

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2021 AND 2020

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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 March 31, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2021 and 2020, 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\$19,078,728 thousand and NT\$16,731,496 thousand, representing 38.83% and 36.91% of the consolidated total assets, and total liabilities of NT\$962,416 thousand and NT\$3,269,038 thousand, representing 3.48% and 14.27% of the consolidated total liabilities as of March 31, 2021 and 2020, respectively; and total comprehensive income of NT\$18,973 thousand and NT\$(33,319) thousand, representing 7.85 % and 12.89 % of the consolidated total comprehensive income for the three-month periods ended March 31, 2021 and 2020, 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\$45,842 thousand and NT\$22,890 thousand as of March 31, 2021 and 2020, respectively. The related shares of loss from the associates and joint ventures under the equity method amounted to NT\$(591) thousand and NT\$(102) thousand for the three-month periods ended March 31, 2021 and 2020, respectively. The information related to above subsidiaries, associates and joint ventures accounted for using the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using the equity method and the information been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2021 and 2020, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2021 and 2020, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

April 26, 2021

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 audit such financial statements are those generally accepted and applied in the Republic of China.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2021, December 31, 2020, and March 31, 2020

(March 31, 2021 and 2020 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	March 31, 2021	%	December 31, 2020	%	March 31, 2020	%
Current assets							
Cash and cash equivalents	6(1)	\$ 11,134,183	22.66	\$ 18,300,564	38.71	\$ 19,906,179	43.91
Financial assets at fair value through profit or loss-current	6(2)	392,010	0.80	372,859	0.79	91,647	0.20
Financial assets at fair value through other comprehensive income-current	6(4)	1,330	-	1,330	-	-	-
Financial assets at amortised cost-current	6(5), 6(20)	7,371,782	15.00	-	-	-	-
Hedging financial assets-current	6(3)	2,768	0.01	-	-	554	-
Notes receivable, net	6(6), 6(20)	46,757	0.10	25,200	0.05	45,777	0.10
Trade receivables, net	6(7), 6(20)	12,151,831	24.73	11,659,562	24.66	8,201,078	18.09
Trade receivables-related parties, net	6(7), 6(20), 7	-	-	-	-	140	-
Other receivables	8	373,467	0.76	337,856	0.71	323,859	0.71
Current tax assets	6(25)	25,545	0.05	15,315	0.04	20,602	0.05
Inventories, net	6(8)	5,763,136	11.73	4,886,148	10.34	5,698,299	12.57
Prepayments	7	566,785	1.15	591,335	1.25	579,359	1.28
Other current assets		80,965	0.17	95,414	0.20	141,461	0.31
Total current assets		37,910,559	77.16	36,285,583	76.75	35,008,955	77.22
Non-current assets							
Financial assets at fair value through profit or loss-noncurrent	6(2)	-	-	-	-	35,701	0.08
Financial assets at fair value through other comprehensive income-noncurrent	6(4)	950,346	1.94	911,750	1.93	391,576	0.86
Investments accounted for using the equity method (Unreviewed)	6(9)	45,842	0.09	46,433	0.10	22,890	0.05
Property, plant and equipment, net	6(10), 8	7,211,631	14.68	7,158,625	15.14	6,955,152	15.34
Right-of-use assets	6(21)	1,902,758	3.87	1,742,299	3.69	1,924,120	4.24
Investment property, net	6(11), 8	158,340	0.32	160,354	0.34	166,393	0.37
Intangible assets	6(12)	393,568	0.80	408,646	0.86	281,846	0.62
Deferred tax assets	6(25)	332,566	0.68	338,374	0.72	336,734	0.74
Net defined benefit assets-noncurrent	6(16)	15,726	0.03	15,135	0.03	13,219	0.03
Other noncurrent assets	8	210,147	0.43	207,864	0.44	198,915	0.45
Total non-current assets		11,220,924	22.84	10,989,480	23.25	10,326,546	22.78
Total assets		\$ 49,131,483	100.00	\$ 47,275,063	100.00	\$ 45,335,501	100.00

(continued)

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of March 31, 2021, December 31, 2020, and March 31, 2020

(March 31, 2021 and 2020 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	March 31, 2021	%	December 31, 2020	%	March 31, 2020	%
Current liabilities							
Short-term borrowings	6(13)	\$ 8,371,521	17.04	\$ 5,137,417	10.87	\$ 8,139,013	17.95
Financial liabilities at fair value through profit or loss-current	6(14)	82,614	0.17	35,854	0.08	49,562	0.11
Hedging financial liabilities-current	6(14)	-	-	4,702	0.01	-	-
Contract liabilities-current	6(19)	288,057	0.59	250,475	0.53	368,556	0.81
Notes payable		12,913	0.03	333	-	9,561	0.02
Accounts payable		8,918,797	18.15	8,148,600	17.24	6,218,275	13.72
Accounts payable-related parties	7	12,824	0.03	11,383	0.02	22,590	0.05
Other payables	7	5,403,825	11.00	4,213,229	8.90	3,970,252	8.76
Current tax liabilities	6(25)	718,149	1.46	763,137	1.61	730,423	1.61
Provisions-current	6(17)	673,618	1.37	700,964	1.48	779,649	1.72
Lease liabilities-current	6(21)	270,122	0.55	229,241	0.49	317,145	0.70
Other current liabilities		492,800	1.00	541,799	1.15	412,443	0.91
Current portion of long-term borrowings	6(15)	115,789	0.23	116,728	0.25	13	-
Total current liabilities		25,361,029	51.62	20,153,862	42.63	21,017,482	46.36
Non-current liabilities							
Long-term borrowings	6(15)	522,940	1.06	552,751	1.17	183,421	0.40
Deferred tax liabilities	6(25)	81,968	0.17	94,446	0.20	42,401	0.09
Lease liabilities-noncurrent	6(21)	1,450,375	2.95	1,325,181	2.80	1,414,563	3.12
Net defined benefit liabilities-noncurrent	6(16)	162,007	0.33	165,113	0.35	195,298	0.43
Other noncurrent liabilities		43,666	0.09	44,275	0.10	52,018	0.11
Total non-current liabilities		2,260,956	4.60	2,181,766	4.62	1,887,701	4.15
Total liabilities		27,621,985	56.22	22,335,628	47.25	22,905,183	50.51
Equity attributable to owners of the parent							
Share capital							
Common stock	6(18)	3,909,811	7.96	4,344,231	9.19	4,344,231	9.58
Capital surplus	6(18)	2,766,136	5.63	3,548,559	7.51	3,513,213	7.75
Retained earnings	6(18), 6(26)						
Legal reserve		3,889,871	7.92	3,889,871	8.23	3,774,564	8.33
Special reserve		2,469,437	5.03	2,469,437	5.22	2,469,437	5.46
Unappropriated retained earnings		8,161,605	16.61	10,229,840	21.64	8,782,673	19.37
Total retained earnings		14,520,913	29.56	16,589,148	35.09	15,026,674	33.16
Other equity		(1,703,851)	(3.47)	(1,586,454)	(3.36)	(2,558,372)	(5.64)
Total equity attributable to owners of the parent		19,493,009	39.68	22,895,484	48.43	20,325,746	44.85
Non-controlling interests	6(18)	2,016,489	4.10	2,043,951	4.32	2,104,572	4.64
Total equity		21,509,498	43.78	24,939,435	52.75	22,430,318	49.49
Total liabilities and equity		\$ 49,131,483	100.00	\$ 47,275,063	100.00	\$ 45,335,501	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2021 and 2020
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For three months ended March 31			
		2021	%	2020	%
Net sales	5, 6(19), 7	\$ 10,023,287	100.00	\$ 8,368,637	100.00
Operating costs	5, 6(8), 6(12), 6(16), 6(22), 7	8,366,149	83.47	7,044,474	84.18
Gross profit		1,657,138	16.53	1,324,163	15.82
Operating expenses	6(12), 6(16), 6(20), 6(22)				
Selling expenses		459,134	4.58	413,211	4.94
General and administrative expenses		435,238	4.34	400,746	4.79
Research and development expenses		684,303	6.83	699,561	8.36
Total operating expenses		1,578,675	15.75	1,513,518	18.09
Operating income (loss)		78,463	0.78	(189,355)	(2.27)
Non-operating income and expenses					
Interest income	6(23)	98,413	0.98	127,627	1.53
Other income	6(23)	140,951	1.41	58,879	0.70
Other gains and losses	6(23)	194,296	1.94	90,797	1.08
Finance costs	6(23)	(29,094)	(0.29)	(86,605)	(1.03)
Share of loss of associates and joint ventures accounted for using equity method	6(9)	(591)	(0.01)	(102)	-
Total non-operating income and expenses		403,975	4.03	190,596	2.28
Income before income tax		482,438	4.81	1,241	0.01
Income tax expense	6(25)	(118,985)	(1.18)	(59,497)	(0.71)
Net income (loss)		363,453	3.63	(58,256)	(0.70)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	6(24)	38,406	0.38	(56,517)	(0.68)
Income tax related to items that will not be reclassified subsequently to profit or loss	6(24), 6(25)	49	-	1,330	0.02
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(24)	(160,327)	(1.60)	(144,998)	(1.73)
Other comprehensive income (loss), net of tax		(121,872)	(1.22)	(200,185)	(2.39)
Total comprehensive income (loss)		\$ 241,581	2.41	\$ (258,441)	(3.09)
Net income for the periods attributable to :					
Shareholders of the parent	6(26)	\$ 386,440		\$ 5,049	
Non-controlling interests	6(18), 6(27)	\$ (22,987)		\$ (63,305)	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 269,043		\$ (191,553)	
Non-controlling interests		\$ (27,462)		\$ (66,888)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 0.93		\$ 0.01	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 0.92		\$ 0.01	

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2021 and 2020

(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, 2020	\$ 4,344,231	\$ 3,727,475	\$ 3,774,564	\$ 2,469,437	\$ 9,429,258	\$ (2,324,947)	\$ (36,823)	\$ -	\$ 21,383,195	\$ 2,169,365	\$ 23,552,560
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	58	-	-	-	-	-	-	58	-	58
Acquisition or disposal of the interest of subsidiaries	-	2,892	-	-	-	-	-	-	2,892	2,095	4,987
Appropriation and distribution of 2019 earnings:											
Cash dividends	-	-	-	-	(651,634)	-	-	-	(651,634)	-	(651,634)
Cash dividends distributed from capital surplus	-	(217,212)	-	-	-	-	-	-	(217,212)	-	(217,212)
Net income (loss) for the three months ended March 31, 2020	-	-	-	-	5,049	-	-	-	5,049	(63,305)	(58,256)
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	(141,415)	(55,187)	-	(196,602)	(3,583)	(200,185)
Total comprehensive income (loss)	-	-	-	-	5,049	(141,415)	(55,187)	-	(191,553)	(66,888)	(258,441)
Balance as of March 31, 2020	\$ 4,344,231	\$ 3,513,213	\$ 3,774,564	\$ 2,469,437	\$ 8,782,673	\$ (2,466,362)	\$ (92,010)	\$ -	\$ 20,325,746	\$ 2,104,572	\$ 22,430,318
Balance as of January 1, 2021	\$ 4,344,231	\$ 3,548,559	\$ 3,889,871	\$ 2,469,437	\$ 10,229,840	\$ (2,020,488)	\$ 434,034	\$ -	\$ 22,895,484	\$ 2,043,951	\$ 24,939,435
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	(4,816)	-	-	-	-	-	-	(4,816)	-	(4,816)
Appropriation and distribution of 2020 earnings:											
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income (loss) for the three months ended March 31, 2021	-	-	-	-	386,440	-	-	-	386,440	(22,987)	363,453
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	(155,852)	38,455	-	(117,397)	(4,475)	(121,872)
Total comprehensive income (loss)	-	-	-	-	386,440	(155,852)	38,455	-	269,043	(27,462)	241,581
Treasury stock acquired	-	-	-	-	-	-	-	(2,102,777)	(2,102,777)	-	(2,102,777)
Treasury stock retired	(434,420)	(386,626)	-	-	(1,281,731)	-	-	2,102,777	-	-	-
Balance as of March 31, 2021	\$ 3,909,811	\$ 2,766,136	\$ 3,889,871	\$ 2,469,437	\$ 8,161,605	\$ (2,176,340)	\$ 472,489	\$ -	\$ 19,493,009	\$ 2,016,489	\$ 21,509,498

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
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2021 and 2020
(Amounts in thousands of New Taiwan Dollars)

Description	For the three months ended March 31		Description	For the three months ended March 31	
	2021	2020		2021	2020
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 482,438	\$ 1,241	Acquisition of financial assets at fair value through profit or loss	(86,848)	-
Adjustments for:			Acquisition of financial assets at amortized cost-current	(7,371,782)	-
The profit or loss items which did not affect cash flows:			Acquisition of property, plant and equipment	(335,233)	(272,349)
Expected credit losses	1,159	9,085	Proceeds from disposal of property, plant and equipment	28,870	1,906
Depreciation (including investment property and right-of-use assets)	322,889	318,349	Acquisition of intangible assets	(11,379)	(32,601)
Amortization (including other noncurrent assets)	29,497	28,535	Increase in other noncurrent assets	(3,568)	(3,256)
Interest expenses	29,094	86,605	Net cash used in investing activities	(7,779,940)	(306,300)
Interest income	(98,413)	(127,627)			
Dividend income	(34,640)	-	Cash flows from financing activities:		
Transfer of property, plant and equipment to expense	728	-	Increase (decrease) in short-term borrowings	3,234,104	(382,328)
Gain on disposal of property, plant and equipment	(14,630)	(441)	(Decrease) increase in long-term borrowings (including current portion of long-term borrowings)	(30,750)	1
Gain on disposal of investments	-	(23)	Decrease in guarantee deposits	(722)	(195)
Share of loss of associates and joint ventures accounted for using equity method	591	102	Increase (decrease) in other noncurrent liabilities	113	(1,517)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	114,457	(111,160)	Repayment of the principle portion of lease liabilities	(75,424)	(77,912)
Changes in operating assets and liabilities:			Proceeds from disposal of subsidiaries' ownership (without a change of control)	-	5,104
Notes receivable	(21,557)	(4,310)	Treasury stock acquired	(2,102,777)	-
Trade receivables	(493,434)	3,477,698	Net cash provided by (used in) financing activities	1,024,544	(456,847)
Trade receivables-related parties	-	61			
Other receivables	26,750	(40,055)	Effect of exchange rate changes on cash and cash equivalents	(153,844)	(117,114)
Inventories	(873,513)	366,729			
Prepayments	25,794	(46,535)	Net decrease in cash and cash equivalents	(7,166,381)	(255,684)
Other current assets	14,449	(2,265)	Cash and cash equivalents at the beginning of the period	18,300,564	20,161,863
Other operating assets	1,997	(37,944)	Cash and cash equivalents at the end of the period	\$ 11,134,183	\$ 19,906,179
Contract liabilities	37,582	74,404			
Notes payable	12,580	9,054			
Accounts payable	770,197	(2,222,915)			
Accounts payable-related parties	1,441	(855)			
Other payables	(374,703)	(989,889)			
Provisions-current	(27,346)	12,299			
Other current liabilities	(48,999)	(41,543)			
Net defined benefit assets/liabilities	(3,697)	(2,209)			
Cash generated from operating activities	(119,289)	756,391			
Dividends received	34,640	-			
Interest received	36,052	96,545			
Interest paid	(27,720)	(87,626)			
Income tax paid	(180,824)	(140,733)			
Net cash (used in) provided by operating activities	(257,141)	624,577			

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and 2020

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

1. HISTORY AND ORGANIZATION

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

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

The consolidated financial statements of CORE and its subsidiaries (“the Group”) were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on April 26, 2021.

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 Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2021. The remaining new standards and amendments have no material impact on the Group.

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021	April 1, 2021

A. Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)

This amendment extends the practical expedient in paragraph 46A of IFRS 16 Leases for one year. This amendment is applicable for annual periods beginning on or after April 1, 2021 and has no material impact on the Group.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group 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	Amendment to Consolidated Financial Statements and Investments in Associates and Joint Ventures	To be determined by IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1 Amendment	Classification of Liabilities as Current or Non-current	January 1, 2023
IFRS 3, IAS 16, and IAS 37 Amendment	Narrow-scope amendments and the Annual Improvements	January 1, 2022
IAS 1 Amendment	Disclosure Initiative - Accounting Policies	January 1, 2023
IAS 8 Amendment	Definition of Accounting Estimates	January 1, 2023

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 fulfilment 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 June 2020. 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); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

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

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

D. Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements

(a) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments updated IFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The amendments also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising for liabilities and contingent liabilities. Besides, the amendments clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Conceptual Framework.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(b) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

(c) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

(d) Annual Improvements to IFRS Standards 2018 - 2020

Amendment to IFRS 1

The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Amendment to IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to Illustrative Examples Accompanying IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 modifies the treatment of lease incentives relating to lessee's leasehold improvements.

Amendment to IAS 41

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards.

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

F. 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the three months ended March 31, 2021 and 2020 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting” which were endorsed and became effective by FSC.

(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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

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.

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

The consolidated entities are as follows:

Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2021	December 31, 2020	March 31, 2020
Tecpoint Limited (“Tecpoint”) and its subsidiaries	Subsidiary	Tecpoint is a holding company and invests in Mainland China. Tecpoint’s joint ventures are the production, manufacturing, marketing and R&D of acrylic plate, light guide plate and backlight module. The joint ventures also provide the after-sales services.	100.00%	100.00%	100.00%
Visicorp Limited (“Visicorp”) and its subsidiaries	Subsidiary	Visicorp is a holding company and invests in Mainland China. Visicorp’s joint ventures are the R&D, production and marketing of backlight module and components. The joint ventures also provide after-sales services.	100.00%	100.00%	100.00%
Coretronic (BVI) Investment Corp. (“Coretronic BVI”) and its subsidiaries	Subsidiary	BVI is a holding company and invests in Mainland China. BVI’s joint ventures are the R&D, production, manufacturing and marketing of digital projector, LCD monitor and components. The joint ventures also provide after-sales services.	100.00%	100.00%	100.00%

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

Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2021	December 31, 2020	March 31, 2020
Sinolink Global Limited (“Sinolink”) and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink’s joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after-sales services for self-produced and non-self-produced products.	100.00%	100.00%	100.00%
Young Green Energy Co. (“YGE”) and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer and peripheral devices, and electronic material. YGE’s joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%	99.91%
Young Optics Inc. (“TYO”) and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optical engines and key components. TYO’s joint ventures are the R&D, the production and after-sales services of electronic components, optical modules and components.	38.74%	38.74%	39.70%

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

Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2021	December 31, 2020	March 31, 2020
Young Lighting Limited (YLL) and its subsidiaries	Subsidiary	YLL is a holding company and invests in Mainland China. YLL's joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL's joint ventures also provide after-sales services.	100.00%	100.00%	100.00%
Optoma Corporation ("Optoma") and its subsidiaries	Subsidiary	Optoma is engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment, electronic appliances. Optoma's joint ventures are engaged in the marketing and after-sales services of products of the brand Optoma in America, Canada, Europe, Hong Kong, and Mainland China.	100.00%	100.00%	100.00%
Chung Tsen Investment Corp. ("CGT") and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	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)

Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2021	December 31, 2020	March 31, 2020
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.	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)

Subsidiary	Relationship	Business nature	Percentage of Ownership		
			March 31, 2021	December 31, 2020	March 31, 2020
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%	-
Coretronic Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary	System integration and application service solutions for intelligent logistics and smart manufacturing	100.00%	-	-

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- A. Refer to Note 13 for intercompany transactions between consolidated entities. Subsidiaries are fully consolidated in accordance with the Regulations.
- B. The significant changes of consolidated entities are described as follows:
 - (a) CORE made an investment to establish 100% held subsidiary Coretronic Vietnam Co., Ltd. and had completed registration of establishment in December 2020. Coretronic Vietnam Co., Ltd. has been fully consolidated since the investment date.
 - (b) As part of a business strategy, Young Lighting Limited purchased 49% of shares of YLG Limited (“YLG”) from Gunze Limited (Gunze) in December 2020, which was approved by the regulatory authority. The ownership percentage of YLG was increased to 100%.
 - (c) CORE made an investment to establish 100% held subsidiary Coretronic Intelligent Logistics Solutions Corporation (“CILS”) and had completed registration of establishment in March 2021. CILS has been fully consolidated since the investment date.

The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants. As of March 31, 2021 and 2020, total assets of those unreviewed subsidiaries were NT\$19,078,728 thousand and NT\$16,731,496 thousand, respectively. Total liabilities were NT\$962,416 thousand and NT\$3,269,038 thousand, respectively. The related total comprehensive income amounted to NT\$18,973 thousand and NT\$(33,319) thousand for the three-month periods ended March 31, 2021 and 2020, 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, 2020. For the summary of significant accounting policies, please refer to the Group’s consolidated financial statements for the year ended December 31, 2020.
 - 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. Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

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, 2020. Please refer to the consolidated financial statements for the year ended December 31, 2020 for the summary of significant accounting judgments, estimates and assumptions.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand, savings and checking accounts	\$3,720,243	\$8,755,840	\$3,691,895
Time deposits	7,413,940	9,544,724	16,214,284
Total	<u>\$11,134,183</u>	<u>\$18,300,564</u>	<u>\$19,906,179</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets designated at fair value through profit or loss:			
Negotiable certificates of deposit	\$86,847	\$-	\$-
Mandatorily at fair value through profit or loss:			
Derivatives not designated as hedging instruments:			
Forward foreign exchange contracts	247,355	315,391	91,647
Forward cross currency contracts	738	508	-
Subtotal	<u>248,093</u>	<u>315,899</u>	<u>91,647</u>
Stocks	-	-	35,701
Stock options	57,070	56,960	-
Total	<u>\$392,010</u>	<u>\$372,859</u>	<u>\$127,348</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	March 31, 2021	December 31, 2020	March 31, 2020
Current	\$392,010	\$372,859	\$91,647
Noncurrent	-	-	35,701
Total	<u>\$392,010</u>	<u>\$372,859</u>	<u>\$127,348</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

	March 31, 2021	December 31, 2020	March 31, 2020
Hedging financial assets:			
Forward exchange contracts	\$2,768	\$-	\$554
Current	\$2,768	\$-	\$554
Noncurrent	-	-	-
Total	<u>\$2,768</u>	<u>\$-</u>	<u>\$554</u>

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Equity instruments investments measured at fair value through other comprehensive income:			
Unlisted companies stocks	\$951,676	\$913,080	\$391,576
Current	\$1,330	\$1,330	\$-
Noncurrent	950,346	911,750	391,576
Total	<u>\$951,676</u>	<u>\$913,080</u>	<u>\$391,576</u>

The Group reclassified certain unlisted equity securities in the amount of NT\$1,330 thousand from financial assets at fair value through other comprehensive income – noncurrent to financial assets at fair value through other comprehensive income – current as the unlisted company was in the process of liquidation.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(5) Financial assets at amortised cost

	March 31, 2021	December 31, 2020	March 31, 2020
Time deposits (with maturity over six months)	\$7,371,782	\$-	\$-
Current	\$7,371,782	\$-	\$-
Noncurrent	-	-	-
Total	\$7,371,782	\$-	\$-

The Group classified certain financial assets as the financial assets measured at amortized cost. Please refer to Note 6(20) for more details on accumulated impairment and Note 12 for more details on credit risk management.

(6) Notes Receivable

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable - arose from operating activities	\$46,757	\$25,200	\$45,777

Notes receivable were not pledged.

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

(7) Trade Receivables and Trade Receivables-Related Parties

	March 31, 2021	December 31, 2020	March 31, 2020
Trade receivables	\$12,193,753	\$11,701,992	\$8,250,724
Less : allowance for doubtful accounts	(41,922)	(42,430)	(49,646)
Subtotal	12,151,831	11,659,562	8,201,078
Trade receivables from related parties	-	-	140
Total	\$12,151,831	\$11,659,562	\$8,201,218

Trade receivables were not pledged.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Trade receivables are generally on 30-150 day terms. The total carrying amount as of March 31, 2021, December 31, 2020, and March 31, 2020 are NT\$12,193,753 thousand, NT\$11,701,992 thousand and NT\$8,250,864 thousand, respectively. Please refer to Note 6(20) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

The Group entered into factoring contracts without recourse with a number of domestic banks. Banks pay the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factored delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group has no outstanding derecognized factored trade receivables. The credit line of factoring contracts provided by CTBC Bank is US\$40,000 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

(8) Inventories

	March 31, 2021	December 31, 2020	March 31, 2020
Raw materials and supplies	\$1,765,115	\$1,688,391	\$3,198,101
Work in process	703,165	168,182	547,639
Finished goods	3,294,856	3,029,575	1,952,559
Total	<u>\$5,763,136</u>	<u>\$4,886,148</u>	<u>\$5,698,299</u>

The cost of inventories recognized in expenses amounted to NT\$8,366,149 thousand and NT\$7,044,474 thousand for the three months ended March 31, 2021 and 2020, including the write-down of inventories and obsolescence loss of NT\$12,300 thousand and NT\$39,415 thousand, respectively.

The allowance of write-down of inventories amounted to NT\$687,919 thousand, NT\$682,646 thousand and NT\$718,149 thousand as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

No inventories were pledged.

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

(9) Investments Accounted for Using the Equity Method

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

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

Investees	December 31, 2020	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD. (“EOE”)	\$46,433	18.50%
Genejet Biotech Co., Ltd. (“Genejet”)	-	19.51%
	\$46,433	

Investees	March 31, 2020	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD. (“EOE”)	\$22,890	20.00%
Genejet Biotech Co., Ltd. (“Genejet”)	-	19.51%
	\$22,890	

In May 2019, the Group invested NT\$22,000 thousand in EOE and acquired 20.00% of the shareholdings. The Group accounted it for using the equity method. In August 2020, EOE issued new shares by cash; however, the Group failed to acquire shares newly issued by EOE proportionately to its original ownership interest, which reduced its stockholding percentage to 18.50%. The investment of EOE is not significant to the Group.

The Group recognized share of (loss) gain of associates and joint ventures accounted for using the equity method in the amount of NT\$(591) thousand and NT\$(102) thousand for the three months ended of March 31, 2021 and 2020, which were evaluated on the investees’ unreviewed financial statements.

The abovementioned associates had no contingent liabilities or capital commitments as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. No investments accounted for using the equity method held by the Group were pledged to others.

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

(10) Property, Plant and Equipment

Property, plant and equipment for own-use

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 2021	\$39,039	\$7,466,949	\$4,779,933	\$438,802	\$37,440	\$710,212	\$1,615,620	\$810,952	\$15,898,947
Additions	-	25,952	12,364	4,297	379	3,394	18,803	266,851	332,040
Disposals	(13,190)	(61,015)	(24,190)	(363)	-	(3,468)	(31,997)	-	(134,223)
Transfers	-	599,082	70,593	(10,898)	9,246	94,492	(1,989)	(789,286)	(28,760)
Exchange differences	(41)	(16,697)	(13,284)	(1,586)	(186)	(4,684)	(6,238)	(3,614)	(46,330)
As of March 31, 2021	<u>\$25,808</u>	<u>\$8,014,271</u>	<u>\$4,825,416</u>	<u>\$430,252</u>	<u>\$46,879</u>	<u>\$799,946</u>	<u>\$1,594,199</u>	<u>\$284,903</u>	<u>\$16,021,674</u>
As of January 1, 2020	\$39,192	\$7,008,069	\$4,974,961	\$451,454	\$44,155	\$714,600	\$1,700,497	\$903,758	\$15,836,686
Additions	-	21,032	7,317	11,292	-	1,629	11,646	225,725	278,641
Disposals	-	(326,591)	(32,565)	(761)	-	(4,678)	(5,537)	-	(370,132)
Transfers	-	154,249	6,075	9,519	-	-	499	(170,221)	121
Exchange differences	(690)	(20,555)	(21,353)	(2,480)	(296)	(4,092)	(9,259)	(4,186)	(62,911)
As of March 31, 2020	<u>\$38,502</u>	<u>\$6,836,204</u>	<u>\$4,934,435</u>	<u>\$469,024</u>	<u>\$43,859</u>	<u>\$707,459</u>	<u>\$1,697,846</u>	<u>\$955,076</u>	<u>\$15,682,405</u>
Depreciation and Impairment:									
As of January 1, 2021	\$-	\$3,331,098	\$3,223,509	\$305,503	\$33,244	\$613,346	\$1,233,622	\$-	\$8,740,322
Depreciation	-	84,300	107,356	9,310	566	8,932	30,197	-	240,661
Disposals	-	(58,947)	(23,751)	(272)	-	(3,466)	(28,731)	-	(115,167)
Transfers	-	67	(20,882)	(1,959)	-	-	(4,014)	-	(26,788)
Exchange differences	-	(9,421)	(9,878)	(1,262)	(180)	(3,010)	(5,234)	-	(28,985)
As of March 31, 2021	<u>\$-</u>	<u>\$3,347,097</u>	<u>\$3,276,354</u>	<u>\$311,320</u>	<u>\$33,630</u>	<u>\$615,802</u>	<u>\$1,225,840</u>	<u>\$-</u>	<u>\$8,810,043</u>
As of January 1, 2020	\$-	\$3,348,812	\$3,205,707	\$341,641	\$35,710	\$601,131	\$1,373,416	\$-	\$8,906,417
Depreciation	-	74,766	109,191	9,074	902	6,235	31,451	-	231,619
Disposals	-	(326,591)	(31,731)	(759)	-	(4,049)	(5,537)	-	(368,667)
Transfers	-	-	1	40	-	1	-	-	42
Exchange differences	-	(12,841)	(16,511)	(1,944)	(266)	(2,649)	(7,947)	-	(42,158)
As of March 31, 2020	<u>\$-</u>	<u>\$3,084,146</u>	<u>\$3,266,657</u>	<u>\$348,052</u>	<u>\$36,346</u>	<u>\$600,669</u>	<u>\$1,391,383</u>	<u>\$-</u>	<u>\$8,727,253</u>
Net carrying amounts as of:									
March 31, 2021	<u>\$25,808</u>	<u>\$4,667,174</u>	<u>\$1,549,062</u>	<u>\$118,932</u>	<u>\$13,249</u>	<u>\$184,144</u>	<u>\$368,359</u>	<u>\$284,903</u>	<u>\$7,211,631</u>
December 31, 2020	<u>\$39,039</u>	<u>\$4,135,851</u>	<u>\$1,556,424</u>	<u>\$133,299</u>	<u>\$4,196</u>	<u>\$96,866</u>	<u>\$381,998</u>	<u>\$810,952</u>	<u>\$7,158,625</u>
March 31, 2020	<u>\$38,502</u>	<u>\$3,752,058</u>	<u>\$1,667,778</u>	<u>\$120,972</u>	<u>\$7,513</u>	<u>\$106,790</u>	<u>\$306,463</u>	<u>\$955,076</u>	<u>\$6,955,152</u>

The Group evaluated the economic benefits for property, plant and equipment and identified no impairment loss for the three months ended March 31, 2021 and 2020.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 terms of 3 years, which include 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, 2021	\$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of March 31, 2021	<u><u>\$244,538</u></u>
As of January 1, 2020	\$244,538
Additions from acquisitions	-
Additions from subsequent expenditure	-
Disposals	-
As of March 31, 2020	<u><u>\$244,538</u></u>
Depreciation and Impairment:	
As of January 1, 2021	\$84,184
Depreciation	2,014
As of March 31, 2021	<u><u>\$86,198</u></u>
As of January 1, 2020	\$76,132
Depreciation	2,013
As of March 31, 2020	<u><u>\$78,145</u></u>
Net carry amount as of:	
March 31, 2021	<u><u>\$158,340</u></u>
December 31, 2020	<u><u>\$160,354</u></u>
March 31, 2020	<u><u>\$166,393</u></u>

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	
	March 31	
	2021	2020
Rental income from investment property	\$3,196	\$4,514
Less: Direct operating expenses from investment property generating rental income	(2,013)	(2,013)
Total	<u>\$1,183</u>	<u>\$2,501</u>

Information about the investment property that was pledged to others as collateral 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 into Level 3. The fair value has been determined based on valuations performed by an independent appraiser. The valuation method used is discount cash-flow analysis method, and the inputs used are discount rates and growth rates:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value of the investment property	<u>\$218,200</u>	<u>\$218,200</u>	<u>\$219,800</u>
Discount rates	<u>3.845%</u>	<u>3.845%</u>	<u>4.095%</u>
Growth rates	<u>0.4%</u>	<u>0.4%</u>	<u>0.4%</u>

(12) Intangible Assets

	Trade marks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2021	\$103,677	\$179,522	\$228,722	\$87,123	\$5,940	\$260,930	\$865,914
Additions	-	-	11,151	-	-	228	11,379
Disposals	-	-	(1,763)	-	-	-	(1,763)
Exchange differences	6	(37)	(511)	-	-	1,419	877
As of March 31, 2021	<u>\$103,683</u>	<u>\$179,485</u>	<u>\$237,599</u>	<u>\$87,123</u>	<u>\$5,940</u>	<u>\$262,577</u>	<u>\$876,407</u>
As of January 1, 2020	\$103,827	\$49,796	\$160,647	\$83,872	\$5,940	\$232,918	\$637,000
Additions	-	-	24,803	-	-	7,798	32,601
Transfers	-	-	(121)	-	-	-	(121)
Exchange differences	25	6	(267)	-	-	(7,403)	(7,639)
As of March 31, 2020	<u>\$103,852</u>	<u>\$49,802</u>	<u>\$185,062</u>	<u>\$83,872</u>	<u>\$5,940</u>	<u>\$233,313</u>	<u>\$661,841</u>

(Continued)

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

(To be continued)

	Trade marks	Patents	Software	IPs	Goodwill	Other	Total
Amortization and Impairment:							
As of January 1, 2021	\$101,601	\$24,379	\$119,851	\$56,770	\$5,940	\$148,727	\$457,268
Amortization	890	4,378	10,169	1,039	-	10,588	27,064
Disposals	-	-	(1,763)	-	-	-	(1,763)
Exchange differences	6	(21)	(464)	-	-	749	270
As of March 31, 2021	<u>\$102,497</u>	<u>\$28,736</u>	<u>\$127,793</u>	<u>\$57,809</u>	<u>\$5,940</u>	<u>\$160,064</u>	<u>\$482,839</u>
As of January 1, 2020	\$98,193	\$12,468	\$95,149	\$52,746	\$-	\$96,770	\$355,326
Amortization	890	1,977	8,012	981	-	16,140	28,000
Exchange differences	25	2	(252)	-	-	(3,106)	(3,331)
As of March 31, 2020	<u>\$99,108</u>	<u>\$14,447</u>	<u>\$102,909</u>	<u>\$53,727</u>	<u>\$-</u>	<u>\$109,804</u>	<u>\$379,995</u>
Net carrying amount as of:							
March 31, 2021	<u>\$1,186</u>	<u>\$150,749</u>	<u>\$109,806</u>	<u>\$29,314</u>	<u>\$-</u>	<u>\$102,513</u>	<u>\$393,568</u>
December 31, 2020	<u>\$2,076</u>	<u>\$155,143</u>	<u>\$108,871</u>	<u>\$30,353</u>	<u>\$-</u>	<u>\$112,203</u>	<u>\$408,646</u>
March 31, 2020	<u>\$4,744</u>	<u>\$35,355</u>	<u>\$82,153</u>	<u>\$30,145</u>	<u>\$5,940</u>	<u>\$123,509</u>	<u>\$281,846</u>

Amortization expense of intangible assets:

	Three months ended	
	March 31	
	2021	2020
Operating Cost	\$2,066	\$7,645
Selling expenses	4,338	4,056
General and administrative expenses	4,282	2,393
Research and development expenses	16,378	13,906
Total	<u>\$27,064</u>	<u>\$28,000</u>

(13) Short-term Borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank loans	<u>\$8,371,521</u>	<u>\$5,137,417</u>	<u>\$8,139,013</u>
Interest rates (%)	<u>0.38%~1.98%</u>	<u>0.55%~1.99%</u>	<u>0.86%~2.96%</u>

The Group's unused short-term lines of credits amounted to NT\$38,087,426 thousand, NT\$37,116,546 thousand, and NT\$34,138,971 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(14) Derivative Financial Liabilities

Financial liabilities at fair value through profit or loss:

	March 31, 2021	December 31, 2020	March 31, 2020
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$80,351	\$26,071	\$46,977
Forward cross currency contracts	2,263	9,783	2,585
Total	<u>\$82,614</u>	<u>\$35,854</u>	<u>\$49,562</u>
Hedging financial liabilities:			
	March 31, 2021	December 31, 2020	March 31, 2020
Forward exchange contracts	<u>\$-</u>	<u>\$4,702</u>	<u>\$-</u>

(15) Long-term Borrowings

Details of long-term borrowings are as follows:

Lenders	March 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$28,333	1.20%	Principle will be repaid once at maturity on July 27, 2021.
Secured long-term borrowings from First bank	88	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	5,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	120,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	250,000	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	25,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Lenders	December 31, 2020	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$58,333	1.20%	Principle is repaid in 2 quarterly payments from April 27, 2021.
Secured long-term borrowings from First bank	94	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	5,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	120,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	250,000	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	25,000	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.

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, 2020	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Export-Import Bank of the Republic of China	105,000	0.52%	Principle will be repaid once at maturity on May 8, 2022.
Secured long-term borrowings from Export-Import Bank of the Republic of China	95,000	0.52%	Principle will be repaid once at maturity on May 13, 2022.
Secured long-term borrowings from Sumitomo Mitsui Bank	11,052	1.60%	Government subsidizes the interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Less: current portion	(116,728)		
Total	\$552,751		

Lenders	March 31, 2020	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$58,334	1.20%	Principle is repaid in 2 quarterly payments from April 27, 2021.
Secured long-term borrowings from First bank	100	1.20%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	5,000	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	120,000	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Less: current portion	(13)		
Total	\$183,421		

The Group's unused long-term lines of credits amounted to NT\$1,199,900 thousand, NT\$941,573 thousand and NT\$1,216,567 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. Please refer to Note 8 for property, plant, and equipment and right-of-use assets pledged as collateral for long-term loans.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(16) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three months ended March 31, 2021 and 2020 were NT\$84,862 thousand and NT\$75,719 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended March 31, 2021 and 2020 were NT\$304 thousand and NT\$673 thousand, respectively.

(17) Provisions

	Warranties
As of January 1, 2021	\$700,964
Arising during the period (reversed)	55,980
Utilized during the period	(75,474)
Exchange differences	(7,852)
As of March 31, 2021	\$673,618

Current	\$673,618
Non-current	-
As of March 31, 2021	\$673,618

	Warranties
As of January 1, 2020	\$767,350
Arising during the period (reversed)	29,368
Utilized during the period	(14,272)
Exchange differences	(2,797)
As of March 31, 2020	\$779,649

Current	\$779,649
Non-current	-
As of March 31, 2020	\$779,649

Warranties

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

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

(18) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively (including NT\$700,000 thousand reserved for exercise of share warrants, preferred shares with warrants and corporate bonds with warrants), each at a par value of NT\$10. CORE's issued capital was NT\$3,909,811 thousand, NT\$4,344,231 thousand, and NT\$4,344,231 thousand divided into 390,981 thousand shares, 434,423 thousand shares, and 434,423 thousand shares. Each share has one voting right and a right to receive dividends.

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

B. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
Additional paid-in capital	\$2,039,161	\$2,700,154	\$2,700,154
Treasury stock transactions	-	116,614	116,614
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	631,471	631,471	597,446
Changes in ownership interests in subsidiaries	93,947	98,763	98,791
Changes from investments in associates and joint ventures accounted for using the equity method	1,557	1,557	208
Total	<u>\$2,766,136</u>	<u>\$3,548,559</u>	<u>\$3,513,213</u>

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

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

C. Treasury shares

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

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

D. Retained earnings and dividend policies:

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

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

Distributable dividends and bonuses, in whole or in part, may be paid in cash after a resolution that 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. Legal reserve and capital reserve, in whole or in part, may also be distributed in cash after a resolution that 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

According to the Company Act and CORE's Articles 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 Articles of Incorporation. If CORE incurs no earnings or considers the factors such as financial conditions, sales and operations, the dividends could be paid by whole or by partial legal reserve in accordance with the Company Act and CORE's Articles 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:

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, the company 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-time adoption of the IFRS as of March 31, 2021 and 2020 amounted to NT\$1,276,610 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Details of the 2020 and 2019 earnings distribution and dividends per share as resolved respectively by the shareholders' meeting on March 15, 2021 and June 13, 2020 are as follows:

	<u>Appropriation of earnings</u>		<u>Dividends per share (NT\$)</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Legal reserve	\$156,752	\$115,307		
Cash dividends	1,172,944	651,634	\$3	\$1.5
	(Note)			

Note: The cash dividends distribution of 2020 has been approved by the Board of Directors' meeting on March 15, 2021.

In addition, shareholders' meeting 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) and NT\$217,212 thousand (NT\$0.5 per share) in 2021 and 2020, respectively.

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

E. Non-controlling interests:

	<u>Three months ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Beginning balance	\$2,043,951	\$2,169,365
Loss attributable to non-controlling interests	(22,987)	(63,350)
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(4,475)	(3,583)
Acquisition or disposal of the interest of subsidiaries	-	2,095
Ending balance	<u>\$2,016,489</u>	<u>\$2,104,572</u>

(19) Sales

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Contract revenues from customers		
Sales of goods	\$9,653,521	\$8,046,502
Revenues arising from rendering of services	290,016	182,887
Other operating revenues	79,750	139,248
Total	<u>\$10,023,287</u>	<u>\$8,368,637</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Analysis of contract revenues from customers during the periods is as follows:

A.Revenues of Segments

For the three months ended March 31, 2021

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

The timing of revenue recognition:

At a point in time	<u>\$5,153,471</u>	<u>\$3,313,579</u>	<u>\$1,034,516</u>	<u>\$944,137</u>	<u>\$(422,416)</u>	<u>\$10,023,287</u>
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For the three months ended March 31, 2020

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sales of goods	\$4,121,341	\$2,860,211	\$628,801	\$678,633	\$(242,484)	\$8,046,502
Revenues arising from rendering of services	145,677	18,070	13,230	67,854	(61,944)	182,887
Other operating revenues	59,955	16,442	54,906	9,742	(1,797)	139,248
Total	<u>\$4,326,973</u>	<u>\$2,894,723</u>	<u>\$696,937</u>	<u>\$756,229</u>	<u>\$(306,225)</u>	<u>\$8,368,637</u>

The timing of revenue recognition:

At a point in time	<u>\$4,326,973</u>	<u>\$2,894,723</u>	<u>\$696,937</u>	<u>\$756,229</u>	<u>\$(306,225)</u>	<u>\$8,368,637</u>
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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)

B.Contract balance

Contract liabilities-current

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Sales of goods	\$191,714	\$152,133	\$254,722	\$196,044
Revenues arising from rendering of services	3,586	1,813	4,214	904
Other operating revenues	92,757	96,529	109,620	97,204
Total	\$288,057	\$250,475	\$368,556	\$294,152

C.Transaction price allocated to unsatisfied performance obligations:

As of March 31, 2021 and 2020, 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 within one year.

D.Assets recognized - from the costs to obtain or fulfill a contract:

None.

(20)Expected Credit (Gain) Losses

	Three months ended March 31	
	2021	2020
Operating expenses – Expected credit losses		
Trade receivables	\$1,159	\$9,085

Financial assets measured at amortized cost as of March 31, 2021, December 31, 2020, and March 31, 2020 are those assets who have low credit risk (similar to the result evaluated on January 1, 2020). The counterparties are financial institutes with good credit ratings. The Group determined the loss allowance to be NT\$0 thousand by using the expected credit loss rate of 0%.

The Group measures the loss allowance of 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 March 31, 2021, December 31, 2020 and March 31, 2020 is as follows:

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

As of March 31, 2021

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 121 days	
Gross carrying amount	\$11,608,052	\$503,321	\$60,632	\$12,270	\$7,803	\$48,432	\$12,240,510
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(523)	(914)	(2,156)	(1,014)	(37,315)	(41,922)
Subtotal	\$11,608,052	\$502,798	\$59,718	\$10,114	\$6,789	\$11,117	\$12,198,588

As of December 31, 2020

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 121 days	
Gross carrying amount	\$11,054,476	\$553,811	\$48,669	\$13,360	\$10,517	\$46,359	\$11,727,192
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(724)	(1,495)	(814)	(964)	(38,433)	(42,430)
Subtotal	\$11,054,476	\$553,087	\$47,174	\$12,546	\$9,553	\$7,926	\$11,684,762

As of March 31, 2020

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	Over 121 days	
Gross carrying amount	\$7,387,063	\$702,158	\$104,724	\$44,317	\$8,339	\$50,040	\$8,296,641
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(712)	(3,113)	(9,215)	(546)	(36,060)	(49,646)
Subtotal	\$7,387,063	\$701,446	\$101,611	\$35,102	\$7,793	\$13,980	\$8,246,995

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 loss allowance for notes receivable and trade receivables is as follows:

	Trade receivables
As of January 1, 2021	\$42,430
Addition for the current period	1,159
Write off	(1,528)
Exchange differences	(139)
As of March 31, 2021	\$41,922
As of January 1, 2020	\$41,307
Addition for the current period	4,272
Write off	(2,848)
Exchange differences	(301)
As of December 31, 2020	\$42,430
As of January 1, 2020	\$41,307
Addition for the current period	9,085
Write off	(496)
Exchange differences	(250)
As of March 31, 2020	\$49,646

(21) Leases

A. Group as lessee

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
Land	\$1,302,656	\$1,317,867	\$1,333,233
Buildings	568,600	387,183	554,567
Transportation equipment	29,184	34,735	35,657
Office fixtures	2,254	2,432	515
Other equipment	64	82	148
Total	\$1,902,758	\$1,742,299	\$1,924,120

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

During the three months ended March 31, 2021 and 2020, the additions to right-of-use assets of the Group amounted to NT\$258,449 thousand and NT\$41,407 thousand, respectively.

ii. Lease liability

	March 31, 2021	December 31, 2020	March 31, 2020
Lease liability			
Current	\$270,122	\$229,241	\$317,145
Non-current	1,450,375	1,325,181	1,414,563
Total	<u>\$1,720,497</u>	<u>\$1,554,422</u>	<u>\$1,731,708</u>

Please refer to Note 6(23)D. for the interest on lease liability recognized during the three months ended March 31, 2021 and 2020, 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 March 31	
	2021	2020
Land	\$15,372	\$11,755
Buildings	59,254	67,623
Transportation equipment	5,395	5,234
Office fixtures	177	84
Other equipment	16	21
Total	<u>\$80,214</u>	<u>\$84,717</u>

(c) Income and costs relating to leasing activities

	Three months ended March 31	
	2021	2020
The expense relating to short-term leases	\$10,314	\$14,545
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	6,612	2,866
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	22
Total	<u>\$16,926</u>	<u>\$17,433</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 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 ended March 31, 2021 and 2020 were NT\$0 thousand and NT\$2,330 thousand, respectively, which reflected changes in lease payments that arose from such rent concessions to which the Group has applied the practical expedient.

(d) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2021 and 2020, the Group's total cash outflows for leases amounted to NT\$106,002 thousand and NT\$109,779 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 of the underlying assets. Such variable lease payments are very common in the industry of the Group. As such variable lease payments do not meet the definition of lease payments, they 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 among 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 agreement. Residual value guarantees without counting in lease liability.

B. Group as lessor

Please refer to Note 6(11) for details on the Group's owned investment properties. 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

No financing lease contracts were signed.

	Three months ended March 31	
	2021	2020
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$11,494	\$9,496
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	\$11,494	\$9,496

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

	March 31, 2021	December 31, 2020	March 31, 2020
Not later than one year	\$37,350	\$37,806	\$25,567
Later than one year but not later than two years	35,716	36,202	4,876
Later than two years but not later than three years	26,238	34,984	369
Total	\$99,304	\$108,992	\$30,812

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

Function Items	Three months ended March 31					
	2021			2020		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$882,757	\$1,081,270	\$1,964,027	\$739,053	\$1,012,423	\$1,751,476
Salaries	742,980	939,684	1,682,664	617,046	849,809	1,466,855
Labor and health insurance	33,813	81,325	115,138	27,845	76,583	104,428
Pension	39,057	46,109	85,166	28,650	47,742	76,392
Other employee benefits expense	66,907	14,152	81,059	65,512	38,289	103,801
Depreciation	210,567	98,817	309,384	219,751	91,238	310,989
Amortization	2,157	24,990	27,147	8,003	20,532	28,535

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

According to the Articles of Incorporation of CORE, 10% to 20% of profit of the current year is distributable as employees' compensation. However, CORE'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 there to 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 March 31, 2021 and 2020. The amounts of employees' compensation were NT\$55,251 thousand and NT\$727 thousand for the three months ended March 31, 2021 and 2020, 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 8, 2021 to distribute NT\$228,711 thousand in cash as employees' compensation. No material differences exist between the resolution and the estimated amount for the year ended December 31, 2020.

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2019.

(23) Non-Operating Income and Expenses

A. Interest income

	Three months ended March 31	
	2021	2020
Financial assets measured at amortized cost	\$98,413	\$127,627

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 March 31	
	2021	2020
Government grants income	\$58,812	\$18,512
Dividends	34,640	-
Rental income	11,494	9,496
Other	36,005	30,871
Total	\$140,951	\$58,879

C. Other gains and losses

	Three months ended March 31	
	2021	2020
Gain on disposal of property, plant and equipment	\$14,630	\$441
Foreign exchange loss, net	(28,074)	(59,611)
Gain on financial assets (liabilities) at fair value through profit or loss (Note)	215,400	158,365
Gain on lease modification	117	51
Gain on disposal of investments	-	23
Other loss	(7,777)	(8,472)
Total	\$194,296	\$90,797

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

D. Finance cost

	Three months ended March 31	
	2021	2020
Interest on borrowings from bank	\$15,442	\$73,218
Interest on lease liabilities	13,652	13,387
Total	\$29,094	\$86,605

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(24) Components of Other Comprehensive Income

For the three months ended March 31, 2021

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

For the three months ended March 31, 2020

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	\$(56,517)	\$1,330	\$(55,187)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(144,998)	-	(144,998)
Total of other comprehensive income	<u>\$ (201,515)</u>	<u>\$1,330</u>	<u>\$ (200,185)</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(25) Income Tax

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

Income tax expense (income) recognized in profit or loss

	Three months ended March 31	
	2021	2020
Current income tax expense (income):		
Current income tax charge	\$112,157	\$73,230
Adjustments in respect of current income tax of prior periods	8,954	2,482
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	11,657	(124,100)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	(13,783)	107,885
Total income tax expense	\$118,985	\$59,497

Income tax relating to components of other comprehensive income

	Three months ended March 31	
	2021	2020
Deferred income tax income (expense):		
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	\$49	\$1,330

The assessment of income tax returns

As of March 31, 2021, the assessment of the income tax returns of CORE and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
CORE	Assessed and approved up to 2018
TYO	Assessed and approved up to 2017
Optoma	Assessed and approved up to 2018
CGT	Assessed and approved up to 2019
Tsen Ming Investment Corp.	Assessed and approved up to 2019
YGE	Assessed and approved up to 2019
Aptek Optical Corp.	Assessed and approved up to 2019
CICS	Assessed and approved up to 2019
CVC	Assessed and approved up to 2019
UCM	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)

	The assessment of income tax returns
ISC	Assessed and approved up to 2019
CVD	Assessed and approved up to 2019
CIRC	Assessed and approved up to 2019
CRI	Assessed and approved up to 2019
CMC	Assessed and approved up to 2019

(26) Earnings Per Share

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

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.

	Three months ended March 31	
	2021	2020
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$386,440	\$5,049
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	416,121	434,423
Basic earnings per share (NT\$)	\$0.93	\$0.01
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$386,440	\$5,049
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	416,121	434,423
Effect of dilution:		
Employee bonus-stock (in thousand)	4,716	3,083
Weighted average number of ordinary shares outstanding after dilution (in thousand)	420,837	437,506
Diluted earnings per share (NT\$)	\$0.92	\$0.01

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

(27) Subsidiaries that have Material Non-Controlling Interests

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

Percentage of equity interests held by non-controlling interests:

Subsidiary	Country of incorporation and operation	March 31, 2021	December 31, 2020	March 31, 2020
Young Optics Inc.	Taiwan	61.26%	61.26%	60.30%
		March 31, 2021	December 31, 2020	March 31, 2020
Accumulated balance of material non-controlling interests				
Young Optics, Inc.		<u>\$1,927,545</u>	<u>\$1,952,427</u>	<u>\$2,006,143</u>

	<u>Three months ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Profit allocated to material non-controlling interests		
Young Optics, Inc.	<u>\$(20,331)</u>	<u>\$(51,418)</u>

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

Summarized information of profit or loss for the three months ended March 31, 2021:

	<u>Young Optics Inc.</u>
Operating revenues	\$1,034,516
Loss for the period from continuing operations	(32,923)
Total comprehensive income for the period	(40,332)

Summarized information of profit or loss for the three months ended March 31, 2020:

	<u>Young Optics Inc.</u>
Operating revenues	\$696,937
Loss for the period from continuing operations	(85,286)
Total comprehensive income for the period	(91,642)

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

Summarized information of financial position as of December 31, 2020:

	<u>Young Optics Inc.</u>
Current assets	\$2,511,922
Non-current assets	3,004,102
Current liabilities	(1,348,109)
Non-current liabilities	(986,153)

Summarized information of financial position as of March 31, 2020:

	<u>Young Optics Inc.</u>
Current assets	\$2,712,692
Non-current assets	3,191,927
Current liabilities	(1,946,606)
Non-current liabilities	(636,838)

Summarized cash flow information for the three months ended March 31, 2021:

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

Summarized cash flow information for the three months ended March 31, 2020:

	<u>Young Optics Inc.</u>
Operating activities	\$137,752
Investing activities	(88,102)
Financing activities	14,504
Net increase in cash and cash equivalents	55,158

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

7. Related Party Transactions

(1) Related Party Name and Categories

Related Party Name	Related Party Categories
Gunze Limited (“Gunze”)	Joint Venture (Note)
Dong Guan Guan Zhi Electronics Ltd. (“Dong Guan Guan Zhi”)	Associate of Joint Venture (Note)
Etergo Opto-Electronics Co., LTD (“EOE”)	Associate
Chi Hua Fitness Co., LTD. (“CHI HUA”)	Substantive related party

Note: The Joint Venture relationships were terminated in December 2020.

(2) Significant transactions with related parties

A. Sales

	Three months ended March 31	
	2021	2020
Dong Guan Guan Zhi	\$(Note)	\$142
CHI HUA	-	4
Total	\$-	\$146

The sales price to the above related parties was determined by mutual agreement based on the market rates. The payment terms with related parties are not significantly different from those with third-party customers. Receivables-related parties were not pledged or guaranteed, bearing no interest and shall be paid in cash.

B. Purchases

	Three months ended March 31	
	2021	2020
EOE	\$16,719	\$11,129
Gunze	(Note)	26,182
Dong Guan Guan Zhi	(Note)	46
Total	\$16,719	\$37,357

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Trade Receivables from Related Parties

	March 31, 2021	December 31, 2020	March 31, 2020
Dong Guan Guan Zhi	\$(Note)	\$-	\$140

D. Accounts Payable to Related Parties

	March 31, 2021	December 31, 2020	March 31, 2020
EOE	\$12,824	\$11,383	\$8,874
Gunze	(Note)	-	13,671
Dong Guan Guan Zhi	(Note)	-	45
Total	\$12,824	\$11,383	\$22,590

E. Other Payables to Related Parties

	March 31, 2021	December 31, 2020	March 31, 2020
EOE	\$6,301	\$6,190	\$7,565

F. Others

For the three months ended March 31, 2021 and 2020, the Group purchased molds from EOE, amounting to NT\$1,915 thousand and NT\$6,632 thousand, respectively.

G. Key Management Personnel Compensation

	Three months ended March 31	
	2021	2020
Short-term employee benefits	\$42,214	\$27,942
Post-employment benefits	471	441
Total	\$42,685	\$28,383

Note: The Joint Venture relationships were terminated in December 2020.

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

8. Assets Pledged As Collateral

The following assets of the Group were pledged as collateral:

Assets pledged as collateral	Carrying amount			Purpose of pledge
	March 31, 2021	December 31, 2020	March 31, 2020	
Land	\$-	\$13,094	\$12,538	Collateral for long-term borrowings
Buildings (including investment property)	827,207	837,651	868,983	Collateral for long-term borrowings
Time deposits (presented as "Other receivables")	34,985	34,985	30,635	Lease execution deposits
Time deposits (presented as "Other receivables")	2,082	2,082	2,066	Customs import guarantee
Bank deposits (presented as "Other receivables")	15,549	15,569	9,067	Derivative execution deposits
Bank deposits (presented as "Other receivables")	860	864	858	Export tax guarantee
Time deposits (presented as "Other receivables")	-	1,332	-	Subsidy performance guarantee
Time deposits (presented as "Other noncurrent assets")	20,780	20,776	20,776	Lease execution deposits
Time deposits (presented as "Other noncurrent assets")	1,082	1,082	1,075	Customs import guarantee
Total	<u>\$902,545</u>	<u>\$927,435</u>	<u>\$945,998</u>	

9. Commitments and Contingencies

Amount available under unused letters of credit as of March 31, 2021 was NT\$14,140 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

12. Others

(1) Categories of Financial Instruments

<u>Financial assets</u>	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets at fair value through profit or loss:			
Financial assets designated at fair value through profit or loss	\$86,847	\$-	\$-
Mandatorily measured at fair value through profit or loss	305,163	\$372,859	\$127,348
Financial assets at fair value through other comprehensive income	951,676	913,080	391,576
Financial assets measured at amortized cost (Note)	31,073,563	30,340,520	28,492,329
Hedging financial assets	2,768	-	554
Total	\$32,420,017	\$31,626,459	\$29,011,807
<u>Financial liabilities</u>			
Financial liabilities at amortized cost:			
Short-term borrowings	\$8,371,521	\$5,137,417	\$8,139,013
Accounts payable (including related parties)	8,944,534	8,160,316	6,250,426
Other payables	5,403,825	4,213,229	3,970,252
Lease liability (including current and noncurrent)	1,720,497	1,554,422	1,731,708
Long-term borrowings (including current portion)	638,729	669,479	183,434
Subtotal	25,079,106	19,734,863	20,274,833
Financial liabilities at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss-current	82,614	35,854	49,562
Hedging financial liabilities-current	-	4,702	-
Total	\$25,161,720	\$19,775,419	\$20,324,395

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Note: Include cash and cash equivalents (exclude cash on hand), notes receivable, trade receivables, 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.

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 revenues or expenses 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 and payables to be denominated in the same foreign currency, therefore natural hedge is applied. 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:

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

When NTD appreciates or depreciates against USD by 1%, the profit for the three months ended March 31, 2021 and 2020 is decreased/increased by NT\$123,852 thousand and NT\$88,509 thousand, while equity is decreased/increased by NT\$257,012 thousand and NT\$241,205 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 and bank borrowings with variable interest rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the three months ended March 31, 2021 and 2020 to decrease/increase by NT\$20,396 thousand and NT\$17,379 thousand, respectively.

Equity price risk

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

For the three months ended March 31, 2021 and 2020, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instrument at fair value through profit or loss could have an impact of NT\$571 thousand and NT\$357 thousand on income attributable to the Group, respectively.

For the three months ended March 31, 2021 and 2020, an increase/decrease of 1% in the price of the listed equity securities classified as equity instrument at fair value through other comprehensive income could have an impact of NT\$9,517 thousand and NT\$3,916 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

As of March 31, 2021, December 31, 2020, and March 31, 2020, receivables from top ten customers represented 63%, 69% and 58% 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 and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of March 31, 2021					
Borrowings	\$8,528,620	\$437,325	\$90,089	\$-	\$9,056,034
Accounts payable					
(including related parties)	8,944,534	-	-	-	8,944,534
Other payables					
(including related parties)	5,403,825	-	-	-	5,403,825
Lease liability	286,378	403,474	259,553	1,189,064	2,138,469

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of December 31, 2020					
Borrowings	\$5,273,266	\$438,476	\$119,833	\$-	\$5,831,575
Accounts payable					
(including related parties)	8,160,316	-	-	-	8,160,316
Other payables					
(including related parties)	4,213,229	-	-	-	4,213,229
Lease liability	240,872	308,363	193,045	1,205,671	1,947,951
As of March 31, 2020					
Borrowings	\$8,314,838	\$123,026	\$63,069	\$-	\$8,500,933
Accounts payable					
(including related parties)	6,250,426	-	-	-	6,250,426
Other payables					
(including related parties)	3,970,252	-	-	-	3,970,252
Lease liability	332,457	322,799	206,427	1,307,059	2,168,742

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of March 31, 2021			
Inflows	\$-	\$-	\$-
Outflows	82,614	-	82,614
Net	\$82,614	\$-	\$82,614
As of December 31, 2020			
Inflows	\$-	\$-	\$-
Outflows	40,556	-	40,556
Net	\$40,556	\$-	\$40,556
As of March 31, 2020			
Inflows	\$-	\$-	\$-
Outflows	49,562	-	49,562
Net	\$49,562	\$-	\$49,562

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

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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 three months ended March 31, 2021:

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

Reconciliation of liabilities for the three months ended March 31, 2020:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities-noncurrent	Total liabilities from financing activities
As of January 1, 2020	\$8,521,341	\$183,433	\$1,775,345	\$36,458	\$17,272	\$10,533,849
Cash flows	(382,328)	1	(77,912)	(195)	(1,517)	(461,951)
Additional leases	-	-	36,370	-	-	36,370
Exchange differences	-	-	(2,095)	-	-	(2,095)
As of March 31, 2020	<u>\$8,139,013</u>	<u>\$183,434</u>	<u>\$1,731,708</u>	<u>\$36,263</u>	<u>\$15,755</u>	<u>\$10,106,173</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, accounts 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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 the counterparty prices or appropriate option pricing model or other valuation method.

(d)The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate is mainly measured with reference to those of 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 March 31, 2021			
Forward currency contract			
Selling forward currency contracts	USD	457,800 thousand	From April 2021 to December 2021
Buying forward currency contracts	USD	550,000 thousand	From April 2021 to September 2021
Selling forward currency contracts	CAD	1,600 thousand	From April 2021 to August 2021
Forward cross currency contract	USD	32,700 thousand	From April 2021 to June 2021
As of December 31, 2020			
Forward currency contract			
Selling forward currency contracts	USD	418,380 thousand	From January 2021 to November 2021
Buying forward currency contracts	USD	431,000 thousand	From January 2021 to March 2021
Selling forward currency contracts	CAD	3,000 thousand	From January 2021 to March 2021
Selling forward currency contracts	EUR	1,200 thousand	March 2021
Forward cross currency contract	USD	32,700 thousand	From January 2021 to March 2021

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

Item (by contract)	Notional Amount		Contract Period
As of March 31, 2020			
Forward currency contract			
Selling forward currency contracts	USD	327,000 thousand	From April 2020 to December 2020
Buying forward currency contracts	USD	392,500 thousand	From April 2020 to June 2020
Selling forward currency contracts	CAD	3,000 thousand	From April 2020 to August 2020
Forward cross currency contract	USD	31,500 thousand	From April 2020 to May 2020

Hedging forward currency contracts

The currencies of sales, costs of goods sold and purchases on behalf of subsidiaries were mostly US Dollars and EUR Dollars. The Group entered into forward currency contracts to manage its exposure to financial risk and designated those contracts as hedging instruments. The table below lists the information related to forward currency contracts:

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

As of December 31, 2020

Forward currency contract

Selling forward currency contracts EUR 3,000 thousand February 2021

As of March 31, 2020

Forward currency contract

Selling forward currency contracts EUR 6,000 thousand From April 2020 to May 2020

(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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

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

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

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contracts	\$-	\$315,391	\$-	\$315,391
Forward cross currency contracts	-	508	-	508
Stock options	-	-	56,960	56,960
Equity instruments measured at fair value through other comprehensive income	-	-	913,080	913,080
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	-	26,071	-	26,071
Forward cross currency contracts	-	9,783	-	9,783
March 31, 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contracts	\$-	\$91,647	\$-	\$91,647
Stocks	-	-	35,701	35,701
Hedging financial assets-current	-	554	-	554
Equity instruments measured at fair value through other comprehensive income	-	-	391,576	391,576
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	-	46,977	-	46,977
Forward cross currency contracts	-	2,585	-	2,585

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

Transfers between the Level 1 and Level 2 during the period

During the three months ended March 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

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

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

	Assets		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Stocks and convertible bonds	Stocks	
As of January 1, 2020:	\$35,412	\$447,469	\$482,881
Total gains and losses recognized for the three months ended March 31, 2020:			
Amount recognized in profit or loss (presented in “other profit or loss”)	289	-	289
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	(55,187)	(55,187)
Tax effect	-	(1,330)	(1,330)
Exchange differences	-	624	624
As of March 31, 2020	<u>\$35,701</u>	<u>\$391,576</u>	<u>\$427,277</u>

Total gains and losses recognized in profit or loss for the three months ended March 31, 2021 and 2020 amounted to NT\$110 thousand and NT\$289 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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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of March 31, 2021

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

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

As of December 31, 2020

	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					
Stocks	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	0.98	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\$2,454 thousand/ NT\$2,454 thousand.
At fair value					
through profit					
or loss					
Stock options	Market Approach	P/E ratio of similar companies	0.44	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$6,286 thousand/ NT\$6,286 thousand.

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As of March 31, 2020

	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 profit					
or loss					
Stocks	Income Approach	Lack of marketability	27.2%	The higher the discount for lack of marketability, the lower the fair value estimated	10% increase (decrease) in the discount for lack of marketability would result in decrease/increase in profit or loss by NT\$1,147 thousand /NT\$1,162 thousand.
At fair value					
through other					
comprehensive					
income					
Stocks	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar entities	0.91	The higher the P/E ratio of similar entities, 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\$2,571 thousand/ NT\$2,342 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES

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

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

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

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

	March 31, 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

	December 31, 2020			
	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

	March 31, 2020			
	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))	\$-	\$-	\$219,800	\$219,800

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

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

	March 31, 2021		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$1,002,253	28.535	\$28,599,289
JPY	121,002	0.2577	31,182
CNY	3,964	4.3424	17,213
AUD	355	21.71	7,707
EUR	212	33.48	7,098
GBP	176	39.23	6,904

Non-Monetary items:

USD	\$5,970	28.535	\$170,354
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Financial liabilities

Monetary items:

USD	\$568,216	28.535	\$16,214,044
JPY	91,644	0.2577	23,617
GBP	4,583	39.23	179,791

December 31, 2020

	December 31, 2020		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$1,022,552	28.48	\$29,122,281
JPY	139,013	0.2763	38,409
CNY	3,982	4.3648	17,381
AUD	355	21.95	7,792
GBP	115	38.90	4,474
EUR	111	35.02	3,887

Non-Monetary items:

USD	\$6,219	28.48	\$177,134
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	December 31, 2020		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial liabilities</u>			
Monetary items:			
USD	\$618,345	28.48	\$17,610,466
JPY	92,860	0.2763	25,657
GBP	4,919	38.90	191,353
	March 31, 2020		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$837,671	30.23	\$25,318,606
JPY	287,544	0.2788	80,167
CNY	3,926	4.2660	16,748
EUR	391	33.24	12,997
GBP	135	37.25	5,029
Non-Monetary items:			
USD	\$2,359	30.23	\$71,301
<u>Financial liabilities</u>			
Monetary items:			
USD	\$544,836	30.23	\$16,467,668
JPY	145,989	0.2788	40,702
GBP	3,652	37.25	136,034

Functional currencies of the Group's entities are varied, and hence the Group is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant asset and liability denominated in foreign currencies. The foreign exchange (loss) gain was NT\$(28,074) thousand and NT\$(59,611) thousand for the three months ended March 31, 2021 and 2020, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(11)Capital Management

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

13. Additional Disclosures

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

A. Financing provided to others for the three months ended March 31, 2021: None.

B. Endorsement/Guarantee provided to others for the three months ended March 31, 2021:

Please refer to Attachment 1.

C. Securities held as of three months ended March 31, 2021 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2021: None.

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2021: None.

F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the three months ended March 31, 2021: 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 three months ended March 31, 2021: Please refer to Attachment 3.

H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of three months ended March 31, 2021 Please refer to Attachment 4.

I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.

J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(3), Note 6(14), Note 12(1), Note 12(8) and Attachment 8.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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 and 4-1.
- C. Financial instruments and derivative transactions: Please refer to Attachment 8.

(3) Investment in Mainland China

- A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 7, 7-1 and 7-2.
- 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 the factor that they are able to generate revenues and incur expenses. 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.

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

(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.

(2) Segment Income, Assets and Liabilities Information

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

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

	For the three months ended March 31, 2020						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenues							
Net revenues from external customers	\$4,300,245	\$2,890,359	\$625,579	\$7,816,183	\$552,454	\$-	\$8,368,637
Net revenues from sales among intersegments	26,728	4,364	71,358	102,450	203,775	(306,225)	-
Total revenues	<u>\$4,326,973</u>	<u>\$2,894,723</u>	<u>\$696,937</u>	<u>\$7,918,633</u>	<u>\$756,229</u>	<u>\$(306,225)</u>	<u>\$8,368,637</u>
Segment income	<u>\$101,773</u>	<u>\$(29,864)</u>	<u>\$(100,685)</u>	<u>\$(28,776)</u>	<u>\$(40,658)</u>	<u>\$70,675</u>	<u>\$1,241</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$45,335,501</u>	<u>\$45,335,501</u>

Note A: Eight operating segments did not meet the quantitative thresholds for reportable segments for the three months ended March 31, 2021 and 2020, 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 asset.

	Three months ended March 31	
	2021	2020
Net income of reportable segment	\$396,799	\$(28,776)
Losses of other segments	(75,750)	(40,658)
Unallocated amount:		
Interest income	98,413	127,627
Interest expense	(29,094)	(86,605)
Financial assets (liabilities) at fair value through profit or loss	215,400	158,365
Exchange loss	(28,074)	(59,611)
Others	(95,256)	(69,101)
Income before income tax	<u>\$482,438</u>	<u>\$1,241</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the three months ended March 31, 2021)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statement	Limit of total guarantee/endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Vietnam Co., Ltd.	Subsidiary	\$ 11,447,741 (Note)	\$ 677,992 (USD23,760 thousands)	\$ 677,992 (USD23,760 thousands)	\$ 364,107	-	2.96%	\$ 22,895,483 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	11,447,741 (Note)	14,000	14,000	-	-	0.06%	22,895,483 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan Limited	Sub-subsiidary	11,447,741 (Note)	350,000	350,000	71,713	-	1.53%	22,895,483 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	11,447,741 (Note)	260,000	260,000	-	-	1.14%	22,895,483 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsiidary	11,447,741 (Note)	256,815 (USD9,000 thousands)	256,815 (USD9,000 thousands)	-	-	1.12%	22,895,483 (Note)	Yes	No	Yes
0	Coretronic Corporation	Optoma Technology Inc.	Sub-subsiidary	11,447,741 (Note)	14,268 (USD500 thousands)	14,268 (USD500 thousands)	14,268	-	0.06%	22,895,483 (Note)	Yes	No	No
0	Coretronic Corporation	Calibre UK Ltd.	Subsidiary	11,447,741 (Note)	434,630 (USD8,000 thousands) (GBP5,260 thousands)	434,630 (USD8,000 thousands) (GBP5,260 thousands)	174,154	-	1.90%	22,895,483 (Note)	Yes	No	No
	Total				<u>\$ 2,007,705</u>	<u>\$ 2,007,705</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 statement.
Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the latest financial statement.

ATTACHMENT 1-1 (Financing provided to others for the three months ended March 31, 2021)

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

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

No.	Lender	Counter-party	Financial statement account	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Bigshine (HK) Limited	Core-Flex Limited	Trade receivables - related parties	Yes	\$ 123,499	\$ 123,499	\$ 123,499	-	The need for short-term financing	-	Business turnover	-	None	-	\$ 225,716	\$ 225,716
1	Bigshine (HK) Limited	Optoma Technology Inc.	Trade receivables - related parties	Yes	175,490	175,490	175,490	0.11%	The need for short-term financing	-	Business turnover	-	None	-	564,289	564,289
2	Bigshine International Limited	Brightbridge Resources Limited	Trade receivables - related parties	Yes	2,537	2,537	2,537	-	The need for short-term financing	-	Business turnover	-	None	-	227,452	227,452
3	Great Pride Hong Kong Limited	Coretronic Corporation	Trade receivables - related parties	Yes	97,019	97,019	97,019	-	The need for short-term financing	-	Business turnover	-	None	-	2,754,221	2,754,221
4	Venture Orient Limited	Coretronic Corporation	Trade receivables - related parties	Yes	124,413	124,413	124,413	-	The need for short-term financing	-	Business turnover	-	None	-	552,451	552,451
5	Wisdom Success (HK) Limited	Coretronic Corporation	Trade receivables - related parties	Yes	1,405,305	604,942	604,942	-	The need for short-term financing	-	Business turnover	-	None	-	6,128,634	6,128,634
6	Chung Tsen Investment	Optoma Corporation	Trade receivables - related parties	Yes	80,000	80,000	80,000	0.45%	The need for short-term financing	-	Business turnover	-	None	-	859,113	859,113
7	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	460,670	455,949	455,949	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,198,874	5,198,874
8	Tsen Ming Investment	Optoma Corporation	Trade receivables - related parties	Yes	140,000	140,000	140,000	0.45%	The need for short-term financing	-	Business turnover	-	None	-	173,818	173,818
9	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	870,327	870,327	870,327	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,755,333	4,755,333
9	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	307,113	303,966	303,966	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,755,333	4,755,333
10	Dynamic Time Investments Limited	Optoma Corporation	Trade receivables - related parties	Yes	632,050	632,050	632,050	-	The need for short-term financing	-	Business turnover	-	None	-	758,710	758,710
10	Dynamic Time Investments Limited	Coretronic Corporation	Trade receivables - related parties	Yes	156,145	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	1,896,775	1,896,775
11	Modern Smart Ltd.	Optoma Corporation	Trade receivables - related parties	Yes	35,669	35,669	35,669	-	The need for short-term financing	-	Business turnover	-	None	-	47,500	47,500

Note a : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement, including Bigshine International Limited, Coretronic Projection (Kunshan), Coretronic (Suzhou), and Bigshine (HK) Limited.

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

Note b : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statement, including Great Pride Hong Kong Limited, Venture Orient Limited, and Wisdom Success (HK) Limited.

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

Note c : Limit of total financing amount for individual counter-party should not exceed 40% of lender's net worth from the latest financial statement, and limit of financing amount should not exceed 100% of the latest financial statements of lender, including Dynamic Time Investments Limited, Modern Smart Ltd., Tsen Ming Investment, Chung Tsen Investment Corp., and Bigshine (HK) Limited.

ATTACHMENT 1-2 (Endorsement/Guarantee provided to others for the three months ended March 31, 2021)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsor/ guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statement	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
1	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	\$ 2,377,667 (Note)	\$ 2,854	\$ 2,854	\$ 2,854	-	0.06%	\$ 4,755,333 (Note)	No	No	Yes
2	Coretronic Optotech (Suzhou)	Coretronic Optics (Suzhou)	Associate	472,981 (Note)	109,683	108,559	108,559	-	11.48%	945,962 (Note)	No	No	Yes
3	Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	472,981 (Note)	219,367	-	-	-	-	945,962 (Note)	No	No	Yes
Total					<u>\$ 331,904</u>	<u>\$ 111,413</u>							

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

ATTACHMENT 2 (Securities held as of March 31, 2021)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	March 31, 2021				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note a)	
Coretronic Corporation	Maxima Venture I, Inc.	-	Financial assets at fair value through other comprehensive income-current	29,400	\$ 1,330	5.26%	\$ 1,330	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	-	4.17%	-	
Coretronic Corporation	GLO AB	-	Financial assets at fair value through profit or loss-noncurrent	50,000	-	0.24%	-	
Coretronic Corporation	Flexenable Limited	-	Financial assets at fair value through profit or loss-current	-	57,070	-	57,070	
Coretronic Corporation	Etergo Opto-Electronics	-	Investments accounted for using the equity method- noncurrent	1,850,000	45,842	18.50%	-	

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

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

ATTACHMENT 2-1 (Securities held as of March 31, 2021)
 (The certain information is based on the unreviewed financial statements)
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	March 31, 2021				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Chung Tsen Investment Corp.	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	71,885,854	\$ 834,862	4.47%	\$ 834,862	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 3,198,050	5.00%	USD 3,198,050	
Optoma Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	3,825	3.06%	3,825	
	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	20,403	19.90%	20,403	
Coretronic Venture Capital	GeneJet Biotech	-	Investments accounted for using the equity method- noncurrent	1,575,000	- (Note b)	19.51%	-	

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

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

ATTACHMENT 3 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three months ended March 31, 2021)

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

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma Europe	Subsidiary	Sales	\$ 771,005	15.09%	90 days	-	-	\$ 676,635	6.62%	
Coretronic Corporation	Optoma USA	Subsidiary	Sales	283,592	5.55%	90 days	-	-	341,586	3.34%	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three months ended March 31, 2021)
 (The certain information is based on the unreviewed financial statements)
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Young Optics	Young Optics (Kunshan)	Associate	Sales	\$ 109,062	10.93%	60 days	-	-	\$ 24,390	4.15 %	
Young Optics	Young Optics (Kunshan)	Associate	Purchases	460,213	60.37%	60 days	-	-	(648,459)	(71.97%)	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	106,972	17.87%	90 days	-	-	107,589	13.68 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	130,475	4.74%	60 days	-	-	220,461	6.78 %	
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	Sales	140,232	5.10%	60 days	-	-	129,395	3.98 %	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	1,655,515	99.97%	60 days	-	-	1,593,195	99.96 %	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2021)

(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	Subsidiary	\$ 442,777	0.62	\$ -	-	\$ -	\$ -
Coretronic Corporation	Optoma Europe	Subsidiary	676,635	4.12	-	-	-	-
Coretronic Corporation	Optoma USA	Subsidiary	341,586	2.59	-	-	-	-

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2021)

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

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables :								
Young Optics (Kunshan)	Young Optics	Associate	\$ 648,459	2.71	-	-	-	-
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	107,589	4.40	-	-	-	-
Grace China	Young Optics (BD)	Associate	365,533	-	-	-	-	-
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	129,395	3.68	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	220,461	1.97	-	-	-	-
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	102,481	3.32	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,593,195	4.42	-	-	-	-
Coretronic (Ningbo)	Coretronic Corporation	Associate	409,980	2.14	-	-	-	-
Other receivables :								
Bigshine (HK)	Core-Flex	Associate	123,499	-	-	-	-	-
Bigshine (HK)	Optoma USA	Associate	175,490	-	-	-	-	-
Dynamic Time	Optoma Corporation	Associate	632,050	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	873,222	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	362,700	-	-	-	-	-
Venture Orient	Coretronic Corporation	Associate	124,413	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	462,128	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Associate	604,942	-	-	-	-	-
Tsen Ming Investment	Optoma Corporation	Associate	140,000	-	-	-	-	-
Grace China	Young Optics (BD)	Associate	154,958	-	-	-	-	-

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)

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

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

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
0	Coretronic Corporation	Optoma Corporation	1	Trade receivables	442,777	—	0.90%
			1	Sales	85,042	—	0.85%
		Optoma USA	1	Trade receivables	341,586	—	0.70%
			1	Sales	283,592	—	2.83%
		Optoma Europe	1	Trade receivables	676,635	—	1.38%
			1	Sales	771,005	—	7.69%
		Greendale	1	Trade receivables	1,160,943	—	2.36%
			1	Sales	1,362,554	—	13.59%
		Coretronic Optics (Suzhou)	1	Trade receivables	2,324,275	—	4.73%
			1	Sales	2,307,060	—	23.02%
		YLG Optotech	1	Trade receivables	153,390	—	0.31%
			1	Sales	59,806	—	0.60%
		Coretronic Display (Suzhou)	1	Trade receivables	836,013	—	1.70%
			1	Sales	1,091,647	—	10.89%
		Coretronic Optotech (Suzhou)	1	Trade receivables	2,752,027	—	5.60%
			1	Sales	3,013,735	—	30.07%
Coretronic Vietnam	1	Trade receivables	362,651	—	0.74%		
	1	Sales	310,115	—	3.09%		
1	Young Optics	Grace China	3	Other receivables	95,090	—	0.19%
			3	Sales	109,062	—	1.09%
		Young Optics (Kunshan)	3	Trade receivables	24,390	—	0.05%
			3	Sales	26,965	—	0.27%
		Young Optics (Suzhou)	3	Trade receivables	27,067	—	0.06%
			3	Sales	52,914	—	0.53%
		Aptek Optical	3	Trade receivables	29,312	—	0.06%
3	Sales		2,079	—	0.02%		
Young Optics Europe GmbH	3	Trade receivables	1,780	—	—		

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	Sales	4,126	—	0.04%
			3	Trade receivables	20,315	—	0.04%
			3	Other receivables	7,522	—	0.02%
2	Young Optics (BD)	Young Optics	3	Sales	8,096	—	0.08%
			3	Trade receivables	5,590	—	0.01%
		Young Optics (Kunshan)	3	Sales	1,565	—	0.02%
			3	Trade receivables	1,576	—	—
		Grace China	3	Trade receivables	46,841	—	0.10%
			3	Accounts payable	365,533	—	0.74%
			3	Other payables	154,958	—	0.32%
3	Optoma Corporation	Optoma Europe	3	Trade receivables	86,409	—	0.18%
			3	Sales	85,651	—	0.85%
4	Young Optics (Kunshan)	Young Optics (Suzhou)	3	Sales	26,973	—	0.27%
			3	Trade receivables	26,786	—	0.05%
		Coretronic Optics (Kunshan)	3	Sales	106,972	—	1.07%
			3	Trade receivables	107,589	—	0.22%
		Young Optics	3	Sales	460,213	—	4.59%
			3	Trade receivables	648,459	—	1.32%
5	Dynamic Time	Optoma Corporation	3	Other receivables	632,050	—	1.29%
6	Modern Smart	Optoma Corporation	3	Other receivables	35,669	—	0.07%
7	Coretronic (Suzhou)	Wisdom Success (HK)	3	Trade receivables	863,128	—	1.76%
			3	Sales	60,802	—	0.61%
		Coretronic Display (Suzhou)	3	Other receivables	873,222	—	1.78%
		Coretronic Optics (Suzhou)	3	Other receivables	362,700	—	0.74%
8	Venture Orient	Coretronic Corporation	2	Other receivables	124,413	—	0.25%
9	Young Optics (Suzhou)	Young Optics	3	Sales	22,155	—	0.22%
10	Mejiro	Young Optics	3	Trade receivables	1,040	—	—
			3	Other receivables	1,031	—	—
11	Chung Tsen Investment Corp.	Optoma Corporation	3	Other receivables	80,000	—	0.16%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
12	Nano Precision (Suzhou)	Great Pride (HK)	3	Trade receivables	70,974	—	0.14%
			3	Sales	45,676	—	0.46%
		Coretronic Optotech (Suzhou)	3	Trade receivables	48,006	—	0.10%
			3	Sales	48,807	—	0.49%
		Coretronic Optics (Suzhou)	3	Trade receivables	80,618	—	0.16%
			3	Sales	79,713	—	0.80%
13	Greendale	Coretronic Corporation	2	Other receivables	2,454,538	—	5.00%
		Coretronic Optics (Kunshan)	3	Other receivables	1,141,475	—	2.32%
14	Coretronic Projection (Kunshan)	Optoma China	3	Trade receivables	220,461	—	0.45%
			3	Sales	130,475	—	1.30%
		Champ Vision Display	3	Trade receivables	129,395	—	0.26%
			3	Sales	140,232	—	1.40%
		Greendale	3	Trade receivables	2,453,944	—	4.99%
			3	Sales	1,974,663	—	19.70%
		Coretronic Optics (Kunshan)	3	Other receivables	462,128	—	0.94%
			3	Trade receivables	92,938	—	0.19%
3	Sales	92,378	—	0.92%			
15	Tsen Ming Investment	Optoma Corporation	3	Other receivables	140,000	—	0.28%
16	Coretronic (Ningbo)	Coretronic Corporation	2	Trade receivables	409,980	—	0.83%
			2	Sales	234,377	—	2.34%
17	Great Pride (HK)	Coretronic Corporation	2	Other receivables	97,019	—	0.20%
18	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	604,942	—	1.23%
19	Bigshine (HK)	Optoma USA	3	Other receivables	175,490	—	0.36%
		Core-Flex	3	Other receivables	123,499	—	0.25%
20	Coretronic Intelligent Cloud Service	Coretronic Corporation	2	Trade receivables	89,352	—	0.18%
			2	Sales	73,035	—	0.73%
21	YLG Optotech	Coretronic Corporation	2	Trade receivables	94,572	—	0.19%
			2	Sales	146,429	—	1.46%
22	Coretronic Display (Suzhou)	Coretronic Corporation	2	Trade receivables	1,247,448	—	2.54%
			2	Sales	616,232	—	6.15%
		YLG Optotech	3	Trade receivables	57,080	—	0.12%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
23	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Trade receivables	3,178,315	—	6.47%
			2	Sales	583,800	—	5.82%
		Coretronic Display (Suzhou)	3	Trade receivables	102,481	—	0.21%
			3	Sales	91,137	—	0.91%
24	Champ Vision Display	Coretronic Projection (Kunshan)	3	Trade receivables	87,559	—	0.18%
			3	Sales	90,549	—	0.90%
		YLG Optotech	3	Trade receivables	37,226	—	0.08%
25	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Trade receivables	1,593,195	—	3.24%
			3	Sales	1,655,515	—	16.52%
26	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Trade receivables	2,232,269	—	4.54%
			2	Sales	682,465	—	6.81%
27	Nano Precision Taiwan	Nano Precision (Suzhou)	3	Trade receivables	66,432	—	0.14%
			3	Sales	75,290	—	0.75%
28	Coretronic Vietnam	Coretronic Corporation	2	Trade receivables	295,722	—	0.60%
			2	Sales	73,519	—	0.73%

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

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

Note b: Transactions are categorized as follows:

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

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

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

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

ATTACHMENT 6 : (Names, locations and related information of investee companies as of March 31, 2021) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2021			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%	\$5,254,401	\$42,179	\$42,179	Subsidiary
Coretronic Corporation	Optoma Corporation	New Taipei City, Taiwan	Engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment and electronic appliances	518,465	518,465	58,462,000	100.00%	825,475	129,327	129,327	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	532,219	532,219	39,891,586	34.97%	1,099,325	(32,505)	(11,217)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	11,954,313	116,948	116,948	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,288,173	16,331	16,331	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%	2,220,444	35,761	35,761	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,723,377	16,638	12,988	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%	232,196	1,396	1,395	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	624,538	85,035	85,035	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.	254,990	254,990	15,000,000	100.00%	197,441	14,951	14,951	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%	304,834	376	376	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%	178,133	142	114	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%	32,807	(5,749)	(3,489)	Subsidiary
Coretronic Corporation	Calibre UK Limited	UK	Engaged in R&D, design, production and marketing of image processing products.	44,088	44,088	101,042	100.00%	(95,583)	(14,258)	(14,258)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	260,600	260,600	15,000,000	100.00%	23,775	(33,419)	(33,419)	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%	11,240	(2,181)	(1,744)	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%	92,411	(17,902)	(17,902)	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%	69,733	(3,367)	(3,367)	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%	65,770	(14,858)	(14,858)	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	-	5,000,000	100.00%	50,000	-	-	Subsidiary

ATTACHMENT 6 -1 : (Names, locations and related information of investee companies as of March 31, 2021) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of March 31, 2021			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 184,547,368	USD 1,487,330	(Note)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 347,265,687	USD 3,957,591	(Note)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 7,755,457	(USD 192,243)	(Note)	Sub-subsidiary
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 636,000	212,000	100.00 %	USD 18,608	USD 16	(Note)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 31,436,599	USD 5,333	(Note)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 17,654,429	USD 282,009	(Note)	Sub-subsidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 14,803,460	USD 585,785	(Note)	Sub-subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 216,831,131	USD 3,604,819	(Note)	Sub-subsidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 88,963,946	USD 20,425	(Note)	Sub-subsidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 28,248,770	USD 733,254	(Note)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 12,206,680	(USD 182,529)	(Note)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 7,324,008	(USD 182,529)	(Note)	Sub-subsidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 31,436,576	USD 20,425	(Note)	Sub-subsidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 17,654,333	USD 733,254	(Note)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 45,143,208	USD 575,738	(Note)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 96,292,997	USD 386,237	(Note)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 8,406,443	USD 57,947	(Note)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 17,291,716	USD 144,683	(Note)	Sub-subsidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 96,254,681	USD 386,236	(Note)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	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 28,638,766	(RMB 5,108,210)	(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 March 31, 2021) (Not including investment in Mainland China) (The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of March 31, 2021			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	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	\$ 558,772	\$ 15,810	(Note)	Sub-subsidiary
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	35,471	35,471	2,596,317	2.28 %	71,326	(32,505)	(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 %	434,202	(54)	(Note)	Sub-subsidiary
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	3,636	1,644	(Note)	Sub-subsidiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83 %	USD 12,020,491	USD 585,785	(Note)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	31,921	31,921	1,698,886	1.49 %	47,620	(32,505)	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	15,320	1,644	(Note)	Sub-subsidiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	116,603	USD 50,430	(Note)	Sub-subsidiary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,715,089	(19,458)	(Note)	Sub-subsidiary
Young Optics	Aptek Optical	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	298,140	9,250,000	92.50 %	94,406	(719)	(Note)	Sub-subsidiary
Young Optics	Mejiro Genossen Inc.	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	31,653	446	(Note)	Sub-subsidiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 23,254,874	USD 54,011	(Note)	Sub-subsidiary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 38,335,406	(USD 132,478)	(Note)	Sub-subsidiary
Masterview	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 5,000,000	USD 5,000,000	4,149,936	62.50 %	(USD 2,305,627)	(USD 874,780)	(Note)	Sub-subsidiary
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	USD 5,214	(USD 51,853)	(Note)	Sub-subsidiary
Grace China	Young Optics (BD) LTD.	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	37.50 %	(USD 1,383,376)	(USD 874,780)	(Note)	Sub-subsidiary
Optoma Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	2,000,419	USD 5,473,342	(Note)	Sub-subsidiary

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

ATTACHMENT 6 -3 : (Names, locations and related information of investee companies as of March 31, 2021) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of March 31, 2021			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	Optoma Europe	U.K.	Marketing and after-sales service of Optoma in European region	USD 2,451,350	USD 2,451,350	1,200,000	100.00 %	USD 36,389,380	EUR 2,831,616	(Note)	Sub-subsiary
Dynamic Time	Optoma USA	USA	Marketing and after-sales service of Optoma in Americas region	USD 8,821,889	USD 8,821,889	825,000	100.00 %	USD 5,506,839	USD 1,888,573	(Note)	Sub-subsiary
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 4,278,492	USD 141,612	(Note)	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 374,668	HKD 204,822	(Note)	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 1,214,644	EUR 144,681	(Note)	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 551,326	EUR 88,834	(Note)	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 131,419	(NOK 334,165)	(Note)	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 373,246	(EUR 547)	(Note)	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 323,539	(EUR 58,090)	(Note)	Sub-subsiary
Young Lighting Limited	Young Lighting (HK)	HK	Holding company	USD 847,000	USD 847,000	847	100.00 %	USD 240,920	-	(Note)	Sub-subsiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00 %	USD 62,786	USD 180,113	(Note)	Sub-subsiary
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	USD 12,265,881	USD 1,604,656	(Note)	Sub-subsiary
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	USD 9,314,808	USD 1,210,530	(Note)	Sub-subsiary
Coretronic Intelligent Cloud Service	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	23,781	356	(Note)	Sub-subsiary
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 833,404	USD 12,553	(Note)	Sub-subsiary

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

ATTACHMENT 7 : (Investment in Mainland China as of March 31, 2021)
(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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of March 31, 2021	Accumulated inward remittance of earnings as of March 31, 2021
					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)	\$ 41,272	100.00%	\$ 41,272	\$ 5,244,251	\$ 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)	373	100.00%	373	25,163	(Note a and Note c) -
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	-	16,967	100.00%	16,967	438,596	-
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)	17,697	100.00%	17,697	1,278,477	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	660,657 (USD 20,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	58,749	100.00%	58,749	4,785,787	-
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)	-	-	-	-	15,614	100.00%	15,614	389,656	-
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)	-	-	-	-	29,105	100.00%	29,105	974,907	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	257,829 (USD 8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD 3,000,000)	-	-	95,254 (USD 3,000,000)	(5,470)	100.00%	(5,470)	254,537	81,790 (USD 2,800,000) (Note a, Note d and Note j) -
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (USD 51,758,000)	Indirect investment from the third region (Brightbridge and Crystal Word)	88,972 (USD 2,967,283)	-	-	88,972 (USD 2,967,283)	34,722	100.00%	34,722	618,246	-
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)	573	100.00%	573	3,435,472	139,650 (USD 4,619,805) (Note a and Note j) -
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	1,178,240 (USD 36,000,000)	Indirect investment from the third region (Core-Flex)	759,827 (USD 23,260,000)	-	-	759,827 (USD 23,260,000)	1,644	100.00%	1,644	385,418	-
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)	10,977	100.00%	10,977	2,649,221	85,228 (USD 2,795,270) (Note a and Note e) -
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	20,804	100.00%	20,804	1,309,831	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	238,740 (USD 7,800,000)	Indirect investment from the third region (Nano Display)	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	4,105	100.00%	4,105	493,401	-
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	5,121	100.00% (Note k)	5,121	1,762	-
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	356	100.00%	356	23,781	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	USD 1,000,000	Indirect investment from the third region (Boom Power)	USD 1,000,000	-	-	USD 1,000,000	1,430	100.00%	1,430	116,584	-

Accumulated investment in Mainland China as of March 31, 2021 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b ~ Note j)	Upper limit on investment
\$2,350,309 (USD 74,191,338)	\$2,117,050 (USD 74,191,338)	\$11,695,805

Note a : To use historical currency rates.

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

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

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

Note e : 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 amounted to USD 3,565,645 for distribution profits from Nano Display (Suzhou) in 2018 and had remitted USD 3,215,142 back to Coretronic Corporation.

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

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

Note i : Include the investment amount USD 2,966,301 of Nano Precision (Nanjing) which company's registration was cancelled in April, 2019. The investment amount cancellation was approved by MOEA.

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

Note 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 = 28.535 NTD as of March 31, 2021.

ATTACHMENT 7-1 (Investment in Mainland China as of March 31, 2021)
(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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of March 31, 2021 (Note a)	Accumulated inward remittance of earnings as of March 31, 2021
					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)	\$7,327 (USD 258,181)	100.00%	\$7,327 (USD 258,181)	\$972,222 (USD 34,071,206)	\$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)	(429) (-USD 15,115)	100.00%	(429) (-USD 15,115)	218,213 (USD 7,647,214)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note f~Note i and Note l)

Accumulated investment in Mainland China as of March 31, 2021 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	Note c

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

Note b : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 7-2 (Investment in Mainland China as of March 31, 2021)
(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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a, b)	Carrying value as of March 31, 2021	Accumulated inward remittance of earnings as of March 31, 2021
					Outflow	Inflow						
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	\$38,412 (USD1,200,000)	Indirect investment from the third region (Modern Smart)	\$38,412 (USD1,200,000)	\$-	\$-	\$38,412 (USD1,200,000)	\$4,026 RMB 920,177	100.00%	\$4,026 RMB 920,177 (Note a (2) · e)	\$82,184 RMB 18,925,998	\$-

Accumulated investment in Mainland China as of March 31, 2021 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment (Note c)
\$38,412 (USD1,200,000)	\$176,798 (USD5,900,000) (Note d)	\$495,285

Note a : The investment income (loss) were determined based on the following basis:

- (1).The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
- (2).The financial statements was certified by the CPA of the parent company in Taiwan.
- (3).Other: The financial statements were not audited by the CPA.

Note b : To use historical currency rates.

Note c : Based on Regulations Governing the Approval of Investment or Technical Cooperation in Mainland Chian promulgated by Investment Commission, MOEA.

Note d : LIULI and LIULI(HK) had disposed the shares of Tou Ming Si Kao (Shanghai) on March 21, 2011. The related registration processes were completed on September 13, 2011, and reported to Investment Commission, MOEA.
The investment amounts have no change when the amounts had been not remitted to Optoma.

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of March 31, 2021)

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

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

Investment company	Financial statement account	Financial product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From April, 2021 to September, 2021	USD 526,500,000	\$ 199,461	\$ 199,461	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2021 to May, 2021	USD 366,000,000	(62,092)	(62,092)	Note a
Champ Vision Display	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2021 to May, 2021	USD 3,000,000	(701)	(701)	Note b
Nano Precision Taiwan	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	May, 2021	USD 1,000,000	(218)	(218)	Note c
Coretronic (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2021 to May, 2021	USD 10,000,000	(541)	(541)	Note d
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2021 to December, 2021	USD 19,000,000	19,244	19,244	Note e
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2021 to July, 2021	USD 30,800,000	(416)	(416)	Note f
Coretronic (Ningbo)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From June, 2021 to July, 2021	USD 5,000,000	(1,076)	(1,076)	Note g
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	April, 2021	USD 2,000,000	(311)	(311)	Note h
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	April, 2021	USD 6,000,000	(1,036)	(1,036)	Note i
Optoma Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward cross currency contract	—	From April, 2021 to June, 2021	USD 32,700,000	(1,525)	(1,525)	Note k
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell EUR/Buy USD	From April, 2021 to May, 2021	USD 23,500,000	10,408	10,408	Note l
Optoma USA	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell CAD/Buy USD	From April, 2021 to August, 2021	CAD 1,600,000	(500)	(500)	Note m
Dynamic Time	Hedging financial assets - current	Forward foreign exchange contract	Sell EUR/Buy USD	April, 2021	EUR 3,000,000	2,768	2,768	Note n
Young Optics (Kunshan)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From April, 2021 to September, 2021	USD 15,000,000	4,779	4,779	Note o

Note a : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$239,103 thousands for the three months ended March 31, 2021.

Note b : Champ Vision Display entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$250 thousands for the three months ended March 31, 2021.

Note c : Nano Precision Taiwan Limited entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$132 thousands for the three months ended March 31, 2021.

Note d : Coretronic (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$41,064 thousands for the three months ended March 31, 2021.

Note e : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$17,693 thousands for the three months ended March 31, 2021.

Note f : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$5,902 thousands for the three months ended March 31, 2021.

Note g : Coretronic (Ningbo) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$4,209 thousands for the three months ended March 31, 2021.

Note h : Coretronic Optotech (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$19,998 thousands for the three months ended March 31, 2021.

Note i : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$37 thousands for the three months ended March 31, 2021.

Note j : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$564 thousands for the three months ended March 31, 2021.

Note k : Optoma Corporation entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$4,361 thousands for the three months ended March 31, 2021.

Note l : Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$8,182 thousands for the three months ended March 31, 2021.

Note m : Optoma USA entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$2,429 thousands for the three months ended March 31, 2021.

Note n : Dynamic Time entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$2,006 thousands for the three months ended March 31, 2021.

Note o : Young Optics (Kunshan) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$0 thousands for the three months ended March 31, 2021.

ATTACHMENT 9 (The information of Major shareholder as of March 31, 2021)

Name	Number of shares (Units/shares)	Percentage of ownership (%)
Taiwei Advanced Technology Co., Ltd.	36,141,196	9.24%