021	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$43,035	18.50%
Investees	March 31, 2021	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$45,842	18.50%
Genejet Biotech Co., Ltd. (“Genejet”)	-	19.51%
	\$45,842	

In October 2021, GeneJet issued new shares by cash; however, the Group failed to acquire shares newly issued by GeneJet proportionately to its original ownership interest and therefore, the stockholding percentage in GeneJet was reduced from 19.51% to 5.85%. In consideration of loss of significant influence, the investment of Genejet was transferred to financial assets at fair value through other comprehensive income - noncurrent.

The Group recognized share of gain (loss) of associates and joint ventures accounted for using the equity method in the amount of NT\$308 thousand and NT\$(591) thousand for the three-month periods ended of March 31, 2022 and 2021, respectively.

The abovementioned associate had no contingent liabilities or capital commitments as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. No investments accounted for using the equity method held by the Group were pledged to others.

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

(10)Property, Plant and Equipment

Property, plant and equipment for own-use:

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 2022	\$25,680	\$8,134,122	\$4,978,854	\$427,227	\$44,195	\$788,434	\$1,582,090	\$441,630	\$16,422,232
Additions	-	119,331	101,439	10,188	1,570	2,360	13,539	55,335	303,762
Disposals	-	(7,542)	(88,636)	(419)	(1,017)	-	(10,108)	-	(107,722)
Transfers	-	137,816	128,360	(1,888)	(22)	844	(446)	(271,024)	(6,360)
Exchange differences	(38)	152,971	133,550	9,927	1,849	28,937	41,927	11,363	380,486
As of March 31, 2022	<u>\$25,642</u>	<u>\$8,536,698</u>	<u>\$5,253,567</u>	<u>\$445,035</u>	<u>\$46,575</u>	<u>\$820,575</u>	<u>\$1,627,002</u>	<u>\$237,304</u>	<u>\$16,992,398</u>
As of January 1, 2021	\$39,039	\$7,466,949	\$4,779,933	\$438,802	\$37,440	\$710,212	\$1,615,620	\$810,952	\$15,898,947
Additions	-	25,952	12,364	4,297	379	3,394	18,803	266,851	332,040
Disposals	(13,190)	(61,015)	(24,190)	(363)	-	(3,468)	(31,997)	-	(134,223)
Transfers	-	599,082	70,593	(10,898)	9,246	94,492	(1,989)	(789,286)	(28,760)
Exchange differences	(41)	(16,697)	(13,284)	(1,586)	(186)	(4,684)	(6,238)	(3,614)	(46,330)
As of March 31, 2021	<u>\$25,808</u>	<u>\$8,014,271</u>	<u>\$4,825,416</u>	<u>\$430,252</u>	<u>\$46,879</u>	<u>\$799,946</u>	<u>\$1,594,199</u>	<u>\$284,903</u>	<u>\$16,021,674</u>
Depreciation and Impairment:									
As of January 1, 2022	\$-	\$3,566,409	\$3,269,963	\$304,536	\$33,424	\$594,020	\$1,140,074	\$-	\$8,908,426
Depreciation	-	94,519	110,650	10,706	760	14,680	39,479	-	270,794
Disposals	-	(6,102)	(79,430)	(419)	(991)	-	(10,108)	-	(97,050)
Transfers	-	(269)	426	(1,906)	1	-	(4,497)	19	(6,226)
Exchange differences	-	77,842	86,833	8,163	1,524	22,293	33,093	-	229,748
As of March 31, 2022	<u>\$-</u>	<u>\$3,732,399</u>	<u>\$3,388,442</u>	<u>\$321,080</u>	<u>\$34,718</u>	<u>\$630,993</u>	<u>\$1,198,041</u>	<u>\$19</u>	<u>\$9,305,692</u>
As of January 1, 2021	\$-	\$3,331,098	\$3,223,509	\$305,503	\$33,244	\$613,346	\$1,233,622	\$-	\$8,740,322
Depreciation	-	84,300	107,356	9,310	566	8,932	30,197	-	240,661
Disposals	-	(58,947)	(23,751)	(272)	-	(3,466)	(28,731)	-	(115,167)
Transfers	-	67	(20,882)	(1,959)	-	-	(4,014)	-	(26,788)
Exchange differences	-	(9,421)	(9,878)	(1,262)	(180)	(3,010)	(5,234)	-	(28,985)
As of March 31, 2021	<u>\$-</u>	<u>\$3,347,097</u>	<u>\$3,276,354</u>	<u>\$311,320</u>	<u>\$33,630</u>	<u>\$615,802</u>	<u>\$1,225,840</u>	<u>\$-</u>	<u>\$8,810,043</u>
Net carrying amounts as of:									
March 31, 2022	<u>\$25,642</u>	<u>\$4,804,299</u>	<u>\$1,865,125</u>	<u>\$123,955</u>	<u>\$11,857</u>	<u>\$189,582</u>	<u>\$428,961</u>	<u>\$237,285</u>	<u>\$7,686,706</u>
December 31, 2021	<u>\$25,680</u>	<u>\$4,567,713</u>	<u>\$1,708,891</u>	<u>\$122,691</u>	<u>\$10,771</u>	<u>\$194,414</u>	<u>\$442,016</u>	<u>\$441,630</u>	<u>\$7,513,806</u>
March 31, 2021	<u>\$25,808</u>	<u>\$4,667,174</u>	<u>\$1,549,062</u>	<u>\$118,932</u>	<u>\$13,249</u>	<u>\$184,144</u>	<u>\$368,359</u>	<u>\$284,903</u>	<u>\$7,211,631</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The Group evaluated the economic benefits for property, plant and equipment and identified no impairment loss for the three-month periods ended March 31, 2022 and 2021, respectively.

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

(11) Investment Property

Investment property held by the group is for own-use. The Group signed the commercial property lease contracts with periods during 3 years, which include clauses to enable upward revision of the rental change on an annual base according to prevailing market conditions.

	<u>Buildings</u>
Cost:	
As of January 1, 2022	\$244,538
Additions from acquisitions	-
As of March 31, 2022	<u>\$244,538</u>
As of January 1, 2021	\$244,538
Additions from acquisitions	-
As of March 31, 2021	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2022	\$92,237
Depreciation	2,018
As of March 31, 2022	<u>\$94,255</u>
As of January 1, 2021	\$84,184
Depreciation	2,014
As of March 31, 2021	<u>\$86,198</u>
Net carry amount as of:	
March 31, 2022	<u>\$150,283</u>
December 31, 2021	<u>\$152,301</u>
March 31, 2021	<u>\$158,340</u>

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Rental income from investment property	\$3,196	\$3,197
Less: Direct operating expenses from investment property generating rental income	<u>(2,018)</u>	<u>(2,014)</u>
Total	<u>\$1,178</u>	<u>\$1,183</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value of the investment property	\$212,800	\$212,800	\$218,200
Discount rates	3.845%	3.845%	3.845%
Growth rates	0.4%	0.4%	0.4%

(12) Intangible Assets

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2022	\$103,621	\$179,451	\$284,391	\$87,123	\$5,940	\$225,050	\$885,576
Additions	-	-	4,558	-	-	2,192	6,750
Disposals	(103,621)	-	(6,446)	-	-	-	(110,067)
Exchange differences	-	(10)	(1,331)	-	-	1,246	(95)
As of March 31, 2022	\$-	\$179,441	\$281,172	\$87,123	\$5,940	\$228,488	\$782,164
As of January 1, 2021	\$103,677	\$179,522	\$228,722	\$87,123	\$5,940	\$260,930	\$865,914
Additions	-	-	11,151	-	-	228	11,379
Disposals	-	-	(1,763)	-	-	-	(1,763)
Exchange differences	6	(37)	(511)	-	-	1,419	877
As of March 31, 2021	\$103,683	\$179,485	\$237,599	\$87,123	\$5,940	\$262,577	\$876,407
Amortization and Impairment:							
As of January 1, 2022	\$103,621	\$41,846	\$140,738	\$60,929	\$5,940	\$201,868	\$554,942
Amortization	-	4,377	11,427	1,039	-	2,535	19,378
Disposals	(103,621)	-	(6,343)	-	-	-	(109,964)
Exchange differences	-	(8)	(1,304)	-	-	1,236	(76)
As of March 31, 2022	\$-	\$46,215	\$144,518	\$61,968	\$5,940	\$205,639	\$464,280
As of January 1, 2021	\$101,601	\$24,379	\$119,851	\$56,770	\$5,940	\$148,727	\$457,268
Amortization	890	4,378	10,169	1,039	-	10,588	27,064
Disposals	-	-	(1,763)	-	-	-	(1,763)
Exchange differences	6	(21)	(464)	-	-	749	270
As of March 31, 2021	\$102,497	\$28,736	\$127,793	\$57,809	\$5,940	\$160,064	\$482,839

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

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Net carrying amount as of:							
March 31, 2022	\$-	\$133,226	\$136,654	\$25,155	\$-	\$22,849	\$317,884
December 31, 2021	\$-	\$137,605	\$143,653	\$26,194	\$-	\$23,182	\$330,634
March 31, 2021	\$1,186	\$150,749	\$109,806	\$29,314	\$-	\$102,513	\$393,568

Amortization expense of intangible assets:

	Three months ended March 31	
	2022	2021
Operating costs	\$2,238	\$2,066
Selling expenses	2,265	4,338
General and administrative expenses	5,017	4,282
Research and development expenses	9,858	16,378
Total	\$19,378	\$27,064

(13) Short-Term Borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank loans	\$11,332,313	\$11,812,397	\$8,371,521
Interest rates (%)	0.44%~1.99%	0.33%~1.00%	0.38%~1.98%

The Group's unused short-term lines of credits amounted to NT\$38,180,675 thousand, NT\$35,699,280 thousand, and NT\$38,087,426 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

(14) Derivative Financial Liabilities

Financial liabilities at fair value through profit or loss:

	March 31, 2022	December 31, 2021	March 31, 2021
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$335,672	\$57,060	\$80,351
Forward cross currency contracts	-	-	2,263
Total	\$335,672	\$57,060	\$82,614

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

(15) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	March 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.35%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from First bank	63	1.35%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	3,929	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	94,286	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021
Secured long-term borrowings from Hua Nan Commercial bank	196,428	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	19,643	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Export-Import Bank of the Republic of China	105,000	0.62%	Principle will be repaid once at maturity on May 8, 2022.
Long-term borrowings from Export-Import Bank of the Republic of China	95,000	0.62%	Principle will be repaid once at maturity on May 13, 2022.
Long-term borrowings from Sumitomo Mitsui Bank	7,845	1.60%	Government subsidizes the interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.

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

Lenders	March 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
Syndicated loan of 9 Banks - Commercial paper loans	2,000,000	0.978%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(5,700)		
Amortization of commercial paper discount	(3,812)		
Current portion	(391,388)		
Total	<u>\$2,721,194</u>		

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.10%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from First bank	69	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	4,286	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	102,857	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	214,285	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	21,428	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Export-Import Bank of the Republic of China	105,000	0.62%	Principle will be repaid once at maturity on May 8, 2022.

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

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Long-term borrowings from Export-Import Bank of the Republic of China	95,000	0.62%	Principle will be repaid once at maturity on May 13, 2022.
Long-term borrowings from Sumitomo Mitsui Bank	8,552	1.60%	Government subsidizes the interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Syndicated loan of 9 Banks - Commercial paper loans	1,000,000	0.978%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(6,037)		
Amortization of commercial paper discount	(1,993)		
Current portion	(316,446)		
Total	<u>\$1,826,901</u>		

Lenders	March 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$28,333	1.20%	Principle will be repaid once at maturity on July 27, 2021.
Secured long-term borrowings from First bank	88	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	5,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	120,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.

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

Lenders	March 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Hua Nan Commercial bank	250,000	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	25,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Export-Import Bank of the Republic of China	105,000	0.52%	Principle will be repaid once at maturity on May 8, 2022.
Long-term borrowings from Export-Import Bank of the Republic of China	95,000	0.52%	Principle will be repaid once at maturity on May 13, 2022.
Long-term borrowings from Sumitomo Mitsui Bank	10,308	1.60%	Government subsidizes the interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Less: current portion	<u>(115,789)</u>		
Total	<u><u>\$522,940</u></u>		

The Group's unused long-term lines of credits amounted to NT\$4,592,155 thousand, NT\$5,600,000 thousand and NT\$1,199,900 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

(16) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three-month periods ended March 31, 2022 and 2021 were NT\$133,261 thousand and NT\$84,862 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three-month periods ended March 31, 2022 and 2021 were NT\$264 thousand and NT\$304 thousand, respectively.

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

(17) Provisions

	<u>Warranties</u>
As of January 1, 2022	\$578,084
Arising during the period	187,184
Utilized during the period	(181,686)
Exchange differences	12,412
As of March 31, 2022	<u>\$595,994</u>
Current	\$595,994
Non-current	-
As of March 31, 2022	<u>\$595,994</u>
	<u>Warranties</u>
As of January 1, 2021	\$700,964
Arising during the period	55,980
Utilized during the period	(75,474)
Exchange differences	(7,852)
As of March 31, 2021	<u>\$673,618</u>
Current	\$673,618
Non-current	-
As of March 31, 2021	<u>\$673,618</u>

Warranties

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

(18) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of March 31, 2022, December 31, 2021, and March 31, 2021, respectively (including NT\$700,000 thousand reserved for exercise of share warrants, preferred shares with warrants and corporate bonds with warrants), each at a par value of NT\$10. CORE's issued capital was NT\$3,909,811 thousand, divided into 390,981 thousand shares, as of March 31, 2022, December 31, 2021 and March 31, 2021. Each share has one voting right and a right to receive dividends.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

On March 15, 2021, the Board of Directors resolved to retire 43,442 thousand treasury shares and determined that the date of capital reduction was March 15, 2021. The related registration processes have been completed on March 17, 2021.

B. Capital surplus

	March 31, 2022	December 31, 2021	March 31, 2021
Additional paid-in capital	\$1,648,180	\$2,039,161	\$2,039,161
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	850,931	758,483	631,471
Changes in ownership interests in subsidiaries	95,133	93,948	93,947
Changes from investments in associates and joint ventures accounted for using the equity method	1,850	1,850	1,557
Total	<u>\$2,596,094</u>	<u>\$2,893,442</u>	<u>\$2,766,136</u>

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

C. Treasury shares

In order to maintain CORE's credit and shareholders' equity, the Board of Directors resolved to purchase common shares on February 8, 2021. During the period from February 17, 2021 to April 8, 2021, CORE planned to purchase 43,442 thousand shares, and the price ranged from NT\$30.10 to NT\$60.74 per share. As of March 3, 2021, CORE purchased 43,442 thousand shares in the amount of NT\$2,102,777 thousand.

On March 15, 2021, Board of Directors resolved to retire 43,442 thousand treasury shares and determined that the date of capital reduction was March 15, 2021. The related registration processes have been completed on March 17, 2021.

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

D. Retained earnings and dividend policies:

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

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

The special reserve of the first adoption of the TIFRS as of March 31, 2022 and 2021 amounted to NT\$1,276,610 thousand.

Details of the 2021 and 2020 earnings distribution and dividends per share as resolved by the shareholders' meeting on March 21, 2022 and July 30, 2020, respectively, are as follows:

	<u>Appropriation of earnings</u>		<u>Dividends per share (NT\$)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Legal reserve	\$75,003	\$156,752		
Common stock - cash dividend	1,172,944	1,172,944	\$3.0	\$3.0
			(expected)	

In addition, the board members' meeting on March 21, 2022, and shareholders' meeting on July 30, 2021 proposed and resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$390,981 thousand (NT\$1 per share), respectively.

Please refer to Note 6(22) for further details on employees' compensation and remuneration to directors and supervisors.

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

E. Non-controlling interests:

	Three months ended March 31,	
	2022	2021
Beginning balance	\$2,064,897	\$2,043,951
Profit (loss) attributable to non-controlling interests	12,104	(22,987)
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	39,045	(4,475)
Acquisition or disposal of the interest of subsidiaries	41,768	-
Ending balance	<u>\$2,157,814</u>	<u>\$2,016,489</u>

(19) Sales

	Three months ended March 31,	
	2022	2021
Contract revenue from customers		
Sale of goods	\$12,843,915	\$9,653,521
Revenue arising from rendering of services	249,657	290,016
Other operating revenues	44,336	79,750
Total	<u>\$13,137,908</u>	<u>\$10,023,287</u>

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

A. Revenue of Segments

For the three-month periods ended March 31, 2022

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$7,331,326	\$4,395,883	\$1,198,414	\$888,743	\$(970,451)	\$12,843,915
Revenue arising from rendering of services	137,453	20,292	3,553	171,822	(83,463)	249,657
Other operating revenues	18,818	10,837	-	14,681	-	44,336
Total	<u>\$7,487,597</u>	<u>\$4,427,012</u>	<u>\$1,201,967</u>	<u>\$1,075,246</u>	<u>\$(1,053,914)</u>	<u>\$13,137,908</u>

The timing of revenue recognition:

At a point in time	<u>\$7,487,597</u>	<u>\$4,427,012</u>	<u>\$1,201,967</u>	<u>\$1,075,246</u>	<u>\$(1,053,914)</u>	<u>\$13,137,908</u>
--------------------	--------------------	--------------------	--------------------	--------------------	----------------------	---------------------

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

For the three-month periods ended March 31, 2021

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$5,010,697	\$3,258,035	\$1,031,655	\$701,704	\$(348,570)	\$9,653,521
Revenue arising from rendering of services	127,900	23,243	2,861	203,348	(67,336)	290,016
Other operating revenues	14,874	32,301	-	39,085	(6,510)	79,750
Total	<u>\$5,153,471</u>	<u>\$3,313,579</u>	<u>\$1,034,516</u>	<u>\$944,137</u>	<u>\$(422,416)</u>	<u>\$10,023,287</u>
The timing of revenue recognition:						
At a point in time	<u>\$5,153,471</u>	<u>\$3,313,579</u>	<u>\$1,034,516</u>	<u>\$944,137</u>	<u>\$(422,416)</u>	<u>\$10,023,287</u>

B.Contract balance

Contract liabilities - current

	March 31, 2022	December 31, 2021	March 31, 2021	January 1 2021
Sale of goods	\$278,482	\$173,726	\$191,714	\$152,133
Revenue arising from rendering of services	420	112	3,586	1,813
Other operating revenues	158,773	127,404	92,757	96,529
Total	<u>\$437,675</u>	<u>\$301,242</u>	<u>\$288,057</u>	<u>\$250,475</u>

The Group recognized NT\$301,242 thousand, and NT\$250,475 thousand, respectively, in revenues from the contract liabilities balance at the beginning of the period as performance obligations were satisfied for the three-month period ended March 31, 2022 and 2021.

C. Transaction price allocated to unsatisfied performance obligations

As of March 31, 2022 and 2021, there is no need to provide relevant information of the unsatisfied performance obligations as the contracts with customers about the sales of goods are all satisfied within one year.

D. Cost of assets from acquisition or performance of customer contracts.

None.

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

(20) Expected credit (gain) losses

	Three months ended March 31	
	2022	2021
Operating expenses – Expected credit (gain) losses		
Trade receivables	<u>\$(7,880)</u>	<u>\$1,159</u>

The Group measures trade receivables (including notes receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of March 31, 2022 and 2021 is as follows:

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

As of March 31, 2022

Group A

	Not	Past due					
	past due	1 to 30	31 to 60	61 to 90	91 to 120	More than	Total
		days	days	days	days	121 days	
Gross carrying amount	\$678,232	\$128,002	\$32,836	\$7,932	\$3,941	\$24,147	\$875,090
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(121)	(102)	(607)	(93)	(4,511)	(5,434)
Subtotal	<u>\$678,232</u>	<u>\$127,881</u>	<u>\$32,734</u>	<u>\$7,325</u>	<u>\$3,848</u>	<u>\$19,636</u>	<u>\$869,656</u>

Group B

	Not	Past due					
	past due	1 to 30	31 to 60	61 to 90	91 to 120	More than	Total
		days	days	days	days	121 days	
Gross carrying amount	\$12,568,166	\$1,798,590	\$40,251	\$4,417	\$891	\$12,926	\$14,425,241
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(535)	(1,689)	(1,211)	(153)	(12,926)	(16,514)
Subtotal	<u>\$12,568,166</u>	<u>\$1,798,055</u>	<u>\$38,562</u>	<u>\$3,206</u>	<u>\$738</u>	<u>\$-</u>	<u>\$14,408,727</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2021

Group A

		Past due					
	Not	1 to 30	31 to 60	61 to 90	91 to 120	More than	
	past due	days	days	days	days	121 days	Total
Gross carrying							
amount	\$1,053,171	\$208,805	\$16,591	\$2,153	\$1,735	\$18,061	\$1,300,516
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit							
losses	-	(392)	(93)	(117)	(87)	(3,436)	(4,125)
Subtotal	\$1,053,171	\$208,413	\$16,498	\$2,036	\$1,648	\$14,625	\$1,296,391

Group B

		Past due					
	Not	1 to 30	31 to 60	61 to 90	91 to 120	More than	
	past due	days	days	days	days	121 days	Total
Gross carrying							
amount	\$16,989,926	\$610,291	\$65,998	\$16,550	\$1,056	\$16,293	\$17,700,114
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit							
losses	-	(752)	(3,308)	(4,965)	(120)	(16,293)	(25,438)
Subtotal	\$16,989,926	\$609,539	\$62,690	\$11,585	\$936	\$-	\$17,674,676

As of March 31, 2021

Group A

		Past due					
	Not	1 to 30	31 to 60	61 to 90	91 to 120	More than	
	past due	days	days	days	days	121 days	Total
Gross carrying							
amount	\$593,273	\$102,000	\$14,983	\$2,966	\$6,599	\$13,831	\$733,652
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit							
losses	-	(263)	(122)	(191)	(414)	(2,714)	(3,704)
Subtotal	\$593,273	\$101,737	\$14,861	\$2,775	\$6,185	\$11,117	\$729,948

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

Group B

		Past due					
	Not	1 to 30	31 to 60	61 to 90	91 to 120	More than	
	past due	days	days	days	days	121 days	Total
Gross carrying							
amount	\$11,014,779	\$401,321	\$45,649	\$9,304	\$1,204	\$34,601	\$11,506,858
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit							
losses	-	(260)	(792)	(1,965)	(600)	(34,601)	(38,218)
Subtotal	<u>\$11,014,779</u>	<u>\$401,061</u>	<u>\$44,857</u>	<u>\$7,339</u>	<u>\$604</u>	<u>\$-</u>	<u>\$11,468,640</u>

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

	Trade receivables
As of January 1, 2022	\$29,563
Reversal	(7,880)
Exchange differences	265
As of March 31, 2022	<u>\$21,948</u>

	Trade receivables
As of January 1, 2021	\$42,430
Addition for the current period	1,206
Write off	(13,726)
Exchange differences	(347)
As of December 31, 2021	<u>\$29,563</u>

	Trade receivables
As of January 1, 2021	\$42,430
Addition for the current period	1,159
Write off	(1,528)
Exchange differences	(139)
As of March 31, 2021	<u>\$41,922</u>

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

(21) Leases

A. Group as lessee

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
Land	\$1,278,145	\$1,258,689	\$1,302,656
Buildings	649,664	648,590	568,600
Transportation equipment	31,857	27,529	29,184
Office fixtures	2,945	3,212	2,254
Other equipment	-	6	64
Total	<u>\$1,962,611</u>	<u>\$1,938,026</u>	<u>\$1,902,758</u>

During the three-month periods ended March 31, 2022 and 2021, the additions to right-of-use assets of the Group amounted to NT\$90,868 thousand and NT\$258,449 thousand, respectively.

ii. Lease liability

	March 31, 2022	December 31, 2021	March 31, 2021
Lease liability			
Current	\$340,251	\$331,267	\$270,122
Non-current	<u>1,452,985</u>	<u>1,439,893</u>	<u>1,450,375</u>
Total	<u>\$1,793,236</u>	<u>\$1,771,160</u>	<u>\$1,720,497</u>

Please refer to Note 6(23)D. for the interest on lease liability recognized during the three-month periods ended March 31, 2022 and 2021, and Note 12(5) for the maturity analysis for lease liabilities.

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

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

Depreciation charge for right-of-use assets

	Three months ended March 31	
	2022	2021
Land	\$15,583	\$15,372
Buildings	62,529	59,254
Transportation equipment	5,098	5,395
Office fixtures	313	177
Other equipment	6	16
Total	\$83,529	\$80,214

(c) Income and costs relating to leasing activities

	Three months ended March 31	
	2022	2021
The expense relating to short-term leases	\$22,490	\$10,314
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	4,587	6,612
Total	\$27,077	\$16,926

For the rent concession arising as a direct consequence of the COVID-19 pandemic, the amounts the Group recognized in profit or loss for the three-month periods ended March 31, 2022 and 2021, were nil, which reflected changes in lease payments that arose from such rent concessions to which the Group has applied the practical expedient.

(d) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2022 and 2021, the Group's total cash outflows for leases amounted to NT\$119,902 thousand and NT\$106,002 thousand, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

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

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

ii. Extension and termination options

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

iii. Residual value guarantees

To optimize lease costs during the contract period, the Group doesn't provide residual value guarantees in relation to rental agreement, and therefore no residual value guarantees are recorded in lease liability.

B. Group as lessor

Please refer to Note 6(11) for details on the Group's owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

No financing lease contracts were signed.

	Three months ended March 31	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$11,790	\$11,494
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	<u>\$11,790</u>	<u>\$11,494</u>

Please refer to Note 6(11) for relevant disclosure of investment properties for operating leases which required by IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining periods are as follows:

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

	March 31, 2022	December 31, 2021	March 31, 2021
Not later than one year	\$36,429	\$36,817	\$37,350
Later than one year but not later than two years	26,524	35,270	35,716
Later than two years but not later than three years	286	286	26,238
Later than three years but not later than four years	286	286	-
Total	<u>\$63,525</u>	<u>\$72,659</u>	<u>\$99,304</u>

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

Function Items	Three months ended March 31					
	2022			2021		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$1,015,067	\$1,180,247	\$2,195,314	\$882,757	\$1,081,270	\$1,964,027
Salaries	839,757	986,086	1,825,843	742,980	939,684	1,682,664
Labor and health insurance	46,411	81,812	128,223	33,813	81,325	115,138
Pension	57,990	75,535	133,525	39,057	46,109	85,166
Other employee benefits expense	70,909	36,814	107,723	66,907	14,152	81,059
Depreciation	253,424	95,949	349,373	210,567	98,817	309,384
Amortization	2,276	17,176	19,452	2,157	24,990	27,147

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

CORE accrued employees' compensation based on a specific rate of profit for the three-month periods ended March 31, 2022 and 2021. The amounts of employees' compensation was NT\$73,127 thousand and NT\$ 55,251 thousand for the three-month periods ended March 31, 2022 and 2021, respectively. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, CORE will recognize the change as an adjustment in the profit or loss in the subsequent period.

A resolution was approved at a Board of Directors' meeting held on February 14, 2022 to distribute NT\$288,508 thousand in cash as employees' compensation. There was no material difference between the resolution and the estimated amount for the year ended December 31, 2021.

There was no material difference between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2020.

(23) Non-Operating Income and Expenses

A. Interest income

	Three months ended March 31	
	2022	2021
Financial assets measured at amortized cost	\$82,729	\$98,413

B. Other income

	Three months ended March 31	
	2022	2021
Government grants income	\$16,470	\$54,049
Dividend income	44,475	34,640
Rental income	11,790	11,494
Other	29,843	40,768
Total	\$102,578	\$140,951

C. Other gains and losses

	Three months ended March 31	
	2022	2021
Gain on disposal of property, plant and equipment	\$9,832	\$14,630
Foreign exchange loss, net	(330,687)	(28,074)
Gain on financial assets at fair value through profit or loss (Note)	514,136	215,400
Gain on lease modification	439	117
Other loss	(11,322)	(7,777)
Total	\$182,398	\$194,296

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. Finance cost

	Three months ended March 31	
	2022	2021
Interest on borrowings from bank	\$35,264	\$15,442
Interest on lease liabilities	14,492	13,652
Total	<u>\$49,756</u>	<u>\$29,094</u>

(24) Components of Other Comprehensive Income

For the three-month periods ended March 31, 2022

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	\$(365,122)	\$(3,010)	\$(368,132)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	1,054,051	-	1,054,051
Share of the other comprehensive income of associates accounted for using the equity method	30	-	30
Total of other comprehensive income	<u>\$688,959</u>	<u>\$(3,010)</u>	<u>\$685,949</u>

For the three-month periods ended March 31, 2021

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$38,406	\$49	\$38,455
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(160,327)	-	(160,327)
Total of other comprehensive income	<u>\$(121,921)</u>	<u>\$49</u>	<u>\$(121,872)</u>

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

(25) Income Tax

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

Income tax expense (income) recognized in profit or loss

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Current income tax expense (income):		
Current income tax expense	\$126,985	\$112,157
Adjustments in respect of current income tax of prior periods	(838)	8,954
Deferred tax expense (income):		
Deferred tax expense relating to origination and reversal of temporary differences.	73,051	11,657
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	(47,997)	(13,783)
Total income tax expense	<u>\$151,201</u>	<u>\$118,985</u>

Income tax relating to components of other comprehensive income

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Deferred income tax (expense) income:		
Unrealized (loss) gain from equity instruments investments measured at fair value through other comprehensive income	<u>\$(3,010)</u>	<u>\$49</u>

The assessment of income tax returns

As of March 31, 2022, the assessment of the income tax returns of the Group and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
CORE	Assessed and approved up to 2018
TYO	Assessed and approved up to 2020
Optoma	Assessed and approved up to 2018
CGT	Assessed and approved up to 2020
Tsen Ming Investment	Assessed and approved up to 2020
YGE	Assessed and approved up to 2019
Rays Optics	Assessed and approved up to 2019
CICS	Assessed and approved up to 2020
CVC	Assessed and approved up to 2020
UCM	Assessed and approved up to 2020
ISC	Assessed and approved up to 2020

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	<u>The assessment of income tax returns</u>
CVD	Assessed and approved up to 2019
CIRC	Assessed and approved up to 2020
CRI	Assessed and approved up to 2019
CMC	Assessed and approved up to 2020
CILS	Established in 2021 and undeclared

(26) Earnings Per Share

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

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	<u>\$478,912</u>	<u>\$386,440</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>390,981</u>	<u>416,121</u>
Basic earnings per share (NT\$)	<u>\$1.22</u>	<u>\$0.93</u>
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	<u>\$478,912</u>	<u>\$386,440</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	416,121
Effect of dilution:		
Employee bonus — stock (in thousand)	<u>4,497</u>	<u>4,716</u>
Weighted average number of ordinary shares outstanding after dilution (in thousand)	<u>395,478</u>	<u>420,837</u>
Diluted earnings per share (NT\$)	<u>\$1.21</u>	<u>\$0.92</u>

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

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

(27) Subsidiaries that have Material Non-Controlling Interests

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

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	March 31, 2022	December 31, 2021	March 31, 2021
Young Optics Inc.	Taiwan	63.69%	62.39%	61.26%
Accumulated balance of material non-controlling interests		March 31, 2022	December 31, 2021	March 31, 2021
Young Optics, Inc.		\$2,085,351	\$1,989,816	\$1,927,545

	Three months ended March 31	
	2022	2021
Profit (loss) allocated to material non-controlling interest		
Young Optics, Inc.	\$15,467	\$(20,331)

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

Summarized information of profit or loss for the three-month periods ended March 31, 2022:

	Young Optics Inc.
Operating revenue	\$1,201,967
Profit for the period from continuing operations	23,370
Total comprehensive income for the period	84,204

Summarized information of profit or loss for the three-month periods ended March 31, 2021:

	Young Optics Inc.
Operating revenue	\$1,034,516
Loss for the period from continuing operations	(32,923)
Total comprehensive loss for the period	(40,332)

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

Summarized information of financial position as of March 31, 2022:

	<u>Young Optics Inc.</u>
Current assets	\$3,389,864
Non-current assets	2,731,745
Current liabilities	(1,734,225)
Non-current liabilities	(1,119,345)

Summarized information of financial position as of December 31, 2021:

	<u>Young Optics Inc.</u>
Current assets	\$3,186,858
Non-current assets	2,753,280
Current liabilities	(1,550,402)
Non-current liabilities	(1,205,901)

Summarized information of financial position as of March 31, 2021:

	<u>Young Optics Inc.</u>
Current assets	\$2,576,103
Non-current assets	2,943,328
Current liabilities	(1,426,184)
Non-current liabilities	(951,817)

Summarized cash flow information for the three-month periods ended March 31, 2022:

	<u>Young Optics Inc.</u>
Operating activities	\$46,405
Investing activities	(29,122)
Financing activities	(163,006)
Net decrease in cash and cash equivalents	(96,197)

Summarized cash flow information for the three-month periods ended March 31, 2021:

	<u>Young Optics Inc.</u>
Operating activities	\$(65,785)
Investing activities	(109,375)
Financing activities	(57,104)
Net decrease in cash and cash equivalents	(238,760)

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

7. Related Party Transactions

(1) Related Party Name and Categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
Etergo Opto-Electronics Co., LTD (“EOE”)	Associate
Chi Hua Fitness Co., LTD. (“CHI HUA”)	Substantive related party
Dongtai Qidian Electronic Technology Co., Ltd (“DONGTAI QIDIAN”)	Substantive related party

(2) Significant transactions with related parties

A. Sales

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
CHI HUA	<u>\$24</u>	<u>\$-</u>

The sales price to the above related parties was determined by mutual agreement based on the market rates. The payment terms are not significantly different between related parties and third-party customers. The receivables-related parties were not pledged, bearing no interest and were paid in cash. The receivables-related parties also were not guaranteed.

B. Purchases

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
EOE	<u>\$48,502</u>	<u>\$16,719</u>

The purchase price to the above related parties was determined by mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between 60-90 days.

C. Accounts Receivable from Related Parties

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
DONGTAI QIDIAN	\$3,896	\$5,842	\$-
CHI HUA	25	-	-
Total	<u>\$3,921</u>	<u>\$5,842</u>	<u>\$-</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. Accounts Payable to Related Parties

	March 31, 2022	December 31, 2021	March 31, 2021
EOE	\$41,346	\$29,824	\$12,824

E. Other Payable to Related Parties

	March 31, 2022	December 31, 2021	March 31, 2021
EOE	\$324	\$6,440	\$6,301

F. Others

For the three-month periods ended March 31, 2022 and 2021, the Group purchased molds from EOE, amounting to NT\$308 thousand and NT\$1,915 thousand, respectively.

G. Key Management Personnel Compensation

	Three months ended March 31	
	2022	2021
Short-term employee benefits	\$50,200	\$42,214
Post-employment benefits	515	471
Total	\$50,715	\$42,685

8. Assets Pledged as Collateral

The following assets of the Group pledged as collateral:

	Carrying amount			
Assets pledged as collateral	March 31, 2022	December 31, 2021	March 31, 2021	Purpose of pledge
Buildings (including investment property)	\$785,432	\$795,875	\$827,207	Collateral for long-term borrowings
Time deposits (presented as “Other receivables”)	36,355	34,985	34,985	Lease execution deposits
Time deposits (presented as “Other noncurrent assets”)	20,784	20,781	20,780	Lease execution deposits
Time deposits (presented as “Other receivables”)	2,037	2,037	2,082	Customs import guarantee
Bank deposits (presented as “Other receivables”)	2,014	13	860	Export tax guarantee
Time deposits (presented as “Other noncurrent assets”)	1,087	1,087	1,082	Customs import guarantee
Bank deposits (presented as “Other receivables”)	-	-	15,549	Derivative execution deposits
Total	\$847,709	\$854,778	\$902,545	

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

9. Commitments and Contingencies

A. Amount available under unused letters of credit as of March 31, 2022 was NT\$15,163 thousand.

B. The Group entered into contracts to acquire two land use rights by two stages in the amount of VND340,275,000 thousand (approximately NT\$421,661 thousand) and VND340,155,904 thousand (approximately NT\$421,513 thousand), respectively. As of March 31, 2022, the prepayment of VND238,673,921 thousand (approximately NT\$295,759 thousand) was recognized under non-current assets, and the outstanding payable is VND441,756,983 thousand (approximately NT\$547,415 thousand).

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

Except as those disclosed in Note 12(12), there are no significant subsequent events.

12. Others

(1) Categories of Financial Instruments

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Financial assets at fair value			
through profit or loss:			
Financial assets designated at fair			
value through profit or loss	\$-	\$-	\$86,847
Mandatorily measured at fair value			
through profit or loss (Note 1)	6,226,164	8,875,150	305,163
Financial assets at fair value through			
other comprehensive income	3,724,909	3,988,804	951,676
Financial assets measured at			
amortized cost (Note 2)	27,172,372	27,729,328	31,073,563
Hedging financial assets	-	-	2,768
Total	<u>\$37,123,445</u>	<u>\$40,593,282</u>	<u>\$32,420,017</u>

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

<u>Financial liabilities</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Financial liabilities at amortized cost:			
Short-term borrowings	\$11,332,313	\$11,812,397	\$8,371,521
Accounts payable (including related parties)	11,225,594	13,496,410	8,944,534
Other payables	6,363,217	5,297,433	5,403,825
Lease liability (including current and noncurrent)	1,793,236	1,771,160	1,720,497
Long-term borrowings (including current portion)	3,112,582	2,143,347	638,729
Subtotal	<u>33,826,942</u>	<u>34,520,747</u>	<u>25,079,106</u>
Financial liabilities at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss - current	335,672	57,060	82,614
Total	<u>\$34,162,614</u>	<u>\$34,577,807</u>	<u>\$25,161,720</u>

Note 1: As of March 31, 2021 and December 31, 2021, the financial assets measured at fair value through profit or loss, including accounts receivable, was NT\$5,583,023 thousand and NT\$8,694,391 thousand, respectively. Please refer to Note 6(7) for more details.

Note 2: Include cash and cash equivalents (excluding cash on hand), notes receivable, trade receivables (including related parties), other receivables and restricted assets.

(2) Financial Risk Management Objectives and Policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 1%, the profit for the three-month periods ended March 31, 2022 and 2021 is decreased/increased by NT\$26,787 thousand and NT\$123,852 thousand, while equity is decreased/increased by NT\$283,126 thousand and NT\$257,012 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments with variable interest rate, and bank borrowings with variable interest rate, and interest rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the three-month periods ended March 31, 2022 and 2021 to decreased/increased by NT\$34,611 thousand and NT\$20,396 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Equity price risk

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

For the three-month periods ended March 31, 2022, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instrument at fair value through profit or loss could increase/decrease by NT\$571 thousand on income attributable to the Group.

For the three-month periods ended March 31, 2022 and 2021, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instrument at fair value through other comprehensive income could increase/decrease by NT\$37,249 thousand and NT\$9,517 thousand on the equity attributable to the Group, respectively.

(4) Credit Risk Management

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

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

As of March 31, 2022, December 31, 2021, and March 31, 2021, receivables from top ten customers represented 87%, 73% and 63% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

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

(5) Liquidity Risk Management

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

Non-derivative financial liabilities

	Less than 1				
	year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of March 31, 2022					
Borrowings	\$11,752,264	\$737,198	\$2,001,587	\$-	\$14,491,049
Accounts payable					
(including related parties)	11,225,594	-	-	-	11,225,594
Other payables					
(including related parties)	6,363,217	-	-	-	6,363,217
Lease liability	356,678	475,478	210,199	1,144,152	2,186,507
As of December 31, 2021					
Borrowings	\$12,144,575	\$841,785	\$1,002,164	\$-	\$13,988,524
Accounts payable					
(including related parties)	13,496,410	-	-	-	13,496,410
Other payables					
(including related parties)	5,297,433	-	-	-	5,297,433
Lease liability	360,261	469,545	220,501	1,130,865	2,181,172
As of March 31, 2021					
Borrowings	\$8,528,620	\$437,325	\$90,089	\$-	\$9,056,034
Accounts payable					
(including related parties)	8,944,534	-	-	-	8,944,534
Other payables					
(including related parties)	5,403,825	-	-	-	5,403,825
Lease liability	286,378	403,474	259,553	1,189,064	2,138,469

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of March 31, 2022			
Inflows	\$-	\$-	\$-
Outflows	335,672	-	335,672
Net	\$335,672	\$-	\$335,672
As of December 31, 2021			
Inflows	\$-	\$-	\$-
Outflows	57,060	-	57,060
Net	\$57,060	\$-	\$57,060
As of March 31, 2021			
Inflows	\$-	\$-	\$-
Outflows	82,614	-	82,614
Net	\$82,614	\$-	\$82,614

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

(6) Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of liabilities for the three-month periods ended March 31, 2022:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2022	\$11,812,397	\$2,143,347	\$1,771,160	\$23,291	\$3,341	\$15,753,536
Cash flows	(480,084)	969,235	(78,333)	(1,938)	114	408,994
Additional leases	-	-	75,351	-	-	75,351
Exchange differences	-	-	25,058	-	-	25,058
As of March 31, 2022	\$11,332,313	\$3,112,582	\$1,793,236	\$21,353	\$3,455	\$16,262,939

Reconciliation of liabilities for the three-month periods ended March 31, 2021:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2021	\$5,137,417	\$669,479	\$1,554,422	\$28,390	\$15,885	\$7,405,593
Cash flows	3,234,104	(30,750)	(75,424)	(722)	113	3,127,321
Additional leases	-	-	248,466	-	-	248,466
Exchange differences	-	-	(6,967)	-	-	(6,967)
As of March 31, 2021	\$8,371,521	\$638,729	\$1,720,497	\$27,668	\$15,998	\$10,774,413

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

(7) Fair Value of Financial Instruments

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

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

- (a) The carrying amount of cash and cash equivalents, trade receivables, short-term borrowings, trade payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price at the reporting date.
- (c) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model or other valuation method.
- (d) The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate mainly is measured by similar financial instruments.

B. Fair value of financial instruments measured at amortized cost

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

C. Fair value measurement hierarchy for financial instruments

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

(8) Derivative Instruments

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

Forward currency contracts and cross currency contracts

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

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

Item (by contract)	Notional Amount	Contract Period
As of March 31, 2022		
Forward currency contract		
Selling forward currency contracts	USD 637,500 thousand	From April 2022 to November 2022
Buying forward currency contracts	USD 904,417 thousand	From April 2022 to September 2022
Selling forward currency contracts	CAD 2,050 thousand	From April 2022 to July 2022
As of December 31, 2021		
Forward currency contract		
Selling forward currency contracts	USD 627,000 thousand	From January 2022 to October 2022
Buying forward currency contracts	USD 713,500 thousand	From January 2022 to June 2022
Selling forward currency contracts	CAD 2,100 thousand	From January 2022 to April 2022
Selling forward currency contracts	EUR 35,000 thousand	January 2022
As of March 31, 2021		
Forward currency contract		
Selling forward currency contracts	USD 457,800 thousand	From April 2021 to December 2021
Buying forward currency contracts	USD 550,000 thousand	From April 2021 to September 2021
Selling forward currency contracts	CAD 1,600 thousand	From April 2021 to August 2021
Forward cross currency contract	USD 32,700 thousand	From April 2021 to June 2021

Hedging forward currency contracts

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

Item (by contract)	Notional Amount	Contract Period
As of March 31, 2021		
Forward currency contract		
Selling forward currency contracts	EUR 3,000 thousand	April 2021

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

(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$600,203	\$-	\$600,203
Convertible bond	-	-	42,938	42,938
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,724,909	3,724,909
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	335,672	-	335,672

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

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$125,399	\$-	\$125,399
Stock option	-	-	55,360	55,360
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,988,804	3,988,804
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	57,060	-	57,060
March 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Negotiable certificates of deposits	\$-	\$86,847	\$-	\$86,847
Forward currency contract	-	247,355	-	247,355
Forward cross currency contract	-	738	-	738
Stock option	-	-	57,070	57,070
Equity instrument measured at fair value through other comprehensive income				
	-	-	951,676	951,676
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	80,351	-	80,351
Forward cross currency contract	-	2,263	-	2,263

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

Transfers between the Level 1 and Level 2 during the period

During the three-months periods ended March 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

	Assets		At fair value through other comprehensive income	Total
	At fair value through profit or loss			
	Stock option	Convertible bond	Stock	
As of January 1, 2022:	\$55,360	\$-	\$3,988,804	\$4,044,164
Total gains and losses recognized for the three-months periods ended March 31, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	280	1,328	-	1,608
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	-	(368,132)	(368,132)
Acquisition	-	41,610	41,610	83,220
Transfers	(55,640)	-	55,640	-
Tax effect	-	-	3,010	3,010
Exchange differences	-	-	3,977	3,977
As of March 31, 2022	\$-	\$42,938	\$3,724,909	\$3,767,847

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

	Assets		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Stock option	Stock	
As of January 1, 2021:	\$56,960	\$913,080	\$970,040
Total gains and losses recognized for the three-months periods ended March 31, 2021:			
Amount recognized in profit or loss (presented in “other profit or loss”)	110	-	110
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	38,455	38,455
Tax effect	-	(49)	(49)
Exchange differences	-	190	190
As of March 31, 2021	\$57,070	\$951,676	\$1,008,746

Total gains and losses recognized in profit or loss for the three-month periods ended March 31, 2022 and 2021 are in the amount of NT\$1,608 thousand and NT\$110 thousand, respectively.

Information on significant unobservable inputs to valuation

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

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

As of March 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.56	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$4,144 thousand/ NT\$4,144 thousand.
At fair value					
through profit or loss					
Convertible Bond	Market Approach	P/E ratio of similar companies	0.025	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$4,294 thousand/ NT\$4,294 thousand.

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

As of December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.73	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$4,494 thousand/ NT\$4,494 thousand.
At fair value					
through profit or loss					
Stock option	Market Approach	P/E ratio of similar companies	0.43	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$6,110 thousand/ NT\$6,110 thousand.

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

As of March 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	0.97	The higher the P/E ratio of similar companies, the higher the fair value estimated.	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$2,423 thousand/ NT\$2,423 thousand.
At fair value through profit or loss					
Stock option	Market Approach	P/E ratio of similar companies	0.44	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$6,298thousand/ NT\$6,298thousand.

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

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

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

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	\$-	\$-	\$212,800	\$212,800

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	\$-	\$-	\$212,800	\$212,800

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	\$-	\$-	\$218,200	\$218,200

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

	March 31, 2022		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$813,561	28.625	\$23,288,184
EUR	65,012	31.96	2,077,623
JPY	197,218	0.2353	46,405
GBP	169	37.62	6,358
RMB	1,158	4.5092	5,222
Non-Monetary items:			
USD	\$9,405	28.625	\$269,225
<u>Financial liabilities</u>			
Monetary items:			
USD	\$907,139	28.625	\$25,966,854
EUR	26,028	31.96	831,791
JPY	102,433	0.2353	24,102
GBP	114	37.62	4,289

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

December 31, 2021			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$968,740	27.68	\$26,814,723
JPY	167,318	0.2405	40,240
GBP	338	37.30	12,607
EUR	83	31.32	2,600
Non-Monetary items:			
USD	\$7,001	27.68	\$193,800
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,031,268	27.68	\$28,545,498
JPY	86,369	0.2405	20,772
GBP	119	37.30	4,439
EUR	183	31.32	5,732
March 31, 2021			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$1,002,253	28.535	\$28,599,289
JPY	121,002	0.2577	31,182
CNY	3,964	4.3424	17,213
AUD	355	21.71	7,707
EUR	212	33.48	7,098
GBP	176	39.23	6,904
Non-Monetary items:			
USD	\$5,970	28.535	\$170,354
<u>Financial liabilities</u>			
Monetary items:			
USD	\$568,216	28.535	\$16,214,044
JPY	91,644	0.2577	23,617
GBP	4,583	39.23	179,791

The Group's entities functional currencies are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange loss was NT\$(330,687) thousand and NT\$(28,074) thousand for the three-month periods ended March 31, 2022 and 2021, respectively.

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

(11) Capital Management

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

(12) Other Items

Due to the impact of the COVID-19 pandemic, local governments of certain subsidiaries are implementing measures such as quarantine, tourism bans, or temporary shutdowns of shops and facilities.

In a response to the pandemic, the Group took the following actions:

A. Adjust operating strategies

Inspect internal production capacity and conditions of supply chain to manage various resources effectively.

B. Government relief measures

The Group has successively applied to governments for various subsidies such as salaries, working capital, rents, etc.

13. Additional Disclosures

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

A. Financing provided to others for the three-month periods ended March 31, 2022: None.

B. Endorsement/Guarantee provided to others for the three-month periods ended March 31, 2022: Please refer to Attachment 1.

C. Securities held as of March 31, 2022 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three-month periods ended March 31, 2022: None.

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three-month periods ended March 31, 2022: None.

F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three-month periods ended March 31, 2022: None.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month periods ended March 31, 2022: Please refer to Attachment 3.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2022: Please refer to Attachment 4.
- I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.
- J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(3), Note 6(4), Note 6(14), Note 12(1), Note 12(8) and Attachment 8.

(2) Information on Investees

- A. Relevant information on investees when the investees have significant influence or direct or indirect control: Please refer to Attachments 6, 6-1, 6-2 and 6-3.
- B. When the investees have significant influence or direct or indirect control, the above items from A to I shall be disclosed: Please refer to Attachments 1-1, 2-1, 3-1, 4-1.
- C. Financial instruments and derivative transactions: Please refer to Attachment 8.

(3) Investment in Mainland China

- A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 7, 7-1.
- B. Directly or indirectly significant transactions with the investees in Mainland China: please refer to Attachment 5.

(4) Information on major shareholders

Please refer to Attachment 9.

14. Segment information

(1) General Information

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

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

B. The Group has three reportable segments:

- (a) Energy-saving products segments: mainly engaged in the R&D design, manufacturing and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.
- (b) Image products and brand segments: mainly engaged in the R&D design, manufacturing and marketing of projector and brand management.
- (c) Optical components segments: mainly engaged in the R&D, production and marketing of projection-related applications of optics related components.

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

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

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

(2) Segment Income, Assets and Liabilities Information

	For the three months ended March 31, 2022						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from							
external customers	\$7,431,018	\$4,234,136	\$739,239	\$12,404,393	\$733,515	\$-	\$13,137,908
Net revenue from sales							
among intersegments	56,579	192,876	462,728	712,183	341,731	(1,053,914)	-
Total revenue	<u>\$7,487,597</u>	<u>\$4,427,012</u>	<u>\$1,201,967</u>	<u>\$13,116,576</u>	<u>\$1,075,246</u>	<u>\$(1,053,914)</u>	<u>\$13,137,908</u>
Segment income	<u>\$232,004</u>	<u>\$362,868</u>	<u>\$23,103</u>	<u>\$617,975</u>	<u>\$(120,346)</u>	<u>\$144,588</u>	<u>\$642,217</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$61,001,099</u>	<u>\$61,001,099</u>

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

For the three months ended March 31, 2021							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from							
external customers	\$5,113,628	\$3,305,713	\$925,843	\$9,345,184	\$678,103	\$-	\$10,023,287
Net revenue from sales							
among intersegments	39,843	7,866	108,673	156,382	266,034	(422,416)	-
Total revenue	<u>\$5,153,471</u>	<u>\$3,313,579</u>	<u>\$1,034,516</u>	<u>\$9,501,566</u>	<u>\$944,137</u>	<u>\$(422,416)</u>	<u>\$10,023,287</u>
Segment income	<u>\$130,685</u>	<u>\$292,944</u>	<u>\$(26,830)</u>	<u>\$396,799</u>	<u>\$(75,750)</u>	<u>\$161,389</u>	<u>\$482,438</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$49,131,483</u>	<u>\$49,131,483</u>

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the three-month periods ended March 31, 2022 and 2021, respectively. They have been combined into other segments.

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

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

	Three months ended March 31	
	2022	2021
Net income of reportable segment	\$617,975	\$396,799
Loss of other segment	(120,346)	(75,750)
Unallocated amount:		
Interest income	82,729	98,413
Interest expense	(49,756)	(29,094)
Financial assets (liabilities) at fair value through profit or loss	514,136	215,400
Exchange loss, net	(330,687)	(28,074)
Others	(71,834)	(95,256)
Income before income tax	<u>\$642,217</u>	<u>\$482,438</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the three months ended March 31, 2022)
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statement	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsidiary	\$ 11,076,052 (Note)	\$ 572,500	\$ 572,500	\$ -	-	2.58%	\$ 22,152,104 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	11,076,052 (Note)	966,380	966,380	651,505	-	4.36%	22,152,104 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	11,076,052 (Note)	164,000	164,000	28,118	-	0.74%	22,152,104 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsidiary	11,076,052 (Note)	350,000	350,000	117,145	-	1.58%	22,152,104 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	11,076,052 (Note)	260,000	260,000	22,627	-	1.17%	22,152,104 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsidiary	11,076,052 (Note)	257,625	257,625	-	-	1.16%	22,152,104 (Note)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsidiary	11,076,052 (Note)	14,313	14,313	14,313	-	0.06%	22,152,104 (Note)	Yes	No	No
	Total				<u>\$ 2,584,818</u>	<u>\$ 2,584,818</u>							

Note : Based on the procedures of endorsement/guarantee provided to others, the amount of endorsements/guarantees for any single entity shall not exceed 50% of the Company's net worth from the latest financial statement.

Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the latest financial statement.

ATTACHMENT 1-1 (Financing provided to others for the three months ended March 31, 2022)

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

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

No.	Lender	Counter-party	Financial statement account	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Bigshine (HK)	Core-Flex	Trade receivables - related parties	Yes	\$ 120,427	\$ -	\$ -	-%	The need for short-term financing	-	Business turnover	-	None	-	\$ 220,182	\$ 220,182
1	Bigshine (HK)	Coretronic Investment	Trade receivables - related parties	Yes	303,425	303,425	303,425	1.25%	The need for short-term financing	-	Business turnover	-	None	-	550,455	550,455
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	174,741	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	550,455	550,455
2	Great Pride (HK)	Coretronic Investment	Trade receivables - related parties	Yes	870,200	870,200	870,200	1.25%	The need for short-term financing	-	Business turnover	-	None	-	2,929,079	2,929,079
2	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	94,605	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,929,079	2,929,079
3	Tecpoint	Brightbridge	Trade receivables - related parties	Yes	2,545	2,545	2,545	-%	The need for short-term financing	-	Business turnover	-	None	-	3,718,622	3,718,622
4	Venture Orient	Coretronic Investment	Trade receivables - related parties	Yes	88,738	88,738	88,738	1.25%	The need for short-term financing	-	Business turnover	-	None	-	607,158	607,158
4	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	115,752	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	607,158	607,158
5	Wisdom Success (HK)	Coretronic Investment	Trade receivables - related parties	Yes	57,250	57,250	57,250	1.25%	The need for short-term financing	-	Business turnover	-	None	-	6,893,405	6,893,405
5	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	63,998	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	6,893,405	6,893,405
6	Wisdom Success	Coretronic Investment	Trade receivables - related parties	Yes	22,900	22,900	22,900	1.25%	The need for short-term financing	-	Business turnover	-	None	-	10,837,349	10,837,349
6	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	27,825	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	10,837,349	10,837,349
7	Chung Tsen Investment	Optoma Corporation	Trade receivables - related parties	Yes	246,000	246,000	246,000	0.43%	The need for short-term financing	-	Business turnover	-	None	-	1,026,529	1,026,529
8	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	477,970	477,970	477,970	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,917,904	5,917,904
9	Young Green Energy	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	70,000	65,000	65,000	0.3-0.33%	The need for short-term financing	-	Business turnover	-	None	-	89,702	89,702
10	Tsen Ming Investment	Optoma Corporation	Trade receivables - related parties	Yes	140,000	140,000	140,000	0.43%	The need for short-term financing	-	Business turnover	-	None	-	186,970	186,970
11	Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Trade receivables - related parties	Yes	1,852,903	1,113,761	1,113,761	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,021,174	5,021,174
11	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	684,932	684,932	684,932	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,021,174	5,021,174
11	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,247,176	1,844,244	1,844,244	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,021,174	5,021,174
12	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	1,316,750	1,316,750	1,316,750	-%	The need for short-term financing	-	Business turnover	-	None	-	2,271,228	2,271,228
12	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	772,875	772,875	772,875	-%	The need for short-term financing	-	Business turnover	-	None	-	2,271,228	2,271,228
12	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	123,889	123,889	123,889	-%	The need for short-term financing	-	Business turnover	-	None	-	908,491	908,491
13	Best Alpha Investments	Young Optics (BD)	Other receivables - related parties	Yes	28,625	28,625	28,625	1%	The need for short-term financing	-	Business turnover	-	None	-	507,834	507,834

Note a : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement, including Bigshine(HK), Great Pride (HK), Tecpoint, Venture Orient, Wisdom Success (HK), and Wisdom Success, Coretronic Projection (Kunshan), Coretronic (Suzhou), Dynamic Time.

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

Note b : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement, including Dynamic Time.

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

Note c : Limit of total financing amount for individual counter-party should not exceed 40% of lender's net worth from the latest financial statement, and limit of financing amount should not exceed 100% of the latest financial statements of lender, including Chung Tsen Investment, Young Green Energy, Tsen Ming Investment, Dynamic Time.

Note d : Best Alpha Investments Limit provided financing to the foreign subsidiaries whose shares are 100% owned by the Company. Limit of total financing amount for individual counter-party should not exceed 40% of Best Alpha's or Young Optics' net worth from the latest financial statement.

ATTACHMENT 2 (Securities held as of March 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	March 31, 2022				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note a)	
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income-noncurrent	13,000,000	\$ 2,575,520	7.98%	\$ 2,575,520	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	- (Note b)	2.59%	-	
Coretronic Corporation	Flexenable Limited-Convertible bonds	-	Financial assets at fair value through profit or loss-current	-	42,938	-	42,938	
Coretronic Corporation	Nanosys Inc.	-	Financial assets at fair value through profit or loss-noncurrent	6,708	-	0.002%	-	
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661 (Note c)	100,188	16.80%	100,188	
Coretronic Corporation	Etergo Opto-Electronics	-	Investments accounted for using the equity method- noncurrent	1,850,000	43,373	18.50%	-	

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

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

Note C : Including the original investment of Flexenable Limited - options which were converted into 2,335,620,378 preferred shares in February 2022, and the increased investment of 1,751,715,283 preferred shares in March 2022 with amount of USD 1,500,000.

ATTACHMENT 2-1 (Securities held as of March 31, 2022)

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

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

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	March 31, 2022				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Coretronic Venture Capital	GeneJet Biotech	-	Financial assets at fair value through other comprehensive income-noncurrent	315,000	\$ - (Note b)	5.85%	\$ -	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 3,168,627	5.00%	USD 3,168,627	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	98,556,488	917,064	4.47%	917,064	
Optoma Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	6,038	3.06%	6,038	
Optoma Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	35,398	19.90%	35,398	

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

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

ATTACHMENT 3 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three months ended March 31, 2022)

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

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma Co., Ltd.	Sub-subsidiary	Sales	\$ 1,124,593	14.31%	90 days	-	-	\$ 1,046,740	10.69%	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	373,888	4.76%	120 days	-	-	(553,416)	(5.90%)	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three months ended March 31, 2022)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Young Optics	Coretronic Projection (Kunshan)	Associate	Sales	\$ 373,917	29.57%	90 days	-	-	\$ 380,604	35.72 %	
Young Optics (Kunshan)	Young Optics	Associate	Sales	541,624	81.52%	90 days	-	-	659,711	84.03 %	
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	Sales	192,570	4.74%	90 days	-	-	208,974	4.48 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	140,120	3.45%	60 days	-	-	226,142	4.85 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	144,061	3.54%	60 days	-	-	147,114	3.16 %	
Coretronic Optics (Kushan)	Coretronic Projection (Kunshan)	Associate	Sales	2,283,290	99.95%	60 days	-	-	1,961,782	99.93 %	
Optoma Co., Ltd.	Optoma USA	Associate	Sales	377,788	26.86%	90 days	-	-	384,640	35.30 %	
Optoma Co., Ltd.	Optoma Europe	Associate	Sales	808,305	57.46%	90 days	-	-	622,771	57.15 %	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2022)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Co., Ltd.	Sub-subsidiary	\$ 1,046,740	8.60	\$ -	-	\$ -	\$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2022)

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

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables :								
Young Optics	Coretronic Projection (Kunshan)	Associate	\$ 380,604	5.49	\$ -	-	\$ -	\$ -
Young Optics (Kunshan)	Young Optics	Associate	659,711	3.77	-	-	-	-
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	208,974	5.56	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	226,142	2.32	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	147,114	4.84	-	-	-	-
Coretronic (Ningbo)	Coretronic Corporation	Parent	553,416	3.03	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,961,782	5.89	-	-	-	-
Optoma Co., Ltd.	Optoma USA	Associate	384,640	7.86	-	-	-	-
Optoma Co., Ltd.	Optoma Europe	Associate	622,771	10.38	-	-	-	-
Other receivables :								
Grace China	Young Optics (BD)	Associate	270,166	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	1,316,750	-	-	-	-	-
Dynamic Time	Core-Flex	Associate	123,889	-	-	-	-	-
Dynamic Time	Great Pride (HK)	Associate	772,875	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	685,295	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Associate	1,115,986	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	1,849,468	-	-	-	-	-
Chung Tsen Investment	Optoma Corporation	Associate	246,261	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	482,110	-	-	-	-	-
Tsen Ming Investment	Optoma Corporation	Associate	140,148	-	-	-	-	-
Great Pride (HK)	Coretronic Investment	Associate	872,194	-	-	-	-	-
Bigshine (HK)	Coretronic Investment	Associate	304,120	-	-	-	-	-

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)

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

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

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
0	Coretronic Corporation	Optoma Corporation	1	Sales	72,629	—	0.55%
		Greendale	1	Accounts receivable	2,208,712	—	3.62%
			1	Sales	2,051,502	—	15.62%
		YLG Optotech	1	Accounts receivable	274,024	—	0.45%
			1	Sales	175,228	—	1.33%
		Coretronic Display (Suzhou)	1	Accounts receivable	1,530,153	—	2.51%
			1	Sales	1,267,329	—	9.65%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	3,072,112	—	5.04%
			1	Sales	3,164,366	—	24.09%
		Coretronic Optics (Suzhou)	1	Accounts receivable	2,492,821	—	4.09%
			1	Sales	2,769,536	—	21.08%
		Coretronic Vietnam	1	Accounts receivable	1,277,659	—	2.09%
1	Sales		479,070	—	3.65%		
1	Young Optics	Optoma Co., Ltd.	1	Accounts receivable	1,046,740	—	1.72%
			1	Sales	1,124,593	—	8.56%
		Young Optics (Kunshan)	3	Accounts receivable	45,688	—	0.07%
			3	Sales	44,708	—	0.34%
		Coretronic Projection (Kunshan)	3	Accounts receivable	380,604	—	0.62%
			3	Sales	373,917	—	2.85%
		Young Optics (Suzhou)	3	Accounts receivable	16,029	—	0.03%
			3	Sales	13,687	—	0.10%
		Rays Optics	3	Accounts receivable	82,947	—	0.14%
			3	Other receivables	98	—	0.00%
		Mejiro Genossen	3	Sales	81,089	—	0.62%
			3	Accounts receivable	8,578	—	0.01%
2	Grace China	Young Optics (BD)	3	Sales	4,123	—	0.03%
			3	Accounts receivable	42,255	—	0.07%
			3	Other receivables	7,546	—	0.01%
			3	Sales	5,666	—	0.04%
				Other receivables	270,166	—	0.44%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
3	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	659,711	—	1.08%
			3	Sales	541,624	—	4.12%
		Young Optics (Suzhou)	3	Accounts receivable	31,331	—	0.05%
			3	Sales	30,575	—	0.23%
		Young Optics (BD)	3	Accounts receivable	3,223	—	0.01%
			3	Sales	3,163	—	0.02%
		Coretronic Optics (Kunshan)	3	Accounts receivable	88,200	—	0.14%
			3	Sales	86,413	—	0.66%
4	Dynamic Time	Coretronic Corporation	2	Other receivables	1,316,750	—	2.16%
		Core-Flex	3	Other receivables	123,889	—	0.20%
		Great Pride (HK)	3	Other receivables	772,875	—	1.27%
5	Coretronic (Suzhou)	Coretronic Display (Suzhou)	3	Other receivables	685,295	—	1.12%
		Coretronic Optotech (Suzhou)	3	Other receivables	1,115,986	—	1.83%
		Coretronic Optics (Suzhou)	3	Other receivables	1,849,468	—	3.03%
6	Chung Tsen Investment	Optoma Corporation	3	Other receivables	246,261	—	0.40%
7	Venture Orient	Coretronic Investment	3	Other receivables	88,941	—	0.15%
8	Young Optics (Suzhou)	Young Optics	3	Accounts receivable	36,431	—	0.06%
			3	Sales	41,203	—	0.31%
9	Mejiro Genossen Inc.	Young Optics	3	Accounts receivable	4,385	—	0.01%
			3	Sales	3,372	—	0.03%
		Young Optics (BD)	3	Sales	110	—	0.00%
10	Best Alpha Investments	Young Optics (BD)	3	Other receivables	28,781	—	0.05%
11	Nano Precision (Suzhou)	Great Pride (HK)	3	Accounts receivable	56,376	—	0.09%
			3	Sales	36,442	—	0.28%
		Coretronic Display (Suzhou)	3	Accounts receivable	48,038	—	0.08%
			3	Sales	54,772	—	0.42%
		Coretronic Optotech (Suzhou)	3	Accounts receivable	82,407	—	0.14%
			3	Sales	80,326	—	0.61%
		Coretronic Optics (Suzhou)	3	Accounts receivable	94,793	—	0.16%
			3	Sales	94,347	—	0.72%
12	Greendale	Coretronic Corporation	2	Other receivables	3,641,268	—	5.97%
		Coretronic Optics (Kunshan)	3	Other receivables	2,197,622	—	3.60%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
13	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Accounts receivable	208,974	—	0.34%
			3	Sales	192,570	—	1.47%
		Optoma China	3	Accounts receivable	226,142	—	0.37%
			3	Sales	140,120	—	1.07%
		Greendale	3	Accounts receivable	3,640,182	—	5.97%
			3	Sales	3,059,457	—	23.29%
		Champ Vision Display	3	Accounts receivable	177,589	—	0.29%
			3	Sales	195,332	—	1.49%
		Coretronic Optics (Kunshan)	3	Other receivables	482,110	—	0.79%
			3	Accounts receivable	147,114	—	0.24%
14	Young Green Energy	Coretronic MEMS Corporation	3	Sales	144,061	—	1.10%
15	Tsen Ming Investment		3	Other receivables	65,134	—	0.11%
16	Coretronic (Ningbo)	Coretronic Corporation	3	Other receivables	140,148	—	0.23%
			2	Accounts receivable	553,416	—	0.91%
17	Great Pride (HK)	Coretronic Corporation	2	Sales	373,888	—	2.85%
18	Wisdom Success (HK)		3	Other receivables	872,194	—	1.43%
19	Bigshine (HK)	Coretronic Investment	3	Other receivables	57,381	—	0.09%
20	CICS	Coretronic Corporation	3	Other receivables	304,120	—	0.50%
			2	Accounts receivable	52,665	—	0.09%
21	YLG Optotech	Coretronic Corporation	2	Accounts receivable	52,665	—	0.09%
			2	Sales	43,729	—	0.33%
		Champ Vision Display	2	Accounts receivable	220,900	—	0.36%
			2	Sales	221,806	—	1.69%
22	Young Optics (BD)	Young Optics	3	Accounts receivable	38,484	—	0.06%
			3	Sales	37,409	—	0.28%
		Young Optics (Kunshan)	3	Accounts receivable	28,556	—	0.05%
			3	Sales	68,294	—	0.52%
23	Coretronic Display (Suzhou)	Coretronic Corporation	3	Accounts receivable	4,679	—	0.01%
			3	Sales	11,162	—	0.08%
24	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	2,362,104	—	3.87%
			2	Sales	1,249,792	—	9.51%
		Coretronic Display (Suzhou)	2	Accounts receivable	3,898,497	—	6.39%
			2	Sales	1,012,375	—	7.71%
25	Coretronic Optotech (Suzhou)	Coretronic Corporation	3	Accounts receivable	90,152	—	0.15%
			3	Sales	75,790	—	0.58%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
25	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	134,038	—	0.22%
			3	Sales	150,778	—	1.15%
26	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	1,961,782	—	3.22%
			3	Sales	2,283,290	—	17.38%
27	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	3,863,787	—	6.33%
			2	Sales	844,283	—	6.43%
28	Nano Precision Taiwan	Nano Precision (Suzhou)	3	Sales	66,658	—	0.51%
29	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	830,757	—	1.36%
			2	Sales	303,369	—	2.31%
		Coretronic Technology (BRVT)	3	Other receivables	43,041	—	0.07%
30	Optoma Co., Ltd.	Optoma USA	3	Accounts receivable	384,640	—	0.63%
			3	Sales	377,788	—	2.88%
		Optoma Europe	3	Accounts receivable	622,771	—	1.02%
			3	Sales	808,305	—	6.15%

Note a: Coretronic Corporation and its subsidiaries are coded as follows:

1. Coretronic Corporation is coded "0"
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note b: Transactions are categorized as follows:

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

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

Note d: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, cumulative balances are used as basis.

ATTACHMENT 6 : (Names, locations and related information of investee companies as of March 31, 2022) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$1,566,475	\$1,566,475	47,220,000	100.00%	\$6,048,114	\$108,431	\$108,431	Subsidiary
Coretronic Corporation	Optoma Corporation	New Taipei City, Taiwan	Engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment and electronic appliances	518,465	518,465	58,462,000	100.00%	1,020,505	25,580	25,580	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	519,891	526,482	38,967,586	34.16%	1,114,530	21,735	7,471	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	13,135,791	97,200	97,200	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,383,254	8,930	8,930	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	New Taipei City, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	2,484,149	38,644	38,644	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,933,966	25,022	19,532	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic material	214,620	214,620	18,833,220	99.91%	237,330	1,370	1,369	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	957,195	49,624	49,624	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	354,990	354,990	25,000,000	100.00%	322,003	5,120	5,120	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	New Taipei City, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	308,403	344	344	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	144,000	144,000	14,400,000	80.00%	146,845	(5,901)	(4,721)	Subsidiary
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	Miaoli County, Taiwan	Engaged in the R&D, design, production and marketing of intelligent movement and medical care related software and hardware products.	80,000	80,000	8,000,000	60.69%	19,657	(5,562)	(3,376)	Subsidiary
Coretronic Corporation	Calibre UK Limited	UK	Engaged in R&D, design, production and marketing of image processing products.	238,841	238,841	52,701,042	100.00%	22,684	(3,107)	(3,107)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	506,263	506,263	18,000,000	100.00%	163,048	(18,333)	(18,333)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	8,970	(36)	(28)	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	180,000	180,000	18,000,000	100.00%	16,347	(24,212)	(24,212)	Subsidiary
Coretronic Corporation	Coretronic Reality Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	100,000	100,000	10,000,000	100.00%	46,922	(11,098)	(11,098)	Subsidiary
Coretronic Corporation	Coretronic Vietnam Co., Ltd.	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	USD 3,000,000	USD 3,000,000	-	100.00%	(146,735)	(60,437)	(60,437)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Logistics Solutions Corporation	Hsinchu County, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	50,000	50,000	5,000,000	100.00%	37,971	(3,345)	(3,345)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	100.00%	14,473	12,854	12,854	Subsidiary

ATTACHMENT 6 -1 : (Names, locations and related information of investee companies as of March 31, 2022) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 211,696,364	USD 3,877,919	(Note a)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 382,801,117	USD 3,213,922	(Note a)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 7,216,959	(USD 63,424)	(Note a)	Sub-subsidiary
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 636,000	212,000	100.00 %	USD 18,623	USD 1	(Note a)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 33,508,864	USD 231,093	(Note a)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 19,448,186	USD 5,165	(Note a)	Sub-subsidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 15,898,015	USD 894,445	(Note a)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 243,899,730	USD 2,655,488	(Note a)	Sub-subsidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 94,828,352	USD 885,075	(Note a)	Sub-subsidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 31,118,968	USD 13,429	(Note a)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 11,936,260	(USD 169,139)	(Note a)	Sub-subsidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 30,000,000 (Note b)	USD 1,000,000	(Note b)	100.00 %	RMB 187,891,368	RMB 412,316	(Note a)	Sub-subsidiary
Coretronic Technology (HK)	Coretronic Technology (BRVT) Company	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 30,000,000	USD 30,000,000	-	-	USD 29,594,813	USD 62,232	(Note a)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 7,161,756	(USD 169,139)	(Note a)	Sub-subsidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 33,508,841	USD 885,075	(Note a)	Sub-subsidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 19,448,091	USD 13,429	(Note a)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 48,322,906	USD 319,681	(Note a)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 103,425,801	USD 708,654	(Note a)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 9,155,896	USD 57,844	(Note a)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 18,449,255	USD 131,134	(Note a)	Sub-subsidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 103,387,483	USD 708,653	(Note a)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	RMB 11,924,527	(RMB 4,357,379)	(Note a)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	593,678	14,824	(Note a)	Sub-subsidiary
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	22,902	29,596	1,676,317	1.47 %	47,874	21,735	(Note a)	Subsidiary
Chung Tsen Investment	Tsen Ming Investment	New Taipei City, Taiwan	Investing company for strategic purposes	102,000	102,000	32,443,180	100.00 %	498,140	(1,517)	(Note a)	Sub-subsidiary

Note a : The share of profits/losses of investee company is not reflected herein, as such amount is already included in the share of profits/losses of the investor company.

Note b : As of March 31, 2022, Coretronic Technology (HK)'s capital of USD 29,000,000 has been paid by Coretronic (Suzhou), but the company registration processes has not yet been completed.

ATTACHMENT 6 -2 : (Names, locations and related information of investee companies as of March 31, 2022) (Not including investment in Mainland China) (The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of March 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	\$3,963	\$1,619	(Note)	Sub-subsidiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83 %	USD 12,909,275	USD 894,445	(Note)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	14,447	23,842	768,886	0.67 %	22,388	21,735	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	6,918	1,619	(Note)	Sub-subsidiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	128,250	USD 52,461	(Note)	Sub-subsidiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00 %	USD 1,596,526	USD 718,102	(Note)	Sub-subsidiary
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	USD 17,976,224	USD 604,203	(Note)	Sub-subsidiary
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	USD 13,622,611	USD 455,803	(Note)	Sub-subsidiary
Coretronic Intelligent Cloud Service	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	27,752	80	(Note)	Sub-subsidiary
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	USD 969,489	USD 2,852	(Note)	Sub-subsidiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 32,620,000	32,620,000	100.00 %	EUR 41,004,760	EUR 383,618	(Note)	Sub-subsidiary

Note : The share of profits/losses of investee company is not reflected herein, as such amount is already included in the share of profits/losses of the investor company.

ATTACHMENT 6 -3 : (Names, locations and related information of investee companies as of March 31, 2022) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of March 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Optoma Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	\$2,266,459	\$652	(Note)	Sub-subsidiary
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 1,189,654	-	(Note)	Sub-subsidiary
Dynamic Time	Optoma (China & HK) Ltd.	HK	Marketing and after-sales service of Optoma in Hong Kong and the Asia-Pacific region	USD 309,546	USD 309,546	2,400,000	100.00 %	USD 302,668	USD 402	(Note)	Sub-subsidiary
Optoma Holding	Optoma USA	USA	Marketing and after-sales service of Optoma in Americas region	EUR 6,328,202	EUR 6,328,202	825,000	100.00 %	EUR 14,577,894	EUR 1,924,544	(Note)	Sub-subsidiary
Optoma Holding	Optoma Europe	U.K.	Marketing and after-sales service of Optoma in European region	EUR 24,911,549	EUR 24,911,549	1,200,000	100.00 %	EUR 24,030,679	(EUR 98,635)	(Note)	Sub-subsidiary
Optoma Holding	Optoma Co., Ltd.	New Taipei City, Taiwan	Marketing and after-sales service of Optoma in the Asia-Pacific region	EUR 931,677	EUR 931,677	3,000,000	100.00 %	(EUR 259,678)	EUR 717,144	(Note)	Sub-subsidiary
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after-sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	EUR 1,493,581	EUR 65,776	(Note)	Sub-subsidiary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 675,722	(EUR 59,329)	(Note)	Sub-subsidiary
Optoma Europe	Optoma Scandinavia. A.S.	Norway	Marketing and after-sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	EUR 133,078	(EUR 36,583)	(Note)	Sub-subsidiary
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after-sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	EUR 369,701	(EUR 11,270)	(Note)	Sub-subsidiary
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after-sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	EUR 421,281	(EUR 88,653)	(Note)	Sub-subsidiary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,720,429	(14,069)	(Note)	Sub-subsidiary
Young Optics	Rays Optics	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	298,140	9,250,000	92.50 %	116,001	11,579	(Note)	Sub-subsidiary
Young Optics	Mejiro Genossen	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	39,704	3,580	(Note)	Sub-subsidiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 18,385,625	(USD 35,720)	(Note)	Sub-subsidiary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 40,616,997	(USD 605,108)	(Note)	Sub-subsidiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000	USD 12,000,000	10,089,436	80.00 %	USD 998,934	(USD 5,124)	(Note)	Sub-subsidiary
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	USD 89,671	USD 104,486	(Note)	Sub-subsidiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	USD 249,734	(USD 5,124)	(Note)	Sub-subsidiary

Note : The share of profits/losses of investee company is not reflected herein, as such amount is already included in the share of profits/losses of the investor company.

ATTACHMENT 7 : (Investment in Mainland China as of March 31, 2022)
(Except for Coretronic Display (Suzhou), the information is based on the unaudited financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of March 31, 2022	Accumulated inward remittance of earnings as of March 31, 2022
					Outflow	Inflow						
Coretronic Projection (Kunshan)	Digital projectors, LCD monitors and related components of the research and development, processing, manufacturing and sales of the company's products and engaged in after-sales maintenance services	\$ 1,525,064 (USD 46,000,000)	Indirect investment from the third region (Greendale)	\$ 1,525,064 (USD 46,000,000)	-	-	\$ 1,525,064 (USD 46,000,000)	\$ 107,551	100.00%	\$ 107,551	\$ 6,032,458	\$ 428,855 (USD 14,065,436)
Technology Service (Kunshan)	LCD monitor maintenance and technical services	13,259 (USD 400,000)	Indirect investment from the third region (Greendale)	13,259 (USD 400,000)	-	-	13,259 (USD 400,000)	445	100.00%	445	28,654	- (Note a and Note c)
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	-	34,429	100.00%	34,429	558,076	-
Vimax (Kunshan)	Design, research and development and production of projectors, sales of the company's own products and provide after sales maintenance services for self-produced and non-self-produced products	62,252 (USD 1,800,000)	Indirect investment from the third region (Mat Limited)	62,252 (USD 1,800,000)	-	-	62,252 (USD 1,800,000)	8,930	100.00%	8,930	1,375,284	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	660,657 (USD 20,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	7,398	100.00%	7,398	4,982,077	-
Coretronic Optics (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	USD 10,000,000	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	41,490	100.00%	41,490	684,904	-
Coretronic Optotech (Suzhou)	Research and development, manufacturing and processing optical components such as backlight module, LCD module, LCD TV and panel display. Sales of the company's own products and after-sales maintenance services	390,000 (USD 12,000,000)	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	25,854	100.00%	25,854	1,282,605	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	257,829 (USD 8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD 3,000,000)	-	-	95,254 (USD 3,000,000)	(5,413)	100.00%	(5,413)	242,178	81,790 (USD 2,800,000) (Note a, Note d and Note j)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (USD 51,758,000)	Indirect investment from the third region (Brightbridge and Crystal Word)	88,972 (USD 2,967,283)	-	-	88,972 (USD 2,967,283)	(5,866)	100.00%	(5,866)	906,965	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	650,050 (USD 20,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD 4,700,000)	-	-	151,490 (USD 4,700,000)	24,843	100.00%	24,843	3,673,494	139,650 (USD 4,619,805) (Note a and Note j)
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	1,178,240 (USD 36,000,000)	Indirect investment from the third region (Core-Flex)	759,827 (USD 23,260,000)	-	-	759,827 (USD 23,260,000)	1,619	100.00%	1,619	409,369	-
Nano Precision (Suzhou)	Manufacture and sales of acrylic panels and light guide plate	426,839 (USD 13,300,000)	Indirect investment from the third region (Great Pride HK)	330,478 (USD 10,392,880)	-	-	330,478 (USD 10,392,880)	17,870	100.00%	17,870	2,859,757	85,228 (USD 2,795,270) (Note a and Note c)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	406	100.00%	406	1,447,468	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	238,740 (USD 7,800,000)	Indirect investment from the third region (Nano Display)	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	3,664	100.00%	3,664	528,091	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	USD 6,000,000	Indirect investment from the third region (YLG Limited)	USD 3,060,000	-	-	USD 3,060,000	20,088	100.00%	20,088	45,670	-
Coretronic System Engineering (Shanghai)	Contractor in intelligent building engineering and provide related services to customers	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	-	USD 1,500,000	80	100.00%	80	27,752	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	USD 1,000,000	Indirect investment from the third region (Boom Power)	USD 1,000,000	-	-	USD 1,000,000	1,472	100.00%	1,472	128,231	-
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	USD 3,000,000	Indirect investment from the third region (Modern Smart)	USD 1,200,000	-	-	USD 1,200,000	(4,126)	100.00%	(4,126)	91,610	-
Coretronic RoboteK (Kunshan)	Provide intelligent solutions for warehousing and manufacturing	RMB 12,000,000	Indirect investment from the third region (Coretronic Projection (Kunshan) and Coretronic (Suzhou))	-	-	-	-	(1,042)	100.00%	(1,042)	53,054	-

Accumulated investment in Mainland China as of March 31, 2022 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b~Note j)	Upper limit on investment
\$2,433,349 (USD 77,191,338)	\$2,149,269 (USD 77,191,338)	\$13,084,577

Note a : To use historical currency rates.

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

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

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

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

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

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

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

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

Note j : Viscorp received cash dividends amounted to USD 1,800,000 for distribution profits from Coretronic (Shanghai) and USD 4,619,805 from Coretronic(Ningbo) in 2020 and remitted it back USD 6,419,805 to Coretronic Corporation. Besides, the rest capital of Nano Precision (Nanjing) USD 460,098 and the liquidation income of Coretronic (Nanjing) USD 490,094 were already remitted back to Coretronic Corporation. Therefore, Coretronic Corporation has applied for the cancellation for investment amount of USD 7,369,997 in China, which was approved by MOEA.

Note 1 : To use the currency rate 1 USD =28.625NTD as of March 31, 2022.

ATTACHMENT 7-1 (Investment in Mainland China as of March 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of March 31, 2022 (Note a)	Accumulated inward remittance of earnings as of March 31, 2022
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$440,619 (USD 12,200,000) (Note d, e and m)	Indirect investment from the third region (Best Alpha and Grace China)	\$164,450 (USD 5,000,000)	\$-	\$-	\$164,450 (USD 5,000,000)	\$(20,594) (-USD 742,895)	100.00%	\$(20,594) (-USD 742,895)	\$1,000,562 (USD 34,954,139)	\$74,505 (USD 2,457,289) (Note b and Note j~Note k)
Young Optics (Suzhou)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	33,951 (USD 1,000,000)	Indirect investment from the third region (Best Alpha)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	4,070 (USD 145,300)	100.00%	4,070 (USD 145,300)	250,457 (USD 8,749,603)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note f~Note i and Note l)

Accumulated investment in Mainland China as of March 31, 2022 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	Note c

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

Note b : To use historical currency rates.

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

Note d : Young Optics (Kunshan) invested USD 9,800,000 through capitalization of earnings in 2007. Best Alpha Investments Limited invested USD 2,300,000.

Note e : Young Optics (Kunshan) invested USD 1,300,000 through capitalization of earnings in April 2009. Grace China Investments Limited invested USD 824,850. Best Alpha Investments Limited invested USD 2,975,150.

Note f : Best Alpha Investments Limited received cash dividends amounted to USD 20,235,299 for distribution profits from Young Optics (Suzhou) in 2011 and had remitted it back to Young Optics.

Note g : Best Alpha Investments Limited received cash dividends amounted to RMB 27,691,452 and USD 4,509,641 for distribution profits from Young Optics (Suzhou) in 2014. The RMB 24,922,307 of them had been remitted back to Young Optics.

Note h : Best Alpha Investments Limited received cash dividends amounted to RMB 52,944,050 for distribution profits from Young Optics (Suzhou) in 2015 and had remitted it back to Young Optics.

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

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

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

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

Note m : Young Optic (Kunshan) conducted capital reduction amounted to USD10,000,000 in December 2020.

ATTACHMENT 8 (Financial instrument and derivative transaction as of March 31, 2022)

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

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

Investment company	Financial statement account	Financial product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2022 to June, 2022	USD 526,500,000	\$ (322,042)	\$ (322,042)	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From April, 2022 to September, 2022	USD 839,500,000	552,110	552,110	Note a
Champ Vision Display	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	April, 2022	USD 2,000,000	(1,934)	(1,934)	Note b
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2022 to November, 2022	USD 18,000,000	10,769	10,769	Note d
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2022 to May, 2022	USD 10,000,000	3,191	3,191	Note e
Coretronic Display (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	April, 2022	USD 3,000,000	252	252	Note f
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2022 to July, 2022	USD 59,000,000	13,154	13,154	Note g
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2022 to May, 2022	USD 16,000,000	2,598	2,598	Note h
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From April, 2022 to May, 2022	USD 19,500,000	(33)	(33)	Note i
Optoma USA	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From April, 2022 to July, 2022	CAD 2,050,000	(616)	(616)	Note j
Young Optics (Kunshan)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From May, 2022 to June, 2022	USD 3,000,000	(98)	(98)	Note l
Coretronic Investment	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	April, 2022	USD 45,416,863	7,180	7,180	Note m

Note a : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$259,692 thousands for the three months ended March 31, 2022.

Note b : Champ Vision Display entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$551 thousands for the three months ended March 31, 2022.

Note c : Nano Precision Taiwan entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$643 thousands for the three months ended March 31, 2022.

Note d : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$6,519 thousands for the three months ended March 31, 2022.

Note e : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$3,249 thousands for the three months ended March 31, 2022.

Note f : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$1,653 thousands for the three months ended March 31, 2022.

Note g : Coretronic Optotech (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$14,400 thousands for the three months ended March 31, 2022.

Note h : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$8,002 thousands for the three months ended March 31, 2022.

Note i : Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$7,044 thousands for the three months ended March 31, 2022.

Note j : Optoma USA entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$274 thousands for the three months ended March 31, 2022.

Note k : Dynamic Time entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$2,626 thousands for the three months ended March 31, 2022.

Note l : Young Optics (Kunshan) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$1,465 thousands for the three months ended March 31, 2022.

Note m : Coretronic Investment entered into forward Forward cross currency contract and acquired realized profit amounted to NT\$17,299 thousands for the three months ended March 31, 2022.

ATTACHMENT 9 (The information of Major shareholder as of March 31, 2022)

<div>Shares</div> <div>Name</div>	Number of shares (Units/shares)	Percentage of ownership (%)
Yann Yuan Investment Co., Ltd.	30,272,000	7.74%
Taiwei Advanced Technology Co., Ltd.	45,767,196	11.70%