

**CORETRONIC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**WITH**

**REPORT OF INDEPENDENT ACCOUNTANTS**

**FOR THE NINE MONTHS ENDED**

**SEPTEMBER 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 September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022 and 2021, changes in equity and cash flows for the nine-month periods ended September 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\$24,705,672 thousand and NT\$21,639,090 thousand, representing 43.29% and 37.02% of the consolidated total assets, and total liabilities of NT\$2,662,768 thousand and NT\$3,004,547 thousand, representing 8.28% and 8.46% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; and total comprehensive income of NT\$391,359 thousand and NT\$246,767 thousand, NT\$965,917 thousand and NT\$375,317 thousand, representing 40.62 %, 23.91 %, 52.14 % and 22.43% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively. As explained in Note 6(9), the financial statements of certain associates and joint ventures accounted for using the equity method were not reviewed by independent accountants. Those associates and joint ventures under the equity method amounted to NT\$51,747 thousand and NT\$43,990 thousand as of September 30, 2022 and 2021, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$3,553 thousand, NT\$(1,210) thousand, NT\$8,687 thousand and NT\$(2,720) thousand for the three-month and nine-month periods ended September 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 September 30, 2022 and 2021, and their consolidated financial performance for the three-month and nine-month periods ended September 30, 2022 and 2021, and cash flows for the nine-month periods ended September 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

October 31, 2022

## Notice to Readers

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

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

## CORETRONIC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

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

(September 30, 2022 and 2021 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	September 30, 2022	%	December 31, 2021	%	September 30, 2021	%
<b>Current assets</b>							
Cash and cash equivalents	6(1)	\$ 8,786,916	15.40	\$ 11,229,839	18.27	\$ 15,236,356	26.07
Financial assets at fair value through profit or loss - current	6(2)	1,159,622	2.03	180,759	0.29	213,997	0.37
Financial assets at fair value through other comprehensive income - current	6(4)	-	-	-	-	1,215	-
Financial assets at amortised cost - current	6(5)	6,527,267	11.44	5,483,485	8.92	2,093,446	3.58
Hedging financial assets - current	6(3), 12	10,752	0.02	-	-	-	-
Notes receivable, net	6(6), 6(21)	49,046	0.09	28,098	0.05	26,603	0.05
Trade receivables, net	6(7), 6(21)	11,761,054	20.61	18,937,127	30.81	16,381,762	28.03
Trade receivables - related parties, net	6(7), 6(21), 7	-	-	5,842	0.01	1,115	-
Other receivables	8	1,381,839	2.42	722,000	1.17	702,617	1.20
Current tax assets	4, 6(26)	156,169	0.27	77,866	0.13	71,361	0.12
Inventories, net	6(8)	11,003,067	19.28	9,301,377	15.13	8,716,621	14.91
Prepayments		832,016	1.46	850,479	1.38	721,884	1.24
Other current assets		209,990	0.37	139,432	0.23	134,843	0.23
Total current assets		41,877,738	73.39	46,956,304	76.39	44,301,820	75.80
<b>Non-current assets</b>							
Financial assets at fair value through other comprehensive income - noncurrent	6(4)	3,668,479	6.43	3,988,804	6.49	3,626,228	6.20
Investments accounted for using the equity method (Unreviewed)	6(9)	51,747	0.09	43,035	0.07	43,990	0.08
Property, plant and equipment, net	6(10), 8	7,966,493	13.96	7,513,806	12.22	7,351,593	12.58
Right-of-use assets	6(22)	2,292,257	4.02	1,938,026	3.15	1,995,940	3.42
Investment property, net	6(11), 8	146,248	0.26	152,301	0.25	154,314	0.26
Intangible assets	6(12)	297,788	0.52	330,634	0.54	357,224	0.61
Deferred tax assets	4, 6(26)	335,959	0.59	270,147	0.44	312,000	0.53
Net defined benefit assets - noncurrent	6(16)	20,009	0.03	18,385	0.03	16,890	0.03
Other noncurrent assets	8	408,158	0.71	258,951	0.42	287,037	0.49
Total non-current assets		15,187,138	26.61	14,514,089	23.61	14,145,216	24.20
<b>Total assets</b>		<b>\$ 57,064,876</b>	<b>100.00</b>	<b>\$ 61,470,393</b>	<b>100.00</b>	<b>\$ 58,447,036</b>	<b>100.00</b>

(continued)

## CORETRONIC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

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

(September 30, 2022 and 2021 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	September 30, 2022	%	December 31, 2021	%	September 30, 2021	%
<b>Current liabilities</b>							
Short-term borrowings	6(13)	\$ 11,073,276	19.40	\$ 11,812,397	19.22	\$ 13,776,589	23.57
Financial liabilities at fair value through profit or loss - current	6(14)	608,332	1.07	57,060	0.09	31,871	0.05
Contract liabilities - current	6(20)	483,203	0.85	301,242	0.49	289,615	0.49
Notes payable		5,617	0.01	666	-	3,788	0.01
Accounts payable		7,184,461	12.59	13,465,920	21.90	12,057,978	20.63
Accounts payable - related parties	7	50,187	0.09	29,824	0.05	27,664	0.05
Other payables	7	4,515,254	7.91	5,297,433	8.62	4,505,752	7.71
Current tax liabilities	4, 6(26)	1,048,811	1.84	895,552	1.46	869,326	1.49
Provisions - current	6(17)	630,639	1.11	578,084	0.94	665,507	1.14
Lease liabilities - current	6(22)	332,262	0.58	331,267	0.54	328,415	0.56
Other current liabilities		705,449	1.24	639,571	1.04	600,097	1.03
Current portion of long-term borrowings	6(15)	341,228	0.59	316,446	0.51	316,522	0.54
Total current liabilities		26,978,719	47.28	33,725,462	54.86	33,473,124	57.27
<b>Non-current liabilities</b>							
Long-term borrowings	6(15)	3,509,224	6.15	1,826,901	2.97	264,389	0.45
Deferred tax liabilities	4, 6(26)	147,193	0.26	78,069	0.13	81,025	0.14
Lease liabilities - noncurrent	6(22)	1,346,680	2.36	1,439,893	2.34	1,497,496	2.56
Net defined benefit liabilities - noncurrent	6(16)	150,623	0.26	156,435	0.26	158,593	0.27
Other noncurrent liabilities		25,945	0.05	26,632	0.04	37,908	0.07
Total non-current liabilities		5,179,665	9.08	3,527,930	5.74	2,039,411	3.49
Total liabilities		32,158,384	56.36	37,253,392	60.60	35,512,535	60.76
<b>Equity attributable to owners of the parent</b>							
Share capital							
Common stock	6(18)	3,909,811	6.85	3,909,811	6.36	3,909,811	6.69
Capital surplus	6(18)	2,751,370	4.82	2,893,442	4.71	2,766,429	4.73
Retained earnings	6(18), 6(27)						
Legal reserve		4,121,627	7.22	4,046,623	6.58	4,046,623	6.92
Special reserve		1,276,610	2.24	2,469,437	4.02	2,469,437	4.23
Unappropriated retained earning		11,582,041	20.30	9,650,179	15.70	9,122,697	15.61
Total retained earnings		16,980,278	29.76	16,166,239	26.30	15,638,757	26.76
Other equity		(1,110,367)	(1.95)	(817,388)	(1.33)	(1,396,284)	(2.39)
Total equity attributable to owners of the parent		22,531,092	39.48	22,152,104	36.04	20,918,713	35.79
<b>Non-controlling interests</b>	6(18)	2,375,400	4.16	2,064,897	3.36	2,015,788	3.45
Total equity		24,906,492	43.64	24,217,001	39.40	22,934,501	39.24
<b>Total liabilities and equity</b>		\$ 57,064,876	100.00	\$ 61,470,393	100.00	\$ 58,447,036	100.00

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

CORETRONIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the three months and nine months ended September 30, 2022 and 2021  
(Unaudited)

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

Description	Note	For three months ended September 30				For nine months ended September 30			
		2022		2021		2022		2021	
			%		%		%		%
Net sales	6(20), 7	\$ 12,902,980	100.00	\$ 13,045,893	100.00	\$ 38,611,974	100.00	\$ 34,718,713	100.00
Operating costs	6(8), 6(12), 6(16), 6(22), 6(23), 7	10,213,567	79.16	10,702,019	82.03	31,360,735	81.22	28,569,889	82.29
Gross profit		2,689,413	20.84	2,343,874	17.97	7,251,239	18.78	6,148,824	17.71
Operating expenses	6(12), 6(16), 6(21), 6(22), 6(23)								
Selling expenses		494,257	3.83	478,957	3.67	1,481,456	3.84	1,400,924	4.04
General and administrative expenses		600,395	4.65	495,659	3.80	1,700,749	4.40	1,487,005	4.28
Research and development expenses		809,567	6.28	752,059	5.77	2,279,332	5.90	2,181,479	6.28
Expected credit loss (gain)		11,692	0.09	1,252	0.01	7,520	0.02	(715)	-
Total operating expenses		1,915,911	14.85	1,727,927	13.25	5,469,057	14.16	5,068,693	14.60
Operating income		773,502	5.99	615,947	4.72	1,782,182	4.62	1,080,131	3.11
Non-operating income and expenses									
Interest income	6(24)	84,325	0.65	100,392	0.77	255,422	0.66	300,655	0.87
Other income	6(24)	55,208	0.43	70,748	0.54	253,128	0.66	287,160	0.83
Other gains and losses	6(24)	208,560	1.62	103,296	0.79	646,794	1.67	474,994	1.37
Finance costs	6(24)	(129,757)	(1.01)	(40,026)	(0.30)	(250,215)	(0.65)	(103,128)	(0.30)
Share of gain (loss) of associates and joint ventures accounted for using the equity method	6(9)	3,553	0.03	(1,210)	(0.01)	8,687	0.02	(2,720)	(0.01)
Total non-operating income and expenses		221,889	1.72	233,200	1.79	913,816	2.36	956,961	2.76
Income before income tax		995,391	7.71	849,147	6.51	2,695,998	6.98	2,037,092	5.87
Income tax expense	4, 6(26)	(248,356)	(1.92)	(260,515)	(2.00)	(616,792)	(1.60)	(533,201)	(1.54)
Net income		747,035	5.79	588,632	4.51	2,079,206	5.38	1,503,891	4.33
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(25)	(417,443)	(3.23)	564,594	4.33	(1,631,705)	(4.23)	662,535	1.91
Income tax related to items that will not be reclassified subsequently to profit or loss	6(25), 6(26)	(1,304)	(0.01)	(530)	-	(4,948)	(0.01)	(366)	-
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations	6(25)	638,953	4.95	(120,684)	(0.93)	1,410,090	3.65	(492,673)	(1.42)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	6(25)	(3,863)	(0.03)	(7)	-	25	-	(16)	-
Other comprehensive income (loss), net of tax		216,343	1.68	443,373	3.40	(226,538)	(0.59)	169,480	0.49
Total comprehensive income		\$ 963,378	7.47	\$ 1,032,005	7.91	\$ 1,852,668	4.79	\$ 1,673,371	4.82
Net income for the periods attributable to :									
Shareholders of the parent	6(27)	\$ 697,456		\$ 569,496		\$ 1,986,983		\$ 1,504,284	
Non-controlling interests	6(18), 6(28)	\$ 49,579		\$ 19,136		\$ 92,223		\$ (393)	
Total comprehensive income (loss) for the periods attributable to :									
Shareholders of the parent		\$ 8,788,574		\$ 1,015,721		\$ 1,694,004		\$ 1,694,454	
Non-controlling interests		\$ 84,804		\$ 16,284		\$ 158,664		\$ (21,083)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 1.78		\$ 1.46		\$ 5.08		\$ 3.77	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 1.76		\$ 1.44		\$ 5.00		\$ 3.72	

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

CORETRONIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 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 earnings	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	-	(4,523)	-	-	-	-	-	-	(4,523)	-	(4,523)
Appropriation and distribution of 2020 earnings:											
Legal reserve	-	-	156,752	-	(156,752)	-	-	-	-	-	-
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 nine months ended September 30, 2021	-	-	-	-	1,504,284	-	-	-	1,504,284	(393)	1,503,891
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	(471,999)	662,169	-	190,170	(20,690)	169,480
Total comprehensive income (loss)	-	-	-	-	1,504,284	(471,999)	662,169	-	1,694,454	(21,083)	1,673,371
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 September 30, 2021	\$ 3,909,811	\$ 2,766,429	\$ 4,046,623	\$ 2,469,437	\$ 9,122,697	\$ (2,492,487)	\$ 1,096,203	\$ -	\$ 20,918,713	\$ 2,015,788	\$ 22,934,501
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	-	278,864	-	-	-	-	-	-	278,864	94,563	373,427
Changes in subsidiaries' ownership	-	(29,955)	-	-	-	-	-	-	(29,955)	(22,180)	(52,135)
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 nine months ended September 30, 2022	-	-	-	-	1,986,983	-	-	-	1,986,983	92,223	2,079,206
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	1,343,674	(1,636,653)	-	(292,979)	66,441	(226,538)
Total comprehensive income (loss)	-	-	-	-	1,986,983	1,343,674	(1,636,653)	-	1,694,004	158,664	1,852,668
Increase of non-controlling interests	-	-	-	-	-	-	-	-	-	79,456	79,456
Balance as of September 30, 2022	\$ 3,909,811	\$ 2,751,370	\$ 4,121,627	\$ 1,276,610	\$ 11,582,041	\$ (932,583)	\$ (177,784)	\$ -	\$ 22,531,092	\$ 2,375,400	\$ 24,906,492

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2022 and 2021

(Unaudited)

(Amounts in thousands of New Taiwan Dollars)

Description	For the nine months ended September 30		Description	For the nine months ended September 30	
	2022	2021		2022	2021
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 2,695,998	\$ 2,037,092	Acquisition of financial assets at fair value through profit or loss	(41,610)	(130,578)
Adjustments for:			Proceeds from disposal of financial assets at fair value through profit or loss	-	129,648
The profit or loss items which did not affect cash flows:			Acquisition of financial assets at fair value through other comprehensive income	(1,238,610)	(2,054,000)
Expected credit loss (gain)	7,520	(715)	Acquisition of financial assets at amortized cost - current	(1,043,782)	(2,093,446)
Depreciation (including investment property and right-of-use assets)	1,086,489	981,398	Disposal of subsidiary	860	-
Amortization (including other noncurrent assets)	66,134	96,217	Acquisition of property, plant and equipment	(1,139,588)	(1,060,375)
Interest expenses	250,215	103,128	Proceeds from disposal of property, plant and equipment	46,743	92,464
Interest income	(255,422)	(300,655)	Acquisition of intangible assets	(28,671)	(40,023)
Dividend income	(70,475)	(34,640)	Proceeds from disposal of intangible assets	103	367
Transfer of property, plant and equipment to expenses	4	4,681	Acquisition of land use rights	(453,177)	-
Gain on disposal of property, plant and equipment	(22,219)	(65,026)	Increase in prepayment of land use rights	(155,479)	-
Share-based payment expenses	4,499	-	Increase in other noncurrent assets	(20,321)	(73,441)
Gain on disposal of investments	(531)	-	Net cash used in investing activities	(4,073,532)	(5,229,384)
Share of (gain) loss of associates and joint ventures accounted for using the equity method	(8,687)	2,720			
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(441,621)	154,879	Cash flows from financing activities:		
Changes in operating assets and liabilities:			(Decrease) increase in short-term borrowings	(739,121)	8,639,172
Notes receivable	(20,948)	(1,403)	Increase in long-term borrowings	1,995,029	-
Trade receivables	7,167,863	(4,721,074)	Decrease in long-term borrowings	(287,924)	(88,568)
Trade receivables - related parties	5,842	(1,115)	Decrease in guarantee deposits	(1,178)	(5,830)
Other receivables	(676,578)	(220,612)	Increase (decrease) in other noncurrent liabilities	491	(537)
Inventories	(1,701,690)	(3,818,812)	Cash dividends	(1,563,925)	(1,563,925)
Prepayments	18,944	(115,835)	Cash payment for the principal portion of lease liabilities	(244,484)	(224,965)
Other current assets	(70,558)	(39,429)	Proceeds from disposal of subsidiaries' ownership (without a change of control)	312,222	-
Other operating assets	13,979	1,669	Treasury stock acquired	-	(2,102,777)
Contract liabilities	181,961	39,140	Change in non-controlling interests	79,456	(7,080)
Notes payable	4,951	3,455	Net cash (used in) provided by financing activities	(449,434)	4,645,490
Accounts payable	(6,281,459)	3,909,378			
Accounts payable - related parties	20,363	16,281	Effect of exchange rate changes on cash and cash equivalents	1,228,117	(435,849)
Other payables	(801,335)	290,869			
Provisions - current	52,555	(35,457)	Net decrease in cash and cash equivalents	(2,442,923)	(3,064,208)
Other current liabilities	65,878	58,298	Cash and cash equivalents at the beginning of the period	11,229,839	18,300,564
Net defined benefit assets/liabilities	(7,436)	(8,275)	Cash and cash equivalents at the end of the period	\$ 8,786,916	\$ 15,236,356
Cash provided by (used in) operating activities	1,284,236	(1,663,843)			
Dividend received	70,475	34,640			
Interest received	271,746	156,683			
Interest paid	(231,059)	(101,474)			
Income tax paid	(543,472)	(470,471)			
Net cash provided by (used in) operating activities	851,926	(2,044,465)			

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

**CORETRONIC CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended September 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 October 31, 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
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024

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)

D. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessee’s additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the nine months ended September 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;

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. rights arising from other contractual arrangements;

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

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

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

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

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

If loses control of a subsidiary, it:

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

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

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		
			September 30, 2022	December 31, 2021	September 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		
			September 30, 2022	December 31, 2021	September 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		
			September 30, 2022	December 31, 2021	September 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.	34.73%	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 Technology Corporation (“Optoma”) and its subsidiaries (Note)	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%
Dynamic Time Investments Limited (“Dynamic Time”)	Subsidiary	Holding Company	100%	100%	100%

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		
			September 30, 2022	December 31, 2021	September 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		
			September 30, 2022	December 31, 2021	September 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)

Note: Originally Optoma Corporation has changed its English legal name to Optoma Technology Corporation in 2022. Therefore, in the notes to the consolidated financial statements, Optoma Corporation refers to the newly established sub-subsidiary starting November 2021

- 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.
  - (d) CORE’s Board of Directors resolved to absorb Optoma Technology Corporation through simplified acquisition procedures on July 1, 2022. Ownership of Dynamic Time originally held by Optoma Technology Corporation was transferred to CORE as a result of the acquisition.

The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants. For those unreviewed subsidiaries, as of September 30, 2022 and 2021, total assets were NT\$24,705,672 thousand and NT\$21,639,090 thousand, respectively; total liabilities were NT\$2,662,768 thousand and NT\$3,004,547 thousand, respectively; the related total comprehensive income was NT\$391,359 thousand and NT\$246,767 thousand for the three months ended September 30, 2022 and 2021, respectively; and the related total comprehensive income was NT\$965,917 thousand and NT\$375,317 thousand for the nine months ended September 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.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand, savings and checking accounts	\$4,364,998	\$4,993,183	\$3,253,165
Time deposits	4,356,918	6,078,756	11,983,191
Cash equivalents - repurchase agreements	65,000	157,900	-
Total	\$8,786,916	\$11,229,839	\$15,236,356

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	\$1,137,332	\$125,399	\$156,865
Forward cross currency contracts	-	-	1,432
Subtotal	1,137,332	125,399	158,297
Convertible bonds	22,290	-	-
Stock options	-	55,360	55,700
Total	<u>\$1,159,622</u>	<u>\$180,759</u>	<u>\$213,997</u>
Current	\$1,159,622	\$180,759	\$213,997
Noncurrent	-	-	-
Total	<u>\$1,159,622</u>	<u>\$180,759</u>	<u>\$213,997</u>

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

(3) Hedging Financial Assets

	September 30, 2022	December 31, 2021	September 30, 2021
Hedging Financial Assets			
Forward foreign exchange contracts	\$10,752	\$-	\$-
Current	\$10,752	\$-	\$-
Noncurrent	-	-	-
Total	<u>\$10,752</u>	<u>\$-</u>	<u>\$-</u>

Hedging financial assets 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)

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

	September 30, 2022	December 31, 2021	September 30, 2021
Equity instrument investments measured at fair value through other comprehensive income			
Unlisted companies stocks	\$3,668,479	\$3,988,804	\$3,627,443
Current	\$-	\$-	\$1,215
Noncurrent	3,668,479	3,988,804	3,626,228
Total	\$3,668,479	\$3,988,804	\$3,627,443

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.

(5) Financial assets measured at amortized cost

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits (with original maturities of more than six months)	\$6,527,267	\$5,483,485	\$2,093,446
Current	\$6,527,267	\$5,483,485	\$2,093,446
Noncurrent	-	-	-
Total	\$6,527,267	\$5,483,485	\$2,093,446

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

(6) Notes Receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable - arose from operating activities	\$49,046	\$28,098	\$26,603

Notes receivable were not pledged.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6(21) for more details on accumulated impairment and refer to Note 12 for more details on credit risk disclosure.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(7) Trade Receivables and Trade Receivables - Related Parties

	September 30, 2022	December 31, 2021	September 30, 2021
Trade receivables	\$11,798,827	\$18,966,690	\$16,409,674
Less: allowance for doubtful accounts	(37,773)	(29,563)	(27,912)
Subtotal	11,761,054	18,937,127	16,381,762
Trade receivables from related parties	-	5,842	1,115
Total	<u>\$11,761,054</u>	<u>\$18,942,969</u>	<u>\$16,382,877</u>

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The total carrying amounts as of September 30, 2022, December 31, 2021, and September 30, 2021 were NT\$11,798,827 thousand, NT\$18,972,532 thousand and NT\$16,410,789 thousand, respectively. Please refer to Note 6(21) 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 September 30, 2022 and December 31, 2021, September 30, 2021, factored trade receivables of NT\$1,428,931 thousand, NT\$1,660,011 thousand, and NT\$1,384,487 thousand were derecognized, and annual interest rates for advances from the bank was 4.1%, 0.68~0.75%, and 0.68~1% respectively. 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 September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

As of September 30, 2022, December 31, 2021, and September 30, 2021, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$3,350,555 thousand, NT\$8,694,391 thousand and NT\$7,435,517 thousand, respectively.

(8) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials and supplies	\$6,580,865	\$6,555,737	\$6,002,100
Work in process	873,477	405,578	969,364
Finished goods	3,548,725	2,340,062	1,745,157
Total	<u>\$11,003,067</u>	<u>\$9,301,377</u>	<u>\$8,716,621</u>

The cost of inventories recognized in expenses amounted to NT\$10,213,567 thousand and NT\$10,702,019 thousand for the three months ended September 30, 2022 and 2021, including the write-down of inventories and obsolescence loss of NT\$73,810 thousand and the reversal of write-down of inventories and obsolescence loss of NT\$10,170 thousand,

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

respectively.

The cost of inventories recognized in expenses amounted to NT\$31,360,735 thousand and NT\$28,569,889 thousand for the nine months ended September 30, 2022 and 2021, including the write-down of inventories and obsolescence loss of NT\$128,888 thousand and NT\$22,853 thousand, respectively.

The allowance of inventories write-down amounted to NT\$581,568 thousand, NT\$629,953 thousand and NT\$615,566 thousand as of September 30, 2022, December 31, 2021, and September 30, 2021, respectively.

No inventories were pledged.

(9) Investments Accounted for Using the Equity Method

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

Investees	September 30, 2022	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$51,747	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	September 30, 2021	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$43,990	18.50%
Genejet Biotech Co., Ltd. (“Genejet”)	-	19.51%
	\$43,990	

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\$3,553 thousand and NT\$(1,210) thousand for the three months ended September 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\$8,687 thousand and NT\$(2,720) thousand for the nine months ended September 30, 2022 and 2021, respectively. The above investments accounted for using the equity method was unreviewed by independent accountants.

**CORETRONIC CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)**

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

The abovementioned associate had no contingent liabilities or capital commitments as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively. No investments accounted for using the equity method held by the Group were pledged to others.

**(10) Property, Plant and Equipment**

Property, plant and equipment for own-use:

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 2022	\$25,680	\$8,134,122	\$4,978,854	\$427,227	\$44,195	\$788,434	\$1,582,090	\$441,630	\$16,422,232
Additions	-	180,818	292,124	34,769	1,571	11,395	59,439	568,431	1,148,547
Disposals	-	(49,293)	(248,503)	(5,109)	(2,022)	-	(97,761)	(369)	(403,057)
Transfers	-	160,940	309,252	(1,129)	(40)	4,462	(4,308)	(496,339)	(27,162)
Exchange differences	(151)	132,960	134,782	11,101	2,279	40,684	38,648	18,171	378,474
As of September 30, 2022	<u>\$25,529</u>	<u>\$8,559,547</u>	<u>\$5,466,509</u>	<u>\$466,859</u>	<u>\$45,983</u>	<u>\$844,975</u>	<u>\$1,578,108</u>	<u>\$531,524</u>	<u>\$17,519,034</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	-	73,726	126,839	10,370	1,028	19,898	95,037	718,398	1,045,296
Disposals	(13,190)	(108,866)	(53,085)	(4,000)	(1,613)	(5,439)	(103,750)	-	(289,943)
Transfers	-	724,861	63,415	(14,043)	9,246	67,226	9,613	(1,146,870)	(286,552)
Exchange differences	(106)	(62,939)	(61,924)	(5,388)	(752)	(12,187)	(20,865)	(18,335)	(182,496)
As of September 30, 2021	<u>\$25,743</u>	<u>\$8,093,731</u>	<u>\$4,855,178</u>	<u>\$425,741</u>	<u>\$45,349</u>	<u>\$779,710</u>	<u>\$1,595,655</u>	<u>\$364,145</u>	<u>\$16,185,252</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	-	296,895	340,517	32,585	2,235	38,309	111,734	-	822,275
Disposals	-	(43,732)	(233,025)	(5,017)	(1,044)	-	(96,905)	-	(379,723)
Transfers	-	(269)	(12,599)	(2,272)	(16)	837	(11,414)	19	(25,714)
Exchange differences	-	64,813	86,616	8,980	1,429	32,763	32,676	-	227,277
As of September 30, 2022	<u>\$-</u>	<u>\$3,884,116</u>	<u>\$3,451,472</u>	<u>\$338,812</u>	<u>\$36,028</u>	<u>\$665,929</u>	<u>\$1,176,165</u>	<u>\$19</u>	<u>\$9,552,541</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	-	261,411	311,398	27,999	2,595	33,890	95,571	-	732,864
Disposals	-	(97,646)	(49,042)	(3,941)	(1,612)	(5,437)	(100,011)	-	(257,689)
Transfers	-	11,158	(202,858)	(12,659)	-	(40,200)	(21,901)	-	(266,460)
Exchange differences	-	(31,498)	(39,760)	(4,365)	(542)	(21,775)	(17,438)	-	(115,378)
As of September 30, 2021	<u>\$-</u>	<u>\$3,474,523</u>	<u>\$3,243,247</u>	<u>\$312,537</u>	<u>\$33,685</u>	<u>\$579,824</u>	<u>\$1,189,843</u>	<u>\$-</u>	<u>\$8,833,659</u>
Net carrying amounts as of:									
September 30, 2022	<u>\$25,529</u>	<u>\$4,675,431</u>	<u>\$2,015,037</u>	<u>\$128,047</u>	<u>\$9,955</u>	<u>\$179,046</u>	<u>\$401,943</u>	<u>\$531,505</u>	<u>\$7,966,493</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>
September 30, 2021	<u>\$25,743</u>	<u>\$4,619,208</u>	<u>\$1,611,931</u>	<u>\$113,204</u>	<u>\$11,664</u>	<u>\$199,886</u>	<u>\$405,812</u>	<u>\$364,145</u>	<u>\$7,351,593</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

(11) Investment Property

Investment property held by the group is for own-use. The Group signed the commercial property lease contracts with periods 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 September 30, 2022	<u>\$244,538</u>
As of January 1, 2021	\$244,538
Additions from acquisitions	-
As of September 30, 2021	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2022	\$92,237
Depreciation	6,053
As of September 30, 2022	<u>\$98,290</u>
As of January 1, 2021	\$84,184
Depreciation	6,040
As of September 30, 2021	<u>\$90,224</u>
Net carry amount as of:	
September 30, 2022	<u>\$146,248</u>
December 31, 2021	<u>\$152,301</u>
September 30, 2021	<u>\$154,314</u>

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Rental income from investment property	\$3,196	\$3,196	\$9,587	\$9,587
Less: Direct operating expenses from investment property generating rental income	<u>(2,018)</u>	<u>(2,013)</u>	<u>(6,053)</u>	<u>(6,040)</u>
Total	<u>\$1,178</u>	<u>\$1,183</u>	<u>\$3,534</u>	<u>\$3,547</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

	September 30, 2022	December 31, 2021	September 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%

(12) Intangible Assets

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2022	\$103,621	\$179,451	\$284,391	\$87,123	\$5,940	\$225,050	\$885,576
Additions	-	-	17,829	7,619	-	3,223	28,671
Disposals	(103,621)	(10,376)	(23,625)	-	-	(180,211)	(317,833)
Transfer	-	-	1,200	-	-	-	1,200
Exchange differences	-	(40)	(1,613)	-	-	(3,658)	(5,311)
As of September 30, 2022	\$-	\$169,035	\$278,182	\$94,742	\$5,940	\$44,404	\$592,303
As of January 1, 2021	\$103,677	\$179,522	\$228,722	\$87,123	\$5,940	\$260,930	\$865,914
Additions	-	-	39,384	-	-	639	40,023
Disposals	-	-	(14,169)	-	-	-	(14,169)
Exchange differences	(63)	(54)	(1,049)	-	-	(6,265)	(7,431)
As of September 30, 2021	\$103,614	\$179,468	\$252,888	\$87,123	\$5,940	\$255,304	\$884,337
Amortization and Impairment:							
As of January 1, 2022	\$103,621	\$41,846	\$140,738	\$60,929	\$5,940	\$201,868	\$554,942
Amortization	-	13,128	34,551	6,401	-	8,323	62,403
Disposals	(103,621)	(10,376)	(23,522)	-	-	(180,211)	(317,730)
Exchange differences	-	(30)	(1,351)	-	-	(3,719)	(5,100)
As of September 30, 2022	\$-	\$44,568	\$150,416	\$67,330	\$5,940	\$26,261	\$294,515
As of January 1, 2021	\$101,601	\$24,379	\$119,851	\$56,770	\$5,940	\$148,727	\$457,268
Amortization	2,076	13,134	39,207	3,119	-	31,141	88,677
Disposals	-	-	(13,802)	-	-	-	(13,802)
Exchange differences	(63)	(33)	(740)	-	-	(4,194)	(5,030)
As of September 30, 2021	\$103,614	\$37,480	\$144,516	\$59,889	\$5,940	\$175,674	\$527,113

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	<u>Trademarks</u>	<u>Patents</u>	<u>Software</u>	<u>IPs</u>	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
Net carrying amount as of:							
September 30, 2022	\$-	\$124,467	\$127,766	\$27,412	\$-	\$18,143	\$297,788
December 31, 2021	\$-	\$137,605	\$143,653	\$26,194	\$-	\$23,182	\$330,634
September 30, 2021	\$-	\$141,988	\$108,372	\$27,234	\$-	\$79,630	\$357,224

Amortization expense of intangible assets:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating costs	\$4,348	\$1,707	\$10,650	\$5,671
Selling expenses	2,300	2,841	6,555	14,758
General and administrative expenses	5,066	3,895	15,087	19,876
Research and development expenses	9,908	16,010	30,111	48,372
Total	<u>\$21,622</u>	<u>\$24,453</u>	<u>\$62,403</u>	<u>\$88,677</u>

(13) Short-Term Borrowings

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Unsecured bank loans	<u>\$11,073,276</u>	<u>\$11,812,397</u>	<u>\$13,776,589</u>
Interest rates (%)	<u>1.24%~3.89%</u>	<u>0.33%~1.00%</u>	<u>0.28%~1.99%</u>

The Group's unused short-term lines of credits amounted to NT\$40,817,088 thousand, NT\$35,699,280 thousand, and NT\$33,597,333 thousand as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

(14) Derivative Financial Liabilities

Financial liabilities at fair value through profit or loss:

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$608,332	\$57,060	\$29,388
Forward cross currency contracts	-	-	2,483
Total	<u>\$608,332</u>	<u>\$57,060</u>	<u>\$31,871</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(15) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	September 30, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.60%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from First bank	50	1.60%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	3,214	1.45%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	77,143	1.45%	Principle is repaid in 14 quarterly payments from July 25, 2021
Secured long-term borrowings from Hua Nan Commercial bank	160,714	1.43%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	16,072	1.45%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Sumitomo Mitsui Bank	6,361	1.60%	Government subsidizes interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Syndicated loan of 9 Banks - Long-term borrowings	1,000,000	1.79%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Syndicated loan of 9 Banks - Commercial paper loans	2,000,000	1.84%~ 1.96%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(5,025)		
Amortization of commercial paper discount	(7,977)		
Current portion	(341,228)		
Total	<u>\$3,509,224</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 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	September 30, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$75	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	4,643	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	111,429	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	232,143	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	23,214	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	9,407	1.60%	Government subsidizes interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Less: current portion	(316,522)		
Total	<u>\$264,389</u>		

The Group's unused long-term lines of credits amounted to NT\$3,893,639 thousand, NT\$5,600,000 thousand and NT\$1,199,900 thousand as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

(16) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three months ended September 30, 2022 and 2021 were NT\$103,308 thousand and NT\$97,002 thousand, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Pension expenses under the defined contribution plan for the nine months ended September 30, 2022 and 2021 were NT\$347,884 thousand and NT\$269,898 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended September 30, 2022 and 2021 were NT\$264 thousand and NT\$304 thousand, respectively.

Pension expenses under the defined benefits plan for the nine months ended September 30, 2022 and 2021 were NT\$792 thousand and NT\$911 thousand, respectively.

(17)Provisions

	<u>Warranties</u>
As of January 1, 2022	\$578,084
Arising during the period	491,995
Utilized during the period	(456,264)
Exchange differences	16,824
As of September 30, 2022	<u><u>\$630,639</u></u>
Current	\$630,639
Non-current	-
As of September 30, 2022	<u><u>\$630,639</u></u>
As of January 1, 2021	\$700,964
Arising during the period	236,384
Utilized during the period	(254,195)
Exchange differences	(17,646)
As of September 30, 2021	<u><u>\$665,507</u></u>
Current	\$665,507
Non-current	-
As of September 30, 2021	<u><u>\$665,507</u></u>

Warranties

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

(18)Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of September 30, 2022, December 31, 2021, and September 30, 2021, respectively (including NT\$700,000 thousand reserved for exercise of share warrants, preferred shares with warrants and

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 September 30, 2022, December 31, 2021 and September 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**

	September 30, 2022	December 31, 2021	September 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	1,037,347	758,483	631,471
Changes in ownership interests in subsidiaries	63,993	93,948	93,947
Changes from investments in associates and joint ventures accounted for using the equity method	1,850	1,850	1,850
<b>Total</b>	<b>\$2,751,370</b>	<b>\$2,893,442</b>	<b>\$2,766,429</b>

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

**C. Treasury shares**

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

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

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

#### D. Retained earnings and dividend policies:

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

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

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

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

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:

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 September 30, 2022, December 31, 2021, and September 30, 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, 2021, 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	\$3

In addition, the shareholders in the meeting on June 10, 2022, and on July 30, 2021 both 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).

Please refer to Note 6(23) for further details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests:

	Nine months ended September 30	
	2022	2021
Beginning balance	\$2,064,897	\$2,043,951
Profit (loss) attributable to non-controlling interests	92,223	(393)
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	66,441	(20,690)
Cash dividends	(439)	(7,080)
Changes in subsidiaries' ownership	53,216	-
Acquisition or disposal of the interest of subsidiaries	94,563	-
Share-based payment plans	4,499	-
Ending balance	\$2,375,400	\$2,015,788

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(19) 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 3,050,700 units as of September 30, 2022. The fair value of options granted was EUR 1,129 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 1,292,308 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.

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 three months and nine months ended September 30, 2022 were NT\$2,489 thousand and NT\$4,499 thousand, respectively.

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

(20) Sales

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Contract revenue from customers				
Sale of goods	\$12,444,862	\$12,666,365	\$37,529,507	\$33,542,623
Revenue arising from rendering of services	366,505	326,774	872,609	962,105
Other operating revenues	91,613	52,754	209,858	213,985
<b>Total</b>	<b>\$12,902,980</b>	<b>\$13,045,893</b>	<b>\$38,611,974</b>	<b>\$34,718,713</b>

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

A. Revenue of Segments

For the three months ended September 30, 2022

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$5,174,385	\$6,230,077	\$1,334,576	\$709,136	\$(1,003,312)	\$12,444,862
Revenue arising from rendering of services	154,418	28,381	4,318	266,077	(86,689)	366,505
Other operating revenues	32,264	17,928	-	42,838	(1,417)	91,613
<b>Total</b>	<b>\$5,361,067</b>	<b>\$6,276,386</b>	<b>\$1,338,894</b>	<b>\$1,018,051</b>	<b>\$(1,091,418)</b>	<b>\$12,902,980</b>

The timing of revenue recognition:

At a point in time	\$5,361,067	\$6,276,386	\$1,338,894	\$1,018,051	\$(1,091,418)	\$12,902,980
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For the three months ended September 30, 2021

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$7,231,212	\$3,881,099	\$1,137,271	\$866,390	\$(449,607)	\$12,666,365
Revenue arising from rendering of services	238,226	18,365	5,154	147,964	(82,935)	326,774
Other operating revenues	13,660	14,884	-	26,514	(2,304)	52,754
<b>Total</b>	<b>\$7,483,098</b>	<b>\$3,914,348</b>	<b>\$1,142,425</b>	<b>\$1,040,868</b>	<b>\$(534,846)</b>	<b>\$13,045,893</b>

The timing of revenue recognition:

At a point in time	\$7,483,098	\$3,914,348	\$1,142,425	\$1,040,868	\$(534,846)	\$13,045,893
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CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the nine months ended September 30, 2022

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$17,608,050	\$16,729,950	\$3,788,215	\$2,274,860	\$(2,871,568)	\$37,529,507
Revenue arising from rendering of services	423,196	69,985	11,344	637,915	(269,831)	872,609
Other operating revenues	72,728	46,518	-	92,080	(1,468)	209,858
Total	<u>\$18,103,974</u>	<u>\$16,846,453</u>	<u>\$3,799,559</u>	<u>\$3,004,855</u>	<u>\$(3,142,867)</u>	<u>\$38,611,974</u>
The timing of revenue recognition:						
At a point in time	<u>\$18,103,974</u>	<u>\$16,846,453</u>	<u>\$3,799,559</u>	<u>\$3,004,855</u>	<u>\$(3,142,867)</u>	<u>\$38,611,974</u>

For the nine months ended September 30, 2021

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$17,887,960	\$11,250,207	\$3,262,481	\$2,302,027	\$(1,160,052)	\$33,542,623
Revenue arising from rendering of services	569,534	59,320	12,359	539,307	(218,415)	962,105
Other operating revenues	46,644	79,353	-	100,450	(12,462)	213,985
Total	<u>\$18,504,138</u>	<u>\$11,388,880</u>	<u>\$3,274,840</u>	<u>\$2,941,784</u>	<u>\$(1,390,929)</u>	<u>\$34,718,713</u>
The timing of revenue recognition:						
At a point in time	<u>\$18,504,138</u>	<u>\$11,388,880</u>	<u>\$3,274,840</u>	<u>\$2,941,784</u>	<u>\$(1,390,929)</u>	<u>\$34,718,713</u>

B.Contract balance

Contract liabilities - current

	September 30, 2022	December 31, 2021	September 30, 2021	January 1 2021
Sale of goods	\$304,405	\$173,726	\$198,101	\$152,133
Revenue arising from rendering of services	9,030	112	282	1,813
Other operating revenues	169,768	127,404	91,232	96,529
Total	<u>\$483,203</u>	<u>\$301,242</u>	<u>\$289,615</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 nine months ended September 30, 2022 and 2021.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Transaction price allocated to unsatisfied performance obligations

As of September 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.

(21) Expected credit losses (gain)

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Operating expenses – Expected credit loss (gain)				
Trade receivables	\$11,692	\$1,252	\$7,520	\$(715)

The Group measures trade receivables (including notes receivable and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of September 30, 2022, December 31, 2021, and September 30, 2021, is as follows:

The Group considers the grouping of trade receivables by counterparties' credit rating, geographical and insurance. Its loss allowance is measured by using a provision matrix. Details are as below:

As of September 30, 2022

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	\$1,181,039	\$142,187	\$34,384	\$11,179	\$11,367	\$26,183	\$1,406,339
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(80)	(186)	(459)	(557)	(5,510)	(6,792)
Subtotal	\$1,181,039	\$142,107	\$34,198	\$10,720	\$10,810	\$20,673	\$1,399,547

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	\$10,000,615	\$332,350	\$75,743	\$4,760	\$7,276	\$20,790	\$10,441,534
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(1,220)	(3,779)	(1,563)	(3,638)	(20,781)	(30,981)
Subtotal	\$10,000,615	\$331,130	\$71,964	\$3,197	\$3,638	\$9	\$10,410,553

**CORETRONIC CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)**

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

As of December 31, 2021

**Group A**

	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	\$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**

	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	\$16,989,926	\$610,291	\$65,998	\$16,550	\$1,056	\$16,293	\$17,700,114
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(752)	(3,308)	(4,965)	(120)	(16,293)	(25,438)
Subtotal	\$16,989,926	\$609,539	\$62,690	\$11,585	\$936	\$-	\$17,674,676

As of September 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	\$778,142	\$167,815	\$21,501	\$3,770	\$2,022	\$23,216	\$996,466
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(76)	-	(86)	(78)	(2,771)	(3,011)
Subtotal	\$778,142	\$167,739	\$21,501	\$3,684	\$1,944	\$20,445	\$993,455

**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	\$15,045,431	\$328,410	\$34,130	\$8,550	\$704	\$23,701	\$15,440,926
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(1,265)	(996)	(3,133)	(94)	(19,413)	(24,901)
Subtotal	\$15,045,431	\$327,145	\$33,134	\$5,417	\$610	\$4,288	\$15,416,025

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	Trade receivables
As of January 1, 2022	\$29,563
Addition for the current period	7,520
Exchange differences	690
As of September 30, 2022	\$37,773
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	(715)
Write off	(13,391)
Exchange differences	(412)
As of September 30, 2021	\$27,912

(22) Leases

A. Group as lessee

The Group leases various properties including land and land use rights, buildings, machinery, equipment, and transportation equipment. These leases have terms between one and fifty five 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

	September 30, 2022	December 31, 2021	September 30, 2021
Land (including land use rights)	\$1,701,176	\$1,258,689	\$1,271,729
Buildings	555,910	648,590	692,488
Transportation equipment	32,474	27,529	28,167
Office fixtures	2,697	3,212	3,531
Other equipment	-	6	25
Total	\$2,292,257	\$1,938,026	\$1,995,940

During the nine months ended September 30, 2022 and 2021, the additions to right-of-use assets of the Group amounted to NT\$602,437 thousand and NT\$542,108 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

ii. Lease liability

	September 30, 2022	December 31, 2021	September 30, 2021
Lease liability			
Current	\$332,262	\$331,267	\$328,415
Non-current	1,346,680	1,439,893	1,497,496
Total	<u>\$1,678,942</u>	<u>\$1,771,160</u>	<u>\$1,825,911</u>

Please refer to Note 6(24)D. for the interest on lease liability recognized during the three months and nine months ended September 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 September 30		Nine months ended September 30	
	2022	2021	2022	2021
Land	\$15,574	\$15,373	\$46,875	\$46,099
Buildings	67,664	59,894	194,992	180,098
Transportation equipment	5,175	4,900	15,303	15,407
Office fixtures	343	154	985	837
Other equipment	-	15	6	53
Total	<u>\$88,756</u>	<u>\$80,336</u>	<u>\$258,161</u>	<u>\$242,494</u>

(c) Income and costs relating to leasing activities

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
The expense relating to short-term leases	\$10,851	\$19,635	\$48,615	\$36,432
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	3,081	2,532	10,790	21,921
Total	<u>\$13,932</u>	<u>\$22,167</u>	<u>\$59,405</u>	<u>\$58,353</u>

For the rent concession arising as a direct consequence of the COVID-19 pandemic, the amounts the Group recognized in profit or loss for the three month and nine month ended September 30, 2021, were both NT\$598 thousand, which reflected changes in lease payments that arose from such rent concessions to which the Group has applied the practical expedient. The amounts the Group recognized in profit or loss for the three month and nine month ended September 30, 2022, were nil.

## CORETRONIC CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(d) Cash outflow relating to leasing activities

During the nine months ended September 30, 2022 and 2021, the Group's total cash outflows for leases amounted to NT\$799,180 thousand and NT\$325,643 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 contracts 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 agreements. 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 agreements, and therefore no residual value guarantees are recorded in lease liability.

#### B. Group as lessor

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

No financing lease contracts were signed.

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		Nine months ended	
	September 30		September 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	\$10,475	\$11,981	\$32,444	\$34,881
Income relating to variable lease payments that do not depend on an index or a rate	-	-	-	-
Total	\$10,475	\$11,981	\$32,444	\$34,881

Please refer to Note 6(11) for relevant disclosure of investment properties for operating leases which is 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:

	September 30, 2022	December 31, 2021	September 30, 2021
Not later than one year	\$37,085	\$36,817	\$36,701
Later than one year but not later than two years	10,120	35,270	35,107
Later than two years but not later than three years	286	286	8,746
Later than three years but not later than four years	286	286	-
Total	\$47,777	\$72,659	\$80,554

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

Function  Items	Three months ended September 30					
	2022			2021		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$959,680	\$1,313,133	\$2,272,813	\$935,642	\$1,173,195	\$2,108,837
Salaries	801,941	1,130,893	1,932,834	776,833	1,013,150	1,789,983
Labor and health insurance	44,342	92,800	137,142	39,517	77,995	117,512
Pension	51,097	52,475	103,572	48,103	49,203	97,306
Other employee benefits expense	62,300	36,965	99,265	71,189	32,847	104,036
Depreciation	257,814	100,735	358,549	218,216	104,348	322,564
Amortization	2,752	17,186	19,938	1,745	22,784	24,529

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Function  Items	Nine months ended September 30					
	2022			2021		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$2,942,389	\$3,777,001	\$6,719,390	\$2,734,825	\$3,525,982	\$6,260,807
Salaries	2,434,593	3,226,273	5,660,866	2,287,909	3,072,608	5,360,517
Labor and health insurance	138,189	261,012	399,201	108,674	232,475	341,149
Pension	170,200	178,476	348,676	128,569	142,240	270,809
Other employee benefits expense	199,407	111,240	310,647	209,673	78,659	288,332
Depreciation	772,652	291,743	1,064,395	656,556	304,067	960,623
Amortization	8,935	50,407	59,342	5,839	83,079	88,918

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 September 30, 2022 and 2021. The amounts of employees' compensation was NT\$105,526 thousand and NT\$80,181 thousand for the three months ended September 30, 2022 and 2021, respectively. The amount of employees' compensation was NT\$294,338 thousand and NT\$211,099 thousand for the nine months ended September 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.

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 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.

(24) Non-Operating Income and Expenses

A. Interest income

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Financial assets measured at amortized cost	\$84,325	\$100,392	\$255,422	\$300,655

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. Other income

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Government grants income	\$25,303	\$37,633	\$59,904	\$115,516
Dividend income	-	-	70,475	34,640
Rental income	10,475	11,981	32,444	34,881
Other	19,430	21,134	90,305	102,123
<b>Total</b>	<b>\$55,208</b>	<b>\$70,748</b>	<b>\$253,128</b>	<b>\$287,160</b>

C. Other gains and losses

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Gain on disposal of property, plant and equipment	\$5,077	\$22,979	\$22,219	\$65,026
Foreign exchange (loss) gain, net	(544,357)	6,163	(1,061,764)	38,146
Gain on financial assets at fair value through profit or loss (Note)	766,720	89,462	1,729,114	404,329
Gain on lease modification	3	159	695	472
Gain on disposal of investments	-	-	531	-
Other loss	(18,883)	(15,467)	(44,001)	(32,979)
<b>Total</b>	<b>\$208,560</b>	<b>\$103,296</b>	<b>\$646,794</b>	<b>\$474,994</b>

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

D. Finance cost

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Interest on borrowings from bank	\$116,212	\$24,695	\$208,101	\$60,803
Interest on lease liabilities	13,545	15,331	42,114	42,325
<b>Total</b>	<b>\$129,757</b>	<b>\$40,026</b>	<b>\$250,215</b>	<b>\$103,128</b>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(25) Components of Other Comprehensive Income

For the three months ended September 30, 2022

	<u>Arising during the period</u>	<u>Income tax income (expense)</u>	<u>Other comprehensive income, net of tax</u>
Not to be reclassified to profit or loss:			
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	\$(417,443)	\$(1,304)	\$(418,747)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	638,953	-	638,953
Share of the other comprehensive income of associates accounted for using the equity method	(3,863)	-	(3,863)
Total of other comprehensive income	<u>\$217,647</u>	<u>\$(1,304)</u>	<u>\$216,343</u>

For the three months ended September 30, 2021

	<u>Arising during the period</u>	<u>Income tax income (expense)</u>	<u>Other comprehensive income, net of tax</u>
Not to be reclassified to profit or loss:			
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	\$564,594	\$(530)	\$564,064
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(120,684)	-	(120,684)
Share of the other comprehensive loss of associates accounted for using the equity method	(7)	-	(7)
Total of other comprehensive income	<u>\$443,903</u>	<u>\$(530)</u>	<u>\$443,373</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 nine months ended September 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	\$(1,631,705)	\$(4,948)	\$(1,636,653)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	1,410,090	-	1,410,090
Share of the other comprehensive income of associates accounted for using the equity method	25	-	25
Total of other comprehensive income	<u>\$(221,590)</u>	<u>\$(4,948)</u>	<u>\$(226,538)</u>

For the nine months ended September 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 instrument investments measured at fair value through other comprehensive income	\$662,535	\$(366)	\$662,169
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(492,673)	-	(492,673)
Share of the other comprehensive loss of associates accounted for using the equity method	(16)	-	(16)
Total of other comprehensive income	<u>\$169,846</u>	<u>\$(366)</u>	<u>\$169,480</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(26) 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		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Current income tax expense (income):				
Current income tax expense	\$227,887	\$251,055	\$553,457	\$547,552
Adjustments in respect of current income tax of prior periods	2,444	(5)	46,783	(26,155)
Deferred tax expense (income):				
Deferred tax expense relating to origination and reversal of temporary differences	3,925	9,727	76,176	(24,051)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	14,100	(262)	(59,645)	35,855
Other	-	-	21	-
Total income tax expense	<u>\$248,356</u>	<u>\$260,515</u>	<u>\$616,792</u>	<u>\$533,201</u>

Income tax relating to components of other comprehensive income

	Three months ended		Nine months ended	
	September 30		September 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>\$(1,304)</u>	<u>\$(530)</u>	<u>\$(4,948)</u>	<u>\$(366)</u>

The assessment of income tax returns

As of September 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	Except for 2019, assessed and approved up to 2020,
TYO	Assessed and approved up to 2020
Optoma Technology Corporation	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

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>
CICS	Assessed and approved up to 2020
CVC	Assessed and approved up to 2020
UCM	Assessed and approved up to 2020
ISC	Assessed and approved up to 2020
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 Corporation	Established in 2021 and has not yet completed the assessment of 2021

(27) 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>Nine months ended</u>	
	<u>September 30</u>		<u>September 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>\$697,456</u>	<u>\$569,496</u>	<u>\$1,986,983</u>	<u>\$1,504,284</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>399,269</u>
Basic earnings per share (NT\$)	<u>\$1.78</u>	<u>\$1.46</u>	<u>\$5.08</u>	<u>\$3.77</u>
B. Diluted earnings per share				
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	<u>\$697,456</u>	<u>\$569,496</u>	<u>\$1,986,983</u>	<u>\$1,504,284</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981	390,981	399,269

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		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Effect of dilution:				
Employee bonus — stock (in thousand)	5,313	3,845	6,453	5,080
Weighted average number of ordinary shares outstanding after dilution (in thousand)	396,294	394,826	397,434	404,349
Diluted earnings per share (NT\$)	\$1.76	\$1.44	\$5.00	\$3.72

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.

(28) 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	September 30, 2022	December 31, 2021	September 30, 2021
Young Optics Inc.	Taiwan	65.27%	62.39%	61.26%
		September 30, 2022	December 31, 2021	September 30, 2021
Accumulated balance of material non-controlling interests				
Young Optics, Inc.		\$2,231,988	\$1,989,816	\$1,940,499

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Profit (loss) allocated to material non-controlling interest				
Young Optics, Inc.	\$42,648	\$20,971	\$88,888	\$8,488

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 September 30, 2022:

	<u>Young Optics Inc.</u>
Operating revenue	\$1,338,894
Profit for the period from continuing operations	65,640
Total comprehensive income for the period	108,885

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

	<u>Young Optics Inc.</u>
Operating revenue	\$1,142,424
Profit for the period from continuing operations	34,385
Total comprehensive income for the period	29,671

Summarized information of profit or loss for the nine months ended September 30, 2022:

	<u>Young Optics Inc.</u>
Operating revenue	\$3,799,559
Profit for the period from continuing operations	137,495
Total comprehensive income for the period	230,188

Summarized information of profit or loss for the nine months ended September 30, 2021:

	<u>Young Optics Inc.</u>
Operating revenue	\$3,274,840
Profit for the period from continuing operations	14,235
Total comprehensive loss for the period	(19,059)

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

	<u>Young Optics Inc.</u>
Current assets	\$3,455,624
Non-current assets	2,712,464
Current liabilities	(1,856,251)
Non-current liabilities	(897,923)

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 September 30, 2021:

	<u>Young Optics Inc.</u>
Current assets	\$2,978,660
Non-current assets	2,757,362
Current liabilities	(1,932,009)
Non-current liabilities	(641,310)

Summarized cash flow information for the nine months ended September 30, 2022:

	<u>Young Optics Inc.</u>
Operating activities	\$265,461
Investing activities	(148,270)
Financing activities	(358,177)
Net decrease in cash and cash equivalents	(182,617)

Summarized cash flow information for nine months ended September 30, 2021:

	<u>Young Optics Inc.</u>
Operating activities	\$(40,872)
Investing activities	(54,250)
Financing activities	(23,742)
Net decrease in cash and cash equivalents	(137,626)

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 starting from the second quarter of 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		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
CHI HUA	\$-	\$-	\$24	\$71
DONGTAI QIDIAN	100	3,070	100	5,364
Total	\$100	\$3,070	\$124	\$5,435

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		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
EOE	\$77,769	\$38,246	\$239,895	\$79,857
HANNSTAR	32,542	-	107,148	-
Total	\$110,311	\$38,246	\$347,043	\$79,857

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

	September 30,	December 31,	September 30,
	2022	2021	2021
DONGTAI QIDIAN	\$-	\$5,842	\$1,115

D. Accounts Payable to Related Parties

	September 30,	December 31,	September 30,
	2022	2021	2021
EOE	\$41,470	\$29,824	\$27,664
HANNSTAR	8,717	-	-
Total	\$50,187	\$29,824	\$27,664

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**

	September 30, 2022	December 31, 2021	September 30, 2021
EOE	\$6,517	\$6,440	\$-
HANNSTAR	183	-	-
Total	<u>\$6,700</u>	<u>\$6,440</u>	<u>\$-</u>

**F. Others**

For the nine months ended September 30, 2022 and 2021, the Group purchased molds from EOE, amounting to NT\$3,946 thousand and NT\$2,398 thousand, respectively.

**G. Key Management Personnel Compensation**

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$270,026	\$37,532	\$367,066	\$116,951
Post-employment benefits	492	474	1,501	1,406
Share-based payment	869	-	1,563	-
Total	<u>\$271,387</u>	<u>\$38,006</u>	<u>\$370,130</u>	<u>\$118,357</u>

**8. Assets Pledged as Collateral**

The following assets of the Group pledged as collateral:

Assets pledged as collateral	Carrying amount			Purpose of pledge
	September 30, 2022	December 31, 2021	September 30, 2021	
Buildings (including investment property)	\$764,544	\$795,875	\$806,319	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")	4,053	2,037	2,000	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>\$825,469</u>	<u>\$854,778</u>	<u>\$865,182</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 September 30, 2022 was NT\$4,601 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\$453,177 thousand) and VND340,155,904 thousand (approximately NT\$421,513 thousand), respectively. As of September 30, 2022, the prepayment of VND136,287,283 thousand (approximately NT\$155,479 thousand) was recognized under non-current assets, and the outstanding payable is VND203,868,621 thousand (approximately NT\$271,511 thousand).
- C. The Group appointed contractors to build a new plant in Phu My 3 Specialized Industrial Park in Vietnam, and the total construction contract cost was VND1,125,600,000 thousand (approximately NT\$1,412,628 thousand). As of September 30, 2022, the Group has paid VND 168,840,000 thousand (approximately NT\$211,894 thousand) and recognized it under construction in progress and equipment awaiting inspection.

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

<u>Financial assets</u>	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss (Note 1)	\$4,510,177	\$8,875,150	\$7,649,514
Financial assets at fair value through other comprehensive income	3,668,479	3,988,804	3,627,443
Financial assets measured at amortized cost (Note 2)	25,173,021	27,729,328	27,023,803
Hedging financial assets	10,752	-	-
<b>Total</b>	<b>\$33,362,429</b>	<b>\$40,593,282</b>	<b>\$38,300,760</b>

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>	September 30, 2022	December 31, 2021	September 30, 2021
Financial liabilities at amortized cost:			
Short-term borrowings	\$11,073,276	\$11,812,397	\$13,776,589
Accounts payable (including related parties)	7,240,265	13,496,410	12,089,430
Other payables	4,515,254	5,297,433	4,505,752
Lease liability (including current and noncurrent)	1,678,942	1,771,160	1,825,911
Long-term borrowings (including current portion)	3,850,452	2,143,347	580,911
Subtotal	<u>28,358,189</u>	<u>34,520,747</u>	<u>32,778,593</u>
Financial liabilities at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss - current	608,332	57,060	31,871
Total	<u>\$28,966,521</u>	<u>\$34,577,807</u>	<u>\$32,810,464</u>

Note 1: As of September 30, 2022, December 31, 2021, and September 30, 2021, the financial assets measured at fair value through profit or loss, including trade receivables, were NT\$3,350,555 thousand, NT\$8,694,391 thousand, and NT\$7,435,517 thousand, respectively. Please refer to Note 6(7) for more details.

Note 2: Include cash and cash equivalents (excluding cash on hand), notes receivable, trade receivables (including related parties) 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 nine months ended September 30, 2022 and 2021 is decreased/increased by NT\$10,141 thousand and NT\$142,191 thousand, while equity is decreased/increased by NT\$291,672 thousand and NT\$264,137 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 nine months ended September 30, 2022 and 2021 to decreased/increased by NT\$101,029 thousand and NT\$109,697 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.

## CORETRONIC CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the nine months ended September 30, 2021, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instruments at fair value through profit or loss could increase/decrease by NT\$557 thousand on income attributable to the Group.

For the nine months ended September 30, 2022 and 2021, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instruments at fair value through other comprehensive income could increase/decrease by NT\$36,685 thousand and NT\$36,274 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 September 30, 2022, December 31, 2021, and September 30, 2021, receivables from top ten customers represented 76%, 73% and 73% 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

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 September 30, 2022					
Borrowings	\$11,455,962	\$1,655,993	\$2,000,499	\$-	\$15,112,454
Accounts payable (including related parties)	7,240,265	-	-	-	7,240,265
Other payables (including related parties)	4,515,254	-	-	-	4,515,254
Lease liability	348,150	413,331	174,003	1,118,330	2,053,814
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 September 30, 2021					
Borrowings	\$14,107,833	\$235,871	\$31,399	\$-	\$14,375,103
Accounts payable (including related parties)	12,089,430	-	-	-	12,089,430
Other payables (including related parties)	4,505,752	-	-	-	4,505,752
Lease liability	363,518	501,393	236,872	1,150,286	2,252,069

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of September 30, 2022			
Inflows	\$-	\$-	\$-
Outflows	608,332	-	608,332
Net	\$608,332	\$-	\$608,332
As of December 31, 2021			
Inflows	\$-	\$-	\$-
Outflows	57,060	-	57,060
Net	\$57,060	\$-	\$57,060
As of September 30, 2021			
Inflows	\$-	\$-	\$-
Outflows	31,871	-	31,871
Net	\$31,871	\$-	\$31,871

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(6) Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of liabilities for the nine months ended September 30, 2022:

	Short-term borrowings	Long-term borrowings	Lease 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	(739,121)	1,707,105	(244,484)	(1,178)	491	722,813
Additional leases	-	-	137,649	-	-	137,649
Exchange differences	-	-	14,617	-	-	14,617
As of September 30, 2022	<u>\$11,073,276</u>	<u>\$3,850,452</u>	<u>\$1,678,942</u>	<u>\$22,113</u>	<u>\$3,832</u>	<u>\$16,628,615</u>

Reconciliation of liabilities for the nine months ended September 30, 2021:

	Short-term borrowings	Long-term borrowings	Lease 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	8,639,172	(88,568)	(224,965)	(5,830)	(537)	8,319,272
Additional leases	-	-	517,185	-	-	517,185
Exchange differences	-	-	(20,731)	-	-	(20,731)
As of September 30, 2021	<u>\$13,776,589</u>	<u>\$580,911</u>	<u>\$1,825,911</u>	<u>\$22,560</u>	<u>\$15,348</u>	<u>\$16,221,319</u>

(7) Fair Value of Financial Instruments

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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 September 30, 2022		
Forward currency contract		
Selling forward currency contracts	USD 552,000 thousand	From October 2022 to November 2022
Buying forward currency contracts	USD 940,000 thousand	From October 2022 to January 2023
Selling forward currency contracts	CAD 700 thousand	From October 2022 to November 2022
Hedging forward currency contracts		
Selling forward currency contracts	EUR 27,000 thousand	October 2022
As of December 31, 2021		
Forward currency contract		
Selling forward currency contracts	USD 627,000 thousand	From January 2022 to October 2022
Buying forward currency contracts	USD 713,500 thousand	From January 2022 to June 2022
Selling forward currency contracts	CAD 2,100 thousand	From January 2022 to April 2022
Selling forward currency contracts	EUR 35,000 thousand	January 2022
As of September 30, 2021		
Forward currency contract		
Selling forward currency contracts	USD 460,100 thousand	From October 2021 to May 2022
Buying forward currency contracts	USD 671,500 thousand	From October 2021 to April 2022
Selling forward currency contracts	CAD 800 thousand	From October 2021 to December 2021
Forward cross currency contract	USD 23,700 thousand	October 2021

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)  
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(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:

	September 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	\$-	\$1,137,332	\$-	\$1,137,332
Convertible bond	-	-	22,290	22,290
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,668,479	3,668,479
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	608,332	-	608,332

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	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
September 30, 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	\$-	\$156,865	\$-	\$156,865
Forward cross currency contract	-	1,432	-	1,432
Stock option	-	-	55,700	55,700
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,627,443	3,627,443
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	29,388	-	29,388
Forward cross currency contract	-	2,483	-	2,483

Transfers between the Level 1 and Level 2 during the period

During the nine months ended September 30, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)  
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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 nine months ended September 30, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	280	(19,320)	-	(19,040)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	-	(1,636,653)	(1,636,653)
Acquisition	-	41,610	1,238,610	1,280,220
Transfers	(55,640)	-	55,640	-
Tax effect	-	-	4,948	4,948
Exchange differences	-	-	17,130	17,130
As of September 30, 2022	\$-	\$22,290	\$3,668,479	\$3,690,769

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	Assets		Total
	At fair value through profit or loss	At fair value through other comprehensive income	
	Stock option	Stock	
As of January 1, 2021:	\$56,960	\$913,080	\$970,040
Total gains and losses recognized for the nine months ended September 30, 2021:			
Amount recognized in profit or loss (presented in “other profit or loss”)	(1,260)	-	(1,260)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	662,169	662,169
Acquisition	-	2,054,000	2,054,000
Tax effect	-	366	366
Exchange differences	-	(2,172)	(2,172)
As of September 30, 2021	\$55,700	\$3,627,443	\$3,683,143

Total gains and losses recognized in profit or loss for the nine months ended September 30, 2022 and 2021 are in the amount of NT\$(19,040) thousand and NT\$(1,260) 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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As of September 30, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.79	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\$8,636 thousand/ NT\$8,636 thousand.
At fair value					
through profit or loss					
Convertible Bond	Market Approach	P/E ratio of similar companies	0.025	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$7,008 thousand/ NT\$7,008 thousand.

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	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 September 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	1.11	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\$2,679 thousand/ NT\$2,679 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\$6,147 thousand/ NT\$6,147 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:

	September 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(11))	\$-	\$-	\$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(11))	\$-	\$-	\$212,800	\$212,800

	September 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(11))	\$-	\$-	\$218,200	\$218,200

- (10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

	September 30, 2022		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$712,419	31.75	\$22,619,303
JPY	197,676	0.2201	43,508
GBP	892	35.53	31,694
CNY	223	4.4720	997
Non-monetary items:			
USD	\$7,901	31.75	\$250,583



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	September 30, 2021		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
Non-Monetary items:			
USD	\$6,324	27.85	\$176,111
 <u>Financial liabilities</u>			
Monetary items:			
USD	\$806,449	27.85	\$22,459,605
JPY	98,743	0.249	24,587
GBP	5,301	37.46	198,581

The Group's 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\$(1,061,764) thousand and NT\$38,146 thousand for the nine months ended September 30, 2022 and 2021, respectively.

(11) Capital Management

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

(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.

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13. Additional Disclosures

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

- A. Financing provided to others for the nine months ended September 30, 2022: Attachment 1-1.
- B. Endorsement/Guarantee provided to others for the nine months ended September 30, 2022: Please refer to Attachment 1, 1-2.
- C. Securities held as of September 30, 2022 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.
- 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 nine months ended September 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 nine months ended September, 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 nine 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 nine months ended September 30, 2022: Please refer to Attachment 3, 3-1.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of September 30, 2022: Please refer to Attachment 4, 4-1.
- 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(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.

## CORETRONIC CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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#### (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.

(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 segments are on an arm's length basis in a manner similar to transactions with third parties.

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(2) Segment Income, Assets and Liabilities Information

For the three months ended September 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	\$5,350,107	\$6,062,040	\$763,539	\$12,175,686	\$727,294	\$-	\$12,902,980
Net revenue from sales							
among intersegments	10,960	214,346	575,355	800,661	290,757	(1,091,418)	-
Total revenue	<u>\$5,361,067</u>	<u>\$6,276,386</u>	<u>\$1,338,894</u>	<u>\$12,976,347</u>	<u>\$1,018,051</u>	<u>\$(1,091,418)</u>	<u>\$12,902,980</u>
Segment income	<u>\$208,733</u>	<u>\$923,647</u>	<u>\$34,917</u>	<u>\$1,167,297</u>	<u>\$(243,499)</u>	<u>\$71,593</u>	<u>\$995,391</u>

For the three months ended September 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	\$7,461,007	\$3,907,594	\$988,238	\$12,356,839	\$689,054	\$-	\$13,045,893
Net revenue from sales							
among intersegments	22,091	6,754	154,187	183,032	351,814	(534,846)	-
Total revenue	<u>\$7,483,098</u>	<u>\$3,914,348</u>	<u>\$1,142,425</u>	<u>\$12,539,871</u>	<u>\$1,040,868</u>	<u>\$(534,846)</u>	<u>\$13,045,893</u>
Segment income	<u>\$375,781</u>	<u>\$429,471</u>	<u>\$47,593</u>	<u>\$852,845</u>	<u>\$(120,496)</u>	<u>\$116,798</u>	<u>\$849,147</u>

For the nine months ended September 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	\$18,024,100	\$16,220,837	\$2,231,548	\$36,476,485	\$2,135,489	\$-	\$38,611,974
Net revenue from sales							
among intersegments	79,874	625,616	1,568,011	2,273,501	869,366	(3,142,867)	-
Total revenue	<u>\$18,103,974</u>	<u>\$16,846,453</u>	<u>\$3,799,559</u>	<u>\$38,749,986</u>	<u>\$3,004,855</u>	<u>\$(3,142,867)</u>	<u>\$38,611,974</u>
Segment income	<u>\$609,792</u>	<u>\$2,138,922</u>	<u>\$102,342</u>	<u>\$2,851,056</u>	<u>\$(563,468)</u>	<u>\$408,410</u>	<u>\$2,695,998</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$57,064,876</u>	<u>\$57,064,876</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 nine months ended September 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	\$18,404,009	\$11,371,116	\$2,898,497	\$32,673,622	\$2,045,091	\$-	\$34,718,713
Net revenue from sales							
among intersegments	100,129	17,764	376,343	494,236	896,693	(1,390,929)	-
Total revenue	<u>\$18,504,138</u>	<u>\$11,388,880</u>	<u>\$3,274,840</u>	<u>\$33,167,858</u>	<u>\$2,941,784</u>	<u>\$(1,390,929)</u>	<u>\$34,718,713</u>
Segment income	<u>\$798,045</u>	<u>\$1,142,562</u>	<u>\$44,859</u>	<u>\$1,985,466</u>	<u>\$(281,454)</u>	<u>\$333,080</u>	<u>\$2,037,092</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$58,447,036</u>	<u>\$58,447,036</u>

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the nine months ended September 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.

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Net income of reportable segment	\$1,167,297	\$852,845	\$2,851,056	\$1,985,466
Loss of other segments	(243,499)	(120,496)	(563,468)	(281,454)
Unallocated amount:				
Interest income	84,325	100,392	255,422	300,655
Interest expense	(129,757)	(40,026)	(250,215)	(103,128)
Financial assets (liabilities) at fair value through profit or loss	766,720	89,462	1,729,114	404,329
Exchange (loss) gain, net	(544,357)	6,163	(1,061,764)	38,146
Others	(105,338)	(39,193)	(264,147)	(306,922)
Income before income tax	<u>\$995,391</u>	<u>\$849,147</u>	<u>\$2,695,998</u>	<u>\$2,037,092</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the nine months ended September 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 statements	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-subsiary	\$ 10,761,684 (Note)	\$ 952,500	\$ 952,500	\$ -	-	4.43%	\$ 21,523,368 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	10,761,684 (Note)	1,179,661	913,130	563,880	-	4.24%	21,523,368 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	10,761,684 (Note)	164,000	164,000	4,550	-	0.76%	21,523,368 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsiary	10,761,684 (Note)	350,000	350,000	171,659	-	1.63%	21,523,368 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	10,761,684 (Note)	260,000	260,000	22,627	-	1.21%	21,523,368 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsiary	10,761,684 (Note)	285,750	285,750	158,750	-	1.33%	21,523,368 (Note)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsiary	10,761,684 (Note)	15,875	15,875	15,875	-	0.07%	21,523,368 (Note)	Yes	No	No
0	Coretronic Corporation	Optoma Corporation	Sub-subsiary	10,761,684 (Note)	2,000	2,000	2,000	-	0.01%	21,523,368 (Note)	Yes	No	No
	Total				<u>\$ 3,209,786</u>	<u>\$ 2,943,255</u>							

Note : Based on the procedures of endorsement/guarantee provided to others, the amount of endorsements/guarantees for any sigle entity shall not exceed 50% of the Company's net worth from the latest financial statements.  
Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the lastest financial statements.

ATTACHMENT 1-1 (Financing provided to others for the nine months ended September 30, 2022)  
(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	-	\$ 244,219	\$ 244,219
1	Bigshine (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	336,550	336,550	336,550	1.25%	The need for short-term financing	-	Business turnover	-	None	-	610,548	610,548
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	174,741	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	610,548	610,548
2	Great Pride (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	965,200	965,200	965,200	1.25%	The need for short-term financing	-	Business turnover	-	None	-	3,248,847	3,248,847
2	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	94,605	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,248,847	3,248,847
3	Teepoint	Brightbridge	Trade receivables - related parties	Yes	2,706	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,124,585	4,124,585
4	Venture Orient	Coretronic Investment Limited	Trade receivables - related parties	Yes	95,250	95,250	95,250	1.25%	The need for short-term financing	-	Business turnover	-	None	-	673,442	673,442
4	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	115,752	25,400	25,400	-%	The need for short-term financing	-	Business turnover	-	None	-	673,442	673,442
5	Wisdom Success (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	58,950	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,645,960	7,645,960
5	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	596,900	596,900	596,900	-%	The need for short-term financing	-	Business turnover	-	None	-	7,645,960	7,645,960
6	Wisdom Success	Coretronic Investment Limited	Trade receivables - related parties	Yes	23,580	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	12,020,466	12,020,466
6	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	31,750	31,750	31,750	-%	The need for short-term financing	-	Business turnover	-	None	-	12,020,466	12,020,466
7	Chung Tsen Investment	CILS	Trade receivables - related parties	Yes	70,000	70,000	70,000	0.6%	The need for short-term financing	-	Business turnover	-	None	-	1,026,529	1,026,529
7	Chung Tsen Investment	Coretronic Corporation	Trade receivables - related parties	Yes	366,000	366,000	366,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	1,026,529	1,026,529
7	Chung Tsen Investment	Optoma Technology	Trade receivables - related parties	Yes	246,000	-	-	-%	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	474,027	474,027	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,869,086	5,869,086
9	Young Green Energy	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	70,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	89,702	89,702
10	Tsen Ming Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	186,000	186,000	186,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	186,970	186,970
10	Tsen Ming Investment	Optoma Technology	Trade receivables - related parties	Yes	140,000	-	-	-%	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	326,453	326,453	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,979,753	4,979,753
11	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	1,485,120	701,465	701,465	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,979,753	4,979,753
11	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,247,176	934,639	934,639	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,979,753	4,979,753
12	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	137,414	137,414	137,414	-%	The need for short-term financing	-	Business turnover	-	None	-	1,007,672	1,007,672
12	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	857,250	857,250	857,250	-%	The need for short-term financing	-	Business turnover	-	None	-	2,519,179	2,519,179
12	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	1,498,600	1,498,600	1,498,600	-%	The need for short-term financing	-	Business turnover	-	None	-	2,519,179	2,519,179
13	Boom Power Trading Corp.	Coretronic Corporation	Trade receivables - related parties	Yes	73,946	73,946	73,946	-%	The need for short-term financing	-	Business turnover	-	None	-	139,980	139,980
14	Nano Display (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	266,700	241,300	241,300	-%	The need for short-term financing	-	Business turnover	-	None	-	579,092	579,092
15	Young Lighting Limited	Coretronic Corporation	Trade receivables - related parties	Yes	1,616,075	1,616,075	1,616,075	-%	The need for short-term financing	-	Business turnover	-	None	-	2,138,878	2,138,878
16	Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	299,621	299,621	299,621	0.5%	The need for short-term financing	-	Business turnover	-	None	-	2,818,887	2,818,887
17	Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	259,373	259,373	259,373	0.5%	The need for short-term financing	-	Business turnover	-	None	-	394,731	394,731
18	Best Alpha	Young Optics (BD)	Trade receivables - related parties	Yes	31,750	31,750	31,750	-%	The need for short-term financing	-	Business turnover	-	None	-	527,648	527,648

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 statements, including Bigshine(HK), Great Pride (HK), Venture Orient, Coretronic Projection (Kunshan), Coretronic (Suzhou), Dynamic Time,Nano Precision (Suzhou), Young Bright Optical (Suzhou).

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 statements, including Dynamic Time, Boom Power Trading Corp., Nano Display (HK),Wisdom Success (HK),Venture Orient, Wisdom Success.

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

Note c : Young Lighting Limited provided financing to Coretronic Corporation. Limit of total financing amount for individual counter-party should not exceed 200% of lender's net worth from the latest financial statements, and limit of financing amount should not exceed 200% of the latest financial statements .

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

Note e : Best Alpha provided financing to the foreign subsidiaries whose shares are 100% owned by Young Optics Inc. 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 statements.

ATTACHMENT 1-2 (Endorsement/Guarantee provided to others for the nine months ended September 30, 2022)  
(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 statements	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 Technology	Optoma Corporation	Associate	\$ 476,551 (Note3)	\$ 2,000	\$ -	\$ -	-	-%	\$ 953,102 (Note1 - 2)	No	No	No

- Note : 1. 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 statements.  
2. 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 statements.  
3. Coretronic Corporation absorbed Optoma Technology from July 1, 2022. Therefore, endorsor was changed to Coretronic Corporation.

ATTACHMENT 2 (Securities held as of September 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	September 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	-	\$ 22,290	-	\$ 22,290	
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	9,007	-	0.003%	-	
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661 (Note c)	52,010	16.80%	52,010	
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	Coretronic Corporation was Yann Yuan Investment's director.	Financial assets at fair value through other comprehensive income-noncurrent	57,000,000	2,806,111	11.06%	2,806,111	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	7,458	3.06%	7,458	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	45,086	19.90%	45,086	
Coretronic Corporation	Etergo Opto-Electronics	Coretronic Corporation was Etergo Opto-Electronics' director.	Investments accounted for using the equity method- noncurrent	1,850,000	51,747	18.50%	-	

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.

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

ATTACHMENT 2-1 (Securities held as of September 30, 2022)  
(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	September 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	\$ - (Note b)	5.85%	\$ -	
CICS	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	900,000	33,821	19.76%	33,821	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 1,480,864	5.00%	USD 1,480,864	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	98,556,488	676,976	4.47%	676,976	

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 nine months ended September 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	Coretronic (Ningbo)	Sub-subsidiary	Purchases	\$ 919,257	4.27%	120 days	-	-	\$ (559,466)	5.67%	
Coretronic Corporation	Optoma Corporation	Sub-subsidiary	Sales	4,256,012	17.47%	90 days	-	-	2,049,403	24.66%	
Coretronic Corporation	HANNSTAR	Related Party	Purchases	107,148	0.50%	90 days	-	-	(8,717)	0.09%	

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 nine months ended September 30, 2022 )  
(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	\$ 163,629	4.02%	60 days	-	-	\$ 36,409	3.01 %	
Young Optics	Coretronic Projection (Kunshan)	Associate	Sales	1,274,645	31.28%	90 days	-	-	468,549	38.72 %	
Young Optics	Rays Optics	Associate	Sales	295,419	7.25%	30 days	-	-	72,952	6.03%	
Young Optics (Kunshan)	Young Optics	Associate	Sales	1,841,616	82.18%	90 days	-	-	750,197	81.28 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	287,593	12.84%	90 days	-	-	131,395	14.24 %	
Nano Precision (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	118,858	14.81%	60 days	-	-	23,652	9.45%	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	208,440	25.97%	60 days	-	-	62,439	24.94 %	
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	Sales	174,757	21.78%	60 days	-	-	45,728	18.26 %	
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	Sales	622,584	4.12%	90 days	-	-	243,358	3.30 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	402,937	2.67%	90 days	-	-	198,173	2.69 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	419,651	2.78%	60 days	-	-	63,501	0.86 %	
Young Optics (BD)	Young Optics	Associate	Sales	156,011	81.44%	30 days	-	-	-	-%	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	231,195	2.58%	60 days	-	-	118,946	2.69 %	
Coretronic Optics (Kushan)	Coretronic Projection (Kunshan)	Associate	Sales	7,133,120	99.97%	60 days	-	-	1,246,170	99.96 %	
Optoma Corporation	Optoma Technology	Associate	Sales	1,517,351	29.50%	90 days	-	-	664,247	32.99 %	
Optoma Corporation	Optoma Europe	Associate	Sales	2,884,125	56.08%	90 days	-	-	1,184,437	58.82 %	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of September 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 Corporation	Sub-subsidiary	\$ 2,049,403	5.54	\$ -	-	\$ -	\$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NTS100 million or 20 percent of capital stock as of September 30, 2022)  
(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	\$ 468,549	5.37	\$ -	-	\$ -	\$ -
Young Optics (Kunshan)	Young Optics	Associate	750,197	3.97	-	-	-	-
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	131,395	3.38	-	-	-	-
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	243,358	5.32	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	198,173	2.38	-	-	-	-
Coretronic (Ningbo)	Coretronic Corporation	Parent	559,466	2.47	-	-	-	-
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	118,946	2.27	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,246,170	7.97	-	-	-	-
Optoma Corporation	Optoma USA	Associate	664,247	3.97	-	-	-	-
Optoma Corporation	Optoma Europe	Associate	1,184,437	3.84	-	-	-	-
Other receivables :								
Grace China	Young Optics (BD)	Associate	299,242	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	1,498,600	-	-	-	-	-
Dynamic Time	Core-Flex	Associate	137,414	-	-	-	-	-
Dynamic Time	Great Pride (HK)	Associate	857,250	-	-	-	-	-
Wisdom Success	Coretronic Optics (Suzhou)	Associate	102,737	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	703,525	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Associate	327,814	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	936,917	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	366,353	-	-	-	-	-
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	300,495	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	478,181	-	-	-	-	-
Tsen Ming Investment	Coretronic MEMS Corporation	Associate	186,185	-	-	-	-	-
Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	Associate	259,397	-	-	-	-	-
Nano Display	Coretronic Corporation	Parent	241,300	-	-	-	-	-
Great Pride (HK)	Coretronic Investment Limited	Associate	973,545	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	596,900	-	-	-	-	-
Bigshine (HK)	Coretronic Investment Limited	Associate	339,460	-	-	-	-	-
Young Lighting Limited	Coretronic Corporation	Parent	1,616,075	-	-	-	-	-

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)

(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 Technology	1	Sales	72,648	—	0.19%
		Optoma USA	1	Sales	41,439	—	0.11%
		Optoma Europe	1	Sales	54,265	—	0.14%
		Greendale	1	Accounts receivable	1,430,304	—	2.51%
			1	Sales	5,304,481	—	13.74%
		Coretronic Projection (Kunshan)	1	Sales	35,006	—	0.09%
		YLG Optotech	1	Accounts receivable	154,336	—	0.27%
			1	Sales	502,361	—	1.30%
		Coretronic Display (Suzhou)	1	Accounts receivable	160,425	—	0.28%
			1	Sales	2,127,101	—	5.51%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	3,955,292	—	6.93%
			1	Sales	5,590,218	—	14.48%
		Coretronic Optics (Suzhou)	1	Accounts receivable	3,354,118	—	5.88%
			1	Sales	6,865,788	—	17.78%
Coretronic Vietnam	1	Accounts receivable	1,281,009	—	2.24%		
	1	Sales	694,785	—	1.80%		
Optoma Corporation	1	Accounts receivable	2,049,403	—	3.59%		
	1	Sales	4,256,012	—	11.02%		
1	Young Optics	Young Optics (Kunshan)	3	Accounts receivable	36,409	—	0.06%
			3	Sales	163,629	—	0.42%
		Young Optics (Suzhou)	3	Accounts receivable	38,708	—	0.07%
			3	Sales	67,480	—	0.17%
		Mejiro Genossen	3	Accounts receivable	4,620	—	0.01%
			3	Sales	8,805	—	0.02%
		Coretronic Projection (Kunshan)	3	Accounts receivable	468,549	—	0.82%
			3	Sales	1,274,645	—	3.30%
Rays Optics	3	Accounts receivable	72,952	—	0.13%		
	3	Other receivables	169	—	0.00%		
	3	Sales	295,419	—	0.77%		

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	Young Optics (BD)	3	Accounts receivable	66,151	—	0.12%
			3	Other receivables	8,370	—	0.01%
			3	Sales	18,264	—	0.05%
2	Grace China	Young Optics (BD)	3	Accounts receivable	159,637	—	0.28%
			3	Other receivables	139,605	—	0.24%
		Young Optics (Kunshan)	3	Accounts receivable	503	—	0.00%
			3	Sales	496	—	0.00%
		Young Optics	3	Accounts receivable	61	—	0.00%
			3	Sales	56	—	0.00%
3	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	750,197	—	1.31%
			3	Sales	1,841,616	—	4.77%
		Young Optics (Suzhou)	3	Accounts receivable	32,515	—	0.06%
			3	Sales	88,187	—	0.23%
		Young Optics (BD)	3	Accounts receivable	7,063	—	0.01%
			3	Sales	9,753	—	0.03%
		Coretronic Optics (Kunshan)	3	Accounts receivable	131,395	—	0.23%
			3	Sales	287,593	—	0.74%
4	Dynamic Time	Coretronic Corporation	2	Other receivables	1,498,600	—	2.63%
			3	Other receivables	137,414	—	0.24%
			3	Other receivables	857,250	—	1.50%
5	Wisdom Success	Coretronic Corporation	2	Other receivables	31,750	—	0.06%
			3	Other receivables	102,737	—	0.18%
6	Coretronic (Suzhou)	Coretronic Display (Suzhou)	3	Other receivables	703,525	—	1.23%
			3	Other receivables	327,814	—	0.57%
			3	Other receivables	936,917	—	1.64%
7	Chung Tsen Investment Corp.	Coretronic Corporation	2	Other receivables	366,353	—	0.64%
			3	Other receivables	70,006	—	0.12%
8	Venture Orient	Coretronic Investment Limited	3	Other receivables	96,074	—	0.17%
9	Best Alpha	Young Optics (BD)	3	Other receivables	31,750	—	0.06%
			3	Interest income	186	—	0.00%
10	Young Optics (Suzhou)	Young Optics	3	Accounts receivable	9,095	—	0.02%
			3	Sales	49,883	—	0.13%
		Young Optics (Kunshan)	3	Accounts receivable	198	—	0.00%
			3	Sales	314	—	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)
11	Nano Precision (Suzhou)	Coretronic Projection (Kunshan)	3	Sales	37,795	—	0.10%
		Great Pride (HK)	3	Sales	62,751	—	0.16%
		Coretronic Display (Suzhou)	3	Accounts receivable	23,652	—	0.04%
			3	Sales	118,858	—	0.31%
		Coretronic Optotech (Suzhou)	3	Accounts receivable	62,439	—	0.11%
			3	Sales	208,440	—	0.54%
		Coretronic Optics (Suzhou)	3	Other receivables	300,495	—	0.53%
3	Accounts receivable		45,728	—	0.08%		
12	Greendale	Coretronic Corporation	2	Other receivables	6,245,219	—	10.94%
		Coretronic Projection (Kunshan)	3	Other receivables	31,617	—	0.06%
		Coretronic Optics (Kunshan)	3	Other receivables	1,398,687	—	2.45%
13	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Accounts receivable	243,358	—	0.43%
			3	Sales	622,584	—	1.61%
		Optoma China	3	Accounts receivable	198,173	—	0.35%
			3	Sales	402,937	—	1.04%
		Greendale	3	Accounts receivable	6,244,742	—	10.94%
			3	Sales	11,634,315	—	30.13%
		Champ Vision Display	3	Accounts receivable	244,092	—	0.43%
			3	Sales	653,070	—	1.69%
Coretronic Optics (Kunshan)	3	Other receivables	478,181	—	0.84%		
	3	Accounts receivable	63,501	—	0.11%		
			3	Sales	419,651	—	1.09%
14	Boom Power	Coretronic Corporation	2	Other receivables	73,946	—	0.13%
15	Tsen Ming Investment	Coretronic MEMS Corporation	3	Other receivables	186,185	—	0.33%
16	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	559,466	—	0.98%
			2	Sales	919,257	—	2.38%
17	Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	3	Other receivables	259,397	—	0.45%
18	Nano Display	Coretronic Corporation	2	Other receivables	241,300	—	0.42%
19	Nano Display (Guangzhou)	Coretronic (Guangzhou)	3	Sales	49,984	—	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)
20	Great Pride (HK)	Coretronic Investment Limited	3	Other receivables	973,545	—	1.71%
21	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	596,900	—	1.05%
22	Bigshine (HK)	Coretronic Investment Limited	3	Other receivables	339,460	—	0.59%
23	CICS	Coretronic Corporation	2	Accounts receivable	68,175	—	0.12%
			2	Sales	138,318	—	0.36%
24	Young Lighting Limited	Coretronic Corporation	2	Other receivables	1,616,075	—	2.83%
25	YLG Optotech	Coretronic Corporation	2	Accounts receivable	328,155	—	0.58%
			2	Sales	742,032	—	1.92%
		Champ Vision Display	3	Sales	37,410	—	0.10%
26	Young Optics (BD)	Young Optics	3	Sales	156,011	—	0.40%
		Grace China	3	Accounts receivable	563	—	0.00%
			3	Sales	529	—	0.00%
		Young Optics (Kunshan)	3	Accounts receivable	8,146	—	0.01%
3	Sales		34,914	—	0.09%		
27	Mejiro	Young Optics	3	Accounts receivable	5,000	—	0.01%
			3	Other receivables	1,082	—	0.00%
		Young Optics (BD)	3	Sales	10,051	—	0.03%
			3	Accounts receivable	122	—	0.00%
			3	Sales	762	—	0.00%
28	Coretronic Display (Suzhou)	Coretronic Corporation	2	Accounts receivable	674,210	—	1.18%
			2	Sales	2,519,700	—	6.53%
		Wisdom Success	3	Accounts receivable	102,737	—	0.18%
29	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	4,294,236	—	7.53%
			2	Sales	2,434,978	—	6.31%
		Coretronic Display (Suzhou)	3	Accounts receivable	118,946	—	0.21%
			3	Sales	231,195	—	0.60%
30	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	56,841	—	0.10%
			3	Sales	311,499	—	0.81%
31	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	1,246,170	—	2.18%
			3	Sales	7,133,120	—	18.47%

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)
32	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	3,889,324	—	6.82%
			2	Sales	2,642,934	—	6.84%
33	Nano Precision Taiwan	Coretronic Corporation	2	Sales	37,237	—	0.10%
			3	Nano Precision (Suzhou)	144,389	—	0.37%
			3	Coretronic (Ningbo)	36,047	—	0.09%
34	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	625,928	—	1.10%
			2	Sales	404,397	—	1.05%
35	CILS	Coretronic Corporation	2	Sales	51,747	—	0.13%
36	Optoma Corporation	Optoma USA	3	Accounts receivable	664,247	—	1.16%
			3	Sales	1,517,351	—	3.93%
		Optoma Europe	3	Accounts receivable	1,184,437	—	2.08%
			3	Sales	2,884,125	—	7.47%

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 September 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 September 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%	\$6,685,640	\$793,044	\$793,044	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	511,886	526,482	38,367,586	33.64%	1,146,266	135,659	45,993	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,910,023	387,614	387,614	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,397,624	33,657	33,657	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%	2,233,881	11,560	11,560	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,814,795	(95,698)	(74,703)	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%	231,450	4,614	4,609	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,718,017	153,086	153,086	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%	285,274	16,811	16,811	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%	305,807	1,283	1,283	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%	156,712	8,572	6,857	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%	12,868	(16,749)	(10,165)	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%	22,397	(2,140)	(2,140)	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%	102,763	(78,618)	(78,618)	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%	10,921	2,403	1,923	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%	(39,596)	(80,155)	(80,155)	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%	23,647	(34,373)	(34,373)	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%	(283,241)	(182,625)	(182,625)	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%	(13,702)	(55,018)	(55,018)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	100.00%	331,328	293,576	293,576	Subsidiary
Coretronic Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230 (Note a)	-	14,856	100.00%	2,508,864	(3,664)	(4,029)	Subsidiary

Note a: Coretronic Corporation absorbed Optoma Technology from July 1, 2022. Ownership of Dynamic Time originally held by Optoma Technology were transferred to Coretronic Corporation as a result of the acquisition.

ATTACHMENT 6 -1 : (Names, locations and related information of investee companies as of September 30, 2022) (Not including investment in Mainland China)  
(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 September 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 210,979,869	USD 26,661,863	(Note)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 337,664,507	USD 12,326,381	(Note)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,787,416	(USD 164,335)	(Note)	Sub-subsidiary
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 636,000	212,000	100.00 %	USD 18,669	USD 48	(Note)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 30,641,801	USD 957,106	(Note)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 17,750,928	USD 387,644	(Note)	Sub-subsidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 13,751,068	(USD 3,089,849)	(Note)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 210,302,281	USD 9,263,370	(Note)	Sub-subsidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 86,714,707	USD 3,665,667	(Note)	Sub-subsidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 28,403,179	USD 1,007,914	(Note)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 11,220,173	(USD 438,527)	(Note)	Sub-subsidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	China	Holding company	USD 78,000,000	USD 1,000,000	78,000,000	100.00 %	RMB 542,670,589	RMB 4,857,124	(Note)	Sub-subsidiary
Coretronic Technology (HK)	Coretronic Technology (BRVT) Company	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 78,000,000	USD 30,000,000	-	100.00 %	USD 76,431,832	USD 699,367	(Note)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,732,104	(USD 438,527)	(Note)	Sub-subsidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 30,641,778	USD 3,665,667	(Note)	Sub-subsidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 17,750,833	USD 1,007,914	(Note)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 44,019,249	USD 1,144,951	(Note)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 89,313,447	(USD 2,884,701)	(Note)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,539,293	USD 160,998	(Note)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 16,444,041	(USD 359,380)	(Note)	Sub-subsidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 89,275,123	(USD 2,884,708)	(Note)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	(RMB 4,095,089)	(RMB 20,550,395)	(Note)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	535,076	(10,635)	(Note)	Sub-subsidiary

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

ATTACHMENT 6 -2 : (Names, locations and related information of investee companies as of September 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 September 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	\$14,705	\$29,596	1,076,317	0.94%	\$32,113	\$135,659	(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 %	535,305	(2,677)	(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 %	3,640	4,692	(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 11,165,943	(USD 3,089,848)	(Note)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	3,173	23,842	168,886	0.15 %	5,133	135,659	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	4,716	4,692	(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 %	133,011	USD 96,802	(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 2,925,627	USD 2,298,455	(Note)	Sub-subsiidiary
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	USD 28,990,577	USD 1,668,760	(Note)	Sub-subsiidiary
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	USD 21,935,268	USD 1,258,893	(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 %	28,050	604	(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 883,469	USD 20,440	(Note)	Sub-subsiidiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 30,630,000	30,620,000	96.19 %	USD 52,376,530	USD 10,376,047	(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 September 30, 2022) (Not including investment in Mainland China)  
(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 September 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			
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 1,056,261	(USD 133,393)	(Note a)	Sub-subsiary
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 301,903	USD 348	(Note a)	Sub-subsiary
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 21,314,012	EUR 6,375,805	(Note a)	Sub-subsiary
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 29,504,362	EUR 5,323,511	(Note a)	Sub-subsiary
Optoma Holding	Optoma Corporation	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 121,666)	EUR 3,743,057	(Note a)	Sub-subsiary
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 2,068,923	EUR 641,117	(Note a)	Sub-subsiary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 965,247	EUR 230,196	(Note a)	Sub-subsiary
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 111,392	(EUR 46,913)	(Note a)	Sub-subsiary
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 425,451	EUR 44,480	(Note a)	Sub-subsiary
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 393,347	(EUR 116,587)	(Note a)	Sub-subsiary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,731,788	(37,166)	(Note a)	Sub-subsiary
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 %	127,006	23,476	(Note a)	Sub-subsiary
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 %	40,873	7,525	(Note a)	Sub-subsiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 16,791,722	USD 215,310	(Note a)	Sub-subsiary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 38,012,835	(USD 480,284)	(Note a)	Sub-subsiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000	USD 12,000,000	10,089,436	80.00 %	(USD 268,437)	(USD 1,449,904)	(Note a)	Sub-subsiary
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	(Note b) (Note c)	EUR 18,750	-	-	-	-	-	Sub-subsiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	(USD 67,109)	(USD 1,449,904)	(Note a)	Sub-subsiary

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 September 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 September 30, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of September 30, 2022	Accumulated inward remittance of earnings as of September 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)	\$ 788,828	100.00%	\$ 788,828	\$ 6,668,230	\$ 428,855 (USD 14,065,436)
Technology Service (Kunshan)	LCD monitor maintenance and technical services	13,259 (USD 400,000)	Indirect investment from the third region (Greendale)	13,259 (USD 400,000)	-	-	13,259 (USD 400,000)	2,708	100.00%	2,708	30,688	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	153,566	100.00%	153,566	673,913	-	-
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)	33,623	100.00%	33,623	1,388,747	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	89,157 (USD 2,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	57,769	100.00%	57,769	4,558,687	-
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)	-	-	-	72,736	100.00%	72,736	119,666	-	-
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)	-	-	-	146,532	100.00%	146,532	1,393,415	-	-
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)	(15,458)	100.00%	(15,458)	230,100	81,790 (USD 2,800,000)
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)	(799)	100.00%	(799)	949,740	-
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)	107,407	100.00%	107,407	3,725,893	139,650 (USD 4,619,805)
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)	4,692	100.00%	4,692	399,665	-
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)	(96,469)	100.00%	(96,469)	2,717,755	85,228 (USD 2,795,270)
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)	30,064	100.00%	30,064	1,465,374	-
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)	(6,820)	100.00%	(6,820)	253,103	-
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	67,368	100.00% (Note k)	67,368	92,855	-
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	604	100.00%	604	28,050	-
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	3,252	100.00%	3,252	50,850	-
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	(3,612)	100.00%	(3,612)	91,727	-
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) )	-	-	-	(753)	100.00%	(753)	52,873	-	-

Accumulated investment in Mainland China as of September 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)	\$13,518,655

Note a : To use historical currency rates.

Note b : The investment amounts in Flying Success and Coretronic (Nanjing) has not been 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 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 Coretronic (Shanghai) and Coretronic (Ningbo), respectively, and had remitted totally 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 had been 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% of 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 =31.75 NTD as of September 30, 2022.

ATTACHMENT 7-1 (Investment in Mainland China as of September 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 September 30, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of September 30, 2022 (Note a)	Accumulated inward remittance of earnings as of September 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)	\$(5,222) (-USD 245,523)	100.00%	\$(5,222) (-USD 245,523)	\$1,008,201 (USD 31,754,357)	\$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)	7,618 (USD 269,775)	100.00%	7,618 (USD 269,775)	251,993 (USD 7,936,796)	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 September 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 invested USD 2,300,000.

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

Note f : Best Alpha Investments Limited received cash dividends 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. The RMB 24,922,307 of them had been remitted back to Young Optics.

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

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

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

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

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

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of September 30, 2022)

(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 October, 2022 to November, 2022	USD 549,000,000	\$ (581,061)	\$ (581,061)	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From October, 2022 to February, 2023	USD 907,000,000	1,088,741	1,088,741	Note a
Coretronic Investment Limited	Hedging financial assets (liabilities) - current	Forward foreign exchange contract	Selling EUR	October, 2022	EUR 27,000,000	10,752	10,752	Note b
Champ Vision Display	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	October, 2022	USD 2,000,000	(2,033)	(2,033)	Note c
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From October, 2022 to January, 2023	USD 33,000,000	23,989	23,989	Note k
Optoma USA	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From October, 2022 to November, 2022	CAD 700,000	1,062	1,062	Note l
Young Optics (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	October, 2022	USD 1,000,000	(1,699)	(1,699)	Note m

Note a : Coretronic Corporation entered into forward foreign exchange contracts and realized a profit amounting to NT\$1,211,529 thousands for the nine months ended September 30, 2022.

Note b : Coretronic Investment Limited entered into forward foreign exchange contracts and realized a profit amounting to NT\$87,454 thousands for the nine months ended September 30, 2022.

Note c : Champ Vision Display entered into forward foreign exchange contracts and realized a loss amounting to -NT\$6,371 thousands for the nine months ended September 30, 2022.

Note d : Nano Precision Taiwan entered into forward foreign exchange contracts and realized a loss amounting to -NT\$643 thousands for the nine months ended September 30, 2022.

Note e : Nano Precision (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to -NT\$19,769 thousands for the nine months ended September 30, 2022.

Note f : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to -NT\$14,174 thousands for the nine months ended September 30, 2022.

Note g : Coretronic (Ningbo) entered into forward foreign exchange contracts and realized a loss amounting to -NT\$1,242 thousands for the nine months ended September 30, 2022.

Note h : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to -NT\$3,765 thousands for the nine months ended September 30, 2022.

Note i : Coretronic Optoteck entered into forward foreign exchange contract and realized a loss amounting to -NT\$38,082 thousands for the nine months ended September 30, 2022.

Note j : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to -NT\$11,393 thousands for the nine months ended September 30, 2022.

Note k : Optoma Europe entered into forward foreign exchange contracts and realized a profit amounting to NT\$70,778 thousands for the nine months ended September 30, 2022.

Note l : Optoma USA entered into forward foreign exchange contracts and realized a profit amounting to NT\$1,718 thousands for the nine months ended September 30, 2022.

Note m : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to -NT\$3,173 thousands for the nine months ended September 30, 2022.

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

Name	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	11.61%

ATTACHMENT 10 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$300 million or 20 percent of the capital stock for the nine months ended September 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			September 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	\$ 2,806,111
Young Optics (Kunshan)	Structured Deposits	Financial assets at amortised cost-current	Kunshan Rural Commercial bank	-	-	-	RMB 100,000,000	-	-	-	RMB 100,000,000	RMB 747,333	-	-
Young Optics (Kunshan)	Structured Deposits	Financial assets at amortised cost-current	China CITIC Bank	-	-	-	RMB 90,000,000	-	-	-	RMB 90,000,000	RMB 588,544	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets at amortised cost-current	Kunshan Rural Commercial bank	-	-	-	RMB 90,000,000	-	-	-	RMB 90,000,000	RMB 678,547	-	-

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.