

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE NINE MONTHS ENDED

September 31, 2021 AND 2020

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

Telephone: +886-3-577-2000

English Translation of a Report Originally Issued in Chinese

Review Report of Independent Accountants

To Coretronic Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Coretronic Corporation (the “Company”) and its subsidiaries as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2021 and 2020, changes in equity and cash flows for the nine-month periods ended September 30, 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 Standards No. 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\$21,639,090 thousand and NT\$17,795,699 thousand, representing 37.02% and 37.43% of the consolidated total assets, and total liabilities of NT\$3,004,547 thousand and NT\$3,890,406 thousand, representing 8.46% and 16.40% of the consolidated total liabilities as of September 30, 2021 and 2020, respectively; and total comprehensive income of NT\$246,767 thousand and NT\$693,063 thousand, NT\$375,317 thousand and NT\$885,711 thousand, representing 23.91%, 58.83%, 22.43% and 82.59% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 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\$43,990 thousand and NT\$47,875 thousand as of September 30, 2021 and 2020, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$(1,210) thousand, NT\$(166) thousand, NT\$(2,720) thousand and NT\$(266) thousand for the three-month and nine-month periods ended September 30, 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 September 30, 2021 and 2020, and their consolidated financial performance for the three-month and nine-month periods ended September 30, 2021 and 2020, and cash flows for the nine-month periods ended September 30, 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
October 25, 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 review such financial statements are those generally accepted and applied in the Republic of China.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of September 30, 2021, December 31, 2020, and September 30, 2020

(September 30, 2021 and 2020 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	September 30, 2021	%	December 31, 2020	%	September 30, 2020	%
Current assets							
Cash and cash equivalents	6(1)	\$ 15,236,356	26.07	\$ 18,300,564	38.71	\$ 17,021,630	35.80
Financial assets at fair value through profit or loss-current	6(2)	213,997	0.37	372,859	0.79	238,083	0.50
Financial assets at fair value through other comprehensive income-current	6(3)	1,215	-	1,330	-	-	-
Hedging financial assets-current	6(4)	-	-	-	-	673	-
Financial assets at amortised cost-current	6(5), 6(20)	2,093,446	3.58	-	-	-	-
Notes receivable, net	6(6), 6(20)	26,603	0.05	25,200	0.05	39,092	0.08
Trade receivables, net	6(7), 6(20)	16,381,762	28.03	11,659,562	24.66	12,505,084	26.30
Trade receivables-related parties, net	6(7), 6(20), 7	1,115	-	-	-	1,136	-
Other receivables	8	702,617	1.20	337,856	0.71	397,903	0.84
Current tax assets	4, 6(25)	71,361	0.12	15,315	0.04	15,142	0.03
Inventories, net	6(8)	8,716,621	14.91	4,886,148	10.34	5,901,319	12.41
Prepayments		721,884	1.24	591,335	1.25	688,664	1.45
Other current assets		134,843	0.23	95,414	0.20	148,539	0.32
Total current assets		44,301,820	75.80	36,285,583	76.75	36,957,265	77.73
Non-current assets							
Financial assets at fair value through profit or loss-noncurrent	6(2)	-	-	-	-	32,088	0.07
Financial assets at fair value through other comprehensive income-noncurrent	6(3)	3,626,228	6.20	911,750	1.93	652,671	1.37
Investments accounted for using the equity method (Unreviewed)	6(9)	43,990	0.08	46,433	0.10	47,875	0.10
Property, plant and equipment, net	6(10), 8	7,351,593	12.58	7,158,625	15.14	6,905,889	14.52
Right-of-use assets	6(21)	1,995,940	3.42	1,742,299	3.69	1,763,857	3.71
Investment property, net	6(11), 8	154,314	0.26	160,354	0.34	162,366	0.34
Intangible assets	6(12)	357,224	0.61	408,646	0.86	411,059	0.87
Deferred tax assets	4, 6(25)	312,000	0.53	338,374	0.72	370,527	0.78
Net defined benefit assets-noncurrent	6(16)	16,890	0.03	15,135	0.03	14,432	0.03
Other noncurrent assets	8	287,037	0.49	207,864	0.44	228,485	0.48
Total non-current assets		14,145,216	24.20	10,989,480	23.25	10,589,249	22.27
Total assets		<u>\$ 58,447,036</u>	<u>100.00</u>	<u>\$ 47,275,063</u>	<u>100.00</u>	<u>\$ 47,546,514</u>	<u>100.00</u>

(continued)

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of September 30, 2021, December 31, 2020, and September 30, 2020

(September 30, 2021 and 2020 are unaudited)

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	September 30, 2021	%	December 31, 2020	%	September 30, 2020	%
Current liabilities							
Short-term borrowings	6(13)	\$ 13,776,589	23.57	\$ 5,137,417	10.87	\$ 6,127,525	12.89
Financial liabilities at fair value through profit or loss-current	6(14)	31,871	0.05	35,854	0.08	27,970	0.06
Hedging financial liabilities-current	6(14)	-	-	4,702	0.01	-	-
Contract liabilities-current	6(19)	289,615	0.49	250,475	0.53	310,788	0.65
Notes payable		3,788	0.01	333	-	3,730	0.01
Accounts payable		12,057,978	20.63	8,148,600	17.24	8,975,787	18.88
Accounts payable-related parties	7	27,664	0.05	11,383	0.02	26,059	0.05
Other payables	7	4,505,752	7.71	4,213,229	8.90	3,547,886	7.46
Current tax liabilities	4, 6(25)	869,326	1.49	763,137	1.61	818,811	1.72
Provisions-current	6(17)	665,507	1.14	700,964	1.48	753,291	1.59
Lease liabilities-current	6(21)	328,415	0.56	229,241	0.49	258,253	0.54
Other current liabilities		600,097	1.03	541,799	1.15	622,740	1.31
Current portion of long-term borrowings	6(15)	316,522	0.54	116,728	0.25	85,144	0.18
Total current liabilities		33,473,124	57.27	20,153,862	42.63	21,557,984	45.34
Non-current liabilities							
Long-term borrowings	6(15)	264,389	0.45	552,751	1.17	548,289	1.15
Deferred tax liabilities	4, 6(25)	81,025	0.14	94,446	0.20	71,122	0.15
Lease liabilities-noncurrent	6(21)	1,497,496	2.56	1,325,181	2.80	1,319,436	2.78
Net defined benefit liabilities-noncurrent	6(16)	158,593	0.27	165,113	0.35	187,643	0.40
Other noncurrent liabilities		37,908	0.07	44,275	0.10	39,665	0.08
Total non-current liabilities		2,039,411	3.49	2,181,766	4.62	2,166,155	4.56
Total liabilities		35,512,535	60.76	22,335,628	47.25	23,724,139	49.90
Equity attributable to owners of the parent							
Share capital							
Common stock	6(18)	3,909,811	6.69	4,344,231	9.19	4,344,231	9.14
Capital surplus	4, 6(18)	2,766,429	4.73	3,548,559	7.51	3,548,559	7.46
Retained earnings	6(18), 6(26)						
Legal reserve		4,046,623	6.92	3,889,871	8.23	3,889,871	8.18
Special reserve		2,469,437	4.23	2,469,437	5.22	2,469,437	5.19
Unappropriated retained earnings		9,122,697	15.61	10,229,840	21.64	9,804,577	20.62
Total retained earnings		15,638,757	26.76	16,589,148	35.09	16,163,885	33.99
Other equity		(1,396,284)	(2.39)	(1,586,454)	(3.36)	(2,298,059)	(4.83)
Total equity attributable to owners of the parent		20,918,713	35.79	22,895,484	48.43	21,758,616	45.76
Non-controlling interests	6(18)	2,015,788	3.45	2,043,951	4.32	2,063,759	4.34
Total equity		22,934,501	39.24	24,939,435	52.75	23,822,375	50.10
Total liabilities and equity		\$ 58,447,036	100.00	\$ 47,275,063	100.00	\$ 47,546,514	100.00

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

CORETRONIC CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2021 and 2020

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

Description	Note	For three months ended September 30				For nine months ended September 30			
		2021	%	2020	%	2021	%	2020	%
Net sales	6(19), 7	\$ 13,045,893	100.00	\$ 11,940,586	100.00	\$ 34,718,713	100.00	\$ 30,944,655	100.00
Operating costs	6(8), 6(12), 6(16), 6(21), 6(22), 7	10,702,019	82.03	9,835,777	82.37	28,569,889	82.29	25,549,076	82.56
Gross profit		2,343,874	17.97	2,104,809	17.63	6,148,824	17.71	5,395,579	17.44
Operating expenses	6(12), 6(16), 6(20), 6(21), 6(22)								
Selling expenses		478,957	3.67	412,030	3.45	1,400,924	4.04	1,194,462	3.86
General and administrative expenses		495,659	3.80	509,187	4.26	1,487,005	4.28	1,395,928	4.51
Research and development expenses		752,059	5.77	829,784	6.95	2,181,479	6.28	2,312,682	7.47
Expected credit (gain) loss		1,252	0.01	(378)	-	(715)	-	8,047	0.03
Total operating expenses		1,727,927	13.25	1,750,623	14.66	5,068,693	14.60	4,911,119	15.87
Operating income		615,947	4.72	354,186	2.97	1,080,131	3.11	484,460	1.57
Non-operating income and expenses									
Interest income	6(23)	100,392	0.77	102,035	0.85	300,655	0.87	337,626	1.09
Other income	6(23)	70,748	0.54	162,058	1.36	287,160	0.83	388,758	1.26
Other gains and losses	6(23)	103,296	0.79	128,710	1.08	474,994	1.37	300,601	0.97
Finance costs	6(23)	(40,026)	(0.30)	(33,435)	(0.28)	(103,128)	(0.30)	(164,564)	(0.53)
Share of (loss) gain of associates and joint ventures accounted for using equity method	6(9)	(1,210)	(0.01)	(166)	-	(2,720)	(0.01)	(266)	-
Total non-operating income and expenses		233,200	1.79	359,202	3.01	956,961	2.76	862,155	2.79
Income before income tax		849,147	6.51	713,388	5.98	2,037,092	5.87	1,346,615	4.36
Income tax expense	4, 6(25)	(260,515)	(2.00)	(160,702)	(1.35)	(533,201)	(1.54)	(327,093)	(1.06)
Net income		588,632	4.51	552,686	4.63	1,503,891	4.33	1,019,522	3.30
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss									
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	6(24)	564,594	4.33	192,472	1.61	662,535	1.91	207,445	0.67
Income tax related to items that will not be reclassified subsequently to profit or loss	6(24), 6(25)	(530)	-	445	0.01	(366)	-	1,061	-
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations	6(24)	(120,684)	(0.93)	432,425	3.62	(492,673)	(1.42)	(155,599)	(0.50)
Share of the other comprehensive (loss) income of associates accounted for using the equity method	6(24)	(7)	-	-	-	(16)	-	-	-
Other comprehensive income (loss), net of tax		443,373	3.40	625,342	5.24	169,480	0.49	52,907	0.17
Total comprehensive income (loss)		\$ 1,032,005	7.91	\$ 1,178,028	9.87	\$ 1,673,371	4.82	\$ 1,072,429	3.47
Net income (loss) for the periods attributable to :									
Shareholders of the parent	6(26)	\$ 569,496		\$ 585,424		\$ 1,504,284		\$ 1,142,260	
Non-controlling interests	6(18), 6(27)	\$ 19,136		\$ (32,738)		\$ (393)		\$ (122,738)	
Total comprehensive income (loss) for the periods attributable to :									
Shareholders of the parent		\$ 1,015,721		\$ 1,197,234		\$ 1,694,454		\$ 1,205,971	
Non-controlling interests		\$ 16,284		\$ (19,206)		\$ (21,083)		\$ (133,542)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 1.46		\$ 1.35		\$ 3.77		\$ 2.63	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 1.44		\$ 1.33		\$ 3.72		\$ 2.60	

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

CORETRONIC CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 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	-	1,407	-	-	-	-	-	-	1,407	-	1,407
Acquisition or disposal of the interest of subsidiaries	-	36,889	-	-	-	-	-	-	36,889	33,554	70,443
Appropriation and distribution of 2019 earnings:											
Legal reserve	-	-	115,307	-	(115,307)	-	-	-	-	-	-
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 nine months ended September 30, 2020	-	-	-	-	1,142,260	-	-	-	1,142,260	(122,738)	1,019,522
Other comprehensive (loss) income for the nine months ended September 30, 2020	-	-	-	-	-	(144,795)	208,506	-	63,711	(10,804)	52,907
Total comprehensive income (loss)	-	-	-	-	1,142,260	(144,795)	208,506	-	1,205,971	(133,542)	1,072,429
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	(5,618)	(5,618)
Balance as of September 30, 2020	\$ 4,344,231	\$ 3,548,559	\$ 3,889,871	\$ 2,469,437	\$ 9,804,577	\$ (2,469,742)	\$ 171,683	\$ -	\$ 21,758,616	\$ 2,063,759	\$ 23,822,375
Balance as of January 1, 2021	\$ 4,344,231	\$ 3,548,559	\$ 3,889,871	\$ 2,469,437	\$ 10,229,840	\$ (2,020,488)	\$ 434,034	\$ -	\$ 22,895,484	\$ 2,043,951	\$ 24,939,435
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	(4,523)	-	-	-	-	-	-	(4,523)	-	(4,523)
Appropriation and distribution of 2020 earnings:											
Legal reserve	-	-	156,752	-	(156,752)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income (loss) for the nine months ended September 30, 2021	-	-	-	-	1,504,284	-	-	-	1,504,284	(393)	1,503,891
Other comprehensive (loss) income for the nine months ended September 30, 2021	-	-	-	-	-	(471,999)	662,169	-	190,170	(20,690)	169,480
Total comprehensive income (loss)	-	-	-	-	1,504,284	(471,999)	662,169	-	1,694,454	(21,083)	1,673,371
Treasury stock acquired	-	-	-	-	-	-	-	(2,102,777)	(2,102,777)	-	(2,102,777)
Treasury stock retired	(434,420)	(386,626)	-	-	(1,281,731)	-	-	2,102,777	-	-	-
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	(7,080)	(7,080)
Balance as of Septemer 30, 2021	\$ 3,909,811	\$ 2,766,429	\$ 4,046,623	\$ 2,469,437	\$ 9,122,697	\$ (2,492,487)	\$ 1,096,203	\$ -	\$ 20,918,713	\$ 2,015,788	\$ 22,934,501

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

CORETRONIC CORPORATION AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the nine months ended September 30, 2021 and 2020
 (Amounts in thousands of New Taiwan Dollars)

Description	For the nine months ended September 30		Description	For the nine months ended September 30	
	2021	2020		2021	2020
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 2,037,092	\$ 1,346,615	Acquisition of investments accounted for using equity method	-	(23,800)
Adjustments for:			Acquisition of financial assets at fair value through profit or loss	(130,578)	(59,320)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of financial assets at fair value through profit or loss	129,648	-
Expected credit (gain) loss	(715)	8,047	Acquisition of financial assets at fair value through other comprehensive income	(2,054,000)	-
Depreciation (including investment property and right-of-use assets)	981,398	948,675	Acquisition of financial assets at amortized cost-current	(2,093,446)	-
Amortization (including other noncurrent assets)	96,217	83,605	Acquisition of property, plant and equipment	(1,060,375)	(706,975)
Interest expenses	103,128	164,564	Proceeds from disposal of property, plant and equipment	92,464	2,797
Interest income	(300,655)	(337,626)	Acquisition of intangible assets	(40,023)	(212,679)
Dividend income	(34,640)	-	Proceeds from disposal of intangible assets	367	-
Transfer of property, plant and equipment to expense	4,681	840	Increase in other noncurrent assets	(73,441)	(21,811)
Gain on disposal of property, plant and equipment	(65,026)	(1,120)	Net cash used in investing activities	(5,229,384)	(1,021,788)
Gain on disposal of investments	-	(23)			
Share of loss of associates and joint ventures accounted for using the equity method	2,720	266	Cash flows from financing activities:		
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	154,879	(216,255)	Increase (decrease) in short-term borrowings	8,639,172	(2,393,816)
Changes in operating assets and liabilities:			(Decrease) increase in long-term borrowings (including current portion of long-term borrowings)	(88,568)	450,000
Notes receivable	(1,403)	2,375	Decrease in guarantee deposits	(5,830)	(12,241)
Trade receivables	(4,721,074)	(824,879)	Decrease in other noncurrent liabilities	(537)	(1,824)
Trade receivables-related parties	(1,115)	(935)	Cash dividends	(1,563,925)	(868,846)
Other receivables	(220,612)	(131,773)	Cash payment for the principal portion of lease liabilities	(224,965)	(234,322)
Inventories	(3,818,812)	167,502	Proceeds from disposal of subsidiaries' ownership (without a change of control)	-	72,664
Prepayments	(115,835)	(155,840)	Treasury stock acquired	(2,102,777)	-
Other current assets	(39,429)	(9,343)	Change in non-controlling interests	(7,080)	(5,618)
Other operating assets	1,669	(37,687)	Net cash provided by (used in) financing activities	4,645,490	(2,994,003)
Contract liabilities	39,140	16,636			
Notes payable	3,455	3,223	Effect of exchange rate changes on cash and cash equivalents	(435,849)	(127,540)
Accounts payable	3,909,378	534,597			
Accounts payable-related parties	16,281	2,614	Net decrease in cash and cash equivalents	(3,064,208)	(3,140,233)
Other payables	290,869	(538,024)	Cash and cash equivalents at the beginning of the period	18,300,564	20,161,863
Provisions-current	(35,457)	(14,059)	Cash and cash equivalents at the end of the period	\$ 15,236,356	\$ 17,021,630
Other current liabilities	58,298	168,754			
Net defined benefit assets/liabilities	(8,275)	(11,077)			
Cash generated from operating activities	(1,663,843)	1,169,672			
Dividends received	34,640	-			
Interest received	156,683	324,218			
Interest paid	(101,474)	(170,970)			
Income tax paid	(470,471)	(319,822)			
Net cash (used in) provided by operating activities	(2,044,465)	1,003,098			

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 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 October 25, 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 IASB which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below:

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 3, IAS 16 and IAS 37 Amendment	Narrow-scope amendments and the Annual Improvements	January 1, 2022

A. 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,

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC, and the local effective date, January 1, 2022, is 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.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not yet endorsed by FSC and not yet adopted by the Group as at the end of the reporting period are listed below:

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendments to Consolidated Financial Statements and Investments in Associates and Joint Ventures	To be determined by IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1 Amendment	Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 1 Amendment	Disclosure Initiative - Accounting Policies	January 1, 2023
IAS 8 Amendment	Definition of Accounting Estimates	January 1, 2023
IAS 12 Amendment	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in

Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

B. IFRS 17 “Insurance Contracts”

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

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

IFRS 17 was issued in May 2017 and it was amended in 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. Disclosure Initiative - Accounting Policies – Amendments to IAS 1

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

E. Definition of Accounting Estimates – Amendments to IAS 8

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

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

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

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

The abovementioned standards and interpretations issued by 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 nine months ended September 30, 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		
			September 30, 2021	December 31, 2020	September 30, 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		
			September 30, 2021	December 31, 2020	September 30, 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%	38.74%

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		
			September 30, 2021	December 31, 2020	September 30, 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		
			September 30, 2021	December 31, 2020	September 30, 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		
			September 30, 2021	December 31, 2020	September 30, 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.
- (d) Dynamic Time Investments Limited made an investment to establish 100% held subsidiary Optoma Holding Limited (“Optoma Holding”) and had completed registration of establishment in June 2021. Optoma Holding has been fully consolidated since the investment date.

The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants. As of September 30, 2021 and 2020, total assets of those unreviewed subsidiaries were NT\$21,639,090 thousand and NT\$17,795,699 thousand, respectively. Total liabilities were NT\$3,004,547 thousand and NT\$3,890,406 thousand, respectively. The related total comprehensive income amounted to NT\$246,767 thousand and NT\$693,063 thousand for the three-month periods ended September 30, 2021 and 2020, and the related total comprehensive income amounted to NT\$375,317 thousand and NT\$885,711 thousand for the nine-month periods ended September 30, 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.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- 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.
- 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

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand, savings and checking accounts	\$3,253,165	\$8,755,840	\$6,071,252
Time deposits	11,983,191	9,544,724	10,950,378
Total	<u>\$15,236,356</u>	<u>\$18,300,564</u>	<u>\$17,021,630</u>

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	September 30, 2021	December 31, 2020	September 30, 2020
Mandatorily at fair value through profit or loss:			
Derivatives not designated as hedging instruments:			
Forward foreign exchange contracts	\$156,865	\$315,391	\$179,883
Forward cross currency contracts	1,432	508	-
Subtotal	158,297	315,899	179,883
Stocks	-	-	32,088
Stock options	55,700	56,960	58,200
Total	\$213,997	\$372,859	\$270,171
Current	\$213,997	\$372,859	\$238,083
Noncurrent	-	-	32,088
Total	\$213,997	\$372,859	\$270,171

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

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

	September 30, 2021	December 31, 2020	September 30, 2020
Equity instrument investments measured at fair value through other comprehensive income:			
Unlisted companies stocks	\$3,627,443	\$913,080	\$652,671
Current	\$1,215	\$1,330	\$-
Noncurrent	3,626,228	911,750	652,671
Total	\$3,627,443	\$913,080	\$652,671

The Group reclassified certain unlisted equity securities 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)

(4) Hedging Financial Assets

	September 30, 2021	December 31, 2020	September 30, 2020
Hedging financial assets			
Forward foreign exchange contracts	\$-	\$-	\$673
Current	\$-	\$-	\$673
Noncurrent	-	-	-
Total	\$-	\$-	\$673

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

(5) Financial assets at amortized cost

	September 30, 2021	December 31, 2020	September 30, 2020
Time deposits (with original maturity more than six months)	\$2,093,446	\$-	\$-
Current	\$2,093,446	\$-	\$-
Noncurrent	-	-	-
Total	\$2,093,446	\$-	\$-

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

(6) Notes Receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable - arose from operating activities	\$26,603	\$25,200	\$39,092

Notes receivable were not pledged.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(7) Trade Receivables and Trade Receivables-Related Parties

	September 30, 2021	December 31, 2020	September 30, 2020
Trade receivables	\$16,409,674	\$11,701,992	\$12,552,692
Less : allowance for doubtful accounts	(27,912)	(42,430)	(47,608)
Subtotal	16,381,762	11,659,562	12,505,084
Trade receivables from related parties	1,115	-	1,136
Total	\$16,382,877	\$11,659,562	\$12,506,220

Trade receivables were not pledged.

Trade receivables are generally on 30-150 day terms. The total carrying amount as of September 30, 2021, December 31, 2020, and September 30, 2020 are NT\$16,410,789 thousand, NT\$11,701,992 thousand and NT\$12,553,828 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 September 30, 2021, factored trade receivables of NT\$1,384,487 thousand were derecognized and annual interest rates for advances from the bank ranged from 0.68% to 1%. As of December 31, 2020 and September 30, 2020, the Group has no outstanding derecognized factored trade receivables. The credit lines of factoring contracts provided by CTBC Bank were US\$60,000 thousand, US\$40,000 thousand, and US\$40,000 thousand as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

As of September 30, 2021, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$7,435,517 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(8) Inventories

	September 30, 2021	December 31, 2020	September 30, 2020
Raw materials and supplies	\$6,002,100	\$1,688,391	\$3,310,734
Work in process	969,364	168,182	526,634
Finished goods	1,745,157	3,029,575	2,063,951
Total	<u>\$8,716,621</u>	<u>\$4,886,148</u>	<u>\$5,901,319</u>

The cost of inventories recognized in expenses amounted to NT\$10,702,019 thousand and NT\$9,835,777 thousand for the three months ended September 30, 2021 and 2020, including the write-down of inventories and obsolescence gain (loss) of NT\$10,170 thousand and NT\$(32,402) thousand, respectively.

The cost of inventories recognized in expenses amounted to NT\$28,569,889 thousand and NT\$25,549,076 thousand for the nine months ended September 30, 2021 and 2020, including the write-down of inventories and obsolescence loss of NT\$22,853 thousand and NT\$90,589 thousand, respectively.

The allowance of write-down of inventories amounted to NT\$615,566 thousand, NT\$682,646 thousand and NT\$677,084 thousand as of September 30, 2021, December 31, 2020, and September 30, 2020, respectively.

No inventories were pledged.

(9) Investments Accounted for Using the Equity Method

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

	September 30, 2021	
Investees	Carrying Amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD. ("EOE")	\$43,990	18.50%
Genejet Biotech Co., Ltd. ("Genejet")	-	19.51%
	<u>\$43,990</u>	

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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%
	<u>\$46,433</u>	

Investees	September 30, 2020	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD. ("EOE")	\$47,875	18.50%
Genejet Biotech Co., Ltd. ("Genejet")	-	19.51%
	<u>\$47,875</u>	

In May 2019, the Group invested NT\$22,000 thousand in EOE and acquired 20.00% of the shareholdings. The Group accounted for EOE 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 of associates and joint ventures accounted for using the equity method in the amount of NT\$(1,210) thousand and NT\$(166) thousand for the three months ended of September 30, 2021 and 2020, and share of loss of associates and joint ventures accounted for using the equity method in the amount of NT\$(2,720) thousand and NT\$(266) thousand for the nine months ended September 30, 2021 and 2020, which were evaluated based on the investees' unreviewed financial statements.

The abovementioned associates had no contingent liabilities or capital commitments as of September 30, 2021, December 31, 2020 and September 30, 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

								Construction in progress and equipment awaiting inspection	Total
	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment		
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	-	73,726	126,839	10,370	1,028	19,898	95,037	718,398	1,045,296
Disposals	(13,190)	(108,866)	(53,085)	(4,000)	(1,613)	(5,439)	(103,750)	-	(289,943)
Transfers	-	724,861	63,415	(14,043)	9,246	67,226	9,613	(1,146,870)	(286,552)
Exchange differences	(106)	(62,939)	(61,924)	(5,388)	(752)	(12,187)	(20,865)	(18,335)	(182,496)
As of September 30, 2021	<u>\$25,743</u>	<u>\$8,093,731</u>	<u>\$4,855,178</u>	<u>\$425,741</u>	<u>\$45,349</u>	<u>\$779,710</u>	<u>\$1,595,655</u>	<u>\$364,145</u>	<u>\$16,185,252</u>
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	-	55,287	47,967	19,498	33	8,700	51,303	515,218	698,006
Disposals	-	(329,389)	(118,567)	(3,000)	(2,849)	(5,146)	(35,890)	-	(494,841)
Transfers	-	629,812	(47,806)	13,917	(988)	406	41,338	(764,700)	(128,021)
Exchange differences	(697)	(22,845)	(31,149)	(2,525)	(266)	(4,318)	(8,674)	(1,698)	(72,172)
As of September 30, 2020	<u>\$38,495</u>	<u>\$7,340,934</u>	<u>\$4,825,406</u>	<u>\$479,344</u>	<u>\$40,085</u>	<u>\$714,242</u>	<u>\$1,748,574</u>	<u>\$652,578</u>	<u>\$15,839,658</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	-	261,411	311,398	27,999	2,595	33,890	95,571	-	732,864
Disposals	-	(97,646)	(49,042)	(3,941)	(1,612)	(5,437)	(100,011)	-	(257,689)
Transfers	-	11,158	(202,858)	(12,659)	-	(40,200)	(21,901)	-	(266,460)
Exchange differences	-	(31,498)	(39,760)	(4,365)	(542)	(21,775)	(17,438)	-	(115,378)
As of September 30, 2021	<u>\$-</u>	<u>\$3,474,523</u>	<u>\$3,243,247</u>	<u>\$312,537</u>	<u>\$33,685</u>	<u>\$579,824</u>	<u>\$1,189,843</u>	<u>\$-</u>	<u>\$8,833,659</u>
As of January 1, 2020	\$-	\$3,348,812	\$3,205,707	\$341,641	\$35,710	\$601,131	\$1,373,416	\$-	\$8,906,417
Depreciation	-	232,865	322,217	27,806	2,595	18,976	90,050	-	694,509
Disposals	-	(329,389)	(117,977)	(2,978)	(2,847)	(4,383)	(35,590)	-	(493,164)
Transfers	-	14	(121,334)	(936)	(989)	-	(4,015)	-	(127,260)
Exchange differences	-	(10,536)	(20,337)	(2,126)	(255)	(5,331)	(8,148)	-	(46,733)
As of September 30, 2020	<u>\$-</u>	<u>\$3,241,766</u>	<u>\$3,268,276</u>	<u>\$363,407</u>	<u>\$34,214</u>	<u>\$610,393</u>	<u>\$1,415,713</u>	<u>\$-</u>	<u>\$8,933,769</u>
Net carrying amounts as of:									
September 30, 2021	<u>\$25,743</u>	<u>\$4,619,208</u>	<u>\$1,611,931</u>	<u>\$113,204</u>	<u>\$11,664</u>	<u>\$199,886</u>	<u>\$405,812</u>	<u>\$364,145</u>	<u>\$7,351,593</u>
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>
September 30, 2020	<u>\$38,495</u>	<u>\$4,099,168</u>	<u>\$1,557,130</u>	<u>\$115,937</u>	<u>\$5,871</u>	<u>\$103,849</u>	<u>\$332,861</u>	<u>\$652,578</u>	<u>\$6,905,889</u>

The Group evaluated the economic benefits for property, plant and equipment and identified no impairment loss for the nine months ended September 30, 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	<u>-</u>
As of September 30, 2021	<u>\$244,538</u>
As of January 1, 2020	\$244,538
Additions from acquisitions	<u>-</u>
As of September 30, 2020	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2021	\$84,184
Depreciation	<u>6,040</u>
As of September 30, 2021	<u>\$90,224</u>
As of January 1, 2020	\$76,132
Depreciation	<u>6,040</u>
As of September 30, 2020	<u>\$82,172</u>
Net carry amount as of:	
September 30, 2021	<u>\$154,314</u>
December 31, 2020	<u>\$160,354</u>
September 30, 2020	<u>\$162,366</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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Rental income from investment property	\$3,196	\$4,818	\$9,587	\$13,846
Less: Direct operating expenses from investment property generating rental income	(2,013)	(2,014)	(6,040)	(6,040)
Total	<u>\$1,183</u>	<u>\$2,804</u>	<u>\$3,547</u>	<u>\$7,806</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:

	September 30, 2021	December 31, 2020	September 30, 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

	Trademarks	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	-	-	39,384	-	-	639	40,023
Disposals	-	-	(14,169)	-	-	-	(14,169)
Exchange differences	(63)	(54)	(1,049)	-	-	(6,265)	(7,431)
As of September 30, 2021	<u>\$103,614</u>	<u>\$179,468</u>	<u>\$252,888</u>	<u>\$87,123</u>	<u>\$5,940</u>	<u>\$255,304</u>	<u>\$884,337</u>
As of January 1, 2020	\$103,827	\$49,796	\$160,647	\$83,872	\$5,940	\$232,918	\$637,000
Additions	-	129,725	56,454	3,251	-	23,249	212,679
Disposals	-	-	(5,141)	-	-	-	(5,141)
Transfers	-	-	(121)	-	-	-	(121)
Exchange differences	(88)	(1)	(243)	-	-	(7,861)	(8,193)
As of September 30, 2020	<u>\$103,739</u>	<u>\$179,520</u>	<u>\$211,596</u>	<u>\$87,123</u>	<u>\$5,940</u>	<u>\$248,306</u>	<u>\$836,224</u>

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Amortization and Impairment:							
As of January 1, 2021	\$101,601	\$24,379	\$119,851	\$56,770	\$5,940	\$148,727	\$457,268
Amortization	2,076	13,134	39,207	3,119	-	31,141	88,677
Disposals	-	-	(13,802)	-	-	-	(13,802)
Exchange differences	(63)	(33)	(740)	-	-	(4,194)	(5,030)
As of September 30, 2021	<u>\$103,614</u>	<u>\$37,480</u>	<u>\$144,516</u>	<u>\$59,889</u>	<u>\$5,940</u>	<u>\$175,674</u>	<u>\$527,113</u>
As of January 1, 2020	\$98,193	\$12,468	\$95,149	\$52,746	\$-	\$96,770	\$355,326
Amortization	2,669	7,532	23,679	2,984	-	42,088	78,952
Disposals	-	-	(5,141)	-	-	-	(5,141)
Exchange differences	(88)	(1)	(266)	-	-	(3,617)	(3,972)
As of September 30, 2020	<u>\$100,774</u>	<u>\$19,999</u>	<u>\$113,421</u>	<u>\$55,730</u>	<u>\$-</u>	<u>\$135,241</u>	<u>\$425,165</u>
Net carrying amount as of:							
September 30, 2021	<u>\$-</u>	<u>\$141,988</u>	<u>\$108,372</u>	<u>\$27,234</u>	<u>\$-</u>	<u>\$79,630</u>	<u>\$357,224</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>
September 30, 2020	<u>\$2,965</u>	<u>\$159,521</u>	<u>\$98,175</u>	<u>\$31,393</u>	<u>\$5,940</u>	<u>\$113,065</u>	<u>\$411,059</u>

Amortization expense of intangible assets:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Operating costs	\$1,707	\$1,791	\$5,671	\$16,734
Selling expenses	2,841	4,066	14,758	12,143
General and administrative expenses	3,895	2,402	19,876	7,476
Research and development expenses	16,010	15,049	48,372	42,599
Total	<u>24,453</u>	<u>\$23,308</u>	<u>\$88,677</u>	<u>\$78,952</u>

(13) Short-term Borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank loans	<u>\$13,776,589</u>	<u>\$5,137,417</u>	<u>\$6,127,525</u>
Interest rates (%)	<u>0.28%~1.99%</u>	<u>0.55%~1.99%</u>	<u>0.39%~1.98%</u>

The Group's unused short-term lines of credits amounted to NT\$33,597,333 thousand, NT\$37,116,546 thousand, and NT\$38,180,430 thousand as of September 30, 2021, December 31, 2020 and September 30, 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:

	September 30, 2021	December 31, 2020	September 30, 2020
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$29,388	\$26,071	\$23,247
Forward cross currency contracts	2,483	9,783	4,723
Total	<u>\$31,871</u>	<u>\$35,854</u>	<u>\$27,970</u>
Hedging financial liabilities:			
	September 30, 2021	December 31, 2020	September 30, 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	September 30, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$75	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	4,643	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	111,429	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	232,143	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	23,214	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Export-Import Bank of the Republic of China	105,000	0.62%	Principle will be repaid once at maturity on May 8, 2022.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Lenders	September 30, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Export-Import Bank of the Republic of China	95,000	0.62%	Principle will be repaid once at maturity on May 13, 2022.
Secured long-term borrowings from Sumitomo Mitsui Bank	9,407	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	(316,522)		
Total	<u>\$264,389</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.
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.

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 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	<u>\$552,751</u>		

Lenders	September 30, 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	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	1.02%	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%	2021. Principle is repaid in 14 quarterly payments from July 25
Credited long-term borrowings from Export-Import bank of the Republic of China	105,000	0.62%	Principle will be repaid once at maturity on May 8, 2022.
Credited long-term borrowings from Export-Import bank of the Republic of China	95,000	0.62%	Principle will be repaid once at maturity on May 13, 2022.
Less: current portion	(85,144)		
Total	<u>\$548,289</u>		

The Group's unused long-term lines of credits amounted to NT\$1,199,900 thousand, NT\$941,573 thousand and NT\$966,567 thousand as of September 30, 2021, December 31, 2020 and September 30, 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 September 30, 2021 and 2020 were NT\$97,002 thousand and NT\$66,898 thousand, respectively.

Pension expenses under the defined contribution plan for the nine months ended September 30, 2021 and 2020 were NT\$269,898 thousand and NT\$214,577 thousand, respectively.

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended September 30, 2021 and 2020 were NT\$304 thousand and NT\$672 thousand, respectively.

Pension expenses under the defined benefits plan for the nine months ended September 30, 2021 and 2020 were NT\$911 thousand and NT\$2,017 thousand, respectively.

(17) Provisions

	<u>Warranties</u>
As of January 1, 2021	\$700,964
Arising during the period (reversed)	236,384
Utilized during the period	(254,195)
Exchange differences	(17,646)
As of September 30, 2021	<u><u>\$665,507</u></u>

Current	\$665,507
Non-current	-
As of September 30, 2021	<u><u>\$665,507</u></u>

	<u>Warranties</u>
As of January 1, 2020	\$767,350
Arising during the period (reversed)	145,249
Utilized during the period	(158,986)
Exchange differences	(322)
As of September 30, 2020	<u><u>\$753,291</u></u>

Current	\$753,291
Non-current	-
As of September 30, 2020	<u><u>\$753,291</u></u>

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment 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 September 30, 2021, December 31, 2020, and September 30, 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

	September 30, 2021	December 31, 2020	September 30, 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	631,443
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	1,850	1,557	1,557
Total	<u>\$2,766,429</u>	<u>\$3,548,559</u>	<u>\$3,548,559</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 thousand.

On March 15, 2021, Board of Directors resolved to retire 43,442 thousand treasury shares, and determined that the date of capital reduction was 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 September 30, 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 12, 2020 are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2020	2019	2020	2019
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:

	Nine months ended September 30	
	2021	2020
Beginning balance	\$2,043,951	\$2,169,365
Loss attributable to non-controlling interests	(393)	(122,738)
Other comprehensive loss attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(20,690)	(10,804)
Cash dividends	(7,080)	(5,618)
Acquisition or disposal of the interest of subsidiaries	-	33,554
Ending balance	\$2,015,788	\$2,063,759

(19) Sales

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Contract revenues from customers				
Sales of goods	\$12,666,365	\$11,526,178	\$33,542,623	\$29,840,602
Revenues arising from rendering of services	326,774	322,219	962,105	767,146
Other operating revenues	52,754	92,189	213,985	336,907
Total	\$13,045,893	\$11,940,586	\$34,718,713	\$30,944,655

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 September 30, 2021

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

The timing of revenue recognition:

At a point in time	<u>\$7,483,098</u>	<u>\$3,914,348</u>	<u>\$1,142,425</u>	<u>\$1,040,868</u>	<u>\$(534,846)</u>	<u>\$13,045,893</u>
--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	---------------------

For the three months ended September 30, 2020

	Energy – saving products	Image products and brand	Optical component segment	Other segment	Elimination	Total
Sales of goods	\$6,293,903	\$3,542,500	\$1,065,414	\$948,383	\$(324,022)	\$11,526,178
Revenues arising from rendering of services	240,283	23,101	10,896	106,753	(58,814)	322,219
Other operating revenues	12,118	19,489	23,120	41,651	(4,189)	92,189
Total	<u>\$6,546,304</u>	<u>\$3,585,090</u>	<u>\$1,099,430</u>	<u>\$1,096,787</u>	<u>\$(387,025)</u>	<u>\$11,940,586</u>

The timing of revenue recognition:

At a point in time	<u>\$6,546,304</u>	<u>\$3,585,090</u>	<u>\$1,099,430</u>	<u>\$1,096,787</u>	<u>\$(387,025)</u>	<u>\$11,940,586</u>
--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	---------------------

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the nine months ended September 30, 2021

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

The timing of revenue recognition:

At a point in time	<u>\$18,504,138</u>	<u>\$11,388,880</u>	<u>\$3,274,840</u>	<u>\$2,941,784</u>	<u>\$(1,390,929)</u>	<u>\$34,718,713</u>
--------------------	---------------------	---------------------	--------------------	--------------------	----------------------	---------------------

For the nine months ended September 30, 2020

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sales of goods	\$15,931,094	\$9,552,515	\$2,731,130	\$2,496,839	\$(870,976)	\$29,840,602
Revenues arising from rendering of services	579,028	56,277	34,790	273,016	(175,965)	767,146
Other operating revenues	93,817	92,796	92,714	65,710	(8,130)	336,907
Total	<u>\$16,603,939</u>	<u>\$9,701,588</u>	<u>\$2,858,634</u>	<u>\$2,835,565</u>	<u>\$(1,055,071)</u>	<u>\$30,944,655</u>

The timing of revenue recognition:

At a point in time	<u>\$16,603,939</u>	<u>\$9,701,588</u>	<u>\$2,858,634</u>	<u>\$2,835,565</u>	<u>\$(1,055,071)</u>	<u>\$30,944,655</u>
--------------------	---------------------	--------------------	--------------------	--------------------	----------------------	---------------------

B.Contract balance

Contract liabilities-current

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Sales of goods	\$198,101	\$152,133	\$217,411	\$196,044
Revenues arising from rendering of services	282	1,813	334	904
Other operating revenues	91,232	96,529	93,043	97,204
Total	<u>\$289,615</u>	<u>\$250,475</u>	<u>\$310,788</u>	<u>\$294,152</u>

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C.Transaction price allocated to unsatisfied performance obligations:

As of September 30, 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) Loss

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Operating expenses – Expected credit (gain) loss				
Trade receivables	\$1,252	\$(378)	\$(715)	\$8,047

Financial assets measured at amortized cost as of September 30, 2021, December 31, 2020, and September 30, 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 September 30, 2021, December 31, 2020 and September 30, 2020 is as follows:

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 September 30, 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	\$15,823,573	\$496,225	\$55,631	\$12,320	\$2,726	\$46,917	\$16,437,392
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(1,341)	(996)	(3,219)	(172)	(22,184)	(27,912)
Subtotal	\$15,823,573	\$494,884	\$54,635	\$9,101	\$2,554	\$24,733	\$16,409,480

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2020

	Not	Past due					
	past due	1 to 30	31 to 60	61 to 90	91 to 120	Over	Total
		days	days	days	days	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 September 30, 2020

	Not	Past due					
	past due	1 to 30	31 to 60	61 to 90	91 to 120	Over	Total
		days	days	days	days	121 days	
Gross carrying amount	\$12,133,240	\$310,958	\$95,629	\$2,799	\$4,211	\$46,083	\$12,592,920
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(1,005)	(3,981)	(1,187)	(214)	(41,221)	(47,608)
Subtotal	\$12,133,240	\$309,953	\$91,648	\$1,612	\$3,997	\$4,862	\$12,545,312

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

	Trade receivables
As of January 1, 2021	\$42,430
Reversal for the current period	(715)
Write off	(13,391)
Exchange differences	(412)
As of September 30, 2021	\$27,912
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	8,047
Write off	(1,105)
Exchange differences	(641)
As of September 30, 2020	\$47,608

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

(21) Leases

A. Group as lessee

The Group leases various 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

	September 30, 2021	December 31, 2020	September 30, 2020
Land	\$1,271,729	\$1,317,867	\$1,289,154
Buildings	692,488	387,183	435,109
Transportation equipment	28,167	34,735	36,666
Office fixtures	3,531	2,432	2,824
Other equipment	25	82	104
Total	<u>\$1,995,940</u>	<u>\$1,742,299</u>	<u>\$1,763,857</u>

During the nine months ended September 30, 2021 and 2020, the additions to right-of-use assets of the Group amounted to NT\$542,108 thousand and NT\$74,594 thousand, respectively.

ii. Lease liability

	September 30, 2021	December 31, 2020	September 30, 2020
Lease liability			
Current	\$328,415	\$229,241	\$258,253
Non-current	1,497,496	1,325,181	1,319,436
Total	<u>\$1,825,911</u>	<u>\$1,554,422</u>	<u>\$1,577,689</u>

Please refer to Note 6(23)D. for the interest on lease liability recognized during the nine months ended September 30, 2021 and 2020, and Note 12(5) for the maturity analysis for lease liabilities.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Depreciation charge for right-of-use assets

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Land	\$15,373	\$11,829	\$46,099	\$35,309
Buildings	59,894	63,811	180,098	196,591
Transportation equipment	4,900	5,270	15,407	15,691
Office fixtures	154	218	837	475
Other equipment	15	20	53	60
Total	<u>\$80,336</u>	<u>\$81,148</u>	<u>\$242,494</u>	<u>\$248,126</u>

(c) Income and costs relating to leasing activities

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
The expense relating to short-term leases	\$19,635	\$14,060	\$36,432	\$39,552
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	2,532	10,646	21,921	21,186
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	20	-	80
Total	<u>\$22,167</u>	<u>\$24,726</u>	<u>\$58,353</u>	<u>\$60,818</u>

For the rent concession arising as a direct consequence of the COVID-19 pandemic, the amounts the Group recognized in profit or loss for the three months and nine months ended September 30, 2021 and 2020, were NT\$598 thousand, NT\$3,986 thousand, NT\$598 thousand and NT\$7,063 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 nine-month periods ended September 30, 2021 and 2020, the Group's total cash outflows for leases amounted to NT\$325,643 thousand and NT\$334,047 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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 terms when significant issues or changes occur.

iii. Residual value guarantees

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

B. Group as lessor

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

No financing lease contracts were signed.

	Three months ended September 30		Nine months ended September 30	
	2021	2020	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	\$11,981	\$10,270	\$34,881	\$29,666
Income relating to variable lease payments that do not depend on an index or a rate	-	-	-	-
Total	<u>\$11,981</u>	<u>\$10,270</u>	<u>\$34,881</u>	<u>\$29,666</u>

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 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:

	September 30, 2021	December 31, 2020	September 30, 2020
Not later than one year	\$36,701	\$37,806	\$17,695
Later than one year but not later than two years	35,107	36,202	1,581
Later than two years but not later than three years	8,746	34,984	123
Total	<u>\$80,554</u>	<u>\$108,992</u>	<u>\$19,399</u>

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

Function Items	Three months ended September 30					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense	\$935,642	\$1,173,195	\$2,108,837	\$909,426	\$1,148,966	\$2,058,392
Salaries	776,833	1,013,150	1,789,983	792,862	997,683	1,790,545
Labor and health insurance	39,517	77,995	117,512	32,251	74,000	106,251
Pension	48,103	49,203	97,306	25,118	42,452	67,570
Other employee benefits expense	71,189	32,847	104,036	59,195	34,831	94,026
Depreciation	218,216	104,348	322,564	208,558	100,347	308,905
Amortization	1,745	22,784	24,529	2,154	21,630	23,784

Function Items	Nine months ended September 30					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense	\$2,734,825	\$3,525,982	\$6,260,807	\$2,435,248	\$3,272,190	\$5,707,438
Salaries	2,287,909	3,072,608	5,360,517	2,088,463	2,812,803	4,901,266
Labor and health insurance	108,674	232,475	341,149	84,543	220,285	304,828
Pension	128,569	142,240	270,809	83,440	133,154	216,594
Other employee benefits expense	209,673	78,659	288,332	178,802	105,948	284,750
Depreciation	656,556	304,067	960,623	639,987	286,742	926,729
Amortization	5,839	83,079	88,918	17,817	62,501	80,318

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 September 30, 2021 and 2020. The amounts of employees' compensation were NT\$80,181 thousand and NT\$83,751 thousand for the three months ended September 30, 2021 and 2020, respectively. The amounts of employees' compensation were NT\$211,099 thousand and NT\$163,142 thousand for the nine months ended September 30, 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		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
Financial assets measured				
at amortized cost	\$100,392	\$102,035	\$300,655	\$337,626

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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Government grants				
income	\$37,633	\$123,163	\$115,516	\$253,719
Dividends	-	-	34,640	-
Rental income	11,981	10,270	34,881	29,666
Other	21,134	28,625	102,123	105,373
Total	<u>\$70,748</u>	<u>\$162,058</u>	<u>\$287,160</u>	<u>\$388,758</u>

C. Other gains and losses

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Gain on disposal of property, plant and equipment	\$22,979	\$491	\$65,026	\$1,120
Foreign exchange loss, net	6,163	61,634	38,146	147,151
Gain on financial assets at fair value through profit or loss (Note)	89,462	74,848	404,329	176,585
Gain on lease modification	159	396	472	511
Gain on disposal of investments	-	-	-	23
Other loss	(15,467)	(8,659)	(32,979)	(24,789)
Total	<u>\$103,296</u>	<u>\$128,710</u>	<u>\$474,994</u>	<u>\$300,601</u>

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

D. Finance cost

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Interest on borrowings from bank	\$24,695	\$21,656	\$60,803	\$126,704
Interest on lease liabilities	15,331	11,779	42,325	37,860
Total	<u>\$40,026</u>	<u>\$33,435</u>	<u>\$103,128</u>	<u>\$164,564</u>

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 September 30, 2021

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	\$564,594	\$(530)	\$564,064
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(120,684)	-	(120,684)
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(7)	-	(7)
Total of other comprehensive income	<u>\$443,903</u>	<u>\$(530)</u>	<u>\$443,373</u>

For the three months ended September 30, 2020

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	\$192,472	\$445	\$192,917
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	432,425	-	432,425
Total of other comprehensive income	<u>\$624,897</u>	<u>\$445</u>	<u>\$625,342</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the nine months ended September 30, 2021

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	\$662,535	\$(366)	\$662,169
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(492,673)	-	(492,673)
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(16)	-	(16)
Total of other comprehensive income	<u>\$169,846</u>	<u>\$(366)</u>	<u>\$169,480</u>

For the nine months ended September 30, 2020

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	\$207,445	\$1,061	\$208,506
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(155,599)	-	(155,599)
Total of other comprehensive income	<u>\$51,846</u>	<u>\$1,061</u>	<u>\$52,907</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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Current income tax expense (income):				
Current income tax charge	\$251,055	\$154,979	\$547,552	\$357,077
Adjustments in respect of current income tax of prior periods	(5)	879	(26,155)	(8,781)
Deferred tax expense (income):				
Deferred tax (income) expense relating to origination and reversal of temporary differences	9,727	38,296	(24,051)	(113,531)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	(262)	(33,452)	35,855	92,328
Total income tax expense	<u>\$260,515</u>	<u>\$160,702</u>	<u>\$533,201</u>	<u>\$327,093</u>

Income tax relating to components of other comprehensive income

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Deferred income tax income (expense):				
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	<u>\$(530)</u>	<u>\$445</u>	<u>\$(366)</u>	<u>\$1,061</u>

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

As of September 30, 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
Rays Optics	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
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.

	<u>Three months ended</u> <u>September 30</u>		<u>Nine months ended</u> <u>September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
A. Basic earnings per share				
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	<u>\$569,496</u>	<u>\$585,424</u>	<u>\$1,504,284</u>	<u>\$1,142,260</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>390,981</u>	<u>434,423</u>	<u>399,269</u>	<u>434,423</u>
Basic earnings per share (NT\$)	<u>\$1.46</u>	<u>\$1.35</u>	<u>\$3.77</u>	<u>\$2.63</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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
B. Diluted earnings per share				
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	<u>\$569,496</u>	<u>\$585,424</u>	<u>\$1,504,284</u>	<u>\$1,142,260</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	434,423	399,269	434,423
Effect of dilution:				
Employee bonus-stock (in thousand)	<u>3,845</u>	<u>4,884</u>	<u>5,080</u>	<u>5,900</u>
Weighted average number of ordinary shares outstanding after dilution (in thousand)	<u>394,826</u>	<u>439,307</u>	<u>404,349</u>	<u>440,323</u>
Diluted earnings per share (NT\$)	<u>\$1.44</u>	<u>\$1.33</u>	<u>\$3.72</u>	<u>\$2.60</u>

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

(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	September 30, 2021	December 31, 2020	September 30, 2020
Young Optics Inc.	Taiwan	61.26%	61.26%	61.26%
		September 30, 2021	December 31, 2020	September 30, 2020
Accumulated balance of material non-controlling interests				
Young Optics, Inc.		<u>\$1,940,499</u>	<u>\$1,952,427</u>	<u>\$1,979,459</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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Profit allocated to material non-controlling interests				
Young Optics, Inc.	\$20,971	\$(29,696)	\$8,488	\$(103,004)

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 September 30, 2021:

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

Summarized information of profit or loss for the three months ended September 30, 2020:

	Young Optics Inc.
Operating revenues	\$1,099,430
Loss for the period from continuing operations	(48,384)
Total comprehensive income for the period	(25,713)

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

	Young Optics Inc.
Operating revenues	\$3,274,840
Profit for the period from continuing operations	14,235
Total comprehensive income for the period	(19,059)

Summarized information of profit or loss for the nine months ended September 30, 2020:

	Young Optics Inc.
Operating revenues	\$2,858,634
Loss for the period from continuing operations	(169,719)
Total comprehensive income for the period	(187,079)

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Summarized information of financial position as of September 30, 2021:

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

Summarized 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 September 30, 2020:

	<u>Young Optics Inc.</u>
Current assets	\$2,794,449
Non-current assets	3,089,123
Current liabilities	(1,672,422)
Non-current liabilities	(985,412)

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

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

Summarized cash flow information for the nine months ended September 30, 2020:

	<u>Young Optics Inc.</u>
Operating activities	\$142,975
Investing activities	(220,265)
Financing activities	126,568
Net increase in cash and cash equivalents	45,647

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
Dongtai Qidian Electronic Technology Co.,Ltd (“DONGTAI QIDIAN”)	Substantive related party

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

(2) Significant transactions with related parties

A. Sales

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Dong Guan Guan Zhi	\$(Note)	\$-	\$(Note)	\$142
CHI HUA	-	1,606	71	3,059
DONGTAI QIDIAN	3,070	-	5,364	-
Total	<u>\$3,070</u>	<u>\$1,606</u>	<u>\$5,435</u>	<u>\$3,201</u>

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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
EOE	\$38,246	\$12,961	\$79,857	\$40,261
Gunze	(Note)	31,198	(Note)	88,598
Dong Guan Guan Zhi	(Note)	84	(Note)	167
Total	<u>\$38,246</u>	<u>\$44,243</u>	<u>\$79,857</u>	<u>\$129,026</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
CHI HUA	\$-	\$-	\$1,136
DONGTAI QIDIAN	1,115	-	-
Dong Guan Guan Zhi	(Note)	(Note)	-
Total	<u>\$1,115</u>	<u>\$-</u>	<u>\$1,136</u>

D. Accounts Payable to Related Parties

	September 30, 2021	December 31, 2020	September 30, 2020
EOE	\$27,664	\$11,383	\$11,069
Gunze	(Note)	(Note)	14,990
Dong Guan Guan Zhi	(Note)	(Note)	-
Total	<u>\$27,664</u>	<u>\$11,383</u>	<u>\$26,059</u>

E. Other Payables to Related Parties

	September 30, 2021	December 31, 2020	September 30, 2020
EOE	<u>\$-</u>	<u>\$6,190</u>	<u>\$2,830</u>

F. Others

For the nine months ended September 30, 2021 and 2020, the Group purchased molds from EOE, amounting to NT\$2,398 thousand and NT\$13,335 thousand, respectively.

G. Key Management Personnel Compensation

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$37,532	\$38,179	\$116,951	\$105,321
Post-employment benefits	474	450	1,406	1,342
Total	<u>\$38,006</u>	<u>\$38,629</u>	<u>\$118,357</u>	<u>\$106,663</u>

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
	September 30, 2021	December 31, 2020	September 30, 2020	
Land	\$-	\$13,094	\$12,555	Collateral for long-term borrowings
Buildings (including investment property)	806,319	837,651	848,095	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")	2,000	2,082	2,082	Customs import guarantee
Bank deposits (presented as "Other receivables")	-	15,569	14,398	Derivative execution deposits
Bank deposits (presented as "Other receivables")	13	864	846	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")	1,085	1,082	1,079	Customs import guarantee
Total	<u>\$865,182</u>	<u>\$927,435</u>	<u>\$930,466</u>	

9. Commitments and Contingencies

Amount available under unused letters of credit as of September 30, 2021 was NT\$11,632 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

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss (Note 1)	\$7,649,514	\$372,859	\$270,171
Financial assets at fair value through other comprehensive income	3,627,443	913,080	652,671
Financial assets measured at amortized cost (Note 2)	27,023,803	30,340,520	29,960,349
Hedging financial assets	-	-	673
Total	<u>\$38,300,760</u>	<u>\$31,626,459</u>	<u>\$30,883,864</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost:			
Short-term borrowings	\$13,776,589	\$5,137,417	\$6,127,525
Accounts payable (including related parties)	12,089,430	8,160,316	9,005,576
Other payables	4,505,752	4,213,229	3,547,886
Lease liability (including current and noncurrent)	1,825,911	1,554,422	1,577,689
Long-term borrowings (including current portion)	580,911	669,479	633,433
Subtotal	<u>32,778,593</u>	<u>19,734,863</u>	<u>20,892,109</u>
Financial liabilities at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss-current	<u>31,871</u>	<u>35,854</u>	<u>27,970</u>
Hedging financial liabilities-current	<u>-</u>	<u>4,702</u>	<u>-</u>
Total	<u>\$32,810,464</u>	<u>\$19,775,419</u>	<u>\$20,920,079</u>

Note 1: As of September 30, 2021, the financial assets measured at fair value through profit or loss, including accounts receivable, was NT\$7,435,517 thousand. Please refer to Note 6(7) for more details.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

(2) Financial Risk Management Objectives and Policies

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

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

(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:

When NTD appreciates or depreciates against USD by 1%, the profit for the nine months ended September 30, 2021 and 2020 is decreased/increased by NT\$142,191 thousand and NT\$88,013 thousand, while equity is decreased/increased by NT\$264,137 thousand and NT\$249,842 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 nine months ended September 30, 2021 and 2020 to decrease/increase by NT\$109,697 thousand and NT\$40,246 thousand, respectively.

Equity price risk

The fair values 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 nine months ended September 30, 2021 and 2020, an increase/decrease of 1% in the price of the unlisted equity securities and stock options classified as equity instrument at fair value through profit or loss could have an impact of NT\$557 thousand and NT\$903 thousand on income attributable to the Group, respectively.

For the nine months ended September 30, 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\$36,274 thousand and NT\$6,527 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 receivable) 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 September 30, 2021, December 31, 2020, and September 30, 2020, receivables from top ten customers represented 73%, 69% and 66% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivable was insignificant.

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

(5) Liquidity Risk Management

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

Non-derivative financial liabilities

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of September 30, 2021					
Borrowings	\$14,107,833	\$235,871	\$31,399	\$-	\$14,375,103
Accounts payable					
(including related parties)	12,089,430	-	-	-	12,089,430
Other payables					
(including related parties)	4,505,752	-	-	-	4,505,752
Lease liability	363,518	501,393	236,872	1,150,286	2,252,069

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 September 30, 2020					
Borrowings	\$6,223,401	\$419,933	\$134,740	\$-	\$6,778,074
Accounts payable					
(including related parties)	9,005,576	-	-	-	9,005,576
Other payables					
(including related parties)	3,547,886	-	-	-	3,547,886
Lease liability	270,654	286,483	197,185	1,230,083	1,984,405

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of September 30, 2021			
Inflows	\$-	\$-	\$-
Outflows	31,871	-	31,871
Net	\$31,871	\$-	\$31,871
As of December 31, 2020			
Inflows	\$-	\$-	\$-
Outflows	40,556	-	40,556
Net	\$40,556	\$-	\$40,556
As of September 30, 2020			
Inflows	\$-	\$-	\$-
Outflows	27,970	-	27,970
Net	\$27,970	\$-	\$27,970

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(6) Reconciliation of Liabilities Arising from Financing Activities:

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

	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2021	\$5,137,417	\$669,479	\$1,554,422	\$28,390	\$15,885	\$7,405,593
Cash flows	8,639,172	(88,568)	(224,965)	(5,830)	(537)	8,319,272
Additional leases	-	-	517,185	-	-	517,185
Exchange differences	-	-	(20,731)	-	-	(20,731)
As of September 30, 2021	<u>\$13,776,589</u>	<u>\$580,911</u>	<u>\$1,825,911</u>	<u>\$22,560</u>	<u>\$15,348</u>	<u>\$16,221,319</u>

Reconciliation of liabilities for the nine months ended September 30, 2020:

	Short-term borrowings	Long-term borrowings	Lease 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	(2,393,816)	450,000	(234,322)	(12,241)	(1,824)	(2,192,203)
Additional leases	-	-	39,944	-	-	39,944
Exchange differences	-	-	(3,278)	-	-	(3,278)
As of September 30, 2020	<u>\$6,127,525</u>	<u>\$633,433</u>	<u>\$1,577,689</u>	<u>\$24,217</u>	<u>\$15,448</u>	<u>\$8,378,312</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.
- (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.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(d) The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate 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 September 30, 2021			
Forward currency contract			
Selling forward currency contracts	USD	460,100 thousand	From October 2021 to May 2022
Buying forward currency contracts	USD	671,500 thousand	From March 2021 to April 2022
Selling forward currency contracts	CAD	800 thousand	From October 2021 to December 2021
Forward cross currency contract	USD	23,700 thousand	October 2021
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
As of September 30, 2020			
Forward currency contract			
Selling forward currency contracts	USD	339,500 thousand	From October 2020 to June 2021
Buying forward currency contracts	USD	392,500 thousand	From October 2020 to December 2020
Selling forward currency contracts	CAD	1,300 thousand	From October 2020 to November 2020
Forward cross currency contract	USD	30,500 thousand	From October 2020 to November 2020

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 December 31, 2020			
Forward currency contract			
Selling forward currency contracts	EUR	3,000 thousand	February 2021
As of September 30, 2020			
Forward currency contract			
Selling forward currency contracts	EUR	3,000 thousand	From August 2020 to September 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

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:

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

September 30, 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contracts	\$-	\$156,865	\$-	\$156,865
Forward cross currency contracts	-	1,432	-	1,432
Stock options	-	-	55,700	55,700
Equity instruments measured at fair value through other comprehensive income				
	-	-	3,627,443	3,627,443
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	\$-	\$29,388	\$-	\$29,388
Forward cross currency contracts	-	2,483	-	2,483
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

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

	September 30, 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	\$-	\$179,883	\$-	\$179,883
Stocks	-	-	32,088	32,088
Stock Options	-	-	58,200	58,200
Equity instruments measured at fair value through other comprehensive income				
	-	-	652,671	652,671
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	-	23,247	-	23,247
Forward cross currency contracts	-	4,723	-	4,723

Transfers between the Level 1 and Level 2 during the period

During the nine months ended September 30, 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:

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

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

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

	Assets		
	At fair value through		Total
	At fair value through	other comprehensive	
	profit or loss	income	
	Stocks and convertible bonds	Stocks	
As of January 1, 2020:	\$35,412	\$447,469	\$482,881
Total gains and losses recognized for the nine months period ended September 30, 2020:			
Amount recognized in profit or loss (presented in “other profit or loss”)	(4,444)	-	(4,444)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income)	-	208,506	208,506
Acquisition	59,320	-	59,320
Tax effect	-	(1,061)	(1,061)
Exchange differences	-	(2,243)	(2,243)
As of September 30, 2020	\$90,288	\$652,671	\$742,959

Total gains and losses recognized in profit or loss for the nine months ended September 30, 2021 and 2020 amounted to NT\$(1,260) thousand and NT\$(4,444) thousand, respectively.

Information on significant unobservable inputs to valuation

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of September 30, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through other comprehensive income					
Stocks	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.11	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$2,679 thousand/ NT\$2,679 thousand.
At fair value					
through profit or loss					
Stock options	Market Approach	P/E ratio of similar companies	0.43	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$6,147 thousand/ NT\$6,147 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 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.

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

As of September 30, 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\$1,105 thousand /NT\$1,119 thousand.
At fair value through other comprehensive income					
Stocks	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar entities	1.03	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\$2,645 thousand/ NT\$2,645 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

(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

		September 30, 2021			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:					
Investment properties (please refer to Note 6(11))		\$-	\$-	\$218,200	\$218,200

		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

		September 30, 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:

September 30, 2021			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$1,317,008	27.85	\$36,678,673
JPY	168,795	0.249	42,030
CNY	4,041	4.2942	17,353
AUD	336	20.07	6,744
GBP	177	37.46	6,631
EUR	138	32.32	4,460
Non-Monetary items:			
USD	\$6,324	27.85	\$176,111
<u>Financial liabilities</u>			
Monetary items:			
USD	\$806,449	27.85	\$22,459,605
JPY	98,743	0.249	24,587
GBP	5,301	37.46	198,581
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

CORETRONIC CORPORATION AND SUBSIDIARIES

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
September 30, 2020			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$ 907,535	29.10	\$28,242,569
JPY	122,931	0.2756	33,880
AUD	355	20.715	7,354
GBP	179	37.30	6,677
EUR	79	34.15	2,698
Non-Monetary items:			
USD	\$6,913	29.10	\$201,168
<u>Financial liabilities</u>			
Monetary items:			
USD	\$668,084	29.10	\$19,441,244
JPY	66,193	0.2756	18,243
GBP	4,411	37.30	164,532

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 gain was NT\$38,146 thousand and NT\$147,151 thousand for the nine months ended September 30, 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.

(12) Other Items

Due to the impact of the COVID-19 pandemic, local governments of certain subsidiaries are implementing measures such as quarantine, tourism bans, or temporary shutdowns of shops and facilities, and there is no material impact on the Group's sales in 2021.

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

A. Adjust operating strategies

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

B. Government relief measures

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

13. Additional Disclosures

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

A. Financing provided to others for the nine months ended September 30, 2021: None.

B. Endorsement/Guarantee provided to others for the nine months ended September 30, 2021: Please refer to Attachment 1.

C. Securities held as of nine months ended September 30, 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 nine months ended September 30, 2021: Attachment 10.

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the nine months ended September 30, 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 nine months ended September 30, 2021: None.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the nine months ended September 30, 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 nine months ended September 30, 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(4), Note 6(14), Note 12(1), Note 12(8) and Attachment 8.

(2) Information on Investees

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

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

B. The Group has three reportable segments:

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

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

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

Transfer prices between operating 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 September 30, 2021							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segments (Note A)	Adjustment and elimination (Note B)	Total
Revenues							
Net revenues from external customers	\$7,461,007	\$3,907,594	\$988,238	\$12,356,839	\$689,054	\$-	\$13,045,893
Net revenues from sales among intersegments	22,091	6,754	154,187	183,032	351,814	(534,846)	-
Total revenues	<u>\$7,483,098</u>	<u>\$3,914,348</u>	<u>\$1,142,425</u>	<u>\$12,539,871</u>	<u>\$1,040,868</u>	<u>\$(534,846)</u>	<u>\$13,045,893</u>
Segment income	<u>\$375,781</u>	<u>\$429,471</u>	<u>\$47,593</u>	<u>\$852,845</u>	<u>\$(120,496)</u>	<u>\$116,798</u>	<u>\$849,147</u>

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 September 30, 2020							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segments (Note A)	Adjustment and elimination (Note B)	Total
Revenues							
Net revenues from external customers	\$6,511,030	\$3,580,191	\$998,212	\$11,089,433	\$851,153	\$-	\$11,940,586
Net revenues from sales among intersegments	35,274	4,899	101,218	141,391	245,634	(387,025)	-
Total revenues	<u>\$6,546,304</u>	<u>\$3,585,090</u>	<u>\$1,099,430</u>	<u>\$11,230,824</u>	<u>\$1,096,787</u>	<u>\$(387,025)</u>	<u>\$11,940,586</u>
Segment income	<u>\$373,180</u>	<u>\$223,137</u>	<u>\$(37,893)</u>	<u>\$558,424</u>	<u>\$19,651</u>	<u>\$135,313</u>	<u>\$713,388</u>

For the nine months ended September 30, 2021							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segments (Note A)	Adjustment and elimination (Note B)	Total
Revenues							
Net revenues from external customers	\$18,404,009	\$11,371,116	\$2,898,497	\$32,673,622	\$2,045,091	\$-	\$34,718,713
Net revenues from sales among intersegments	100,129	17,764	376,343	494,236	896,693	(1,390,929)	-
Total revenues	<u>\$18,504,138</u>	<u>\$11,388,880</u>	<u>\$3,274,840</u>	<u>\$33,167,858</u>	<u>\$2,941,784</u>	<u>\$(1,390,929)</u>	<u>\$34,718,713</u>
Segment income	<u>\$798,045</u>	<u>\$1,142,562</u>	<u>\$44,859</u>	<u>\$1,985,466</u>	<u>\$(281,454)</u>	<u>\$333,080</u>	<u>\$2,037,092</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$58,447,036</u>	<u>\$58,447,036</u>

For the nine months ended September 30, 2020							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segments (Note A)	Adjustment and elimination (Note B)	Total
Revenues							
Net revenues from external customers	\$16,494,182	\$9,667,136	\$2,628,028	\$28,789,346	\$2,155,309	\$-	\$30,944,655
Net revenues from sales among intersegments	109,757	34,452	230,606	374,815	680,256	(1,055,071)	-
Total revenues	<u>\$16,603,939</u>	<u>\$9,701,588</u>	<u>\$2,858,634</u>	<u>\$29,164,161</u>	<u>\$2,835,565</u>	<u>\$(1,055,071)</u>	<u>\$30,944,655</u>
Segment income	<u>\$890,326</u>	<u>\$335,931</u>	<u>\$(171,178)</u>	<u>\$1,055,079</u>	<u>\$43,069</u>	<u>\$248,467</u>	<u>\$1,346,615</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$47,546,514</u>	<u>\$47,546,514</u>

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Note A: Eight operating segments did not meet the quantitative thresholds for reportable segments for the nine months ended September 30, 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 assets.

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Net income of reportable segment	\$852,845	\$558,424	\$1,985,466	\$1,055,079
Losses of other segments	(120,496)	19,651	(281,454)	43,069
Unallocated amount:				
Interest income	100,392	102,035	300,655	337,626
Interest expense	(40,026)	(33,435)	(103,128)	(164,564)
Financial assets (liabilities) at fair value through profit or loss	89,462	74,848	404,329	176,585
Exchange gain	6,163	61,634	38,146	147,151
Others	(39,193)	(69,769)	(306,922)	(248,331)
Income before income tax	<u>\$849,147</u>	<u>\$713,388</u>	<u>\$2,037,092</u>	<u>\$1,346,615</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the nine months ended September 30, 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	Calibre UK Ltd.	Subsidiary	\$ 9,951,350 (Note)	\$ 434,630	\$ 298,095	\$ 182,264	-	1.50%	\$ 19,902,699 (Note)	Yes	No	No
0	Coretronic Corporation	Optoma USA	Sub-subsiidary	9,951,350 (Note)	14,268	13,925	13,925	-	0.07%	19,902,699 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsiidary	9,951,350 (Note)	256,815	250,650	181,025	-	1.26%	19,902,699 (Note)	Yes	No	Yes
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	9,951,350 (Note)	260,000	260,000	-	-	1.31%	19,902,699 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan Limited	Sub-subsiidary	9,951,350 (Note)	350,000	350,000	34,576	-	1.76%	19,902,699 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	9,951,350 (Note)	14,000	14,000	4,314	-	0.07%	19,902,699 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	9,951,350 (Note)	943,930	940,216	494,616	-	4.72%	19,902,699 (Note)	Yes	No	No
	Total				<u>\$ 2,273,643</u>	<u>\$ 2,126,886</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 lastest financial statement.

ATTACHMENT 1-1 (Financing provided to others for the nine months ended September 30, 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)	Core-Flex	Trade receivables - related parties	Yes	\$ 123,499	\$ 120,535	\$ 120,535	-	The need for short-term financing	-	Business turnover	-	None	-	\$ 220,297	\$ 220,297
1	Bigshine (HK)	Optoma USA	Trade receivables - related parties	Yes	175,490	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	550,743	550,743
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	172,670	172,670	172,670	-	The need for short-term financing	-	Business turnover	-	None	-	550,743	550,743
2	Bigshine	Brightbridge	Trade receivables - related parties	Yes	2,537	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	221,992	221,992
3	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	97,019	94,690	94,690	-	The need for short-term financing	-	Business turnover	-	None	-	2,688,104	2,688,104
4	Tecpoint	Brightbridge	Trade receivables - related parties	Yes	2,476	2,476	2,476	-	The need for short-term financing	-	Business turnover	-	None	-	3,413,407	3,413,407
5	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	124,413	118,641	118,641	-	The need for short-term financing	-	Business turnover	-	None	-	539,189	539,189
6	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	1,405,305	66,840	66,840	-	The need for short-term financing	-	Business turnover	-	None	-	6,288,853	6,288,853
7	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	27,850	27,850	27,850	-	The need for short-term financing	-	Business turnover	-	None	-	10,001,137	10,001,137
8	Chung Tsen Investment	Calibre UK Ltd.	Trade receivables - related parties	Yes	180,320	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	859,113	859,113
8	Chung Tsen Investment	Optoma Corporation	Trade receivables - related parties	Yes	246,000	246,000	246,000	0.43-0.45%	The need for short-term financing	-	Business turnover	-	None	-	859,113	859,113
9	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	906,086	455,190	455,190	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,141,259	5,141,259
10	Young Green Energy	CMC	Trade receivables - related parties	Yes	70,000	70,000	70,000	0.3-0.33%	The need for short-term financing	-	Business turnover	-	None	-	89,776	89,776
11	Coretronic (Ningbo)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	21,702	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	3,401,569	3,401,569
12	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
13	Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Trade receivables - related parties	Yes	1,265,551	1,265,551	1,265,551	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,702,633	4,702,633
13	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	1,286,924	472,367	472,367	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,702,633	4,702,633
13	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,833,367	1,241,037	1,241,037	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,702,633	4,702,633
14	Coretronic Display (Suzhou)	Coretronic Corporation	Trade receivables - related parties	Yes	279,600	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	674,044	674,044
15	Dynamic Time	Optoma Corporation	Trade receivables - related parties	Yes	632,050	616,878	616,878	-	The need for short-term financing	-	Business turnover	-	None	-	740,497	740,497
15	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	156,145	-	-	-	The need for short-term financing	-	Business turnover	-	None	-	1,851,242	1,851,242
16	Modern Smart Ltd.	Optoma Corporation	Trade receivables - related parties	Yes	35,669	34,813	34,813	-	The need for short-term financing	-	Business turnover	-	None	-	46,360	46,360
17	Best Alpha Investments	Young Optics (BD)	Trade receivables - related parties	Yes	13,925	27,850	13,925	1%	The need for short-term financing	-	Business turnover	-	None	-	660,639	660,639

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

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 Bigshine (HK) , Tecpoint, Coretronic Projection (Kunshan) and Coretronic (Suzhou).

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 Bigshine (HK), Modern Smart Ltd., Dynamic Time, Chung Tsen Investment, Young Green Energy and Tsen Ming Investment.

Note d : Limit of total financing amount for individual counter-party should not exceed 40% of Best Alpha's net worth from the latest financial statement, and limit of financing amount should not exceed 100% of the latest financial statements of Best Alpha.

ATTACHMENT 1-2 (Endorsement/Guarantee provided to others for the nine months ended September 30, 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	\$ 2,351,317 (Note)	\$ 2,854	\$ -	\$ -	-	-	\$ 4,702,633 (Note)	No	No	Yes
2	Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	467,739 (Note)	219,367	-	-	-	-	935,479 (Note)	No	No	Yes
2	Coretronic Optotech (Suzhou)	Coretronic Optics (Suzhou)	Associate	467,739 (Note)	109,683	-	-	-	-	935,479 (Note)	No	No	Yes
Total					<u>\$ 331,904</u>	<u>\$ -</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 September 30, 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	September 30, 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	\$ 1,215	5.26%	\$ 1,215	
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income-noncurrent	13,000,000	2,461,620	7.98%	2,461,620	
Coretronic Corporation	Nanosys Inc.(Note c)	-	Financial assets at fair value through other comprehensive income-noncurrent	6,708	-	0.002%	-	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	-	4.17%	-	
Coretronic Corporation	Flexenable Limited	-	Financial assets at fair value through profit or loss-current	-	(Note b) 55,700	-	55,700	
Coretronic Corporation	Etergo Opto-Electronics	-	Investments accounted for using the equity method- noncurrent	1,850,000	43,990	18.50%	-	

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

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

Note C : Nanosys Inc. made a stock swap transaction to acquire GLO AB in September 2021. Therefore, CORE holds 6,708 shares of Nanosys Inc., and the ownership percentage is 0.002%.

ATTACHMENT 2-1 (Securities held as of September 30, 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	September 30, 2021				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 3,551,666	5.00%	USD 3,551,666	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	71,885,854	1,038,907	4.47%	1,038,907	
Optoma Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	4,311	3.06%	4,311	
Optoma Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	22,476	19.90%	22,476	
Coretronic Venture Capital	GeneJet Biotech	-	Investments accounted for using the equity method- noncurrent	315,000	- (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 nine months ended September 30, 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 Corporation	Subsidiary	Sales	\$ 1,209,324	7.19%	90 days	-	-	\$ 875,321	8.47%	
Coretronic Corporation	Optoma USA	Sub-subsidiary	Sales	519,500	3.09%	90 days	-	-	15,438	0.15%	
Coretronic Corporation	Optoma Europe	Sub-subsidiary	Sales	1,227,557	7.30%	90 days	-	-	1,573	0.02%	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	924,098	5.97%	120 days	-	-	(415,722)	(4.74%)	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the nine months ended September 30, 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)	
Optoma Corporation	Optoma USA	Associate	Sales	\$ 454,152	26.28%	90 days	-	-	\$ 42,188	41.79 %	
Optoma Corporation	Optoma Europe	Associate	Sales	801,792	46.39%	90 days	-	-	504,528	49.71 %	
Young Optics	Young Optics (Kunshan)	Associate	Sales	352,353	11.32%	60 days	-	-	36,572	5.57 %	
Young Optics	Young Optics (Kunshan)	Associate	Purchases	1,282,211	53.94%	60 days	-	-	(383,379)	(48.90)%	
Young Optics	Rays Optics	Associate	Sales	169,828	5.46%	60 days	-	-	11,886	1.81%	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	356,539	20.41%	90 days	-	-	142,596	25.28 %	
Nano Precision (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	122,469	11.19%	60 days	-	-	58,014	12.08 %	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	189,472	17.32%	60 days	-	-	83,263	17.34 %	
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	Sales	242,507	22.17%	60 days	-	-	78,933	16.44 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	705,775	7.79%	90 days	-	-	353,700	13.19 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	264,024	2.92%	60 days	-	-	84,520	3.15 %	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	289,590	1.86%	60 days	-	-	96,858	1.62 %	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	5,287,884	99.95%	60 days	-	-	1,185,535	99.91 %	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of September 30, 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	\$ 875,321	2.11	\$ -	-	\$ -	\$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of September 30, 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 :								
Optoma Corporation	Optoma USA	Associate	\$ 424,188	2.76	\$ -	-	\$ -	\$ -
Optoma Corporation	Optoma Europe	Associate	504,528	3.67	-	-	-	-
Young Optics (Kunshan)	Young Optics	Associate	383,379	3.13	-	-	-	-
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	142,596	4.14	-	-	-	-
Grace China	Young Optics (BD)	Associate	329,028	-	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	353,770	2.84	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,185,535	5.44	-	-	-	-
Other receivables :								
Grace China	Young Optics (BD)	Associate	142,701	-	-	-	-	-
Dynamic Time	Optoma Corporation	Associate	616,878	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	473,515	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Associate	1,265,656	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	1,254,688	-	-	-	-	-
Chung Tsen Investment	Optoma Corporation	Associate	246,419	-	-	-	-	-
Venture Orient	Coretronic Corporation	Parent	118,641	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	458,823	-	-	-	-	-
Tsen Ming Investment	Optoma Corporation	Associate	140,525	-	-	-	-	-
Bigshine (HK)	Coretronic Corporation	Parent	172,670	-	-	-	-	-
Bigshine (HK)	Core-Flex	Associate	120,535	-	-	-	-	-

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	Accounts receivable	875,321	—	1.50%
			1	Sales	1,209,324	—	3.48%
		Optoma USA	1	Sales	519,500	—	1.50%
			1	Accounts receivable	15,438	—	0.03%
		Optoma Europe	1	Sales	1,227,557	—	3.54%
			1	Accounts receivable	1,573	—	-
		Greendale	1	Accounts receivable	1,133,253	—	1.94%
			1	Sales	4,316,717	—	12.43%
		Coretronic Projection (Kunshan)	1	Sales	49,141	—	0.14%
			1	Accounts receivable	23,724	—	0.04%
		YLG Optotech	1	Accounts receivable	59,222	—	0.10%
			1	Sales	195,065	—	0.56%
		Coretronic Display (Suzhou)	1	Accounts receivable	793,069	—	1.36%
			1	Sales	3,467,539	—	9.99%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	4,582,819	—	7.84%
			1	Sales	13,520,510	—	38.94%
1	Optoma Corporation	Optoma USA	1	Accounts receivable	2,445,098	—	4.18%
			1	Sales	7,307,010	—	21.05%
		Coretronic Vietnam	1	Other receivables	30,321	—	0.05%
			1	Accounts receivable	1,439,276	—	2.46%
2	Young Optics	Optoma USA	1	Sales	1,899,005	—	5.47%
			3	Accounts receivable	424,188	—	0.73%
		Optoma Europe	3	Sales	454,152	—	1.31%
			3	Accounts receivable	504,528	—	0.86%
		Grace China	3	Sales	801,792	—	2.31%
			3	Other receivables	82,550	—	0.14%
		Young Optics (Kunshan)	3	Accounts receivable	36,572	—	0.06%
			3	Sales	352,353	—	1.01%
		Young Optics (Suzhou)	3	Sales	72,271	—	0.21%
			3	Accounts receivable	25,015	—	0.04%

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)
2	Young Optics	Rays Optics	3	Sales	169,828	—	0.49%
			3	Accounts receivable	11,886	—	0.02%
			3	Other receivables	120	—	-
		Young Optics Europe GmbH	3	Sales	4,429	—	0.01%
			3	Accounts receivable	114	—	-
		Mejiro Genossen Inc.	3	Sales	4,710	—	0.01%
			3	Accounts receivable	4,205	—	0.01%
		Young Optics (BD)	3	Sales	15,891	—	0.05%
			3	Accounts receivable	31,625	—	0.05%
			3	Other receivables	7,342	—	0.01%
3	Mejiro Genossen Inc.	Young Optics	3	Sales	10,051	—	0.03%
			3	Accounts receivable	3,564	—	0.01%
			3	Other receivables	3,883	—	0.01%
4	Young Optics (BD)	Young Optics	3	Sales	50,583	—	0.15%
			3	Accounts receivable	26,463	—	0.05%
		Young Optics (Kunshan)	3	Sales	3,178	—	0.01%
5	Grace China	Young Optics (BD)	3	Other receivables	142,701	—	0.24%
			3	Accounts receivable	329,028	—	0.56%
6	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	383,379	—	0.66%
			3	Sales	1,282,211	—	3.69%
		Young Optics (Suzhou)	3	Sales	77,484	—	0.22%
			3	Accounts receivable	25,717	—	0.04%
		Young Optics (BD)	3	Sales	348	—	-
			3	Accounts receivable	187	—	-
		Coretronic Optics (Kunshan)	3	Accounts receivable	142,596	—	0.24%
			3	Sales	356,539	—	1.03%
7	Best Alpha Investments	Young Optics (BD)	3	Other receivables	13,943	—	0.02%
8	Dynamic Time	Optoma Corporation	3	Other receivables	616,878	—	1.06%
9	Mordern Smart	Optoma Corporation	3	Other receivables	34,813	—	0.06%

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)
10	Coretronic (Suzhou)	Wisdom Success (HK)	3	Sales	60,802	—	0.18%
		Coretronic Display (Suzhou)	3	Other receivables	473,515	—	0.81%
		Coretronic Optotech (Suzhou)	3	Other receivables	1,265,656	—	2.17%
		Coretronic Optics (Suzhou)	3	Other receivables	1,254,688	—	2.15%
11	Chung Tsen Investment	Optoma Corporation	3	Other receivables	246,419	—	0.42%
12	Venture Orient	Coretronic Corporation	2	Other receivables	118,641	—	0.20%
13	Young Optics (Suzhou)	Young Optics	3	Accounts receivable	34,847	—	0.06%
			3	Sales	64,200	—	0.18%
		Young Optics (Kunshan)	3	Accounts receivable	44	—	-
			3	Sales	1,135	—	-
			3	Accounts receivable	66,770	—	0.11%
14	Nano Precision (Suzhou)	Great Pride (HK)	3	Sales	135,277	—	0.39%
			3	Accounts receivable	58,014	—	0.10%
		Coretronic Display (Suzhou)	3	Sales	122,469	—	0.35%
			3	Accounts receivable	83,263	—	0.14%
		Coretronic Optotech (Suzhou)	3	Sales	189,472	—	0.55%
			3	Accounts receivable	78,933	—	0.14%
		Coretronic Optics (Suzhou)	3	Sales	242,507	—	0.70%
			3	Accounts receivable	1,463,150	—	2.50%
15	Greendale	Coretronic Corporation	2	Other receivables	47,859	—	0.08%
		Coretronic Projection (Kunshan)	3	Other receivables	1,085,393	—	1.86%
		Coretronic Optics (Kunshan)	3	Other receivables	1,085,393	—	1.86%
16	Coretronic Projection (Kunshan)	Optoma China	3	Accounts receivable	353,770	—	0.61%
			3	Sales	705,775	—	2.03%
		Greendale	3	Accounts receivable	1,462,122	—	2.50%
			3	Sales	5,648,126	—	16.27%
		Coretronic Intelligent Cloud Service Corp	3	Sales	58,891	—	0.17%
		Champ Vision Display	3	Accounts receivable	170,425	—	0.29%
			3	Sales	506,745	—	1.46%
		Coretronic Optics (Kunshan)	3	Other receivables	458,823	—	0.79%
			3	Accounts receivable	84,520	—	0.14%
			3	Sales	264,024	—	0.76%
17	Young Green Energy	Coretronic MEMS Corporation	3	Other receivables	70,033	—	0.12%
18	Tsen Ming Investment	Optoma Corporation	3	Other receivables	140,525	—	0.24%

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)
19	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	415,722	—	0.71%
			2	Sales	924,098	—	2.66%
20	Nano Display (Guangzhou)	Coretronic (Guangzhou)	3	Sales	71,168	—	0.21%
21	Great Pride (HK)	Coretronic Corporation	2	Other receivables	94,690	—	0.16%
22	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	66,840	—	0.11%
23	Bigshine (HK)	Coretronic Corporation	2	Other receivables	172,670	—	0.30%
		Core-Flex	3	Other receivables	120,535	—	0.21%
24	Coretronic Intelligent Cloud Service Corp.	Coretronic Corporation	2	Accounts receivable	79,937	—	0.14%
			2	Sales	204,048	—	0.59%
25	YLG Optotech	Coretronic Corporation	2	Accounts receivable	144,129	—	0.25%
			2	Sales	441,673	—	1.27%
		Coretronic (Guangzhou)	3	Other receivables	47,198	—	0.08%
		Champ Vision Display	3	Sales	57,104	—	0.16%
26	Coretronic Display (Suzhou)	Coretronic Corporation	2	Accounts receivable	1,157,690	—	1.98%
			2	Sales	2,005,828	—	5.78%
		YLG Optotech	3	Sales	56,616	—	0.16%
27	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	5,856,385	—	10.02%
			2	Sales	2,448,148	—	7.05%
		Coretronic Display (Suzhou)	3	Accounts receivable	96,858	—	0.17%
			3	Sales	289,590	—	0.83%
28	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	96,738	—	0.17%
			3	Sales	277,713	—	0.80%
29	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	1,185,535	—	2.03%
			3	Sales	5,287,884	—	15.23%
30	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	3,365,442	—	5.76%
			2	Sales	2,399,645	—	6.91%
31	Nano Precision Taiwan	Nano Precision (Suzhou)	3	Accounts receivable	40,240	—	0.07%
			3	Sales	207,892	—	0.60%
		Coretronic (Ningbo)	3	Sales	56,067	—	0.16%
		Coretronic Optics (Suzhou)	3	Sales	72,482	—	0.21%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
32	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	964,179	—	1.65%
			2	Sales	363,499	—	1.05%
33	Coretronic Intelligent Logistics Solutions Corporation	Coretronic Corporation	2	Sales	31,271	—	0.09%

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

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

Note b: Transactions are categorized as follows:

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

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

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

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

ATTACHMENT 6 : (Names, locations and related information of investee companies as of September 30, 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 September 30, 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%	\$5,536,669	\$384,493	\$384,493	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%	892,357	390,312	390,312	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%	1,105,869	14,835	4,374	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,228,212	529,981	529,981	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,295,315	38,002	38,002	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%	2,411,117	40,320	40,320	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,742,752	77,462	60,468	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%	228,652	12,713	12,701	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	763,654	231,925	231,925	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	354,990	254,990	25,000,000	100.00%	293,534	39,057	39,057	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	New Taipei City, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	305,197	1,031	1,031	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%	148,043	(2,131)	(1,705)	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%	25,179	(18,318)	(11,117)	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%	(121,430)	(45,499)	(45,499)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	506,263	260,600	27,283,138	100.00%	206,951	(95,906)	(95,906)	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%	7,805	(6,474)	(5,179)	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%	59,762	(50,551)	(50,551)	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%	62,625	(10,474)	(10,474)	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%	16,295	(63,069)	(63,069)	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%	45,412	(4,588)	(4,588)	Subsidiary

ATTACHMENT 6 -I : (Names, locations and related information of investee companies as of September 30, 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 September 30, 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 199,211,742	USD 13,747,233	(Note)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 365,367,023	USD 17,630,583	(Note)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 7,398,546	(USD 593,871)	(Note)	Sub-subsidiary
Visicorp	Investdragon	Samoa	Holding company	USD 636,000	USD 636,000	212,000	100.00 %	USD 18,620	USD 28	(Note)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 32,273,968	USD 428,035	(Note)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 18,739,896	USD 1,136,463	(Note)	Sub-subsidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 15,275,473	USD 2,766,924	(Note)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 230,987,595	USD 14,950,600	(Note)	Sub-subsidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 91,333,660	USD 1,639,352	(Note)	Sub-subsidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 29,985,630	USD 2,954,922	(Note)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 12,044,231	(USD 561,690)	(Note)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 7,226,539	(USD 561,690)	(Note)	Sub-subsidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 32,273,946	USD 1,639,352	(Note)	Sub-subsidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 18,739,801	USD 2,954,922	(Note)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 46,510,013	USD 1,351,405	(Note)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 99,427,036	USD 2,234,736	(Note)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 8,709,793	USD 163,772	(Note)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 17,752,552	USD 377,273	(Note)	Sub-subsidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 99,388,719	USD 2,234,734	(Note)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	RMB 22,092,088	(RMB 11,947,991)	(Note)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	565,035	20,946	(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 %	71,815	14,835	(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 %	430,939	(3,087)	(Note)	Sub-subsidiary

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

ATTACHMENT 6-2 : (Names, locations and related information of investee companies as of September 30, 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 September 30, 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	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	\$3,673	\$4,599	(Note)	Sub-subsiadiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83 %	USD 12,403,768	USD 2,766,924	(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 %	47,940	14,835	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	11,082	4,599	(Note)	Sub-subsiadiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	119,455	USD 199,756	(Note)	Sub-subsiadiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00 %	USD 256,220	USD 371,570	(Note)	Sub-subsiadiary
Young Lighting Limited	Brightbridge	Samoa	Holding company	USD 1	USD 1	29,500,000	100.00 %	USD 15,309,592	USD 4,490,773	(Note)	Sub-subsiadiary
Young Lighting Limited	Crystal Word	Samoa	Holding company	USD 1	USD 1	22,258,000	100.00 %	USD 11,610,941	USD 3,387,777	(Note)	Sub-subsiadiary
Coretronic Intelligent Cloud Service	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	24,061	903	(Note)	Sub-subsiadiary
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 863,948	USD 32,265	(Note)	Sub-subsiadiary

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

ATTACHMENT 6 -3 : (Names, locations and related information of investee companies as of September 30, 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 September 30, 2021			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Optoma Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00 %	\$2,168,505	USD 17,966,716	(Note)	Sub-subsiary
Dynamic Time	Optoma Holding	U.K.	Marketing and after-sales service of Optoma in European region	EUR 100,000	-	29,734,167	100.00 %	USD 41,762,407	EUR 4,466,554	(Note)	Sub-subsiary
Optoma Holding	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 32,764,313	EUR 10,049,798	(Note)	Sub-subsiary
Optoma Holding	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 8,975,507	USD 5,357,241	(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 5,182,587	USD 1,005,036	(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 422,046	HKD 575,409	(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 1,724,214	EUR 654,252	(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 722,590	EUR 260,098	(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 107,906	(NOK 550,418)	(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 354,861	(EUR 18,933)	(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 282,524	(EUR 99,105)	(Note)	Sub-subsiary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,671,429	(38,415)	(Note)	Sub-subsiary
Young Optics	Rays Optics	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	298,140	9,250,000	92.50 %	91,361	(4,010)	(Note)	Sub-subsiary
Young Optics	Mejiro Genossen	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	36,453	6,654	(Note)	Sub-subsiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 24,091,590	USD 679,647	(Note)	Sub-subsiary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 38,358,041	(USD 419,300)	(Note)	Sub-subsiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 5,000,000	USD 5,000,000	4,149,936	62.50 %	(USD 3,252,369)	(USD 2,430,463)	(Note)	Sub-subsiary
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	EUR 18,750	EUR 18,750	-	75.00 %	USD 4,920	(USD 51,303)	(Note)	Sub-subsiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	37.50 %	(USD 1,951,422)	(USD 2,430,463)	(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 September 30, 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 September 30, 2021	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of September 30, 2021	Accumulated inward remittance of earnings as of September 30, 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)	\$ 381,827	100.00%	\$ 381,827	\$ 5,524,685	\$ 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)	1,081	100.00%	1,081	25,588	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (CPC)	-	-	-	-	77,054	100.00%	77,054	493,473	-
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)	41,086	100.00%	41,086	1,287,561	-
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)	84,306	100.00%	84,306	4,758,242	-
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)	-	-	-	-	164,798	100.00%	164,798	533,759	-
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)	-	-	-	-	173,243	100.00%	173,243	1,107,452	-
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)	(16,126)	100.00%	(16,126)	241,120	81,790 (USD 2,800,000)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (USD 51,758,000)	Indirect investment from the third region (Brightbridge and Crystal Word)	88,972 (USD 2,967,283)	-	-	88,972 (USD 2,967,283)	71,005	100.00%	71,005	752,119	(Note a, Note d and Note i) -
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)	45,676	100.00%	45,676	3,442,318	139,650 (USD 4,619,805)
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	1,178,240 (USD 36,000,000)	Indirect investment from the third region (Core-Flex)	759,827 (USD 23,260,000)	-	-	759,827 (USD 23,260,000)	4,599	100.00%	4,599	385,119	(Note a and Note i) -
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)	65,219	100.00%	65,219	2,672,907	85,228 (USD 2,795,270)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	82,813	100.00%	82,813	1,356,989	(Note a and Note e) -
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)	10,593	100.00%	10,593	494,390	-
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	10,546	100.00% (Note k)	10,546	7,106	-
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	903	100.00%	903	24,061	-
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	5,601	100.00%	5,601	119,437	-

Accumulated investment in Mainland China as of September 30, 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)	\$2,066,229 (USD 74,191,338)	\$12,551,228

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

Note j : Visicorp 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 =27.85NTD as of September 30, 2021.

ATTACHMENT 7-1 (Investment in Mainland China as of September 30, 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 September 30, 2021	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of September 30, 2021 (Note a)	Accumulated inward remittance of earnings as of September 30, 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)	\$24,432 (USD 868,698)	100.00%	\$24,432 (USD 868,698)	\$978,480 (USD 35,133,925)	\$74,505 (USD 2,457,289) (Note b and Note i~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)	12,673 (USD 454,426)	100.00%	12,673 (USD 454,426)	228,838 (USD 8,216,820)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note f~Note i and Note l)

Accumulated investment in Mainland China as of September 30, 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 September 30, 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 September 30, 2021	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a, b)	Carrying value as of September 30, 2021	Accumulated inward remittance of earnings as of September 30, 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)	\$28,074 RMB 6,490,626	100.00%	\$28,074 RMB 6,490,626 (Note a (2) 、e)	\$80,695 RMB 18,791,345	\$-

Accumulated investment in Mainland China as of September 30, 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)	\$535,414

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 September 30, 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	Selling USD	From October, 2021 to November, 2021	USD 393,000,000	\$ 12,526	\$ 12,526	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Buying USD	From October, 2021 to April, 2022	USD 666,500,000	102,539	102,539	Note a
Champ Vision Display	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From October, 2021 to November, 2021	USD 4,600,000	(362)	(362)	Note b
Nano Precision Taiwan	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	November, 2021	USD 1,100,000	(91)	(91)	Note c
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From October, 2021 to May, 2022	USD 16,000,000	7,219	7,219	Note e
Coretronic Display (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From October, 2021 to December, 2021	USD 12,000,000	1,382	1,382	Note h
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From October, 2021 to November, 2021	USD 10,000,000	399	399	Note i
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From October, 2021 to December, 2021	USD 14,000,000	2,069	2,069	Note j
Young Optics (Kunshan)	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Selling USD	From December, 2021 to February, 2022	USD 5,000,000	22	22	Note k
Optoma Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward cross currency contract	—	October, 2021	USD 23,700,000	(73)	(73)	Note l
Optoma Corporation	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell USD/Buy TWD	October, 2021	USD 4,400,000	(978)	(978)	Note l
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell EUR/Buy USD	October, 2021	USD 5,000,000	1,943	1,943	Note m
Optoma USA	Financial assets (liabilities) at fair value through profit or loss, current	Forward foreign exchange contract	Sell CAD/Buy USD	From October, 2021 to December, 2021	CAD 800,000	(168)	(168)	Note n

Note a : Coretronic Corporation entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$428,671 thousands for the nine months ended September 30, 2021.

Note b : Champ Vision Display entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$548 thousands for the nine months ended September 30, 2021.

Note c : Nano Precision Taiwan entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$809 thousands for the nine months ended September 30, 2021.

Note d : Coretronic (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$44,110 thousands for the nine months ended September 30, 2021.

Note e : Nano Precision (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$44,167 thousands for the nine months ended September 30, 2021.

Note f : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$18,962 thousands for the nine months ended September 30, 2021.

Note g : Coretronic (Ningbo) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$5,736 thousands for the nine months ended September 30, 2021.

Note h : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$4,348 thousands for the nine months ended September 30, 2021.

Note i : Coretronic Optotech (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$20,808 thousands for the nine months ended September 30, 2021.

Note j : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$3,551 thousands for the nine months ended September 30, 2021.

Note k : Young Optics (Kunshan) entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$13,444 thousands for the nine months ended September 30, 2021.

Note l : Optoma Corporation entered into forward Forward cross currency contract and acquired realized loss amounted to NT\$27,745 thousands for the nine months ended September 30, 2021.

Note m : Optoma Europe entered into forward foreign exchange contracts and acquired realized profit amounted to NT\$3,579 thousands for the nine months ended September 30, 2021.

Note n : Optoma USA entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$2,931 thousands for the nine months ended September 30, 2021.

Note o : Dynamic Time entered into forward foreign exchange contracts and acquired realized loss amounted to NT\$135 thousands for the nine months ended September 30, 2021.

ATTACHMENT 9 (The information of Major shareholder as of September 30, 2021)

<div>Shares</div> <div>Name</div>	Number of shares (Units/shares)	Percentage of ownership (%)
Yann Yuan Investment Co., Ltd.	25,580,000	6.54%
Taiwei Advanced Technology Co., Ltd.	42,382,196	10.83%

ATTACHMENT 10(Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the nine months ended September 30, 2021.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				September 30, 2021	
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note)	Units / shares	Amount
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	Shanghai Pudong Development Bank	-	-	-	-	RMB 80,000,000	-	-	RMB 80,000,000	RMB 575,647	-	-
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 70,000,000	-	-	RMB 70,000,000	RMB 514,285	-	-

Note : To be recognized in interest income.