

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2022 AND 2021

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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 June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2022 and 2021, changes in equity and cash flows for the six-month periods ended June 30, 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\$30,804,483 thousand and NT\$19,956,983 thousand, representing 52.40% and 37.79% of the consolidated total assets, and total liabilities of NT\$4,398,337 thousand and NT\$1,640,790 thousand, representing 12.56% and 5.31% of the consolidated total liabilities as of June 30, 2022 and 2021, respectively; and total comprehensive income of NT\$(278,491) thousand and NT\$109,577 thousand, NT\$574,558 thousand and NT\$128,550 thousand, representing 96.81 %, 27.41 %, 64.61 % and 20.04% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2022 and 2021, respectively. As explained in Note 6(8), 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\$52,056 thousand and NT\$44,914 thousand as of June 30, 2022 and 2021, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$4,826 thousand, NT\$(919) thousand, NT\$5,134 thousand and NT\$(1,510) thousand for the three-month and six-month periods ended June 30, 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 June 30, 2022 and 2021, and their consolidated financial performance for the three-month and six-month periods ended June 30, 2022 and 2021, and cash flows for the six-month periods ended June 30, 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

July 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of June 30, 2022, December 31, 2021, and June 30, 2021

(June 30, 2022 and 2021 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	June 30, 2022	%	December 31, 2021	%	June 30, 2021	%
Current assets							
Cash and cash equivalents	6(1)	\$ 8,438,648	14.35	\$ 11,229,839	18.27	\$ 12,749,745	24.14
Financial assets at fair value through profit or loss - current	6(2)	466,599	0.79	180,759	0.29	427,494	0.81
Financial assets at fair value through other comprehensive income - current	6(3)	-	-	-	-	1,215	-
Financial assets at amortised cost - current	6(4)	7,594,943	12.92	5,483,485	8.92	4,955,369	9.38
Notes receivables, net	6(5), 6(20)	45,315	0.08	28,098	0.05	27,582	0.05
Trade receivables, net	6(6), 6(20)	11,276,094	19.18	18,937,127	30.81	14,055,761	26.62
Trade receivable - related parties, net	6(6), 6(20), 7	1	-	5,842	0.01	75	-
Other receivables	8	799,697	1.36	722,000	1.17	424,993	0.80
Current tax assets	4, 6(25)	117,920	0.20	77,866	0.13	30,093	0.06
Inventories, net	6(7)	13,812,710	23.50	9,301,377	15.13	6,222,993	11.79
Prepayments		675,598	1.15	850,479	1.38	507,298	0.96
Other current assets		218,086	0.37	139,432	0.23	118,986	0.23
Total current assets		43,445,611	73.90	46,956,304	76.39	39,521,604	74.84
Non-current assets							
Financial assets at fair value through other comprehensive income - noncurrent	6(3)	4,077,378	6.94	3,988,804	6.49	3,061,669	5.80
Investments accounted for using the equity method (Unreviewed)	6(8)	52,056	0.09	43,035	0.07	44,914	0.08
Property, plant and equipment, net	6(9), 8	7,699,172	13.10	7,513,806	12.22	7,207,558	13.65
Right-of-use assets	6(21)	1,891,266	3.22	1,938,026	3.15	1,873,379	3.55
Investment property, net	6(10), 8	148,266	0.25	152,301	0.25	156,327	0.30
Intangible assets	6(11)	317,129	0.54	330,634	0.54	369,425	0.70
Deferred tax assets	4, 6(25)	337,550	0.57	270,147	0.44	323,962	0.61
Net defined benefit assets - noncurrent	6(15)	19,480	0.03	18,385	0.03	16,312	0.03
Other noncurrent assets	8	798,670	1.36	258,951	0.42	233,493	0.44
Total non-current assets		15,340,967	26.10	14,514,089	23.61	13,287,039	25.16
Total assets		\$ 58,786,578	100.00	\$ 61,470,393	100.00	\$ 52,808,643	100.00

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of June 30, 2022, December 31, 2021, and June 30, 2021

(June 30, 2022 and 2021 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	June 30, 2022	%	December 31, 2021	%	June 30, 2021	%
Current liabilities							
Short-term borrowings	6(12)	\$ 13,193,008	22.44	\$ 11,812,397	19.22	\$ 10,872,907	20.59
Financial liabilities at fair value through profit or loss - current	6(13)	179,387	0.31	57,060	0.09	48,586	0.09
Hedging financial liabilities - current	6(13)	-	-	-	-	1,236	-
Contract liabilities - current	6(19)	471,639	0.80	301,242	0.49	242,797	0.46
Notes payable		4,745	0.01	666	-	12,319	0.02
Accounts payable		8,586,557	14.61	13,465,920	21.90	9,283,147	17.58
Accounts payable - related parties	7	162,627	0.28	29,824	0.05	18,087	0.03
Other payables	7	6,150,749	10.46	5,297,433	8.62	5,797,379	10.98
Current tax liabilities	4, 6(25)	953,419	1.62	895,552	1.46	784,317	1.49
Provisions - current	6(16)	685,014	1.17	578,084	0.94	654,114	1.24
Lease liabilities - current	6(21)	335,567	0.57	331,267	0.54	263,846	0.50
Other current liabilities		712,280	1.21	639,571	1.04	573,951	1.09
Current portion of long-term borrowings	6(14)	266,223	0.45	316,446	0.51	344,883	0.65
Total current liabilities		31,701,215	53.93	33,725,462	54.86	28,897,569	54.72
Non-current liabilities							
Long-term borrowings	6(14)	1,617,842	2.75	1,826,901	2.97	293,616	0.56
Deferred tax liabilities	4, 6(25)	132,081	0.22	78,069	0.13	83,330	0.16
Lease liabilities - noncurrent	6(21)	1,394,912	2.37	1,439,893	2.34	1,432,638	2.71
Net defined benefit liabilities - noncurrent	6(15)	152,323	0.26	156,435	0.26	160,286	0.30
Other noncurrent liabilities		26,543	0.05	26,632	0.04	39,001	0.07
Total non-current liabilities		3,323,701	5.65	3,527,930	5.74	2,008,871	3.80
Total liabilities		35,024,916	59.58	37,253,392	60.60	30,906,440	58.52
Equity attributable to owners of the parent							
Share capital							
Common stock	6(17)	3,909,811	6.65	3,909,811	6.36	3,909,811	7.40
Capital surplus	6(17)	2,622,220	4.46	2,893,442	4.71	2,766,136	5.24
Retained earnings	6(17), 6(26)						
Legal reserve		4,121,627	7.01	4,046,623	6.58	3,889,871	7.37
Special reserve		1,276,610	2.17	2,469,437	4.02	2,469,437	4.68
Unappropriated retained earning		10,884,585	18.52	9,650,179	15.70	8,709,953	16.49
Total retained earnings		16,282,822	27.70	16,166,239	26.30	15,069,261	28.54
Other equity		(1,291,485)	(2.20)	(817,388)	(1.33)	(1,842,509)	(3.49)
Total equity attributable to owners of the parent		21,523,368	36.61	22,152,104	36.04	19,902,699	37.69
Non-controlling interests	6(17)	2,238,294	3.81	2,064,897	3.36	1,999,504	3.79
Total equity		23,761,662	40.42	24,217,001	39.40	21,902,203	41.48
Total liabilities and equity		\$ 58,786,578	100.00	\$ 61,470,393	100.00	\$ 52,808,643	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 and six months ended June 30, 2022 and 2021
(Unaudited)
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For three months ended June 30				For six months ended June 30			
		2022	%	2021	%	2022	%	2021	%
Net sales	6(19), 7	\$ 12,571,086	100.00	\$ 11,649,533	100.00	\$ 25,708,994	100.00	\$ 21,672,820	100.00
Operating costs	6(7), 6(11), 6(15), 6(21), 6(22), 7	10,024,316	79.74	9,501,721	81.56	21,147,168	82.26	17,867,870	82.44
Gross profit		2,546,770	20.26	2,147,812	18.44	4,561,826	17.74	3,804,950	17.56
Operating expenses	6(11), 6(15), 6(20), 6(21), 6(22)								
Selling expenses		498,308	3.96	463,992	3.98	987,199	3.84	921,967	4.26
General and administrative expenses		596,360	4.74	556,108	4.77	1,100,354	4.28	991,346	4.57
Research and development expenses		763,674	6.07	745,117	6.40	1,469,765	5.72	1,429,420	6.60
Expected credit loss (gain)		3,708	0.04	(3,126)	(0.02)	(4,172)	(0.02)	(1,967)	(0.01)
Total operating expenses		1,862,050	14.81	1,762,091	15.13	3,553,146	13.82	3,340,766	15.42
Operating income		684,720	5.45	385,721	3.31	1,008,680	3.92	464,184	2.14
Non-operating income and expenses									
Interest income	6(23)	88,368	0.70	101,850	0.88	171,097	0.67	200,263	0.92
Other income	6(23)	95,342	0.76	75,461	0.65	197,920	0.77	216,412	1.00
Other gains and losses	6(23)	255,836	2.03	177,402	1.52	438,234	1.70	371,698	1.72
Finance costs	6(23)	(70,702)	(0.56)	(34,008)	(0.29)	(120,458)	(0.47)	(63,102)	(0.29)
Share of gain (loss) of associates and joint ventures accounted for using the equity method	6(8)	4,826	0.04	(919)	(0.01)	5,134	0.02	(1,510)	(0.01)
Total non-operating income and expenses		373,670	2.97	319,786	2.75	691,927	2.69	723,761	3.34
Income before income tax		1,058,390	8.42	705,507	6.06	1,700,607	6.61	1,187,945	5.48
Income tax expense	4, 6(25)	(217,235)	(1.73)	(153,701)	(1.32)	(368,436)	(1.43)	(272,686)	(1.26)
Net income		841,155	6.69	551,806	4.74	1,332,171	5.18	915,259	4.22
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)	(849,140)	(6.75)	59,535	0.51	(1,214,262)	(4.72)	97,941	0.45
Income tax related to items that will not be reclassified subsequently to profit or loss	6(24), 6(25)	(634)	(0.01)	115	-	(3,644)	(0.02)	164	-
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations	6(24)	(282,914)	(2.25)	(211,662)	(1.82)	771,137	3.00	(371,989)	(1.71)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	6(24)	3,858	0.03	(9)	-	3,888	0.02	(9)	-
Other comprehensive income (loss), net of tax		(1,128,830)	(8.98)	(152,021)	(1.31)	(442,881)	(1.72)	(273,893)	(1.26)
Total comprehensive income		\$ (287,675)	(2.29)	\$ 399,785	3.43	\$ 889,290	3.46	\$ 641,366	2.96
Net income for the periods attributable to :									
Shareholders of the parent	6(26)	\$ 810,615		\$ 548,348		\$ 1,289,527		\$ 934,788	
Non-controlling interests	6(17), 6(27)	\$ 30,540		\$ 3,458		\$ 42,644		\$ (19,529)	
Total comprehensive income (loss) for the periods attributable to :									
Shareholders of the parent		\$ (310,386)		\$ 409,690		\$ 815,430		\$ 678,733	
Non-controlling interests		\$ 22,711		\$ (9,905)		\$ 73,860		\$ (37,367)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 2.08		\$ 1.40		\$ 3.30		\$ 2.32	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 2.05		\$ 1.39		\$ 3.25		\$ 2.29	

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

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 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 capital surplus from investments in associates and joint ventures accounted for using the equity method	-	(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 six months ended June 30, 2021	-	-	-	-	934,788	-	-	-	934,788	(19,529)	915,259
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	(354,160)	98,105	-	(256,055)	(17,838)	(273,893)
Total comprehensive income (loss)	-	-	-	-	934,788	(354,160)	98,105	-	678,733	(37,367)	641,366
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	-	-	-
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	(7,080)	(7,080)
Balance as of June 30, 2021	<u>\$ 3,909,811</u>	<u>\$ 2,766,136</u>	<u>\$ 3,889,871</u>	<u>\$ 2,469,437</u>	<u>\$ 8,709,953</u>	<u>\$ (2,374,648)</u>	<u>\$ 532,139</u>	<u>\$ -</u>	<u>\$ 19,902,699</u>	<u>\$ 1,999,504</u>	<u>\$ 21,902,203</u>
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	-	27,311	-	-	-	-	-	-	27,311	(22,356)	4,955
Appropriation and distribution of 2021 earnings:											
Legal reserve	-	-	75,004	-	(75,004)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Reversal of special reserve	-	-	-	(1,192,827)	1,192,827	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income for the six months ended June 30, 2022	-	-	-	-	1,289,527	-	-	-	1,289,527	42,644	1,332,171
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	743,809	(1,217,906)	-	(474,097)	31,216	(442,881)
Total comprehensive income (loss)	-	-	-	-	1,289,527	743,809	(1,217,906)	-	815,430	73,860	889,290
Increase of non-controlling interests	-	-	-	-	-	-	-	-	-	80,125	80,125
Balance as of June 30, 2022	<u>\$ 3,909,811</u>	<u>\$ 2,622,220</u>	<u>\$ 4,121,627</u>	<u>\$ 1,276,610</u>	<u>\$ 10,884,585</u>	<u>\$ (1,532,448)</u>	<u>\$ 240,963</u>	<u>\$ -</u>	<u>\$ 21,523,368</u>	<u>\$ 2,238,294</u>	<u>\$ 23,761,662</u>

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

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2022 and 2021

(Unaudited)

(Amounts in thousands of New Taiwan Dollars)

Description	For the six months ended June 30		Description	For the six months ended June 30	
	2022	2021		2022	2021
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 1,700,607	\$ 1,187,945	Acquisition of financial assets at fair value through profit or loss	(41,610)	(130,578)
Adjustments for:			Acquisition of financial assets at fair value through other comprehensive income	(1,238,610)	(2,054,000)
The profit or loss items which did not affect cash flows:			Acquisition of financial assets at amortized cost - current	(2,111,458)	(4,955,369)
Expected credit gain	(4,172)	(1,967)	Disposal of subsidiary	860	-
Depreciation (including investment property and right-of-use assets)	720,378	651,885	Acquisition of property, plant and equipment	(654,789)	(634,430)
Amortization (including other noncurrent assets)	44,359	69,032	Proceeds from disposal of property, plant and equipment	34,874	64,902
Interest expenses	120,458	63,102	Acquisition of intangible assets	(27,634)	(25,953)
Interest income	(171,097)	(200,263)	Proceeds from disposal of intangible assets	103	367
Dividend income	(70,475)	(34,640)	Increase in prepayment of land use rights	(608,656)	-
Transfer of property, plant and equipment to expenses	96	3,502	Decrease (increase) in other noncurrent assets	42,490	(29,401)
Gain on disposal of property, plant and equipment	(17,142)	(42,047)	Net cash used in investing activities	(4,604,430)	(7,764,462)
Share-based payment expenses	2,010	-			
Gain on disposal of investments	(531)	-	Cash flows from financing activities:		
Share of (gain) loss of associates and joint ventures accounted for using the equity method	(5,134)	1,510	Increase in short-term borrowings	1,380,611	5,735,490
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(177,543)	88,675	Decrease in long-term borrowings (including current portion of long-term borrowings)	(259,282)	(30,980)
Changes in operating assets and liabilities:			Decrease in guarantee deposits	(943)	(5,084)
Note receivables	(17,217)	(2,382)	Increase (decrease) in other noncurrent liabilities	854	(190)
Accounts receivables	7,664,939	(2,393,860)	Cash payment for the principal portion of lease liabilities	(159,121)	(150,064)
Accounts receivables - related parties	5,841	(75)	Proceeds from disposal of subsidiaries' ownership (without a change of control)	136,814	-
Other receivables	(114,132)	48,767	Treasury stock acquired	-	(2,102,777)
Inventories	(4,521,686)	(1,328,096)	Change in non-controlling interests	81,885	(7,080)
Prepayments	174,881	99,998	Net cash provided by financing activities	1,180,818	3,439,315
Other current assets	(78,654)	(23,572)			
Other operating assets	13,979	1,997	Effect of exchange rate changes on cash and cash equivalents	681,441	(333,517)
Contract liabilities	170,397	(7,678)	Net decrease in cash and cash equivalents	(2,791,191)	(5,550,819)
Notes payable	4,079	11,986	Cash and cash equivalents at the beginning of the period	11,229,839	18,300,564
Accounts payable	(4,879,363)	1,134,547	Cash and cash equivalents at the end of the period	\$ 8,438,648	\$ 12,749,745
Accounts payable - related parties	132,803	6,704			
Other payables	(716,015)	17,864			
Provisions - current	106,930	(46,850)			
Other current liabilities	72,709	32,152			
Net defined benefit assets/liabilities	(5,207)	(6,004)			
Cash provided (used) in operating activities	156,098	(667,768)			
Dividend received	70,475	34,640			
Interest received	207,117	64,538			
Interest paid	(115,052)	(60,741)			
Income tax paid	(367,658)	(262,824)			
Net cash used in operating activities	(49,020)	(892,155)			

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 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 July 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 endorsed by the FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

<u>Standards or Interpretations Numbers</u>	<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Dates</u>
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

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

A. 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.

B. 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.

C. 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 been endorsed by the FSC, and become effective for annual periods beginning on or after January 1, 2023. Other than the impact listed above, the adoption of these new standards and amendments had no material impact on the Group.

- (3) 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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

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

The abovementioned standards and interpretations issued by the IASB have not yet been endorsed by FSC, and the local effective dates are to be determined by 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 six months ended June 30, 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”).

(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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

If loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- 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		
			June 30, 2022	December 31, 2021	June 30, 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%

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		
			June 30, 2022	December 31, 2021	June 30, 2021
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%
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%

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		
			June 30, 2022	December 31, 2021	June 30, 2021
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%
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%

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		
			June 30, 2022	December 31, 2021	June 30, 2021
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%
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%

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		
			June 30, 2022	December 31, 2021	June 30, 2021
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 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 and its subsidiaries	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%	-

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 are 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. For those unreviewed subsidiaries, as of June 30, 2022 and 2021, total assets were NT\$30,804,483 thousand and NT\$19,956,983 thousand, respectively; total liabilities were NT\$4,398,337 thousand and NT\$1,640,790 thousand, respectively; the related total comprehensive income was NT\$(278,491) thousand and NT\$109,577 thousand for the three months ended June 30, 2022 and 2021, respectively; and the related total comprehensive income was NT\$574,558 thousand and NT\$128,550 thousand for the six months ended June 30, 2022 and 2021, respectively.

- (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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Share-based payment plans

The cost of equity-settled transactions between the Group and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of the equity-settled share-based payment transaction is gradually recognized when service terms and performance conditions are met, and the equity recognized increases relatively. The accumulated expense from equity-settled share-based payment transactions before the end of every reporting period before the vesting date is a reflection on the passing of the vesting period at the best estimate for the number of equity instruments that will ultimately vest. The cumulative cost changes for the share-based payment transactions will be recognized in profit or loss for the period.

If ultimately, the instruments do not meet the vesting criteria, no expense shall be recognized. However, if the vesting conditions of the equity settled transaction are related to market conditions or non-vested conditions, when all service or performance conditions are met, related expenses shall be recognized irrespective of whether the market conditions or non-vested conditions have been met.

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.

Share-based payment transaction

The cost of equity-settled transactions between the Group and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model. When estimating the fair value of the share-based payment transaction, the best pricing model should be determined based on the terms and conditions of instruments granted. These estimates also require determining the best parameters used in the pricing model, including expected duration of the stock options, estimated fluctuations, estimated rate of dividend, and any assumptions made therein. Please refer to Note 6(18) for details on the assumptions and models used to measure the fair value of the share-based payment transaction.

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

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand, savings and checking accounts	\$4,095,661	\$4,993,183	\$3,818,807
Time deposits	4,314,987	6,078,756	8,930,938
Cash equivalents - repurchase agreements	28,000	157,900	-
Total	<u>\$8,438,648</u>	<u>\$11,229,839</u>	<u>\$12,749,745</u>

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

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets designated at fair value through profit or loss:			
Negotiable certificates of deposit	\$-	\$-	\$129,378
Financial assets mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	422,019	125,399	242,396
Subtotal	422,019	125,399	371,774
Convertible bonds	44,580	-	-
Stock options	-	55,360	55,720
Total	<u>\$466,599</u>	<u>\$180,759</u>	<u>\$427,494</u>
Current	\$466,599	\$180,759	\$427,494
Noncurrent	-	-	-
Total	<u>\$466,599</u>	<u>\$180,759</u>	<u>\$427,494</u>

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	June 30, 2022	December 31, 2021	June 30, 2021
Equity instrument investments measured at fair value through other comprehensive income			
Unlisted companies stocks	<u>\$4,077,378</u>	<u>\$3,988,804</u>	<u>\$3,062,884</u>
Current	\$-	\$-	\$1,215
Noncurrent	<u>4,077,378</u>	<u>3,988,804</u>	<u>3,061,669</u>
Total	<u>\$4,077,378</u>	<u>\$3,988,804</u>	<u>\$3,062,884</u>

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

	June 30, 2022	December 31, 2021	June 30, 2021
Time deposits (with original maturities of more than six months)	<u>\$7,594,943</u>	<u>\$5,483,485</u>	<u>\$4,955,369</u>
Current	\$7,594,943	\$5,483,485	\$4,955,369
Noncurrent	-	-	-
Total	<u>\$7,594,943</u>	<u>\$5,483,485</u>	<u>\$4,955,369</u>

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) Notes Receivables

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable - arose from operating activities	<u>\$45,315</u>	<u>\$28,098</u>	<u>\$27,582</u>

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)

(6) Trade Receivables and Trade Receivables - Related Parties

	June 30, 2022	December 31, 2021	June 30, 2021
Trade receivables	\$11,301,751	\$18,966,690	\$14,093,582
Less: allowance for doubtful accounts	(25,657)	(29,563)	(37,821)
Subtotal	11,276,094	18,937,127	14,055,761
Trade receivables from related parties	1	5,842	75
Total	\$11,276,095	\$18,942,969	\$14,055,836

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The total carrying amounts as of June 30, 2022, December 31, 2021, and June 30, 2021 were NT\$11,301,752 thousand, NT\$18,972,532 thousand and NT\$14,093,657 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 June 30, 2022 and December 31, 2021, factored trade receivables of NT\$234,836 thousand and NT\$1,660,011 thousand were derecognized, and annual interest rates for advances from the bank was 2.4% and 0.68~0.75%, respectively. As of June 30, 2021, the Group has no outstanding derecognized factored trade receivables. The credit lines of factoring contracts provided by CTBC Bank were US\$80,000 thousand, US\$60,000 thousand and US\$60,000 thousand as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

As of June 30, 2022, December 31, 2021, and June 30, 2021, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$397,687 thousand, NT\$8,694,391 and NT\$4,326,993 thousand, respectively.

(7) Inventories

	June 30, 2022	December 31, 2021	June 30, 2021
Raw materials and supplies	\$9,217,626	\$6,555,737	\$3,804,274
Work in process	569,524	405,578	374,211
Finished goods	4,025,560	2,340,062	2,044,508
Total	\$13,812,710	\$9,301,377	\$6,222,993

The cost of inventories recognized in expenses amounted to NT\$10,024,316 thousand and NT\$9,501,721 thousand for the three months ended June 30, 2022 and 2021, including the write-down of inventories and obsolescence loss of NT\$25,674 thousand and NT\$20,723 thousand, respectively.

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\$21,147,168 thousand and NT\$17,867,870 thousand for the six months ended June 30, 2022 and 2021, including the write-down of inventories and obsolescence loss of NT\$55,078 thousand and NT\$33,023 thousand, respectively.

The allowance of inventories write-down amounted to NT\$583,120 thousand, NT\$629,953 thousand and NT\$669,460 thousand as of June 30, 2022, December 31, 2021, and June 30, 2021, respectively.

No inventories were pledged.

(8) Investments Accounted for Using the Equity Method

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

Investees	June 30, 2022	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$52,056	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	June 30, 2021	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$44,914	18.50%
Genejet Biotech Co., Ltd. (“Genejet”)	-	19.51%
	\$44,914	

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\$4,826 thousand and NT\$(919) thousand for the three months ended of June 30, 2022 and 2021, and share of gain (loss) of associates and joint ventures accounted for using the equity method in the amount of NT\$5,134 thousand and NT\$(1,510) thousand for the six months ended of June 30, 2022 and 2021, respectively. The above investments accounted for using the equity method was unreviewed by independent accountants.

The abovementioned associate had no contingent liabilities or capital commitments as of June 30, 2022, December 31, 2021 and June 30, 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)

(9) 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	-	156,166	150,300	19,057	1,571	10,394	23,479	302,788	663,755
Disposals	-	(19,751)	(133,019)	(2,467)	(1,969)	-	(45,706)	(369)	(203,281)
Transfers	-	154,864	167,517	(2,372)	(40)	751	(2,900)	(335,467)	(17,647)
Exchange differences	(165)	79,266	75,577	6,456	1,548	24,322	24,157	9,595	220,756
As of June 30, 2022	<u>\$25,515</u>	<u>\$8,504,667</u>	<u>\$5,239,229</u>	<u>\$447,901</u>	<u>\$45,305</u>	<u>\$823,901</u>	<u>\$1,581,120</u>	<u>\$418,177</u>	<u>\$17,085,815</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	-	39,622	59,941	6,936	1,028	19,768	58,886	445,107	631,288
Disposals	(13,190)	(83,289)	(34,464)	(3,438)	(1,613)	(4,060)	(66,500)	-	(206,554)
Transfers	-	608,722	90,667	(10,032)	9,246	65,109	21,417	(861,394)	(76,265)
Exchange differences	(83)	(46,116)	(47,077)	(4,038)	(611)	(8,901)	(15,582)	(16,208)	(138,616)
As of June 30, 2021	<u>\$25,766</u>	<u>\$7,985,888</u>	<u>\$4,849,000</u>	<u>\$428,230</u>	<u>\$45,490</u>	<u>\$782,128</u>	<u>\$1,613,841</u>	<u>\$378,457</u>	<u>\$16,108,800</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	-	195,620	224,902	21,536	1,539	25,073	78,268	-	546,938
Disposals	-	(14,191)	(123,792)	(2,451)	(991)	-	(45,314)	-	(186,739)
Transfers	-	(269)	(5,209)	(2,392)	(16)	(93)	(9,146)	19	(17,106)
Exchange differences	-	40,268	49,672	5,330	1,014	18,510	20,330	-	135,124
As of June 30, 2022	<u>\$-</u>	<u>\$3,787,837</u>	<u>\$3,415,536</u>	<u>\$326,559</u>	<u>\$34,970</u>	<u>\$637,510</u>	<u>\$1,184,212</u>	<u>\$19</u>	<u>\$9,386,643</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	-	172,473	210,301	18,740	1,766	21,482	60,938	-	485,700
Disposals	-	(75,749)	(30,883)	(3,347)	(1,612)	(4,058)	(63,234)	-	(178,883)
Transfers	-	11,263	(20,950)	(8,650)	-	(40,091)	1,838	-	(56,590)
Exchange differences	-	(23,115)	(29,814)	(3,332)	(405)	(19,440)	(13,201)	-	(89,307)
As of June 30, 2021	<u>\$-</u>	<u>\$3,415,970</u>	<u>\$3,352,163</u>	<u>\$308,914</u>	<u>\$32,993</u>	<u>\$571,239</u>	<u>\$1,219,963</u>	<u>\$-</u>	<u>\$8,901,242</u>
Net carrying amounts as of:									
June 30, 2022	<u>\$25,515</u>	<u>\$4,716,830</u>	<u>\$1,823,693</u>	<u>\$121,342</u>	<u>\$10,335</u>	<u>\$186,391</u>	<u>\$396,908</u>	<u>\$418,158</u>	<u>\$7,699,172</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>
June 30, 2021	<u>\$25,766</u>	<u>\$4,569,918</u>	<u>\$1,496,837</u>	<u>\$119,316</u>	<u>\$12,497</u>	<u>\$210,889</u>	<u>\$393,878</u>	<u>\$378,457</u>	<u>\$7,207,558</u>

The Group evaluated the economic benefits for property, plant and equipment and identified no impairment loss for the six months ended June 30, 2022 and 2021, respectively.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(10) Investment Property

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

	<u>Buildings</u>
Cost:	
As of January 1, 2022	\$244,538
Additions from acquisitions	-
As of June 30, 2022	<u>\$244,538</u>
As of January 1, 2021	\$244,538
Additions from acquisitions	-
As of June 30, 2021	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2022	\$92,237
Depreciation	4,035
As of June 30, 2022	<u>\$96,272</u>
As of January 1, 2021	\$84,184
Depreciation	4,027
As of June 30, 2021	<u>\$88,211</u>
Net carry amount as of:	
June 30, 2022	<u>\$148,266</u>
December 31, 2021	<u>\$152,301</u>
June 30, 2021	<u>\$156,327</u>

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Rental income from investment property	\$3,195	\$3,195	\$6,391	\$6,392
Less: Direct operating expenses from investment property generating rental income	(2,017)	(2,013)	(4,035)	(4,027)
Total	<u>\$1,178</u>	<u>\$1,182</u>	<u>\$2,356</u>	<u>\$2,365</u>

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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:

	June 30, 2022	December 31, 2021	June 30, 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%

(11) 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	-	-	17,335	7,619	-	2,680	27,634
Disposals	(103,621)	-	(11,308)	-	-	(150,129)	(265,058)
Exchange differences	-	(44)	(1,648)	-	-	(4,663)	(6,355)
As of June 30, 2022	\$-	\$179,407	\$288,770	\$94,742	\$5,940	\$72,938	\$641,797
As of January 1, 2021	\$103,677	\$179,522	\$228,722	\$87,123	\$5,940	\$260,930	\$865,914
Additions	-	-	25,314	-	-	639	25,953
Disposals	-	-	(4,468)	-	-	-	(4,468)
Exchange differences	(62)	(48)	(724)	-	-	(1,774)	(2,608)
As of June 30, 2021	\$103,615	\$179,474	\$248,844	\$87,123	\$5,940	\$259,795	\$884,791
Amortization and Impairment:							
As of January 1, 2022	\$103,621	\$41,846	\$140,738	\$60,929	\$5,940	\$201,868	\$554,942
Amortization	-	8,753	23,022	3,603	-	5,403	40,781
Disposals	(103,621)	-	(11,205)	-	-	(150,129)	(264,955)
Exchange differences	-	(33)	(1,373)	-	-	(4,694)	(6,100)
As of June 30, 2022	\$-	\$50,566	\$151,182	\$64,532	\$5,940	\$52,448	\$324,668
As of January 1, 2021	\$101,601	\$24,379	\$119,851	\$56,770	\$5,940	\$148,727	\$457,268
Amortization	1,779	8,756	30,561	2,079	-	21,049	64,224
Disposals	-	-	(4,101)	-	-	-	(4,101)
Exchange differences	(62)	(28)	(651)	-	-	(1,284)	(2,025)
As of June 30, 2021	\$103,318	\$33,107	\$145,660	\$58,849	\$5,940	\$168,492	\$515,366
Net carrying amount as of:							
June 30, 2022	\$-	\$128,841	\$137,588	\$30,210	\$-	\$20,490	\$317,129
December 31, 2021	\$-	\$137,605	\$143,653	\$26,194	\$-	\$23,182	\$330,634
June 30, 2021	\$297	\$146,367	\$103,184	\$28,274	\$-	\$91,303	\$369,425

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

Amortization expense of intangible assets:

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Operating costs	\$4,064	\$1,898	\$6,302	\$3,964
Selling expenses	1,990	7,579	4,255	11,917
General and administrative expenses	5,004	11,699	10,021	15,981
Research and development expenses	10,345	15,984	20,203	32,362
Total	<u>\$21,403</u>	<u>\$37,160</u>	<u>\$40,781</u>	<u>\$64,224</u>

(12) Short-Term Borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured bank loans	<u>\$13,193,008</u>	<u>\$11,812,397</u>	<u>\$10,872,907</u>
Interest rates (%)	<u>0.90%~2.42%</u>	<u>0.33%~1.00%</u>	<u>0.3%~1.99%</u>

The Group's unused short-term lines of credits amounted to NT\$37,265,683 thousand, NT\$35,699,280 thousand, and NT\$36,523,598 thousand as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

(13) Derivative Financial Liabilities

Financial liabilities at fair value through profit or loss:

	June 30, 2022	December 31, 2021	June 30, 2021
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$179,387	\$57,060	\$45,952
Forward cross currency contracts	-	-	2,634
Total	<u>\$179,387</u>	<u>\$57,060</u>	<u>\$48,586</u>
Hedging financial liabilities:			
	June 30, 2022	December 31, 2021	June 30, 2021
Forward exchange contracts	<u>\$-</u>	<u>\$-</u>	<u>\$1,236</u>

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

(14) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	June 30, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.48%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from First bank	56	1.48%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	3,572	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	85,714	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021
Secured long-term borrowings from Hua Nan Commercial bank	178,571	1.28%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	17,857	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Sumitomo Mitsui Bank	6,791	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	1.438%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(5,363)		
Amortization of commercial paper discount	(3,033)		
Current portion	(266,223)		
Total	<u>\$1,617,842</u>		

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
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.
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>		

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Lenders	June 30, 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	82	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.
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	10,084	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	(344,883)		
Total	<u>\$293,616</u>		

The Group's unused long-term lines of credits amounted to NT\$5,893,210 thousand, NT\$5,600,000 thousand and NT\$899,900 thousand as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

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

(15) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three months ended June 30, 2022 and 2021 were NT\$111,315 thousand and NT\$88,034 thousand, respectively.

Pension expenses under the defined contribution plan for the six months ended June 30, 2022 and 2021 were NT\$244,576 thousand and NT\$172,896 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended June 30, 2022 and 2021 were NT\$264 thousand and NT\$303 thousand, respectively.

Pension expenses under the defined benefits plan for the six months ended June 30, 2022 and 2021 were NT\$528 thousand and NT\$607 thousand, respectively.

(16) Provisions

	<u>Warranties</u>
As of January 1, 2022	\$578,084
Arising during the period	422,794
Utilized during the period	(325,033)
Exchange differences	9,169
As of June 30, 2022	<u>\$685,014</u>
Current	\$685,014
Non-current	-
As of June 30, 2022	<u>\$685,014</u>
As of January 1, 2021	\$700,964
Arising during the period	137,494
Utilized during the period	(171,440)
Exchange differences	(12,904)
As of June 30, 2021	<u>\$654,114</u>
Current	\$654,114
Non-current	-
As of June 30, 2021	<u>\$654,114</u>

Warranties

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

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

(17) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of June 30, 2022, December 31, 2021, and June 30, 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 June 30, 2022, December 31, 2021 and June 30, 2021. Each share has one voting right and a right to receive dividends.

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

	June 30, 2022	December 31, 2021	June 30, 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	121,259	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>\$2,622,220</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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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 earnings 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Following the adoption of TIFRS, the FSC 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 June 30, 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 June 10, 2022 and July 30, 2020, respectively, are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$75,004	\$156,752		
Common stock - cash dividend	1,172,944	1,172,944	\$3.0	\$3.0

In addition, the shareholders' meeting on June 10, 2022, and 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
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E. Non-controlling interests:

	Six months ended June 30,	
	2022	2021
Beginning balance	\$2,064,897	\$2,043,951
Profit (loss) attributable to non-controlling interests	42,644	(19,529)
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	31,216	(17,838)
Cash dividends	(439)	(7,080)
Changes in subsidiaries' ownership	56,198	-
Acquisition or disposal of the interest of subsidiaries	41,768	-
Share-based payment plans	2,010	-
Ending balance	<u>\$2,238,294</u>	<u>\$1,999,504</u>

(18) Share-based payment plans

Certain employees of the Group are entitled to share-based payments as part of their remuneration. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

Share-based payment plans of subsidiaries

On April 28, 2022, Board of Directors of Optoma Holding Limited resolved to issue 4,624,008 common shares for the exercise of employee stock options and restricted stocks plan for employees of Optoma Holding Limited and its subsidiaries.

Each unit of employee stock options is eligible to subscribe for one common share of Optoma Holding Limited. New shares will be issued when employees exercise such options. Holders may exercise the stock options for a certain period of time and proportion two years after the employee stock options are granted. The total outstanding granted stock options were 3,298,700 units as of June 30, 2022. The fair value of options granted was EUR 1,221 thousand, and the grant date was April 28, 2022.

The fair value of each new common share granted for the restricted stocks plan is EUR1.99, and totally 1,303,308 shares will be issued. The restricted stocks plan for employee allows the new shares released in proportion according to the vesting condition. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees have to pay back dividends obtained.

CORETRONIC CORPORATION AND SUBSIDIARIES

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The compensation cost was recognized under the fair value method and the Black-Scholes Option Pricing model to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	Share-based payment plan of subsidiaries
Expected dividend yield (%)	0.00%
Expected volatility (%)	33.0%
Risk free interest rate (%)	1.52%
Expected life (Years)	2 years

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Share-based compensation expenses recognized for the six months ended June 30, 2022 is NT\$2,010 thousand.

(19) Sales

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Contract revenue from customers				
Sale of goods	\$12,240,730	\$11,222,737	\$25,084,645	\$20,876,258
Revenue arising from rendering of services	256,447	345,315	506,104	635,331
Other operating revenues	73,909	81,481	118,245	161,231
Total	<u>\$12,571,086</u>	<u>\$11,649,533</u>	<u>\$25,708,994</u>	<u>\$21,672,820</u>

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

A. Revenue of Segments

For the three months ended June 30, 2022

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$5,102,339	\$6,103,990	\$1,255,225	\$676,981	\$(897,805)	\$12,240,730
Revenue arising from rendering of services	131,325	21,312	3,473	200,016	(99,679)	256,447
Other operating revenues	21,646	17,753	-	34,561	(51)	73,909
Total	<u>\$5,255,310</u>	<u>\$6,143,055</u>	<u>\$1,258,698</u>	<u>\$911,558</u>	<u>\$(997,535)</u>	<u>\$12,571,086</u>
The timing of revenue recognition:						
At a point in time	<u>\$5,255,310</u>	<u>\$6,143,055</u>	<u>\$1,258,698</u>	<u>\$911,558</u>	<u>\$(997,535)</u>	<u>\$12,571,086</u>

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For the three months ended June 30, 2021

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$5,646,051	\$4,111,073	\$1,093,555	\$733,933	\$(361,875)	\$11,222,737
Revenue arising from						
rendering of services	203,408	17,712	4,344	187,995	(68,144)	345,315
Other operating revenues	18,110	32,168	-	34,851	(3,648)	81,481
Total	<u>\$5,867,569</u>	<u>\$4,160,953</u>	<u>\$1,097,899</u>	<u>\$956,779</u>	<u>\$(433,667)</u>	<u>\$11,649,533</u>
The timing of revenue recognition:						
At a point in time	<u>\$5,867,569</u>	<u>\$4,160,953</u>	<u>\$1,097,899</u>	<u>\$956,779</u>	<u>\$(433,667)</u>	<u>\$11,649,533</u>

For the six months ended June 30, 2022

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$12,433,665	\$10,499,873	\$2,453,639	\$1,565,724	\$(1,868,256)	\$25,084,645
Revenue arising from						
rendering of services	268,778	41,604	7,026	371,838	(183,142)	506,104
Other operating revenues	40,464	28,590	-	49,242	(51)	118,245
Total	<u>\$12,742,907</u>	<u>\$10,570,067</u>	<u>\$2,460,665</u>	<u>\$1,986,804</u>	<u>\$(2,051,449)</u>	<u>\$25,708,994</u>
The timing of revenue recognition:						
At a point in time	<u>\$12,742,907</u>	<u>\$10,570,067</u>	<u>\$2,460,665</u>	<u>\$1,986,804</u>	<u>\$(2,051,449)</u>	<u>\$25,708,994</u>

For the six months ended June 30, 2021

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$10,656,748	\$7,369,108	\$2,125,210	\$1,435,637	\$(710,445)	\$20,876,258
Revenue arising from						
rendering of services	331,308	40,955	7,205	391,343	(135,480)	635,331
Other operating revenues	32,984	64,469	-	73,936	(10,158)	161,231
Total	<u>\$11,021,040</u>	<u>\$7,474,532</u>	<u>\$2,132,415</u>	<u>\$1,900,916</u>	<u>\$(856,083)</u>	<u>\$21,672,820</u>
The timing of revenue recognition:						
At a point in time	<u>\$11,021,040</u>	<u>\$7,474,532</u>	<u>\$2,132,415</u>	<u>\$1,900,916</u>	<u>\$(856,083)</u>	<u>\$21,672,820</u>

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

B.Contract balance

Contract liabilities - current

	June 30, 2022	December 31, 2021	June 30, 2021	January 1 2021
Sale of goods	\$277,426	\$173,726	\$156,358	\$152,133
Revenue arising from rendering of services	8,528	112	16	1,813
Other operating revenues	185,685	127,404	86,423	96,529
Total	<u>\$471,639</u>	<u>\$301,242</u>	<u>\$242,797</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 six months ended June 30, 2022 and 2021.

C. Transaction price allocated to unsatisfied performance obligations

As of June 30, 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.

(20)Expected credit losses (gain)

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Operating expenses – Expected credit loss (gain)				
Trade receivables	<u>\$3,708</u>	<u>\$(3,126)</u>	<u>\$(4,172)</u>	<u>\$(1,967)</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 June 30, 2022, December 31, 2021, and June 30, 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:

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

As of June 30, 2022

Group A

		Past due					
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Gross carrying amount	\$725,430	\$136,436	\$22,724	\$9,619	\$3,953	\$26,007	\$924,169
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(63)	(88)	(336)	(268)	(4,389)	(5,144)
Subtotal	\$725,430	\$136,373	\$22,636	\$9,283	\$3,685	\$21,618	\$919,025

Group B

		Past due					
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Gross carrying amount	\$10,104,908	\$267,646	\$25,220	\$6,127	\$1,881	\$17,116	\$10,422,898
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(198)	(1,127)	(1,331)	(937)	(16,920)	(20,513)
Subtotal	\$10,104,908	\$267,448	\$24,093	\$4,796	\$944	\$196	\$10,402,385

As of December 31, 2021

Group A

		Past due					
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 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 past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of June 30, 2021

Group A

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$831,659	\$151,564	\$38,951	\$2,028	\$576	\$18,302	\$1,043,080
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(306)	(194)	(62)	(112)	(3,264)	(3,938)
Subtotal	\$831,659	\$151,258	\$38,757	\$1,966	\$464	\$15,038	\$1,039,142

Group B

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$12,777,034	\$237,087	\$13,721	\$2,002	\$7,622	\$40,693	\$13,078,159
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(625)	(226)	(26)	(166)	(32,840)	(33,883)
Subtotal	\$12,777,034	\$236,462	\$13,495	\$1,976	\$7,456	\$7,853	\$13,044,276

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 for the current period	(4,172)
Exchange differences	266
As of June 30, 2022	\$25,657
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	\$29,563
As of January 1, 2021	\$42,430
Reversal for the current period	(1,967)
Write off	(2,270)
Exchange differences	(372)
As of June 30, 2021	\$37,821

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

	June 30, 2022	December 31, 2021	June 30, 2021
Land	\$1,260,295	\$1,258,689	\$1,285,097
Buildings	594,042	648,590	557,194
Transportation equipment	33,933	27,529	27,188
Office fixtures	2,996	3,212	3,857
Other equipment	-	6	43
Total	<u>\$1,891,266</u>	<u>\$1,938,026</u>	<u>\$1,873,379</u>

During the six months ended June 30, 2022 and 2021, the additions to right-of-use assets of the Group amounted to NT\$125,711 thousand and NT\$321,264 thousand, respectively.

ii. Lease liability

	June 30, 2022	December 31, 2021	June 30, 2021
Lease liability			
Current	\$335,567	\$331,267	\$263,846
Non-current	1,394,912	1,439,893	1,432,638
Total	<u>\$1,730,479</u>	<u>\$1,771,160</u>	<u>\$1,696,484</u>

Please refer to Note 6(23)D. for the interest on lease liability recognized during the three months and six months ended June 30, 2022 and 2021, and Note 12(5) for the maturity analysis for lease liabilities.

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

Depreciation charge for right-of-use assets

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Land	\$15,718	\$15,354	\$31,301	\$30,726
Buildings	64,799	60,950	127,328	120,204
Transportation equipment	5,030	5,112	10,128	10,507
Office fixtures	329	506	642	683
Other equipment	-	22	6	38
Total	<u>\$85,876</u>	<u>\$81,944</u>	<u>\$169,405</u>	<u>\$162,158</u>

CORETRONIC CORPORATION AND SUBSIDIARIES
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(c)Income and costs relating to leasing activities

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
The expense relating to short-term leases	\$15,274	\$6,483	\$37,764	\$16,797
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	3,122	12,777	7,709	19,389
Total	<u>\$18,396</u>	<u>\$19,260</u>	<u>\$45,473</u>	<u>\$36,186</u>

(d)Cash outflow relating to leasing activities

During the six months ended June 30, 2022 and 2021, the Group's total cash outflows for leases amounted to NT\$233,163 thousand and NT\$213,244 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.

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.

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B. Group as lessor

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

No financing lease contracts were signed.

	Three months ended June 30		Six months ended June 30	
	2022	2021	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	\$10,179	\$11,406	\$21,969	\$22,900
Income relating to variable lease payments that do not depend on an index or a rate	-	-	-	-
Total	<u>\$10,179</u>	<u>\$11,406</u>	<u>\$21,969</u>	<u>\$22,900</u>

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

	June 30, 2022	December 31, 2021	June 30, 2021
Not later than one year	\$37,425	\$36,817	\$37,204
Later than one year but not later than two years	19,230	35,270	35,230
Later than two years but not later than three years	286	286	17,492
Later than three years but not later than four years	286	286	-
Total	<u>\$57,047</u>	<u>\$72,659</u>	<u>\$89,926</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Function Items	Three months ended June 30					
	2022			2021		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$967,642	\$1,283,621	\$2,251,263	\$916,426	\$1,271,517	\$2,187,943
Salaries	792,895	1,109,294	1,902,189	768,096	1,119,774	1,887,870
Labor and health insurance	47,436	86,400	133,836	35,344	73,155	108,499
Pension	61,113	50,466	111,579	41,409	46,928	88,337
Other employee benefits expense	66,198	37,461	103,659	71,577	31,660	103,237
Depreciation	261,414	95,059	356,473	227,773	100,902	328,675
Amortization	3,907	16,045	19,952	1,937	35,305	37,242

Function Items	Six months ended June 30					
	2022			2021		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$1,982,709	\$2,463,868	\$4,446,577	\$1,799,183	\$2,352,787	\$4,151,970
Salaries	1,632,652	2,095,380	3,728,032	1,511,076	2,059,458	3,570,534
Labor and health insurance	93,847	168,212	262,059	69,157	154,480	223,637
Pension	119,103	126,001	245,104	80,466	93,037	173,503
Other employee benefits expense	137,107	74,275	211,382	138,484	45,812	184,296
Depreciation	514,838	191,008	705,846	438,340	199,719	638,059
Amortization	6,183	33,221	39,404	4,094	60,295	64,389

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

CORE accrued employees' compensation based on a specific rate of profit for the three months ended June 30, 2022 and 2021. The amounts of employees' compensation was NT\$115,685 thousand and NT\$ 75,667 thousand for the three months ended June 30, 2022 and 2021, respectively. The amount of employees' compensation was NT\$188,812 thousand and NT\$ 130,918 thousand for the six months ended June 30, 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.

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

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 June 30		Six months ended June 30	
	2022	2021	2022	2021
Financial assets measured at amortized cost	\$88,368	\$101,850	\$171,097	\$200,263

B. Other income

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Government grants income	\$18,131	\$23,834	\$34,601	\$77,883
Dividend income	26,000	-	70,475	34,640
Rental income	10,179	11,406	21,969	22,900
Other	41,032	40,221	70,875	80,989
Total	\$95,342	\$75,461	\$197,920	\$216,412

C. Other gains and losses

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Gain on disposal of property, plant and equipment	\$7,310	\$27,417	\$17,142	\$42,047
Foreign exchange (loss) gain, net	(186,720)	60,057	(517,407)	31,983
Gain on financial assets at fair value through profit or loss (Note)	448,258	99,467	962,394	314,867
Gain on lease modification	253	196	692	313
Gain on disposal of investments	531	-	531	-
Other loss	(13,796)	(9,735)	(25,118)	(17,512)
Total	\$255,836	\$177,402	\$438,234	\$371,698

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 June 30		Six months ended June 30	
	2022	2021	2022	2021
Interest on borrowings from bank	\$56,625	\$20,666	\$91,889	\$36,108
Interest on lease liabilities	14,077	13,342	28,569	26,994
Total	<u>\$70,702</u>	<u>\$34,008</u>	<u>\$120,458</u>	<u>\$63,102</u>

(24) Components of Other Comprehensive Income

For the three months ended June 30, 2022

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	\$(849,140)	\$(634)	\$(849,774)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(282,914)	-	(282,914)
Share of the other comprehensive income of associates accounted for using the equity method	3,858	-	3,858
Total of other comprehensive income	<u>\$(1,128,196)</u>	<u>\$(634)</u>	<u>\$(1,128,830)</u>

For the three months ended June 30, 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	\$59,535	\$115	\$59,650
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(211,662)	-	(211,662)
Share of the other comprehensive loss of associates accounted for using the equity method	(9)	-	(9)
Total of other comprehensive income	<u>\$(152,136)</u>	<u>\$115</u>	<u>\$(152,021)</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 six months ended June 30, 2022

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized loss from equity instruments investments measured at fair value through other comprehensive income	\$(1,214,262)	\$(3,644)	\$(1,217,906)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	771,137	-	771,137
Share of the other comprehensive income of associates accounted for using the equity method	3,888	-	3,888
Total of other comprehensive income	<u>\$(439,237)</u>	<u>\$(3,644)</u>	<u>\$(442,881)</u>

For the six months ended June 30, 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	\$97,941	\$164	\$98,105
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(371,989)	-	(371,989)
Share of the other comprehensive loss of associates accounted for using the equity method	(9)	-	(9)
Total of other comprehensive income	<u>\$(274,057)</u>	<u>\$164</u>	<u>\$(273,893)</u>

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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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Current income tax expense (income):				
Current income tax expense	\$198,585	\$184,340	\$325,570	\$296,497
Adjustments in respect of current income tax of prior periods	45,177	(35,104)	44,339	(26,150)
Deferred tax expense (income):				
Deferred tax expense relating to origination and reversal of temporary differences	(800)	(45,435)	72,251	(33,778)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	(25,748)	49,900	(73,745)	36,117
Other	21	-	21	-
Total income tax expense	<u>\$217,235</u>	<u>\$153,701</u>	<u>\$368,436</u>	<u>\$272,686</u>

Income tax relating to components of other comprehensive income

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Deferred income tax (expense) income:				
Unrealized (loss) gain from equity instruments investments measured at fair value through other comprehensive income	<u>\$(634)</u>	<u>\$115</u>	<u>\$(3,644)</u>	<u>\$164</u>

The assessment of income tax returns

As of June 30, 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 2019
CGT	Assessed and approved up to 2020
Tsen Ming Investment	Assessed and approved up to 2020
YGE	Assessed and approved up to 2020
Rays Optics	Assessed and approved up to 2019
CICS	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>
CVC	Assessed and approved up to 2020
UCM	Assessed and approved up to 2020
ISC	Assessed and approved up to 2020
CVD	Assessed and approved up to 2019
CIRC	Assessed and approved up to 2020
CRI	Assessed and approved up to 2020
CMC	Assessed and approved up to 2020
CILS	Established in 2021 and has not yet completed the assessment of 2021
Optoma Co., Ltd	Established in 2021 and has not yet completed the assessment of 2021

(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</u>		<u>Six months ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
A. Basic earnings per share				
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	<u>\$810,615</u>	<u>\$548,348</u>	<u>\$1,289,527</u>	<u>\$934,788</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>390,981</u>	<u>390,981</u>	<u>390,981</u>	<u>403,481</u>
Basic earnings per share (NT\$)	<u>\$2.08</u>	<u>\$1.40</u>	<u>\$3.30</u>	<u>\$2.32</u>
B. Diluted earnings per share				
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$810,615	\$548,348	\$1,289,527	\$934,788
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981	390,981	403,481

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Effect of dilution:				
Employee bonus — stock (in thousand)	3,761	2,136	5,480	3,999
Weighted average number of ordinary shares outstanding after dilution (in thousand)	394,742	393,117	396,461	407,480
Diluted earnings per share (NT\$)	\$2.05	\$1.39	\$3.25	\$2.29

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.

(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	June 30, 2022	December 31, 2021	June 30, 2021
Young Optics Inc.	Taiwan	63.69%	62.39%	61.26%
		June 30, 2022	December 31, 2021	June 30, 2021
Accumulated balance of material non-controlling interests				
Young Optics, Inc.		\$2,108,747	\$1,989,816	\$1,922,400

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Profit (loss) allocated to material non-controlling interest				
Young Optics, Inc.	\$30,773	\$7,848	\$46,240	\$(12,483)

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

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 profit or loss for the three months ended June 30, 2022:

	<u>Young Optics Inc.</u>
Operating revenue	\$1,258,698
Profit for the period from continuing operations	48,485
Total comprehensive income for the period	37,099

Summarized information of profit or loss for the three months ended June 30, 2021:

	<u>Young Optics Inc.</u>
Operating revenue	\$1,097,900
Profit for the period from continuing operations	12,773
Total comprehensive loss for the period	(8,398)

Summarized information of profit or loss for the six months ended June 30, 2022:

	<u>Young Optics Inc.</u>
Operating revenue	\$2,460,665
Profit for the period from continuing operations	71,855
Total comprehensive income for the period	121,303

Summarized information of profit or loss for the six months ended June 30, 2021:

	<u>Young Optics Inc.</u>
Operating revenue	\$2,132,416
Loss for the period from continuing operations	(20,150)
Total comprehensive loss for the period	(48,730)

Summarized information of financial position as of June 30, 2022:

	<u>Young Optics Inc.</u>
Current assets	\$3,517,636
Non-current assets	2,741,060
Current liabilities	(1,944,650)
Non-current liabilities	(1,009,017)

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)

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 June 30, 2021:

	<u>Young Optics Inc.</u>
Current assets	\$2,799,799
Non-current assets	2,813,624
Current liabilities	(1,810,390)
Non-current liabilities	(669,641)

Summarized cash flow information for the six months ended June 30, 2022:

	<u>Young Optics Inc.</u>
Operating activities	\$220,352
Investing activities	(123,634)
Financing activities	(268,569)
Net decrease in cash and cash equivalents	(133,687)

Summarized cash flow information for the six months ended June 30, 2021:

	<u>Young Optics Inc.</u>
Operating activities	\$1,662
Investing activities	(155,761)
Financing activities	(27,643)
Net decrease in cash and cash equivalents	(198,583)

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
Hannstar Display Corporation (“HANNSTAR”)	The Group became an associate of the entity effective from April 2022

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

(2) Significant transactions with related parties

A. Sales

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
CHI HUA	\$-	\$71	\$24	\$71
DONGTAI QIDIAN	-	2,294	-	2,294
Total	\$-	\$2,365	\$24	\$2,365

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
EOE	\$113,624	\$24,892	\$162,126	\$41,611
HANNSTAR	74,606	-	74,606	-
Total	\$188,230	\$24,892	\$236,732	\$41,611

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

	June 30, 2022	December 31, 2021	June 30, 2021
CHI HUA	\$1	\$-	\$75
DONGTAI QIDIAN	-	5,842	-
Total	\$1	\$5,842	\$75

D. Accounts Payable to Related Parties

	June 30, 2022	December 31, 2021	June 30, 2021
EOE	\$120,028	\$29,824	\$18,087
HANNSTAR	42,599	-	-
Total	\$162,627	\$29,824	\$18,087

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

E. Other Payable to Related Parties

	June 30, 2022	December 31, 2021	June 30, 2021
EOE	\$3,547	\$6,440	\$1,464
HANNSTAR	921	-	-
Total	<u>\$4,468</u>	<u>\$6,440</u>	<u>\$1,464</u>

F. Others

For the six months ended June 30, 2022 and 2021, the Group purchased molds from EOE, amounting to NT\$308 thousand and NT\$2,092 thousand, respectively.

G. Key Management Personnel Compensation

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$46,840	\$37,205	\$97,040	\$79,419
Post-employment benefits	494	461	1,009	932
Share-based payment	694	-	694	-
Total	<u>\$48,028</u>	<u>\$37,666</u>	<u>\$98,743</u>	<u>\$80,351</u>

8. Assets Pledged as Collateral

The following assets of the Group pledged as collateral:

	Carrying amount			
Assets pledged as collateral	June 30, 2022	December 31, 2021	June 30, 2021	Purpose of pledge
Buildings (including investment property)	\$774,988	\$795,875	\$816,763	Collateral for long-term borrowings
Time deposits (presented as "Other receivables")	34,985	34,985	34,985	Lease execution deposits
Time deposits (presented as "Other receivables")	4,049	2,037	3,582	Customs import guarantee and others
Bank deposits (presented as "Other receivables")	13	13	13	Export tax guarantee
Time deposits (presented as "Other noncurrent assets")	20,784	20,781	20,780	Lease execution deposits
Time deposits (presented as "Other noncurrent assets")	1,090	1,087	1,085	Customs import guarantee
Total	<u>\$835,909</u>	<u>\$854,778</u>	<u>\$877,208</u>	

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 June 30, 2022 was NT\$6,970 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 June 30, 2022, the prepayment of VND476,562,283 thousand (approximately NT\$608,656 thousand) was recognized under non-current assets, and the outstanding payable is VND203,868,621 thousand (approximately NT\$260,377 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

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
Financial assets at fair value			
through profit or loss:			
Financial assets designated at fair			
value through profit or loss	\$-	\$-	\$129,378
Mandatorily measured at fair value			
through profit or loss (Note 1)	864,286	8,875,150	4,625,109
Financial assets at fair value through			
other comprehensive income	4,077,378	3,988,804	3,062,884
Financial assets measured at			
amortized cost (Note 2)	27,774,312	27,729,328	27,881,959
Total	<u>\$32,715,976</u>	<u>\$40,593,282</u>	<u>\$35,699,330</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>	June 30, 2022	December 31, 2021	June 30, 2021
Financial liabilities at amortized cost:			
Short-term borrowings	\$13,193,008	\$11,812,397	\$10,872,907
Accounts payable (including related parties)	8,753,929	13,496,410	9,313,553
Other payables	6,150,749	5,297,433	5,797,379
Lease liability (including current and noncurrent)	1,730,479	1,771,160	1,696,484
Long-term borrowings (including current portion)	1,884,065	2,143,347	638,499
Subtotal	<u>31,712,230</u>	<u>34,520,747</u>	<u>28,318,822</u>
Financial liabilities at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss - current	<u>179,387</u>	<u>57,060</u>	<u>48,586</u>
Hedging financial liabilities-current	<u>-</u>	<u>-</u>	<u>1,236</u>
Total	<u><u>\$31,891,617</u></u>	<u><u>\$34,577,807</u></u>	<u><u>\$28,368,644</u></u>

Note 1: As of June 30, 2022, December 31, 2021, and June 30, 2021, the financial assets measured at fair value through profit or loss, including accounts receivable, were NT\$397,687 thousand, NT\$8,694,391 thousand, and NT\$4,326,993 thousand respectively. Please refer to Note 6(6) for more details.

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

(2) Financial Risk Management Objectives and Policies

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

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

(3) Market Risk

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 six months ended June 30, 2022 and 2021 is decreased/increased by NT\$81,968 thousand and NT\$145,128 thousand, while equity is decreased/increased by NT\$284,567 thousand and NT\$259,591 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 six months ended June 30, 2022 and 2021 to decreased/increased by NT\$71,363 thousand and NT\$56,714 thousand, respectively.

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the six months ended June 30, 2021, 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\$557 thousand on income attributable to the Group.

For the six months ended June 30, 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\$40,774 thousand and NT\$30,629 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 June 30, 2022, December 31, 2021, and June 30, 2021, receivables from top ten customers represented 66%, 73% and 62% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

(5) Liquidity Risk Management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, 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.

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

Non-derivative financial liabilities

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of June 30, 2022					
Borrowings	\$13,546,786	\$631,957	\$1,000,982	\$-	\$15,179,725
Accounts payable					
(including related parties)	8,753,929	-	-	-	8,753,929
Other payables					
(including related parties)	6,150,749	-	-	-	6,150,749
Lease liability	347,804	440,109	191,290	1,131,116	2,110,319
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 June 30, 2021					
Borrowings	\$11,263,500	\$236,490	\$60,680	\$-	\$11,560,670
Accounts payable					
(including related parties)	9,313,553	-	-	-	9,313,553
Other payables					
(including related parties)	5,797,379	-	-	-	5,797,379
Lease liability	280,304	404,035	253,239	1,165,185	2,102,763

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of June 30, 2022			
Inflows	\$-	\$-	\$-
Outflows	179,387	-	179,387
Net	\$179,387	\$-	\$179,387
As of December 31, 2021			
Inflows	\$-	\$-	\$-
Outflows	57,060	-	57,060
Net	\$57,060	\$-	\$57,060

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Less than 1 year	1 to 3 years	Total
As of June 30, 2021			
Inflows	\$-	\$-	\$-
Outflows	49,822	-	49,822
Net	\$49,822	\$-	\$49,822

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 six months ended June 30, 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	1,380,611	(259,282)	(159,121)	(943)	854	962,119
Additional leases	-	-	99,922	-	-	99,922
Exchange differences	-	-	18,518	-	-	18,518
As of June 30, 2022	\$13,193,008	\$1,884,065	\$1,730,479	\$22,348	\$4,195	\$16,834,095

Reconciliation of liabilities for the six months ended June 30, 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	5,735,490	(30,980)	(150,064)	(5,084)	(190)	5,549,172
Additional leases	-	-	307,345	-	-	307,345
Exchange differences	-	-	(15,219)	-	-	(15,219)
As of June 30, 2021	\$10,872,907	\$638,499	\$1,696,484	\$23,306	\$15,695	\$13,246,891

(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.

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(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:

Item (by contract)	Notional Amount	Contract Period
As of June 30, 2022		
Forward currency contract		
Selling forward currency contracts	USD 645,000 thousand	From July 2022 to December 2022
Buying forward currency contracts	USD 912,700 thousand	From July 2022 to December 2022
Selling forward currency contracts	CAD 1,450 thousand	From July 2022 to September 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

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Item (by contract)	Notional Amount	Contract Period
As of June 30, 2021		
Forward currency contract		
Selling forward currency contracts	USD 489,500 thousand	From July 2021 to March 2022
Buying forward currency contracts	USD 593,500 thousand	From July 2021 to December 2021
Selling forward currency contracts	CAD 1,700 thousand	From July 2021 to September 2021
Forward cross currency contract	USD 32,700 thousand	July 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 June 30, 2021		
Forward currency contract		
Selling forward currency contracts	EUR 3,000 thousand	July 2021

(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:

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June 30, 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	\$-	\$422,019	\$-	\$422,019
Convertible bond	-	-	44,580	44,580
Equity instrument measured at fair value through other comprehensive income	-	-	4,077,378	4,077,378
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	179,387	-	179,387
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
Convertible bond	-	-	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
June 30, 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	\$-	\$129,378	\$-	\$129,378
Forward currency contract	-	242,396	-	242,396
Stock option	-	-	55,720	55,720
Equity instrument measured at fair value through other comprehensive income	-	-	3,062,884	3,062,884
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	45,952	-	45,952
Forward cross currency contract	-	2,634	-	2,634

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Transfers between the Level 1 and Level 2 during the period

During the six months ended June 30, 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 profit or loss		At fair value through other comprehensive income	
	Stock option	Convertible bond	Stock	Total
As of January 1, 2022:	\$55,360	\$-	\$3,988,804	\$4,044,164
Total gains and losses recognized for the six months ended June 30, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	280	2,970	-	3,250
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	-	(1,217,906)	(1,217,906)
Acquisition	-	41,610	1,238,610	1,280,220
Transfers	(55,640)	-	55,640	-
Tax effect	-	-	3,644	3,644
Exchange differences	-	-	8,586	8,586
As of June 30, 2022	\$-	\$44,580	\$4,077,378	\$4,121,958

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	Assets		
	At fair value through		Total
	At fair value through	other comprehensive	
	profit or loss	income	
	Stock and convertible		
	bond	Stock	
As of January 1, 2021:	\$56,960	\$913,080	\$970,040
Total gains and losses recognized for the six months ended June 30, 2021:			
Amount recognized in profit or loss (presented in “other profit or loss”)	(1,240)	-	(1,240)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	98,105	98,105
Acquisition	-	2,054,000	2,054,000
Tax effect	-	(164)	(164)
Exchange differences	-	(2,137)	(2,137)
As of June 30, 2021	\$55,720	\$3,062,884	\$3,118,604

Total gains and losses recognized in profit or loss for the six months ended June 30, 2022 and 2021 are in the amount of NT\$3,250 thousand and NT\$(1,240) 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:

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	Valuation	Significant unobservable	Quantitative	Relationship	Sensitivity of the
	techniques	inputs	information	between inputs and fair value	input to fair value
Financial assets :					
At fair value					
through other					
comprehensive					
income					
Stock	Asset-Based	Not			
	Approach	Applicable	-	-	-
	Market	P/E ratio of	1.64	The higher the	10% increase
	Approach	similar		P/E ratio of	(decrease) in the P/E
		companies		similar	ratio of similar
				companies, the	entities would result
				higher the fair	in increase /decrease
				value estimated	in equity by
					NT\$4,540 thousand/
					NT\$4,540 thousand.
At fair value					
through profit					
or loss					
Convertible	Market	P/E ratio of	0.025	The higher the	10% increase
Bond	Approach	similar		P/E ratio of	(decrease) in the P/E
		companies		similar	ratio of similar
				companies, the	companies would
				higher the fair	result in increase
				value estimated	/decrease in equity
					by NT\$4,458
					thousand/ NT\$4,458
					thousand.

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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.

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As of June 30, 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\$2,375 thousand/ NT\$2,375 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\$6,149 thousand/ NT\$6,149 thousand.

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.

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- 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:

	June 30, 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(10))	\$-	\$-	\$212,800	\$212,800

	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(10))	\$-	\$-	\$212,800	\$212,800

	June 30, 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(10))	\$-	\$-	\$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:

	June 30, 2022		
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
Monetary item:			
USD	\$554,661	29.72	\$16,484,525
EUR	80,125	31.06	2,488,916
AUD	4,088	20.45	83,600
JPY	207,188	0.2182	45,208
GBP	124	36.07	4,473
CNY	223	4.4283	988
Non-monetary items:			
USD	\$8,341	29.72	\$247,904

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June 30, 2022			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial liabilities</u>			
Monetary items:			
USD	\$830,463	29.72	\$24,681,360
EUR	26,567	31.06	825,248
JPY	102,527	0.2182	22,371
GBP	35	36.07	1,262
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
June 30, 2021			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$1,138,302	27.86	\$31,713,094
JPY	135,890	0.2521	34,258
CNY	3,986	4.3126	17,190
EUR	358	33.15	11,868
AUD	347	20.94	7,266
GBP	69	38.54	2,659
Non-Monetary items:			
USD	\$6,412	27.86	\$178,644
<u>Financial liabilities</u>			
Monetary items:			
USD	\$617,383	27.86	\$17,200,290
JPY	91,404	0.2521	23,043
GBP	4,786	38.54	184,446

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) gain was NT\$(517,407) thousand and NT\$31,983 thousand for the six months ended June 30, 2022 and 2021, respectively.

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(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 six months ended June 30, 2022: None.

B. Endorsement/Guarantee provided to others for the six months ended June 30, 2022: Please refer to Attachment 1.

C. Securities held as of June 30, 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 six months ended June 30, 2022: Attachment 10.

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six months ended June 30, 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 six months ended June 30, 2022: None.

G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six months ended June 30, 2022: Please refer to Attachment 3.

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- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 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, 1-2, 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.
- 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.

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(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 June 30, 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	\$5,242,975	\$5,924,661	\$728,770	\$11,896,406	\$674,680	\$-	\$12,571,086
Net revenue from sales							
among intersegments	12,335	218,394	529,928	760,657	236,878	(997,535)	-
Total revenue	<u>\$5,255,310</u>	<u>\$6,143,055</u>	<u>\$1,258,698</u>	<u>\$12,657,063</u>	<u>\$911,558</u>	<u>\$(997,535)</u>	<u>\$12,571,086</u>
Segment income	<u>\$169,055</u>	<u>\$852,407</u>	<u>\$44,322</u>	<u>\$1,065,784</u>	<u>\$(199,623)</u>	<u>\$192,229</u>	<u>\$1,058,390</u>

For the three months ended June 30, 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	\$5,829,374	\$4,157,809	\$984,416	\$10,971,599	\$677,934	\$-	\$11,649,533
Net revenue from sales							
among intersegments	38,195	3,144	113,483	154,822	278,845	(433,667)	-
Total revenue	<u>\$5,867,569</u>	<u>\$4,160,953</u>	<u>\$1,097,899</u>	<u>\$11,126,421</u>	<u>\$956,779</u>	<u>\$(433,667)</u>	<u>\$11,649,533</u>
Segment income	<u>\$291,579</u>	<u>\$420,147</u>	<u>\$24,096</u>	<u>\$735,822</u>	<u>\$(85,208)</u>	<u>\$54,893</u>	<u>\$705,507</u>

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For the six months ended June 30, 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	\$12,673,993	\$10,158,797	\$1,468,009	\$24,300,799	\$1,408,195	\$-	\$25,708,994
Net revenue from sales							
among intersegments	68,914	411,270	992,656	1,472,840	578,609	(2,051,449)	-
Total revenue	<u>\$12,742,907</u>	<u>\$10,570,067</u>	<u>\$2,460,665</u>	<u>\$25,773,639</u>	<u>\$1,986,804</u>	<u>\$(2,051,449)</u>	<u>\$25,708,994</u>
Segment income	<u>\$401,059</u>	<u>\$1,215,275</u>	<u>\$67,425</u>	<u>\$1,683,759</u>	<u>\$(319,969)</u>	<u>\$336,817</u>	<u>\$1,700,607</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$58,786,578</u>	<u>\$58,786,578</u>

For the six months ended June 30, 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	\$10,943,002	\$7,463,522	\$1,910,259	\$20,316,783	\$1,356,037	\$-	\$21,672,820
Net revenue from sales							
among intersegments	78,038	11,010	222,156	311,204	544,879	(856,083)	-
Total revenue	<u>\$11,021,040</u>	<u>\$7,474,532</u>	<u>\$2,132,415</u>	<u>\$20,627,987</u>	<u>\$1,900,916</u>	<u>\$(856,083)</u>	<u>\$21,672,820</u>
Segment income	<u>\$422,264</u>	<u>\$713,091</u>	<u>\$(2,734)</u>	<u>\$1,132,621</u>	<u>\$(160,958)</u>	<u>\$216,282</u>	<u>\$1,187,945</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$52,808,643</u>	<u>\$52,808,643</u>

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the six months ended June 30, 2022 and 2021, respectively. They have been combined into other segments.

Note B: Inter-segment revenues 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 assets.

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Net income of reportable segment	\$1,065,784	\$735,822	\$1,683,759	\$1,132,621
Loss of other segments	(199,623)	(85,208)	(319,969)	(160,958)
Unallocated amount:				
Interest income	88,368	101,850	171,097	200,263
Interest expense	(70,702)	(34,008)	(120,458)	(63,102)
Financial assets (liabilities) at fair value through profit or loss	448,258	99,467	962,394	314,867
Exchange loss, net	(186,720)	60,057	(517,407)	31,983
Others	(86,975)	(172,473)	(158,809)	(267,729)
Income before income tax	<u>\$1,058,390</u>	<u>\$705,507</u>	<u>\$1,700,607</u>	<u>\$1,187,945</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the six months ended June 30, 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	\$ 10,903,814 (Note)	\$ 594,400	\$ 594,400	\$ -	-	2.73%	\$ 21,807,629 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	10,903,814 (Note)	1,003,347	1,003,347	527,827	-	4.60%	21,807,629 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	10,903,814 (Note)	164,000	164,000	73,118	-	0.75%	21,807,629 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsidiary	10,903,814 (Note)	350,000	350,000	168,258	-	1.60%	21,807,629 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	10,903,814 (Note)	260,000	260,000	22,627	-	1.19%	21,807,629 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsidiary	10,903,814 (Note)	267,480	267,480	148,600	-	1.23%	21,807,629 (Note)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsidiary	10,903,814 (Note)	14,860	14,860	14,860	-	0.07%	21,807,629 (Note)	Yes	No	No
	Total				<u>\$ 2,654,087</u>	<u>\$ 2,654,087</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 six months ended June 30, 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	-	\$ 228,605	\$ 228,605
1	Bigshine (HK)	Coretronic Investment	Trade receivables - related parties	Yes	315,032	315,032	315,032	1.25%	The need for short-term financing	-	Business turnover	-	None	-	571,512	571,512
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	174,741	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	571,512	571,512
2	Great Pride (HK)	Coretronic Investment	Trade receivables - related parties	Yes	903,488	903,488	903,488	1.25%	The need for short-term financing	-	Business turnover	-	None	-	3,041,126	3,041,126
2	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	94,605	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,041,126	3,041,126
3	Tecpoint	Brightbridge	Trade receivables - related parties	Yes	2,642	2,642	2,642	-%	The need for short-term financing	-	Business turnover	-	None	-	3,860,872	3,860,872
4	Venture Orient	Coretronic Investment	Trade receivables - related parties	Yes	91,373	89,160	89,160	1.25%	The need for short-term financing	-	Business turnover	-	None	-	630,384	630,384
4	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	115,752	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	630,384	630,384
5	Wisdom Success (HK)	Coretronic Investment	Trade receivables - related parties	Yes	58,950	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,157,100	7,157,100
5	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	63,998	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,157,100	7,157,100
6	Wisdom Success	Coretronic Investment	Trade receivables - related parties	Yes	23,580	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	11,251,913	11,251,913
6	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	27,825	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	11,251,913	11,251,913
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	469,398	469,398	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,811,765	5,811,765
9	Young Green Energy	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	70,000	50,000	50,000	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	717,381	717,381	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,931,118	4,931,118
11	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	1,480,353	1,480,353	1,480,353	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,931,118	4,931,118
11	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,247,176	925,511	925,511	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,931,118	4,931,118
12	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	1,367,120	1,367,120	1,367,120	-%	The need for short-term financing	-	Business turnover	-	None	-	2,358,110	2,358,110
12	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	802,440	802,440	802,440	-%	The need for short-term financing	-	Business turnover	-	None	-	2,358,110	2,358,110
12	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	128,628	128,628	128,628	-%	The need for short-term financing	-	Business turnover	-	None	-	943,244	943,244
13	Best Alpha Investments	Young Optics (BD)	Other receivables - related parties	Yes	29,720	29,720	29,720	1%	The need for short-term financing	-	Business turnover	-	None	-	526,289	526,289

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, 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 1-2 (Endorsement/Guarantee provided to others for the six months ended June 30, 2022)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsor/ guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statement	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
1	Optoma Corporation	Optoma Co., Ltd.	Associate	\$ 476,551 (Note)	\$ 2,000	\$ 2,000	\$ 2,000	-	0.21%	\$ 953,102 (Note)	No	No	No

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 2 (Securities held as of June 30, 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	June 30, 2022				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note a)	
Coretronic Corporation	Flexenable Limited-Convertible bonds	-	Financial assets at fair value through profit or loss-current	-	\$ 44,580	-	\$ 44,580	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	-	2.59%	-	
Coretronic Corporation	Nanosys Inc.	-	Financial assets at fair value through profit or loss-noncurrent	6,708	(Note b) -	0.002%	-	
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661	104,020	16.80%	104,020	
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income-noncurrent	(Note c) 57,000,000	3,116,125	11.06%	3,116,125	
Coretronic Corporation	Etergo Opto-Electronics	-	Investments accounted for using the equity method- noncurrent	1,850,000	52,056	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 : Includes the original investment of Flexenable Limited - options that had been converted into 2,335,620,378 preferred shares in February 2022 and the additional investment of 1,751,715,283 preferred shares in March 2022 in the amount of USD 1,500,000.

ATTACHMENT 2-1 (Securities held as of June 30, 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	June 30, 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	\$ -	5.85%	\$ -	
CICS	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	900,000	(Note b) 27,000	19.76%	27,000	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,104,719	5.00%	USD 2,104,719	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	98,556,488	722,283	4.47%	722,283	
Optoma Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	6,830	3.06%	6,830	
Optoma Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	38,568	19.90%	38,568	

Note a : The Group measured the fair value of investments in accordance with IFRS 9.

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 six months ended June 30, 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	\$ 2,573,439	16.38%	90 days	-	-	\$ 1,625,669	22.28%	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	735,907	8.36%	120 days	-	-	(717,671)	(9.05)	

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 six months ended June 30, 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	Young Optics (Kunshan)	Associate	Sales	\$ 129,532	4.82%	60 days	-	-	\$ 88,743	7.74 %	
Young Optics	Coretronic Projection (Kunshan)	Associate	Sales	827,115	30.81%	90 days	-	-	448,670	39.13 %	
Young Optics	Rays Optics	Associate	Sales	190,599	7.10%	30 days	-	-	74,587	6.51%	
Young Optics (Kunshan)	Young Optics	Associate	Sales	1,219,328	83.80%	90 days	-	-	749,349	87.00 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	161,830	11.13%	90 days	-	-	75,429	8.76 %	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	108,315	18.24%	60 days	-	-	25,795	9.09 %	
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	Sales	136,729	23.03%	60 days	-	-	47,787	16.83 %	
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	Sales	408,545	4.35%	90 days	-	-	248,513	3.80 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	273,067	2.90%	90 days	-	-	213,713	3.27 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	287,003	3.05%	60 days	-	-	139,556	2.13 %	
Young Optics (BD)	Young Optics	Associate	Sales	112,991	84.73%	30 days	-	-	12,482	81.18 %	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	162,818	3.16%	60 days	-	-	84,669	5.55 %	
Coretronic Optics (Kushan)	Coretronic Projection (Kunshan)	Associate	Sales	4,642,737	99.96%	60 days	-	-	2,651,243	99.97 %	
Optoma Co., Ltd.	Optoma USA	Associate	Sales	995,654	30.92%	90 days	-	-	621,781	37.97 %	
Optoma Co., Ltd.	Optoma Europe	Associate	Sales	1,751,879	54.40%	90 days	-	-	866,330	52.91 %	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 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	\$ 1,625,669	6.33	\$ -	-	\$ -	\$ -
Other receivables : Coretronic Corporation	Optoma Co., Ltd.	Sub-subsidiary	373,459	-	-	-	-	-

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 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	\$ 448,670	5.40	\$ -	-	\$ -	\$ -
Young Optics (Kunshan)	Young Optics	Associate	749,349	3.94	-	-	-	-
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	248,513	5.15	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	213,713	2.32	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	139,556	4.98	-	-	-	-
Coretronic (Ningbo)	Coretronic Corporation	Parent	717,671	2.56	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	2,651,243	4.90	-	-	-	-
Optoma Co., Ltd.	Optoma USA	Associate	621,781	4.08	-	-	-	-
Optoma Co., Ltd.	Optoma Europe	Associate	866,330	4.16	-	-	-	-
Other receivables :								
Grace China	Young Optics (BD)	Associate	280,109	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	1,367,120	-	-	-	-	-
Dynamic Time	Core-Flex	Associate	128,628	-	-	-	-	-
Dynamic Time	Great Pride (HK)	Associate	802,440	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	1,481,542	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Associate	719,496	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	928,530	-	-	-	-	-
Chung Tsen Investment	Optoma Corporation	Associate	246,525	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	474,044	-	-	-	-	-
Tsen Ming Investment	Optoma Corporation	Associate	140,299	-	-	-	-	-
Great Pride (HK)	Coretronic Investment	Associate	908,413	-	-	-	-	-
Bigshine (HK)	Coretronic Investment	Associate	316,749	-	-	-	-	-

ATTACHMENT 5 (Significant intercompny transactions between consolidated entites)

(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	72,648	—	0.28%
		Greendale	1	Accounts receivable	2,815,559	—	4.79%
			1	Sales	3,737,016	—	14.54%
		CICS	1	Other receivables	58,607	—	0.10%
		YLG Optotech	1	Accounts receivable	152,444	—	0.26%
			1	Sales	325,067	—	1.26%
		Coretronic Display (Suzhou)	1	Accounts receivable	319,936	—	0.54%
			1	Sales	2,180,995	—	8.48%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	2,759,328	—	4.69%
			1	Sales	4,616,753	—	17.96%
		Coretronic Optics (Suzhou)	1	Accounts receivable	2,335,875	—	3.97%
			1	Sales	4,375,848	—	17.02%
		Coretronic Vietnam	1	Accounts receivable	1,378,906	—	2.35%
1	Young Optics		1	Sales	724,801	—	2.82%
		Optoma Co., Ltd.	1	Accounts receivable	1,625,669	—	2.77%
			1	Other receivables	373,459	—	0.64%
			1	Sales	2,573,439	—	10.01%
		Young Optics (Kunshan)	3	Accounts receivable	88,743	—	0.15%
			3	Sales	129,532	—	0.50%
		Young Optics (Suzhou)	3	Accounts receivable	332	—	0.00%
			3	Sales	30,934	—	0.12%
		Coretronic Projection (Kunshan)	3	Accounts receivable	448,670	—	0.76%
			3	Sales	827,115	—	3.22%
		Rays Optics	3	Accounts receivable	74,587	—	0.13%
			3	Other receivables	133	—	0.00%
			3	Sales	190,599	—	0.74%
		Young Optics (BD)	3	Accounts receivable	53,898	—	0.09%
			3	Other receivables	7,835	—	0.01%
			3	Sales	12,132	—	0.05%
			3	Disposal of property, plant and equipment	2,491	—	0.00%

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)
1	Young Optics	Mejiro Genossen	3	Accounts receivable	10,231	—	0.02%
			3	Sales	6,508	—	0.03%
2	Rays Optics	Young Optics	3	Other receivables	153	—	0.00%
3	Grace China	Young Optics (BD)	3	Other receivables	280,109	—	0.48%
		Young Optics	3	Other receivables	389	—	0.00%
4	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	749,349	—	1.27%
			3	Sales	1,219,328	—	4.74%
		Young Optics (Suzhou)	3	Accounts receivable	25,318	—	0.04%
			3	Sales	55,876	—	0.22%
		Young Optics (BD)	3	Accounts receivable	8,077	—	0.01%
			3	Sales	7,871	—	0.03%
		Coretronic Optics (Kunshan)	3	Accounts receivable	75,429	—	0.13%
			3	Sales	161,830	—	0.63%
5	Dynamic Time	Coretronic Corporation	2	Other receivables	1,367,120	—	2.33%
		Core-Flex	3	Other receivables	128,628	—	0.22%
		Great Pride (HK)	3	Other receivables	802,440	—	1.37%
6	Coretronic (Suzhou)	Coretronic Display (Suzhou)	3	Other receivables	1,481,542	—	2.52%
		Coretronic Optotech (Suzhou)	3	Other receivables	719,496	—	1.22%
		Coretronic Optics (Suzhou)	3	Other receivables	928,530	—	1.58%
7	Chung Tsen Investment Corp.	Optoma Corporation	3	Other receivables	246,525	—	0.42%
8	Venture Orient	Coretronic Investment	3	Other receivables	89,646	—	0.15%
9	Young Optics (Suzhou)	Young Optics	3	Accounts receivable	86	—	0.00%
			3	Sales	41,289	—	0.16%
		Young Optics (Kunshan)	3	Accounts receivable	118	—	0.00%
			3	Sales	118	—	0.00%
10	Best Alpha Investments	Young Optics (BD)	3	Interest income	144	—	0.00%
			3	Other receivables	29,957	—	0.05%
11	Mejiro Genossen Inc.	Young Optics	3	Accounts receivable	2,417	—	0.00%
			3	Other receivables	1,103	—	0.00%
			3	Sales	4,986	—	0.02%
		Young Optics (BD)	3	Other receivables	352	—	0.00%
			3	Sales	647	—	0.00%

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)
12	Nano Precision (Suzhou)	Great Pride (HK)	3	Accounts receivable	43,914	—	0.07%
			3	Sales	57,470	—	0.22%
		Coretronic Display (Suzhou)	3	Sales	97,872	—	0.38%
		Coretronic Optotech (Suzhou)	3	Accounts receivable	25,795	—	0.04%
			3	Sales	108,315	—	0.42%
		Coretronic Optics (Suzhou)	3	Accounts receivable	47,787	—	0.08%
			3	Sales	136,729	—	0.53%
13	Greendale	Coretronic Corporation	2	Other receivables	5,321,634	—	9.05%
		Coretronic Optics (Kunshan)	3	Other receivables	2,793,611	—	4.75%
14	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Accounts receivable	248,513	—	0.42%
			3	Sales	408,545	—	1.59%
		Optoma China	3	Accounts receivable	213,713	—	0.36%
			3	Sales	273,067	—	1.06%
		Greendale	3	Accounts receivable	5,320,859	—	9.05%
			3	Sales	7,254,618	—	28.22%
		Champ Vision Display	3	Accounts receivable	212,267	—	0.36%
			3	Sales	406,888	—	1.58%
		Coretronic Optics (Kunshan)	3	Other receivables	474,044	—	0.81%
			3	Accounts receivable	139,556	—	0.24%
			3	Sales	287,003	—	1.12%
15	Young Green Energy	Coretronic MEMS Corporation	3	Other receivables	50,138	—	0.09%
16	Boom Power	Boom Power Electronics (Suzhou)	3	Other receivables	69,579	—	0.12%
17	Tsen Ming Investment	Optoma Corporation	3	Other receivables	140,299	—	0.24%
18	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	717,671	—	1.22%
			2	Sales	735,907	—	2.86%
19	Nano Display (Guangzhou)	Coretronic (Guangzhou)	3	Sales	35,545	—	0.14%
20	Great Pride (HK)	Coretronic Investment	3	Other receivables	908,413	—	1.55%
21	Bigshine (HK)	Coretronic Investment	3	Other receivables	316,749	—	0.54%
22	CICS	Coretronic Corporation	2	Accounts receivable	70,173	—	0.12%
			2	Sales	95,825	—	0.37%

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)
23	YLG Optotech	Coretronic Corporation	2	Accounts receivable	293,657	—	0.50%
			2	Sales	470,502	—	1.83%
		Champ Vision Display	3	Sales	37,410	—	0.15%
24	Young Optics (BD)	Young Optics	3	Accounts receivable	12,482	—	0.02%
			3	Sales	112,991	—	0.44%
		Grace China	3	Accounts receivable	527	—	0.00%
			3	Sales	529	—	0.00%
		Young Optics (Kunshan)	3	Accounts receivable	2,237	—	0.00%
			3	Sales	19,655	—	0.08%
25	Coretronic Display (Suzhou)	Coretronic Corporation	2	Accounts receivable	1,692,979	—	2.88%
			2	Sales	2,311,043	—	8.99%
26	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	1,438,986	—	2.45%
			2	Sales	1,290,730	—	5.02%
		Coretronic Display (Suzhou)	3	Accounts receivable	84,669	—	0.14%
			3	Sales	162,818	—	0.63%
27	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	115,758	—	0.20%
			3	Sales	238,289	—	0.93%
28	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	2,651,243	—	4.51%
			3	Sales	4,642,737	—	18.06%
29	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	2,539,254	—	4.32%
			2	Sales	1,451,022	—	5.64%
30	Nano Precision Taiwan	Nano Precision (Suzhou)	3	Accounts receivable	32,397	—	0.06%
			3	Sales	128,628	—	0.50%
31	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	553,834	—	0.94%
			2	Sales	311,951	—	1.21%
32	CILS	Coretronic Corporation	2	Sales	33,384	—	0.13%

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)
33	Optoma Co., Ltd.	Optoma USA	3	Accounts receivable	621,781	—	1.06%
			3	Sales	995,654	—	3.87%
		Optoma Europe	3	Accounts receivable	866,330	—	1.47%
			3	Sales	1,751,879	—	6.81%

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 June 30, 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 June 30, 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%	\$6,272,932	\$442,532	\$442,532	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%	748,063	32,278	32,278	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%	1,127,257	70,515	24,072	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	13,093,050	229,287	229,287	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,369,862	19,954	19,954	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%	2,219,030	29,417	29,417	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,856,324	(783)	(611)	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%	224,339	3,247	3,244	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,001,062	110,111	110,111	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%	273,064	11,695	11,695	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%	305,257	733	733	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%	146,706	(3,936)	(3,149)	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%	16,569	(10,652)	(6,465)	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%	22,592	(2,286)	(2,286)	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%	141,372	(40,009)	(40,009)	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%	9,937	1,173	939	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%	(4,728)	(45,287)	(45,287)	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%	36,328	(21,692)	(21,692)	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%	(192,611)	(101,919)	(101,919)	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%	21,391	(19,925)	(19,925)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	100.00%	194,585	134,653	134,653	Subsidiary

ATTACHMENT 6 - 1 : (Names, locations and related information of investee companies as of June 30, 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 June 30, 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 211,476,222	USD 15,180,519	(Note a)	Sub-subsiidary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 367,801,048	USD 7,099,240	(Note a)	Sub-subsiidary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,989,428	(USD 120,514)	(Note a)	Sub-subsiidary
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 636,000	212,000	100.00 %	USD 18,627	USD 6	(Note a)	Sub-subsiidary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 32,220,247	USD 766,513	(Note a)	Sub-subsiidary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 18,609,852	USD 221,642	(Note a)	Sub-subsiidary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 14,907,060	USD 16,901	(Note a)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 234,264,919	USD 4,772,255	(Note a)	Sub-subsiidary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 91,181,631	USD 2,935,707	(Note a)	Sub-subsiidary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 29,777,546	USD 576,293	(Note a)	Sub-subsiidary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 11,557,024	(USD 321,407)	(Note a)	Sub-subsiidary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 30,000,000	USD 1,000,000	(Note b)	100.00 %	RMB 196,925,892	RMB 154,410	(Note a)	Sub-subsiidary
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	-	100.00 %	USD 29,339,182	USD 22,327	(Note a)	Sub-subsiidary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,934,214	(USD 321,407)	(Note a)	Sub-subsiidary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 32,220,224	USD 2,935,707	(Note a)	Sub-subsiidary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 18,609,756	USD 576,293	(Note a)	Sub-subsiidary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 46,091,862	USD 693,837	(Note a)	Sub-subsiidary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 97,021,567	(USD 263,521)	(Note a)	Sub-subsiidary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 8,336,439	USD 116,011	(Note a)	Sub-subsiidary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 17,487,957	USD 170,321	(Note a)	Sub-subsiidary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 96,983,247	(USD 263,523)	(Note a)	Sub-subsiidary
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 7,495,434	(RMB 8,965,315)	(Note a)	Sub-subsiidary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	552,233	3,744	(Note a)	Sub-subsiidary

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 June 30, 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 June 30, 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 June 30, 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	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%	\$48,424	\$70,515	(Note)	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 %	497,692	(792)	(Note)	Sub-subsiidiary
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	3,756	3,328	(Note)	Sub-subsiidiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83 %	USD 12,104,615	USD 16,901	(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 %	22,640	70,515	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	5,882	3,328	(Note)	Sub-subsiidiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	127,965	USD 120,744	(Note)	Sub-subsiidiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00 %	USD 2,307,608	USD 1,523,765	(Note)	Sub-subsiidiary
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	USD 17,709,909	USD 1,305,965	(Note)	Sub-subsiidiary
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	USD 13,421,708	USD 985,203	(Note)	Sub-subsiidiary
Coretronic Intelligent Cloud Service	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	27,687	514	(Note)	Sub-subsiidiary
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 931,583	USD 17,511	(Note)	Sub-subsiidiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 30,620,000	32,620,000	96.16 %	EUR 46,924,826	EUR 4,407,281	(Note)	Sub-subsiidiary

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 June 30, 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 June 30, 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 %	\$2,352,703	\$365	(Note a)	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 1,190,226	USD 572	(Note a)	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 302,187	USD 395	(Note a)	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 17,337,925	EUR 3,644,123	(Note a)	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 26,842,141	EUR 2,696,659	(Note a)	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 481,147)	EUR 1,688,711	(Note a)	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 1,780,262	EUR 352,456	(Note a)	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 847,796	EUR 112,745	(Note a)	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 108,616	(EUR 51,646)	(Note a)	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 403,995	EUR 23,024	(Note a)	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 436,566	(EUR 73,368)	(Note a)	Sub-subsidiary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,709,039	(17,002)	(Note a)	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 %	121,003	16,986	(Note a)	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 %	39,616	6,495	(Note a)	Sub-subsidiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 17,753,974	USD 265,919	(Note a)	Sub-subsidiary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 39,436,018	(USD 439,028)	(Note a)	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 363,685	(USD 659,752)	(Note a)	Sub-subsidiary
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	(Note b) (Note c)	EUR 18,750	-	-	-	-	-	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 90,921	(USD 659,752)	(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 : Young Optics (BD) has completed the capital increase process in March 2022.

Note c : Young Optics Europe GmbH completed changing the shareholder in June 2022.

ATTACHMENT 7 : (Investment in Mainland China as of June 30, 2022)
(Except for Coretronic Display (Suzhou), the information is based on the unreviewed 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 June 30, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of June 30, 2022	Accumulated inward remittance of earnings as of June 30, 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)	\$ 439,947	100.00%	\$ 439,947	\$ 6,256,586	\$ 428,855 (USD 14,065,436) (Note a and Note c)
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)	1,646	100.00%	1,646	29,331	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	-	87,863	100.00%	87,863	601,905	-
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)	19,946	100.00%	19,946	1,361,579	-
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)	20,931	100.00%	20,931	4,947,247	-
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)	-	-	-	-	86,171	100.00%	86,171	717,460	-
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)	-	-	-	-	31,668	100.00%	31,668	1,265,626	-
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)	(10,875)	100.00%	(10,875)	232,413	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)	2,522	100.00%	2,522	927,774	-
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)	85,083	100.00%	85,083	3,667,339	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)	3,328	100.00%	3,328	399,219	-
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)	(14,221)	100.00%	(14,221)	2,775,963	85,228 (USD 2,795,270) (Note a and Note e)
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)	17,007	100.00%	17,007	1,438,056	-
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)	4,799	100.00%	4,799	519,723	-
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	43,858	100.00%	43,858	68,551	-
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	514	100.00%	514	27,687	-
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	3,533	100.00%	3,533	50,635	-
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	(4,611)	96.16%	(4,434)	86,358	-
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))	-	-	-	-	(2,475)	100.00%	(2,475)	50,678	-

Accumulated investment in Mainland China as of June 30, 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)	\$12,914,021

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 amounting to USD 14,065,436.4 from Coretronic Projection (Kunshan) from 2006 to 2007 and had remitted those back to Coretronic Corporation.

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

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

Note f : Great Pride (HK) Investments Limited received cash dividends amounting 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 amounting 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 : The dissolution of Nano Display (Suzhou) and its merger with Coretronic (Suzhou) were approved by regulatory authority in August 2019.

Note i : Includes the investment of USD2,966,301 from Nano Precision (Nanjing) which was liquidated in April 2019. The investment amount cancellation was approved by MOEA.

Note j : In 2020, Viscorp received cash dividends amounting to USD 1,800,000 and USD 4,619,805 from distribution profits of Coretronic (Shanghai) and Coretronic (Ningbo), respectively, and remitted it back for USD 6,419,805 to Coretronic Corporation.

Besides, the rest of the capital of Nano Precision (Nanjing) amounting to USD 460,098 and the income from the liquidation of Coretronic (Nanjing) amounting to USD 490,094 were already remitted back to Coretronic Corporation.

Therefore, Coretronic Corporation has applied for the cancellation for investment in the amount of USD 7,369,997 in China, which was approved by MOEA.

Note k : Young Lighting Limited acquired 49% shares of YLG Limited in December 2020. The ownership percentage of YLG Optotech was increased to 100%.

Note l : To use the currency rate 1 USD =29.72NTD as of June 30, 2022.

ATTACHMENT 7-1 (Investment in Mainland China as of June 30, 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 June 30, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of June 30, 2022 (Note a)	Accumulated inward remittance of earnings as of June 30, 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)	\$(8,975) (-USD 363,287)	100.00%	\$(8,975) (-USD 363,287)	\$994,674 (USD 33,468,173)	\$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)	10,152 (USD 351,228)	100.00%	10,152 (USD 351,228)	252,033 (USD 8,480,239)	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 June 30, 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; therefore 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 also invested USD 2,300,000 in 2007.

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

Note f : Best Alpha Investments Limited received cash dividends amounting 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 amounting to RMB 27,691,452 and USD 4,509,641 for distribution profits from Young Optics (Suzhou) in 2014, among which the after-tax amount of RMB 24,922,307 had been remitted back to Young Optics.

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

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

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

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

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

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of June 30, 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 July, 2022 to August, 2022	USD 572,500,000	\$ (136,147)	\$ (136,147)	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From July, 2022 to December, 2022	USD 896,000,000	392,865	392,865	Note a
Champ Vision Display	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	July, 2022	USD 2,000,000	(967)	(967)	Note b
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From July, 2022 to December, 2022	USD 15,000,000	(10,636)	(10,636)	Note d
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	July, 2022	USD 10,000,000	(390)	(390)	Note e
Coretronic Display (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	July, 2022	USD 32,000,000	1,259	1,259	Note f
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From July, 2022 to August, 2022	USD 13,500,000	(11,966)	(11,966)	Note g
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From July, 2022 to September, 2022	USD 16,700,000	8,122	8,122	Note j
Optoma USA	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling CAD	From July, 2022 to September, 2022	CAD 1,450,000	492	492	Note k

Note a : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounting to NT\$679,991 thousand for the six months ended June 30, 2022.

Note b : Champ Vision Display entered into forward foreign exchange contracts and acquired realized loss amounting to NT\$3,421 thousand for the six months ended June 30, 2022.

Note c : Nano Precision Taiwan entered into forward foreign exchange contracts and acquired realized loss amounting to NT\$643 thousand for the six months ended June 30, 2022.

Note d : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounting to NT\$6,566 thousand for the six months ended June 30, 2022.

Note e : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and acquired realized loss amounting to NT\$2,359 thousand for the six months ended June 30, 2022.

Note f : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounting to NT\$1,383 thousand for the six months ended June 30, 2022.

Note g : Coretronic Optotech (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounting to NT\$17,985 thousand for the six months ended June 30, 2022.

Note h : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounting to NT\$9,986 thousand for the six months ended June 30, 2022.

Note i : Coretronic Investment entered into forward foreign exchange contract and acquired realized profit amounting to NT\$87,454 thousand for the six months ended June 30, 2022.

Note j : Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounting to NT\$31,473 thousand for the six months ended June 30, 2022.

Note k : Optoma USA entered into forward foreign exchange contracts and acquired realized profit amounting to NT\$710 thousand for the six months ended June 30, 2022.

Note l : Dynamic Time entered into forward foreign exchange contracts and acquired realized profit amounting to NT\$2,626 thousand for the six months ended June 30, 2022.

ATTACHMENT 9 (The information of Major shareholder as of June 30, 2022)

<div>Shares</div> <div>Name</div>	Number of shares (Units/shares)	Percentage of ownership (%)
Yann Yuan Investment Co., Ltd.	32,825,000	8.39%
Taiwei Advanced Technology Co., Ltd.	45,767,196	11.70%

ATTACHMENT 10 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the nine months ended June 30, 2022.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				June 30, 2022	
					Units / shares	Amount (Note b)	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note c)	Units / shares (Note a)	Amount (Note b)
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	Financial assets at fair value through other comprehensive income-noncurrent	-	-	13,000,000	\$ 2,752,957	18,000,000	\$ 1,170,000	-	\$ -	\$ -	\$ -	57,000,000	\$ 3,116,125
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 452,649	-	-
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 387,623	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 452,649	-	-

Note a : The number of shares of Yanyuan Investment at the end of the period includes stock dividends of 26,000,000 shares for 2021.

Note b : Equity instruments investments measured at fair value through other comprehensive income include unrealised valuation gains or losses on investments measured through other comprehensive profit or loss.

Note c : To be recognized in interest income.