

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2023 AND 2022

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English Translation of a Report Originally Issued in Chinese

Review Report of Independent Accountants

To Coretronic Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Coretronic Corporation (the “Company”) and its subsidiaries as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, changes in equity and cash flows for the six months ended June 30, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Standard on Review Engagements 2410, “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\$28,429,275 thousand and NT\$30,804,483 thousand, representing 55.33% and 52.40% of the consolidated total assets, and total liabilities of NT\$6,165,790 thousand and NT\$4,398,337 thousand, representing 22.86% and 12.56% of the consolidated total liabilities as of June 30, 2023 and 2022, respectively; and total comprehensive (loss) income of NT\$(121,500) thousand and NT\$(278,491) thousand, NT\$(88,623) thousand and NT\$574,558 thousand, representing (183.69)%, 96.81%, (9.18)% and 64.61% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2023 and 2022, respectively. As explained in Note 6(8), the financial statements of certain associates and joint ventures accounted for using the equity method were not reviewed by independent accountants. Those associates and joint ventures under the equity method amounted to NT\$46,369 thousand and NT\$52,056 thousand as of June 30, 2023 and 2022, respectively. The related shares of (loss) gain from the associates and joint ventures under the equity method amounted to NT\$(645) thousand, NT\$4,826 thousand, NT\$(3,753) thousand and NT\$5,134 thousand for the three months and six months ended June 30, 2023 and 2022, respectively. The information related to above subsidiaries, associates and joint ventures accounted for using the equity method disclosed in Note 13 was also not reviewed by independent accountants.



Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using the equity method and the information been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of June 30, 2023 and 2022, and their consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, and cash flows for the six months ended June 30, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

July 31, 2023

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 Standards on Auditing of 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 June 30, 2023, December 31, 2022, and June 30, 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	June 30, 2023	%	December 31, 2022	%	June 30, 2022	%
Current assets							
Cash and cash equivalents	6(1)	\$ 13,271,612	25.83	\$ 12,364,999	22.14	\$ 8,438,648	14.35
Financial assets at fair value through profit or loss - current	6(2)	380,791	0.74	155,286	0.28	466,599	0.79
Financial assets at amortised cost - current	6(4)	1,510,069	2.94	4,722,945	8.46	7,594,943	12.92
Notes receivables, net	6(5), 6(21)	59,150	0.12	29,671	0.05	45,315	0.08
Trade receivables, net	6(6), 6(21)	9,428,379	18.35	10,235,833	18.32	11,276,094	19.18
Trade receivable - related parties, net	6(6), 6(21), 7	-	-	530	-	1	-
Other receivables	7, 8	1,473,724	2.87	1,358,812	2.43	799,697	1.36
Current tax assets	4, 6(26)	46,007	0.09	35,699	0.06	117,920	0.20
Inventories, net	6(7)	8,136,584	15.84	10,444,982	18.70	13,812,710	23.50
Prepayments		771,713	1.50	792,007	1.42	675,598	1.15
Other current assets		205,827	0.40	195,308	0.35	218,086	0.37
Total current assets		35,283,856	68.68	40,336,072	72.21	43,445,611	73.90
Non-current assets							
Financial assets at fair value through other comprehensive income - noncurrent	6(3)	4,678,439	9.11	3,895,009	6.97	4,077,378	6.94
Investments accounted for using the equity method (Unreviewed)	6(8)	46,369	0.09	50,117	0.09	52,056	0.09
Property, plant and equipment, net	6(9), 8	7,955,612	15.48	8,092,453	14.49	7,699,172	13.10
Right-of-use assets	6(22)	2,030,720	3.95	2,206,646	3.95	1,891,266	3.22
Investment property, net	6(10), 8	140,196	0.27	144,231	0.26	148,266	0.25
Intangible assets	6(11)	335,611	0.65	358,509	0.64	317,129	0.54
Deferred tax assets	4, 6(26)	342,931	0.67	342,533	0.61	337,550	0.57
Net defined benefit assets - noncurrent	6(16)	38,736	0.08	33,703	0.06	19,480	0.03
Other noncurrent assets	8	526,123	1.02	398,542	0.72	798,670	1.36
Total non-current assets		16,094,737	31.32	15,521,743	27.79	15,340,967	26.10
Total assets		\$ 51,378,593	100.00	\$ 55,857,815	100.00	\$ 58,786,578	100.00

(continued)

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of June 30, 2023, December 31, 2022, and June 30, 2022

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	June 30, 2023	%	December 31, 2022	%	June 30, 2022	%
Current liabilities							
Short-term borrowings	6(12)	\$ 7,187,219	13.99	\$ 9,823,849	17.59	\$ 13,193,008	22.44
Financial liabilities at fair value through profit or loss - current	6(13)	338,527	0.66	450,431	0.81	179,387	0.31
Hedging financial liabilities - current	6(14)	-	-	1,483	-	-	-
Contract liabilities - current	6(20)	681,105	1.32	529,246	0.95	471,639	0.80
Notes payable		161	-	881	-	4,745	0.01
Accounts payable		5,723,790	11.14	7,284,148	13.04	8,586,557	14.61
Accounts payable - related parties	7	60,575	0.12	49,010	0.09	162,627	0.28
Other payables	7	5,565,091	10.83	4,520,234	8.09	6,150,749	10.46
Current tax liabilities	4, 6(26)	804,458	1.57	999,196	1.79	953,419	1.62
Provisions - current	6(17)	585,739	1.14	651,105	1.16	685,014	1.17
Lease liabilities - current	6(22)	281,672	0.55	321,631	0.58	335,567	0.57
Other current liabilities		782,002	1.52	872,025	1.56	712,280	1.21
Current portion of long-term borrowings	6(15)	414,716	0.81	414,871	0.74	266,223	0.45
Total current liabilities		22,425,055	43.65	25,918,110	46.40	31,701,215	53.93
Non-current liabilities							
Long-term borrowings	6(15)	3,205,113	6.24	3,412,106	6.11	1,617,842	2.75
Deferred tax liabilities	4, 6(26)	65,154	0.13	61,665	0.11	132,081	0.22
Lease liabilities - noncurrent	6(22)	1,159,102	2.26	1,291,459	2.31	1,394,912	2.37
Net defined benefit liabilities - noncurrent	6(16)	93,875	0.18	70,509	0.13	152,323	0.26
Other noncurrent liabilities		22,343	0.04	23,482	0.04	26,543	0.05
Total non-current liabilities		4,545,587	8.85	4,859,221	8.70	3,323,701	5.65
Total liabilities		26,970,642	52.50	30,777,331	55.10	35,024,916	59.58
Equity attributable to owners of the parent							
Share capital							
Common stock	6(18)	3,909,811	7.61	3,909,811	7.00	3,909,811	6.65
Capital surplus	6(18)	2,498,926	4.86	2,808,225	5.03	2,622,220	4.46
Retained earnings	6(18)						
Legal reserve		4,364,561	8.49	4,121,627	7.38	4,121,627	7.01
Special reserve		1,411,129	2.75	1,276,610	2.28	1,276,610	2.17
Unappropriated retained earning		10,943,504	21.30	12,024,401	21.53	10,884,585	18.52
Total retained earnings		16,719,194	32.54	17,422,638	31.19	16,282,822	27.70
Other equity		(987,635)	(1.92)	(1,411,129)	(2.53)	(1,291,485)	(2.20)
Total equity attributable to owners of the parent		22,140,296	43.09	22,729,545	40.69	21,523,368	36.61
Non-controlling interests	6(18), 6(28)	2,267,655	4.41	2,350,939	4.21	2,238,294	3.81
Total equity		24,407,951	47.50	25,080,484	44.90	23,761,662	40.42
Total liabilities and equity		\$ 51,378,593	100.00	\$ 55,857,815	100.00	\$ 58,786,578	100.00

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

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and six months ended June 30, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For three months ended June 30				For six months ended June 30			
		2023	%	2022	%	2023	%	2022	%
Net sales	6(20), 7	\$ 9,633,168	100.00	\$ 12,571,086	100.00	\$ 19,203,953	100.00	\$ 25,708,994	100.00
Operating costs	6(7), 6(11), 6(16), 6(22), 6(23), 7	7,618,308	79.08	10,024,316	79.74	15,586,312	81.16	21,147,168	82.26
Gross profit		2,014,860	20.92	2,546,770	20.26	3,617,641	18.84	4,561,826	17.74
Operating expenses	6(11), 6(16), 6(19), 6(21), 6(22), 6(23)								
Selling expenses		475,210	4.93	498,308	3.96	864,362	4.50	987,199	3.84
General and administrative expenses		586,875	6.09	596,360	4.74	1,084,345	5.65	1,100,354	4.28
Research and development expenses		754,106	7.83	763,674	6.07	1,417,366	7.38	1,469,765	5.72
Expected credit loss (gain)		4,937	0.05	3,708	0.04	(6,226)	(0.03)	(4,172)	(0.02)
Total operating expenses		1,821,128	18.90	1,862,050	14.81	3,359,847	17.50	3,553,146	13.82
Operating income		193,732	2.02	684,720	5.45	257,794	1.34	1,008,680	3.92
Non-operating income and expenses									
Interest income	6(24)	90,198	0.94	88,368	0.70	179,757	0.94	171,097	0.67
Other income	6(24)	184,629	1.92	95,342	0.76	340,037	1.77	197,920	0.77
Other gains and losses	6(24)	127,352	1.32	255,836	2.03	253,178	1.32	438,234	1.70
Finance costs	6(24)	(120,125)	(1.25)	(70,702)	(0.56)	(272,025)	(1.42)	(120,458)	(0.47)
Share of (loss) gain of associates and joint ventures accounted for using the equity method	6(8)	(645)	(0.01)	4,826	0.04	(3,753)	(0.02)	5,134	0.02
Total non-operating income and expenses		281,409	2.92	373,670	2.97	497,194	2.59	691,927	2.69
Income before income tax		475,141	4.94	1,058,390	8.42	754,988	3.93	1,700,607	6.61
Income tax expense	4, 6(26)	(109,526)	(1.14)	(217,235)	(1.73)	(196,026)	(1.02)	(368,436)	(1.43)
Net income		365,615	3.80	841,155	6.69	558,962	2.91	1,332,171	5.18
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss									
Unrealized gain (loss) from equity instrument investments measured at fair value	6(25)	128,385	1.33	(849,140)	(6.75)	782,719	4.08	(1,214,262)	(4.72)
Income tax related to items that will not be reclassified subsequently to profit or loss	6(25), 6(26)	1,168	0.01	(634)	(0.01)	892	-	(3,644)	(0.02)
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations	6(25)	(429,032)	(4.45)	(282,914)	(2.25)	(377,315)	(1.96)	771,137	3.00
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	6(25)	8	-	3,858	0.03	5	-	3,888	0.02
Other comprehensive income (loss), net of tax		(299,471)	(3.11)	(1,128,830)	(8.98)	406,301	2.12	(442,881)	(1.72)
Total comprehensive income		\$ 66,144	0.69	\$ (287,675)	(2.29)	\$ 965,263	5.03	\$ 889,290	3.46
Net income for the periods attributable to :									
Shareholders of the parent	6(27)	\$ 412,344		\$ 810,615		\$ 664,990		\$ 1,289,527	
Non-controlling interests	6(18), 6(28)	\$ (46,729)		\$ 30,540		\$ (106,028)		\$ 42,644	
Total comprehensive income (loss) for the periods attributable to :									
Shareholders of the parent		\$ 131,646		\$ (310,386)		\$ 1,088,484		\$ 815,430	
Non-controlling interests		\$ (65,502)		\$ 22,711		\$ (123,221)		\$ 73,860	
Basic Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 1.05		\$ 2.08		\$ 1.70		\$ 3.30	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 1.05		\$ 2.05		\$ 1.69		\$ 3.25	

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

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent								Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity		Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)			
Balance as of January 1, 2022	\$ 3,909,811	\$ 2,893,442	\$ 4,046,623	\$ 2,469,437	\$ 9,650,179	\$ (2,276,257)	\$ 1,458,869	\$ 22,152,104	\$ 2,064,897	\$ 24,217,001
Acquisition or disposal of the interest of subsidiaries	-	92,448	-	-	-	-	-	92,448	41,768	134,216
Changes in subsidiaries' ownership	-	27,311	-	-	-	-	-	27,311	(22,356)	4,955
Appropriation and distribution of 2021 earnings:										
Legal reserve	-	-	75,004	-	(75,004)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,172,944)	-	-	(1,172,944)	-	(1,172,944)
Reversal of special reserve	-	-	-	(1,192,827)	1,192,827	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	(390,981)	-	(390,981)
Net income (loss) for the six months ended June 30, 2022	-	-	-	-	1,289,527	-	-	1,289,527	42,644	1,332,171
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	743,809	(1,217,906)	(474,097)	31,216	(442,881)
Total comprehensive income (loss)	-	-	-	-	1,289,527	743,809	(1,217,906)	815,430	73,860	889,290
Increase of non-controlling interests	-	-	-	-	-	-	-	-	80,125	80,125
Balance as of June 30, 2022	\$ 3,909,811	\$ 2,622,220	\$ 4,121,627	\$ 1,276,610	\$ 10,884,585	\$ (1,532,448)	\$ 240,963	\$ 21,523,368	\$ 2,238,294	\$ 23,761,662
Balance as of January 1, 2023	\$ 3,909,811	\$ 2,808,225	\$ 4,121,627	\$ 1,276,610	\$ 12,024,401	\$ (1,464,373)	\$ 53,244	\$ 22,729,545	\$ 2,350,939	\$ 25,080,484
Acquisition or disposal of the interest of subsidiaries	-	80,608	-	-	-	-	-	80,608	41,101	121,709
Changes in subsidiaries' ownership	-	1,074	-	-	-	-	-	1,074	4,984	6,058
Appropriation and distribution of 2022 earnings:										
Legal reserve	-	-	242,934	-	(242,934)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,368,434)	-	-	(1,368,434)	-	(1,368,434)
Reversal of special reserve	-	-	-	134,519	(134,519)	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	(390,981)	-	(390,981)
Net income for the six months ended June 30, 2023	-	-	-	-	664,990	-	-	664,990	(106,028)	558,962
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	(360,117)	783,611	423,494	(17,193)	406,301
Total comprehensive income (loss)	-	-	-	-	664,990	(360,117)	783,611	1,088,484	(123,221)	965,263
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	(6,148)	(6,148)
Balance as of June 30, 2023	\$ 3,909,811	\$ 2,498,926	\$ 4,364,561	\$ 1,411,129	\$ 10,943,504	\$ (1,824,490)	\$ 836,855	\$ 22,140,296	\$ 2,267,655	\$ 24,407,951

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

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	For the six months ended June 30		Description	For the six months ended June 30	
	2023	2022		2023	2022
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 754,988	\$ 1,700,607	Acquisition of financial assets at fair value through profit or loss	-	(41,610)
Adjustments for:			Acquisition of financial assets at fair value through other comprehensive income	-	(1,238,610)
The profit or loss items which did not affect cash flows:			Decrease (increase) of financial assets at amortized cost	3,212,876	(2,111,458)
Expected credit gain	(6,226)	(4,172)	Disposal of subsidiary	-	860
Depreciation (including investment property and right-of-use assets)	722,235	720,378	Acquisition of property, plant and equipment	(540,711)	(654,789)
Amortization (including other noncurrent assets)	45,118	44,359	Proceeds from disposal of property, plant and equipment	58,026	34,874
Interest expenses	272,025	120,458	Acquisition of intangible assets	(20,776)	(27,634)
Interest income	(179,757)	(171,097)	Proceeds from disposal of intangible assets	2,765	103
Dividend income	(66,510)	(70,475)	Increase in prepayment of land use rights	(162,804)	(608,656)
Transfer of property, plant and equipment to expenses	196	96	Decrease in other noncurrent assets	13,544	42,490
Transfer of intangible assets to expenses	77	-	Net cash provided (used) in investing activities	2,562,920	(4,604,430)
Loss (gain) on disposal of property, plant and equipment	3,271	(17,142)			
Loss on disposal of intangible assets	99	-			
Share-based payment expenses	6,140	2,010			
Gain on disposal of investments	-	(531)			
Share of loss (gain) of associates and joint ventures accounted for using the equity method	3,753	(5,134)	Cash flows from financing activities:		
Net gain on financial assets and liabilities at fair value through profit or loss	(337,409)	(177,543)	(Decrease) increase in short-term borrowings	(2,636,630)	1,380,611
Changes in operating assets and liabilities:			Increase in long-term borrowings	-	3,000,000
Note receivables	(29,479)	(17,217)	Decrease in long-term borrowings	(207,148)	(3,259,282)
Accounts receivables	813,532	7,664,939	Decrease in guarantee deposits	(1,192)	(943)
Accounts receivables - related parties	530	5,841	Increase in other noncurrent liabilities	53	854
Other receivables	(206,115)	(114,132)	Cash payment for the principal portion of lease liabilities	(152,483)	(159,121)
Inventories	2,310,206	(4,521,686)	Proceeds from disposal of subsidiaries' ownership (without a change of control)	123,591	136,814
Prepayments	15,665	174,881	Change in non-controlling interests	(6,148)	81,885
Other current assets	(10,519)	(78,654)	Net cash (used) provided by financing activities	(2,879,957)	1,180,818
Other operating assets	13,979	13,979			
Contract liabilities	152,462	170,397			
Notes payable	(720)	4,079	Effect of exchange rate changes on cash and cash equivalents	(308,908)	681,441
Accounts payable	(1,560,358)	(4,879,363)			
Accounts payable - related parties	11,565	132,803	Net increase (decrease) in cash and cash equivalents	906,613	(2,791,191)
Other payables	(727,029)	(716,015)	Cash and cash equivalents at the beginning of the period	12,364,999	11,229,839
Provisions - current	(65,366)	106,930	Cash and cash equivalents at the end of the period	\$ 13,271,612	\$ 8,438,648
Other current liabilities	(90,023)	72,709			
Net defined benefit assets/liabilities	18,333	(5,207)			
Cash generated from operations	1,864,663	156,098			
Dividend received	66,510	70,475			
Interest received	270,960	207,117			
Interest paid	(272,486)	(115,052)			
Income tax paid	(397,089)	(367,658)			
Net cash provided (used) in operating activities	1,532,558	(49,020)			

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023 and 2022

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

1. HISTORY AND ORGANIZATION

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

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

The consolidated financial statements of CORE and its subsidiaries (“the Group”) were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on July 31, 2023.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended, which are recognized by the Financial Supervisory Commission (“the FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendments to Consolidated Financial Statements and Investments in Associates and Joint Ventures	To be determined by the IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1 Amendment	Classification of Liabilities as Current or Non-current	January 1, 2024

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 16 Amendment	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1 Amendment	Presentation of Financial Statements” - Non-current Liabilities with Covenants	January 1, 2024
IAS 12 Amendment	International Taxation Reform - Model Pillar 2 Rules	January 1, 2023
IAS 7 and IFRS 7 Amendment	Vendor Financing Arrangements	January 1, 2024

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

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

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

B. IFRS 17 “Insurance Contracts”

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

E. Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendment specifies that covenants to be complied within twelve months after the reporting period does not affect the classification of debt as current or non-current at the end of the reporting period.

F. International Taxation Reform Model Pillar 2 Rules– Amendments to IAS 12

This amendment introduces a temporary exception to the requirements for the recognition of deferred income tax assets and liabilities related to Pillar II income tax and the disclosure of relevant information; and introduces targeted disclosure requirements for affected enterprises. Enterprises are not required to disclose the required information during any interim period before December 31, 2023.

G. Vendor Financing Arrangements– IAS 7 and Amendments to IFRS 7

In addition to adding explanations on supplier financing arrangements, this amendment also adds relevant disclosures on supplier financing arrangements.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the six months ended June 30, 2023 and 2022 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 is endorsed and become effective by the 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.

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

If loses control of a subsidiary, it:

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

The consolidated entities are as follows:

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
Tecpoint Limited (“Tecpoint”) and its subsidiaries	Subsidiary	Tecpoint is a holding company and invests in Mainland China. Tecpoint’s joint ventures are the production, manufacturing, marketing and R&D of acrylic plate, light guide plate and backlight module. The joint ventures also provide the after-sales services.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
Visicorp Limited (“Visicorp”) and its subsidiaries	Subsidiary	Visicorp is a holding company and invests in Mainland China. Visicorp’s joint ventures are the R&D, production and marketing of backlight module and components. The joint ventures also provide after-sales services.	100.00%	100.00%	100.00%
Coretronic (BVI) Investment Corp. (“Coretronic BVI”) and its subsidiaries	Subsidiary	BVI is a holding company and invests in Mainland China. BVI’s joint ventures are the R&D, production, manufacturing and marketing of digital projector, LCD monitor and components. The joint ventures also provide after-sales services.	100.00%	100.00%	100.00%
Sinolink Global Limited (“Sinolink”) and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink’s joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after-sales services for self-produced and non-self-produced products.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
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.	32.63%	33.86%	36.31%
Young Lighting Limited (YLL) and its subsidiaries	Subsidiary	YLL is a holding company and invests in Mainland China. YLL’s joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL’s joint ventures also provide after-sales services.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
Optoma Technology Corporation (“Optoma”) and its subsidiaries (Note)	Subsidiary	Optoma is engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment, electronic appliances. Optoma’s subsidiaries 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%
Dynamic Time Investments Limited	Subsidiary	Holding Company	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)

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
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.	79.36%	80.00%	80.00%
Calibre UK Ltd. (“CAL”)	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
InnoSpectra Corporation (“ISC”)	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	80.00%	80.00%	80.00%
Coretronic Intelligent Robotics Corporation (“CIRC”)	Subsidiary	CIRC is engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	100.00%	100.00%	100.00%
Coretronic MEMS Corporation (“CMC”)	Subsidiary	CMC is engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	100.00%	100.00%	100.00%
Coretronic Reality Inc. (“CRI”)	Subsidiary	CRI is engaged in R&D, and marketing of AR (Augmented reality) and MR (Mixed reality) wearable display solutions.	100.00%	100.00%	100.00%
Coretronic Vietnam Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	100.00%	100.00%	100.00%
Coretronic Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary	System integration and application service solutions for intelligent logistics and smart manufacturing.	100.00%	100.00%	100.00%

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

Entity Name	Relationship	Business nature	Percentage of Ownership		
			June 30, 2023	December 31, 2022	June 30, 2022
Coretronic Investment Limited and its subsidiaries	Subsidiary	Coretronic Investment Limited is a holding company and invests in Europe. Coretronic Investment Limited's subsidiaries are engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%	100.00%

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

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

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

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

The financial statements of certain consolidated subsidiaries listed above had not been reviewed by independent accountants. For those unreviewed subsidiaries as of June 30, 2023 and 2022, total assets were NT\$28,429,275 thousand and NT\$30,804,483 thousand, respectively; total liabilities were NT\$6,165,790 thousand and NT\$4,398,337 thousand, respectively; the related total comprehensive income (loss) was NT\$(121,500) thousand and NT\$(278,491) thousand for the three months ended June 30, 2023 and 2022, respectively; the related total comprehensive income (loss) was NT\$(88,623) thousand and NT\$574,558 thousand for the six months ended June 30, 2023 and 2022, 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, 2022. For the summary of significant accounting policies, please refer to the Group's consolidated financial statements for the year ended December 31, 2022.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The 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, 2022. Please refer to the consolidated financial statements for the year ended December 31, 2022 for the summary of significant accounting judgments, estimates and assumptions.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand, savings and checking accounts	\$6,025,068	\$4,836,956	\$4,095,661
Time deposits	7,246,544	7,389,043	4,314,987
Cash equivalents - repurchase agreements	-	139,000	28,000
Total	\$13,271,612	\$12,364,999	\$8,438,648

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

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments			
Forward foreign exchange contracts	\$380,791	\$155,286	\$422,019
Convertible bonds	-	-	44,580
Total	\$380,791	\$155,286	\$466,599
Current	\$380,791	\$155,286	\$466,599
Noncurrent	-	-	-
Total	\$380,791	\$155,286	\$466,599

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

	June 30, 2023	December 31, 2022	June 30, 2022
Equity instrument investments measured at fair value through other comprehensive income			
Unlisted companies stocks	\$4,678,439	\$3,895,009	\$4,077,378
Current	\$-	\$-	\$-
Noncurrent	4,678,439	3,895,009	4,077,378
Total	\$4,678,439	\$3,895,009	\$4,077,378

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) Financial assets measured at amortized cost

	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits (with original maturities of more than six months)	\$1,510,069	\$4,722,945	\$7,594,943
Current	\$1,510,069	\$4,722,945	\$7,594,943
Noncurrent	-	-	-
Total	\$1,510,069	\$4,722,945	\$7,594,943

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

(5) Notes Receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable - arose from operating activities	\$59,150	\$29,671	\$45,315

Notes receivables were not pledged.

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

(6) Trade Receivables and Trade Receivables - Related Parties

	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables	\$9,464,622	\$10,278,196	\$11,301,751
Less: allowance for doubtful accounts	(36,243)	(42,363)	(25,657)
Subtotal	9,428,379	10,235,833	11,276,094
Trade receivables from related parties	-	530	1
Total	\$9,428,379	\$10,236,363	\$11,276,095

Trade receivables were not pledged.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts as of June 30, 2023, December 31, 2022, and June 30, 2022 were NT\$9,464,622 thousand, NT\$10,278,726 thousand and NT\$11,301,752 thousand, respectively. Please refer to Note 6(21) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

The Group entered into factoring contracts without recourse with domestic banks. The bank pays the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factored delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. As of December 31, 2022 and June 30, 2022, factored trade receivables of NT\$483,486 thousand, and NT\$234,836 thousand were derecognized, and annual interest rates for advances from the bank were 5.05%, and 2.4% respectively. The credit lines of factoring contracts provided by banks were US\$110,000 thousand, US\$110,000 thousand and US\$80,000 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

As of June 30, 2023, December 31, 2022, and June 30, 2022, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$3,007,244 thousand, NT\$4,074,948 and NT\$397,687 thousand, respectively.

(7) Inventories

	June 30, 2023	December 31, 2022	June 30, 2022
Raw materials and supplies	\$5,737,073	\$6,916,832	\$9,217,626
Work in process	389,472	233,584	569,524
Finished goods	2,010,039	3,294,566	4,025,560
Total	<u>\$8,136,584</u>	<u>\$10,444,982</u>	<u>\$13,812,710</u>

The cost of inventories recognized in expenses amounted to NT\$7,618,308 thousand and NT\$10,024,316 thousand for the three months ended June 30, 2023 and 2022, including the write-down of inventories and obsolescence loss of NT\$59,192 thousand and NT\$25,674 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The cost of inventories recognized in expenses amounted to NT\$15,586,312 thousand and NT\$21,147,168 thousand for the six months ended June 30, 2023 and 2022, including the write-down of inventories and obsolescence loss of NT\$174,211 thousand and NT\$55,078 thousand, respectively.

The allowance of inventories write-down amounted to NT\$645,403 thousand, NT\$567,494 thousand and NT\$583,120 thousand as of June 30, 2023, December 31, 2022, and June 30, 2022, respectively.

No inventories were pledged.

(8) Investments Accounted for Using the Equity Method

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

Investees	June 30, 2023	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$46,369	18.50%

Investees	December 31, 2022	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$50,117	18.50%

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

The investment in EOE is not individually significant to the Group. The Group recognized share of (loss) gain of associates and joint ventures accounted for using the equity method in the amount of NT\$ (645) thousand and NT\$4,826 thousand for the three monthss ended of June 30, 2023 and 2022, and share of (loss) gain of associates and joint ventures accounted for using the equity method in the amount of NT\$ (3,753) thousand and NT\$5,134 thousand for the six months ended of June 30, 2023 and 2022, respectively. The above investments accounted for using the equity method was unreviewed by independent accountants.

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

The abovementioned associate had no contingent liabilities or capital commitments as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively. No investments accounted for using the equity method held by the Group were pledged to others.

(9) Property, Plant and Equipment

Property, plant and equipment for own-use:

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 2023	\$25,620	\$8,587,666	\$5,431,443	\$466,951	\$48,518	\$691,855	\$1,532,621	\$688,798	\$17,473,472
Additions	126,914	163,791	119,111	6,965	884	5,939	35,774	83,354	542,732
Disposals	-	(15,818)	(498,291)	(23,951)	(3,433)	(51,856)	(81,283)	-	(674,632)
Transfers	-	47,953	(63,710)	(891)	-	3,546	11,688	(142,302)	(143,716)
Exchange differences	(128)	(92,054)	(59,216)	(4,406)	(551)	(1,496)	(19,620)	5,004	(172,467)
As of June 30, 2023	<u>\$152,406</u>	<u>\$8,691,538</u>	<u>\$4,929,337</u>	<u>\$444,668</u>	<u>\$45,418</u>	<u>\$647,988</u>	<u>\$1,479,180</u>	<u>\$634,854</u>	<u>\$17,025,389</u>
As of January 1, 2022	\$25,680	\$8,134,122	\$4,978,854	\$427,227	\$44,195	\$788,434	\$1,582,090	\$441,630	\$16,422,232
Additions	-	156,166	150,300	19,057	1,571	10,394	23,479	302,788	663,755
Disposals	-	(19,751)	(133,019)	(2,467)	(1,969)	-	(45,706)	(369)	(203,281)
Transfers	-	154,864	167,517	(2,372)	(40)	751	(2,900)	(335,467)	(17,647)
Exchange differences	(165)	79,266	75,577	6,456	1,548	24,322	24,157	9,595	220,756
As of June 30, 2022	<u>\$25,515</u>	<u>\$8,504,667</u>	<u>\$5,239,229</u>	<u>\$447,901</u>	<u>\$45,305</u>	<u>\$823,901</u>	<u>\$1,581,120</u>	<u>\$418,177</u>	<u>\$17,085,815</u>
Depreciation and Impairment:									
As of January 1, 2023	\$-	\$3,937,742	\$3,408,354	\$341,435	\$36,114	\$532,927	\$1,124,428	\$19	\$9,381,019
Depreciation	-	211,027	234,171	23,886	1,697	26,221	62,628	-	559,630
Disposals	-	(15,698)	(448,377)	(19,841)	(3,410)	(49,513)	(76,496)	-	(613,335)
Transfers	-	-	(135,316)	(1,797)	-	(2,344)	(12,860)	(19)	(152,336)
Exchange differences	-	(51,892)	(32,367)	(3,527)	(563)	(2,587)	(14,265)	-	(105,201)
As of June 30, 2023	<u>\$-</u>	<u>\$4,081,179</u>	<u>\$3,026,465</u>	<u>\$340,156</u>	<u>\$33,838</u>	<u>\$504,704</u>	<u>\$1,083,435</u>	<u>\$-</u>	<u>\$9,069,777</u>
As of January 1, 2022	\$-	\$3,566,409	\$3,269,963	\$304,536	\$33,424	\$594,020	\$1,140,074	\$-	\$8,908,426
Depreciation	-	195,620	224,902	21,536	1,539	25,073	78,268	-	546,938
Disposals	-	(14,191)	(123,792)	(2,451)	(991)	-	(45,314)	-	(186,739)
Transfers	-	(269)	(5,209)	(2,392)	(16)	(93)	(9,146)	19	(17,106)
Exchange differences	-	40,268	49,672	5,330	1,014	18,510	20,330	-	135,124
As of June 30, 2022	<u>\$-</u>	<u>\$3,787,837</u>	<u>\$3,415,536</u>	<u>\$326,559</u>	<u>\$34,970</u>	<u>\$637,510</u>	<u>\$1,184,212</u>	<u>\$19</u>	<u>\$9,386,643</u>
Net carrying amounts as of:									
June 30, 2023	<u>\$152,406</u>	<u>\$4,610,359</u>	<u>\$1,902,872</u>	<u>\$104,512</u>	<u>\$11,580</u>	<u>\$143,284</u>	<u>\$395,745</u>	<u>634,854</u>	<u>\$7,955,612</u>
December 31, 2022	<u>\$25,620</u>	<u>\$4,649,924</u>	<u>\$2,023,089</u>	<u>\$125,516</u>	<u>\$12,404</u>	<u>\$158,928</u>	<u>\$408,193</u>	<u>\$688,779</u>	<u>\$8,092,453</u>
June 30, 2022	<u>\$25,515</u>	<u>\$4,716,830</u>	<u>\$1,823,693</u>	<u>\$121,342</u>	<u>\$10,335</u>	<u>\$186,391</u>	<u>\$396,908</u>	<u>\$418,158</u>	<u>\$7,699,172</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The Group evaluated the economic benefits for property, plant and equipment and identified there was no impairment loss for the six months ended June 30, 2023 and 2022, respectively.

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

(10) Investment Property

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

	Buildings
Cost:	
As of January 1, 2023	\$244,538
Additions from acquisitions	-
As of June 30, 2023	\$244,538
As of January 1, 2022	\$244,538
Additions from acquisitions	-
As of June 30, 2022	\$244,538
Depreciation and Impairment:	
As of January 1, 2023	\$100,307
Depreciation	4,035
As of June 30, 2023	\$104,342
As of January 1, 2022	\$92,237
Depreciation	4,035
As of June 30, 2022	\$96,272
Net carry amount as of:	
June 30, 2023	\$140,196
December 31, 2022	\$144,231
June 30, 2022	\$148,266

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		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Rental income from investment property	\$3,195	\$3,195	\$6,391	\$6,391
Less: Direct operating expenses from investment property generating rental income	(2,017)	(2,017)	(4,035)	(4,035)
Total	\$1,178	\$1,178	\$2,356	\$2,356

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

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

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value of the investment property	\$200,400	\$200,400	\$212,800
Discount rates	4.345%	4.345%	3.845%
Growth rates	0.4%	0.4%	0.4%

(11) Intangible Assets

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2023	\$-	\$242,775	\$280,361	\$94,942	\$5,940	\$46,707	\$670,725
Additions	-	-	14,703	-	-	6,073	20,776
Disposals	-	-	(24,845)	-	-	(32,349)	(57,194)
Transfer	-	-	(83)	-	-	-	(83)
Exchange differences	-	(34)	906	-	-	1,290	2,162
As of June 30, 2023	\$-	\$242,741	\$271,042	\$94,942	\$5,940	\$21,721	\$636,386
As of January 1, 2022	\$103,621	\$179,451	\$284,391	\$87,123	\$5,940	\$225,050	\$885,576
Additions	-	-	17,335	7,619	-	2,680	27,634
Disposals	(103,621)	-	(11,308)	-	-	(150,129)	(265,058)
Exchange differences	-	(44)	(1,648)	-	-	(4,663)	(6,355)
As of June 30, 2022	\$-	\$179,407	\$288,770	\$94,742	\$5,940	\$72,938	\$641,797

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, 2023	\$-	\$48,963	\$157,649	\$71,343	\$5,940	\$28,321	\$312,216
Amortization	-	10,642	21,855	3,643	-	7,820	43,960
Disposals	-	-	(24,845)	-	-	(32,349)	(57,194)
Exchange differences	-	(29)	591	-	-	1,231	1,793
As of June 30, 2023	<u>\$-</u>	<u>\$59,576</u>	<u>\$155,250</u>	<u>\$74,986</u>	<u>\$5,940</u>	<u>\$5,023</u>	<u>\$300,775</u>
As of January 1, 2022	\$103,621	\$41,846	\$140,738	\$60,929	\$5,940	\$201,868	\$554,942
Amortization	-	8,753	23,022	3,603	-	5,403	40,781
Disposals	(103,621)	-	(11,205)	-	-	(150,129)	(264,955)
Exchange differences	-	(33)	(1,373)	-	-	(4,694)	(6,100)
As of June 30, 2022	<u>\$-</u>	<u>\$50,566</u>	<u>\$151,182</u>	<u>\$64,532</u>	<u>\$5,940</u>	<u>\$52,448</u>	<u>\$324,668</u>
Net carrying amount as of:							
June 30, 2023	<u>\$-</u>	<u>\$183,165</u>	<u>\$115,792</u>	<u>\$19,956</u>	<u>\$-</u>	<u>\$16,698</u>	<u>\$335,611</u>
December 31, 2022	<u>\$-</u>	<u>\$193,812</u>	<u>\$122,712</u>	<u>\$23,599</u>	<u>\$-</u>	<u>\$18,386</u>	<u>\$358,509</u>
June 30, 2022	<u>\$-</u>	<u>\$128,841</u>	<u>\$137,588</u>	<u>\$30,210</u>	<u>\$-</u>	<u>\$20,490</u>	<u>\$317,129</u>

Amortization expense of intangible assets:

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Operating costs	\$3,737	\$4,064	\$9,244	\$6,302
Selling expenses	2,373	1,990	4,732	4,255
General and administrative expenses	4,244	5,004	8,668	10,021
Research and development expenses	11,652	10,345	21,316	20,203
Total	<u>\$22,006</u>	<u>\$21,403</u>	<u>\$43,960</u>	<u>\$40,781</u>

(12) Short-Term Borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank loans	<u>\$7,187,219</u>	<u>\$9,823,849</u>	<u>\$13,193,008</u>
Interest rates (%)	<u>1.49%~5.50%</u>	<u>1.70%~5.07%</u>	<u>0.90%~2.42%</u>

The Group's unused short-term lines of credits amounted to NT\$41,055,084 thousand, NT\$37,254,987 thousand, and NT\$37,265,683 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively. Please refer to Note 8 for time deposits guaranteed for the lines of credit of certain short-term borrowings.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(13) Financial liabilities at fair value through profit or loss

	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities mandatorily measured at fair value through profit or loss:			
Derivatives not designated as hedging instruments - current			
Forward exchange contracts	\$338,527	\$450,431	179,387
Current	\$338,527	\$450,431	\$179,387
Non-current	-	-	-
Total	\$338,527	\$450,431	\$179,387

(14) Hedging financial liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Forward exchange contracts	\$-	\$1,483	\$-
Current	\$-	\$1,483	\$-
Non-current	-	-	-
Total	\$-	\$1,483	\$-

(15) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	June 30, 2023	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$449,925	1.85%	Principle is repaid in 8 quarterly payments from February 19, 2023.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Lenders	June 30, 2023	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Hua Nan Commercial bank	51,429	1.80%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	107,143	1.78%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	10,714	1.80%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Sumitomo Mitsui Bank	4,781	1.60%	Government subsidizes the interests for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Syndicated loan of 9 Banks - unsecured bank loans	3,000,000	1.98%	Revolving credit. Renewable every month. Credit has not been fully utilized.
Less: Arrangement Fee	(4,163)		
Current portion	(414,716)		
Total	\$3,205,113		

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.73%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from Hua Nan Commercial bank	68,571	1.55%	Principle is repaid in 14 quarterly payments from July 25, 2021.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Hua Nan Commercial bank	142,857	1.53%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	14,286	1.55%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Sumitomo Mitsui Bank	6,200	1.60%	Government subsidizes interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Syndicated loan of 9 Banks - unsecured bank loans	3,000,000	1.95%~ 1.96%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(4,837)		
Current portion	(414,871)		
Total	\$3,412,106		

Lenders	June 30, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.48%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from First bank	56	1.48%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	3,572	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	85,714	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Lenders	June 30, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Hua Nan Commercial bank	178,571	1.28%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	17,857	1.30%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Sumitomo Mitsui Bank	6,791	1.60%	Government subsidizes the interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Syndicated loan of 9 Banks - Commercial paper loans	1,000,000	1.438%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(5,363)		
Amortization of commercial paper discount	(3,033)		
Current portion	(266,223)		
Total	<u>\$1,617,842</u>		

The Group's unused long-term lines of credits amounted to NT\$4,430,714 thousand, NT\$3,893,800 thousand and NT\$5,893,210 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

(16) Post-Employment Benefits

Defined contribution plan

Pension expenses under the defined contribution plan for the three months ended June 30, 2023 and 2022 were NT\$91,469 thousand and NT\$111,315 thousand, respectively.

Pension expenses under the defined contribution plan for the six months ended June 30, 2023 and 2022 were NT\$183,407 thousand and NT\$244,576 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Defined benefits plan

Pension expenses under the defined benefits plan for the three months ended June 30, 2023 and 2022 were NT\$143 thousand and NT\$264 thousand, respectively.

Pension expenses under the defined benefits plan for the six months ended June 30, 2023 and 2022 were NT\$286 thousand and NT\$528 thousand, respectively.

(17) Provisions

	<u>Warranties</u>
As of January 1, 2023	\$651,105
Arising during the period	143,390
Utilized during the period	(204,943)
Exchange differences	(3,813)
As of June 30, 2023	<u>\$585,739</u>
Current	\$585,739
Non-current	-
As of June 30, 2023	<u>\$585,739</u>
As of January 1, 2022	\$578,084
Arising during the period	422,794
Utilized during the period	(325,033)
Exchange differences	9,169
As of June 30, 2022	<u>\$685,014</u>
Current	\$685,014
Non-current	-
As of June 30, 2022	<u>\$685,014</u>

Warranties

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

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

(18) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of June 30, 2023, December 31, 2022, and June 30, 2022, respectively (including NT\$700,000 thousand reserved for exercise of share warrants, preferred shares with warrants and corporate bonds with warrants), each at a par value of NT\$10. CORE's issued capital was NT\$3,909,811 thousand, divided into 390,981 thousand shares, as of June 30, 2023, December 31, 2022 and June 30, 2022. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
Additional paid-in capital	\$1,257,199	\$1,648,180	\$1,648,180
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	1,173,915	1,093,307	850,931
Changes in ownership interests in subsidiaries	65,962	64,888	121,259
Changes from investments in associates and joint ventures accounted for using the equity method	1,850	1,850	1,850
Total	<u>\$2,498,926</u>	<u>\$2,808,225</u>	<u>\$2,622,220</u>

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Retained earnings and dividend policies:

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

The special reserve of the first adoption of the TIFRS as of June 30, 2023, December 31, 2022, and June 30, 2022, amounted to NT\$1,276,610 thousand.

Details of the 2022 and 2021 earnings distribution and dividends per share are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$242,934	\$75,004		
Special reserve	134,519	-		
Common stock - cash				
dividend	1,368,434	1,172,944	\$3.5	\$3.0

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The above cash dividends were proposed and resolved by the board of directors meetings on March 13, 2023 and March 21, 2022, respectively; other earnings distributions were also resolved by shareholders meetings on June 14, 2023 and June 10, 2022, respectively.

In addition, the board of directors in the meetings on March 13, 2023 and March 21, 2022, respectively, also resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$390,981 thousand (NT\$1 per share).

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

D. Non-controlling interests:

	Six months ended June 30	
	2023	2022
Beginning balance	\$2,350,939	\$2,064,897
(Loss) profit attributable to non-controlling interests	(106,028)	42,644
Other comprehensive income attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(17,193)	31,216
Cash dividends	(6,148)	(439)
Acquisition or disposal of the interest of subsidiaries	41,101	41,768
Changes in subsidiaries' ownership	(1,156)	56,198
Share-based payment plans	6,140	2,010
Ending balance	\$2,267,655	\$2,238,294

(19) Share-based payment plans

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

Share-based payment plans of subsidiaries

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Each unit of employee stock options is eligible to subscribe for one common share of Optoma Holding Limited. New shares will be issued when employees exercise such options. Holders may exercise the stock options for a certain period of time and proportion two years after the employee stock options are granted. The total outstanding granted stock options were 2,913,200 units as of June 30, 2023. The fair value of options granted was EUR 1,253 thousand, and the grant date was April 28, 2022.

The fair value of each new common share granted for the restricted stocks plan is EUR2.02 with exercise price of EUR1.99. As of June 30, 2023, total granted and outstanding restricted stocks were 1,264,308 shares with the fair value of EUR 38 thousand. The restricted stocks plan for employee allows the new shares released in proportion according to the vesting condition. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees need not to pay back dividends obtained.

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

	Share-based payment plan of subsidiaries
Expected dividend yield (%)	0.00%
Expected volatility (%)	35.1%
Risk free interest rate (%)	2.96%
Expected life (Years)	2 years

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

Share-based compensation expenses recognized for the three months ended June 30, 2023 and 2022 were EUR 94 thousand and EUR 65 thousand, respectively. Share-based compensation expenses recognized for the six months ended June 30, 2023 and 2022 were EUR 185 thousand and EUR 65 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(20) Sales

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Contract revenue from customers				
Sale of goods	\$9,109,368	\$12,240,730	\$18,162,883	\$25,084,645
Revenue arising from rendering of services	410,903	256,447	807,187	506,104
Other operating revenues	112,897	73,909	233,883	118,245
Total	<u>\$9,633,168</u>	<u>\$12,571,086</u>	<u>\$19,203,953</u>	<u>\$25,708,994</u>

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

A. Revenue of Segments

For the three months ended June 30, 2023

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$3,980,939	\$4,074,772	\$792,586	\$559,229	\$(298,158)	\$9,109,368
Revenue arising from rendering of services	67,258	30,434	24,554	377,710	(89,053)	\$410,903
Other operating revenues	81,428	8,003	-	24,036	(570)	\$112,897
Total	<u>\$4,129,625</u>	<u>\$4,113,209</u>	<u>\$817,140</u>	<u>\$960,975</u>	<u>\$(387,781)</u>	<u>\$9,633,168</u>
The timing of revenue recognition:						
At a point in time	<u>\$4,129,625</u>	<u>\$4,113,209</u>	<u>\$817,140</u>	<u>\$960,975</u>	<u>\$(387,781)</u>	<u>\$9,633,168</u>

For the three months ended June 30, 2022

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

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

For the six months ended June 30, 2023

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$8,026,248	\$8,095,822	\$1,485,702	\$1,113,617	\$(558,506)	\$18,162,883
Revenue arising from rendering of services	150,584	49,334	61,031	715,306	(169,068)	807,187
Other operating revenues	115,331	62,124	-	58,723	(2,295)	233,883
Total	\$8,292,163	\$8,207,280	\$1,546,733	\$1,887,646	\$(729,869)	\$19,203,953

The timing of revenue recognition:

At a point in time	\$8,292,163	\$8,207,280	\$1,546,733	\$1,887,646	\$(729,869)	\$19,203,953
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For the six months ended June 30, 2022

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

The timing of revenue recognition:

At a point in time	\$12,742,907	\$10,570,067	\$2,460,665	\$1,986,804	\$(2,051,449)	\$25,708,994
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B.Contract balance

Contract liabilities – current

	June 30, 2023	December 31, 2022	June 30, 2022	January 1 2022
Sale of goods	\$286,266	\$276,621	\$277,426	\$173,726
Revenue arising from rendering of services	24,427	7,451	8,528	112
Other operating revenues	370,412	245,174	185,685	127,404
Total	\$681,105	\$529,246	\$471,639	\$301,242

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The contract liabilities balances resulted from the difference between the satisfaction of the performance obligation and the customers' payment. For the six months ended June 30, 2023 and 2022, the Group recognized NT\$211,377 thousand and NT\$301,242 thousand, respectively, in revenues from the contract liabilities balance at the beginning of the period as performance obligations were satisfied.

C. Transaction price allocated to unsatisfied performance obligations

As of June 30, 2023 and 2022, there is no need to provide relevant information of the unsatisfied performance obligations as the contracts with customers about the sales of goods are all satisfied within one year.

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

None.

(21) Expected credit loss

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Operating expenses – Expected credit loss (gain)				
Trade receivables	\$4,937	\$3,708	\$(6,226)	\$(4,172)

The Group measures trade receivables (including notes receivable and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of June 30, 2023, December 31, 2022, and June 30, 2022, is as follows:

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

As of June 30, 2023

Group A

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$736,755	\$170,372	\$9,177	\$2,545	\$3,876	\$31,020	\$953,745
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(1,108)	(755)	(76)	(2,326)	(13,579)	(17,844)
Subtotal	\$736,755	\$169,264	\$8,422	\$2,469	\$1,550	\$17,441	\$935,901

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Group B

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying							
amount	\$8,387,937	\$147,704	\$14,561	\$2,887	\$-	\$16,938	\$8,570,027
Loss ratio	0%	0%	5%	30%	50%	100%	
Expected							
credit losses	-	(2)	(594)	(865)	-	(16,938)	(18,399)
Subtotal	<u>\$8,387,937</u>	<u>\$147,702</u>	<u>\$13,967</u>	<u>\$2,022</u>	<u>\$-</u>	<u>\$-</u>	<u>\$8,551,628</u>

As of December 31, 2022

Group A

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying							
amount	\$1,043,607	\$186,712	\$27,450	\$15,637	\$1,562	\$32,585	\$1,307,553
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected							
credit losses	-	(325)	(267)	(481)	(167)	(8,248)	(9,488)
Subtotal	<u>\$1,043,607</u>	<u>\$186,387</u>	<u>\$27,183</u>	<u>\$15,156</u>	<u>\$1,395</u>	<u>\$24,337</u>	<u>\$1,298,065</u>

Group B

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying							
amount	\$8,558,872	\$347,929	\$34,723	\$29,692	\$6,651	\$22,977	\$9,000,844
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected							
credit losses	-	(266)	(1,425)	(2,952)	(5,260)	(22,972)	(32,875)
Subtotal	<u>\$8,558,872</u>	<u>\$347,663</u>	<u>\$33,298</u>	<u>\$26,740</u>	<u>\$1,391</u>	<u>\$5</u>	<u>\$8,967,969</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of June 30, 2022

Group A

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

Group B

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

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

	<u>Trade receivables</u>
As of January 1, 2023	\$42,363
Reversal for the current period	(6,226)
Write-offs	(41)
Exchange differences	147
As of June 30, 2023	<u>\$36,243</u>
As of January 1, 2022	\$29,563
Addition for the current period	12,405
Exchange differences	395
As of December 31, 2022	<u>\$42,363</u>

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

	<u>Trade receivables</u>
As of January 1, 2022	\$29,563
Reversal for the current period	(4,172)
Exchange differences	266
As of June 30, 2022	\$25,657

(22) Leases

A. Group as lessee

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022
Land (including land use rights)	\$1,635,318	\$1,669,059	\$1,260,295
Buildings	365,667	504,286	594,042
Transportation equipment	26,115	30,971	33,933
Office fixtures	3,620	2,330	2,996
Total	\$2,030,720	\$2,206,646	\$1,891,266

During the six months ended June 30, 2023 and 2022, the additions to right-of-use assets of the Group amounted to NT\$82,470 thousand and NT\$125,711 thousand, respectively.

ii. Lease liability

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$281,672	\$321,631	\$335,567
Non-current	1,159,102	1,291,459	1,394,912
Total	\$1,440,774	\$1,613,090	\$1,730,479

Please refer to Note 6(24)D. for the interests on lease liability recognized during the three months and six months ended June 30, 2023 and 2022, 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 June 30		Six months ended June 30	
	2023	2022	2023	2022
Land (including land use rights)	\$15,631	\$15,718	\$31,280	\$31,301
Buildings	56,924	64,799	116,363	127,328
Transportation equipment	4,982	5,030	10,104	10,128
Office fixtures	345	329	687	642
Other equipment	136	-	136	6
Total	\$78,018	\$85,876	\$158,570	\$169,405

(c) Income and costs relating to leasing activities

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
The expense relating to short-term leases	\$8,085	\$15,274	\$18,860	\$37,764
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	2,563	3,122	5,421	7,709
Total	\$10,648	\$18,396	\$24,281	\$45,473

(d) Cash outflow relating to leasing activities

During the six months ended June 30, 2023 and 2022, the Group's total cash outflows for leases amounted to NT\$201,472 thousand and NT\$233,163 thousand, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

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

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

ii. Extension and termination options

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

iii. Residual value guarantees

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

B. Group as lessor

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

No financing lease contracts were signed.

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Lease income for operating leases				
Income relating to variable lease payments that do not depend on an index or a rate	\$10,127	\$10,179	\$20,181	\$21,969

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	June 30, 2023	December 31, 2022	June 30, 2022
Not later than one year	\$20,097	\$37,298	\$37,425
Later than one year but not later than two years	778	1,504	19,230
Later than two years but not later than three years	778	778	286
Later than three years but not later than four years	492	492	286
Later than four years but not later than five years	492	492	-
Over five years	246	492	-
Total	\$22,883	\$41,056	\$57,047

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

Function Items	Three months ended June 30					
	2023			2022		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$764,487	\$1,240,110	\$2,004,597	\$967,642	\$1,283,621	\$2,251,263
Salaries	639,995	1,078,737	1,718,732	792,895	1,109,294	1,902,189
Labor and health insurance	35,888	75,980	111,868	47,436	86,400	133,836
Pension	41,507	50,105	91,612	61,113	50,466	111,579
Other employee benefits expense	47,097	35,288	82,385	66,198	37,461	103,659
Depreciation	253,462	100,943	354,405	261,414	95,095	356,473
Amortization	3,824	18,459	22,283	3,907	16,045	19,952

Function Items	Six months ended June 30					
	2023			2022		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$1,489,283	\$2,349,617	\$3,838,900	\$1,982,709	2,463,868	\$4,446,577
Salaries	1,233,942	2,032,576	3,266,518	1,632,652	2,095,380	3,728,032
Labor and health insurance	75,308	162,993	238,301	93,847	168,212	262,059
Pension	84,273	99,420	183,693	119,103	126,001	245,104
Other employee benefits expense	95,760	54,628	150,388	137,107	74,275	211,382
Depreciation	509,994	197,277	707,271	514,838	191,008	705,846
Amortization	7,925	35,126	43,051	6,183	33,221	39,404

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

CORE accrued employees' compensation based on a specific rate of profit. The amount of employees' compensation was NT\$57,847 thousand and NT\$115,685 thousand for the three months ended June 30, 2023 and 2022, respectively. The amount of employees' compensation was NT\$100,467 thousand and NT\$ 188,812 thousand for the six months ended June 30, 2023 and 2022, 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 13, 2023 to distribute NT\$360,060 thousand in cash as employees' compensation. There was no material difference between the resolution and the estimated amount for the year ended December 31, 2022.

There was no material difference between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2021.

(24) Non-Operating Income and Expenses

A. Interest income

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Financial assets measured at amortized cost	<u>\$90,198</u>	<u>\$88,368</u>	<u>\$179,757</u>	<u>\$171,097</u>

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 June 30		Six months ended June 30	
	2023	2022	2023	2022
Government grants income	\$102,794	\$18,131	\$149,891	\$34,601
Rental income	10,127	10,179	20,181	21,969
Dividend income	66,510	26,000	66,510	70,475
Other	5,198	41,032	103,455	70,875
Total	\$184,629	\$95,342	\$340,037	\$197,920

C. Other gains and losses

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Gain on financial assets at fair value through profit or loss, net (Note)	\$97,267	\$448,258	\$291,591	\$962,394
Gain on lease modification	1,748	253	6,001	692
(Loss) gain on disposal of property, plant and equipment	(7,325)	7,310	(3,271)	17,142
Foreign exchange gain (loss), net	63,558	(186,720)	(5,671)	(517,407)
Gain on disposal of investments	-	531	-	531
Other loss	(27,896)	(13,796)	(35,472)	(25,118)
Total	\$127,352	\$255,836	\$253,178	\$438,234

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

D. Finance cost

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Interest on borrowings from bank	\$106,956	\$56,625	\$260,249	\$91,889
Interest on lease liabilities	11,729	14,077	24,708	28,569
Hedge ineffectiveness recognized in profit or loss	1,440	-	(12,932)	-
Total	\$120,125	\$70,702	\$272,025	\$120,458

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

(25) Components of Other Comprehensive Income

For the three months ended June 30, 2023

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	\$128,385	\$1,168	\$129,553
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(429,032)	-	(429,032)
Share of the other comprehensive income of associates accounted for using the equity method	8	-	8
Total of other comprehensive income	<u>\$ (300,639)</u>	<u>\$ 1,168</u>	<u>\$ 299,471</u>

For the three months ended June 30, 2022

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the six months ended June 30, 2023

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	\$782,719	\$892	\$783,611
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(377,315)	-	(377,315)
Share of the other comprehensive income of associates accounted for using the equity method	5	-	5
Total of other comprehensive income	<u>\$405,409</u>	<u>\$892</u>	<u>\$406,301</u>

For the six months ended June 30, 2022

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

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

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

Income tax expense (income) recognized in profit or loss

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Current income tax expense (income):				
Current income tax expense	\$159,724	\$198,585	\$207,126	\$325,570
Adjustments in respect of current income tax of prior periods	(13,077)	45,177	(16,490)	44,339
Deferred tax expense (income):				
Deferred tax expense relating to origination and reversal of temporary differences	(4,282)	(800)	68,703	72,251
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	(32,839)	(25,748)	(63,536)	(73,745)
Other	-	21	223	21
Total income tax expense	<u>\$109,526</u>	<u>\$217,235</u>	<u>\$196,026</u>	<u>\$368,436</u>

Income tax relating to components of other comprehensive income

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Deferred income tax income (expense):				
Unrealized gain (loss) from equity instruments investments measured at fair value through other comprehensive income	<u>\$1,168</u>	<u>\$(634)</u>	<u>\$892</u>	<u>\$(3,644)</u>

The assessment of income tax returns

As of June 30, 2023, the assessment of the income tax returns of the Group and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
CORE	Assessed and approved up to 2020,
TYO	Assessed and approved up to 2021
Optoma Technology Corporation	Assessed and approved up to 2020

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	The assessment of income tax returns
CGT	Assessed and approved up to 2021
Tsen Ming Investment	Assessed and approved up to 2021
YGE	Assessed and approved up to 2021
Rays Optics	Assessed and approved up to 2021
CICS	Assessed and approved up to 2021
CVC	Assessed and approved up to 2021
UCM	Assessed and approved up to 2021
ISC	Assessed and approved up to 2021
CVD	Assessed and approved up to 2020
CIRC	Assessed and approved up to 2021
CRI	Assessed and approved up to 2021
CMC	Assessed and approved up to 2021
NPT	Assessed and approved up to 2021
CILS	Assessed and approved up to 2021
Optoma Corporation	Assessed and approved up to 2021

(27) Earnings Per Share

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

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

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
A. Basic earnings per share				
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$412,344	\$810,615	\$664,990	\$1,289,527
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981	390,981	390,981
Basic earnings per share (NT\$)	\$1.05	\$2.08	\$1.70	\$3.30

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		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
B. Diluted earnings per share				
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$412,344	\$810,615	\$664,990	\$1,289,527
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981	390,981	390,981
Effect of dilution:				
Employee bonus—stock (in thousand)	1,372	3,761	2,750	5,480
Weighted average number of ordinary shares outstanding after dilution (in thousand)	392,353	394,742	393,731	396,461
Diluted earnings per share (NT\$)	\$1.05	\$2.05	\$1.69	\$3.25

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

(28) Subsidiaries that have Material Non-Controlling Interests

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

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	June 30, 2023	December 31, 2022	June 30, 2022
Young Optics Inc	Taiwan	67.37%	66.14%	63.69%
		June 30, 2023	December 31, 2022	June 30, 2022
Accumulated balance of material non-controlling interests				
Young Optics, Inc.		\$2,115,880	\$2,194,352	\$2,108,747

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Profit (loss) allocated to material non-controlling interest				
Young Optics, Inc.	<u>\$(45,323)</u>	<u>\$30,773</u>	<u>\$(102,120)</u>	<u>\$46,240</u>

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

Summarized information of profit or loss for the three months ended June 30, 2023:

	<u>Young Optics Inc.</u>
Operating revenue	\$817,141
Loss for the period from continuing operations	(67,258)
Total comprehensive loss for the period	(93,342)

Summarized information of profit or loss for the three monthss ended June 30, 2022:

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

Summarized information of profit or loss for the six months ended June 30, 2023:

	<u>Young Optics Inc.</u>
Operating revenue	\$1,546,733
Profit for the period from continuing operations	(152,877)
Total comprehensive loss for the period	(176,829)

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

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

Summarized information of financial position as of June 30, 2023:

	<u>Young Optics Inc.</u>
Current assets	\$2,378,046
Non-current assets	2,648,700
Current liabilities	(1,320,465)
Non-current liabilities	(570,663)

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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Summarized information of financial position as of December 31, 2022:

	<u>Young Optics Inc.</u>
Current assets	\$2,908,506
Non-current assets	2,657,752
Current liabilities	(1,481,347)
Non-current liabilities	(772,464)

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

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

Summarized cash flow information for the six months ended June 30, 2023:

	<u>Young Optics Inc.</u>
Operating activities	\$177,048
Investing activities	(134,683)
Financing activities	(275,147)
Net decrease in cash and cash equivalents	(258,680)

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

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

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
Etergo Opto-Electronics Co., LTD (“EOE”)	Associate
Chi Hua Fitness Co., LTD. (“CHI HUA”)	Substantive related party
Dongtai Qidian Electronic Technology Co., Ltd (“DONGTAI QIDIAN”)	Substantive related party
Hannstar Display Corporation (“HANNSTAR”)	The Group became an associate of the entity starting from the second quarter of 2022

(2) Significant transactions with related parties

A. Sales

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
DONGTAI QIDIAN	\$50	\$-	\$480	\$-
CHI HUA	-	-	-	24
Total	\$50	\$-	\$480	\$24

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

B. Purchases

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
EOE	\$50,289	\$74,606	\$106,894	\$74,606
HANNSTAR	52,189	113,624	72,588	162,126
DONGTAI QIDIAN	28	-	62	-
Total	\$102,506	\$188,230	\$179,544	\$236,732

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

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

	June 30, 2023	December 31, 2022	June 30, 2022
DONGTAI QIDIAN	\$-	\$530	\$-
CHI HUA	-	-	1
Total	\$-	\$530	\$1

D. Other Receivables from Related Parties

	June 30, 2023	December 31, 2022	June 30, 2022
HANNSTAR	\$3,237	\$-	\$-

E. Accounts Payable to Related Parties

	June 30, 2023	December 31, 2022	June 30, 2022
HANNSTAR	\$10,891	\$35,437	\$42,599
EOE	49,684	13,573	120,028
Total	\$60,575	\$49,010	\$162,627

F. Other Payable to Related Parties

	June 30, 2023	December 31, 2022	June 30, 2022
EOE	\$412	\$5,345	\$3,547
CHI HUA	13	-	-
HANNSTAR	-	452	921
Total	\$425	\$5,797	\$4,468

G. Others

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

H. Key Management Personnel Compensation

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$55,325	\$46,840	\$99,730	\$97,040
Post-employment benefits	502	494	1,001	1,009
Share-based payment	1,106	694	2,151	694
Total	\$56,933	\$48,028	\$102,882	\$98,743

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 pledged as collateral:

Assets pledged as collateral	Carrying amount			Purpose of pledge
	June 30, 2023	December 31, 2022	June 30, 2022	
Buildings (including investment property)	\$733,212	\$754,100	\$774,988	Collateral for long-term borrowings
Time deposits (presented as "Other receivables")	373,680	-	-	Collateral for short-term borrowings
Time deposits (presented as "Other receivables")	36,885	36,885	34,985	Lease execution deposits
Time deposits (presented as "Other receivables")	48,778	4,057	4,049	Customs import guarantee and others
Bank deposits (presented as "Other receivables")	14	14	13	Export tax guarantee
Time deposits (presented as "Other noncurrent assets")	20,787	20,784	20,784	Lease execution deposits
Time deposits (presented as "Other noncurrent assets")	1,100	1,094	1,090	Customs import guarantee
Total	\$1,214,456	\$816,934	\$835,909	

9. Commitments and Contingencies

A. Amount available under unused letters of credit as of June 30, 2023 was NT\$4,337 thousand.

B. The Group entered into contracts to acquire two land use rights by two stages: as of June 30 2023, in the first stage, the Group has acquired land use right in the amount of VND340,275,000 thousand (approximately NT\$453,177 thousand), recognizing it under right-of-use assets; in the second stage, the total contract amount is VND344,511,879 thousand (approximately NT\$454,966 thousand) with total prepayment of VND259,566,620 thousand (approximately NT\$318,283 thousand) recognized under non-current assets, while the outstanding payable was VND84,945,259 thousand (approximately NT\$112,180 thousand).

C. The Group appointed contractors to build a new plant in Phu My 3 Specialized Industrial Park in Vietnam, and the total construction contract cost was VND1,125,600,000 thousand (approximately NT\$1,412,628 thousand). As of June 30, 2023, the Group has paid VND 349,278,927 thousand (approximately NT\$454,603 thousand), and recognized it under construction in progress and equipment awaiting inspection.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. One of the equipment suppliers filed a complaint in Taiwan Hsinchu District Court against Young Optics Inc. (“TYO”) for the dispute in a procurement contract, alleging that TYO should pay damage compensation in the amount of NT\$10,061 thousand. The court is currently in the mediation proceeding. According to legal advice of the appointed attorney, this dispute needs further clarification for relevant evidence and investigation. At this point in time, the likely outcome of this complaint is inconclusive.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

<u>Financial assets</u>	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss (Note 1)	\$3,388,035	\$4,230,234	\$864,286
Financial assets at fair value through other comprehensive income	4,678,439	3,895,009	4,077,378
Financial assets measured at amortized cost (Note 2)	22,753,429	24,655,305	27,774,312
Total	\$30,819,903	\$32,780,548	\$32,715,976
<u>Financial liabilities</u>	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities at amortized cost:			
Short-term borrowings	\$7,187,219	\$9,823,849	\$13,193,008
Accounts payable (including related parties)	5,784,526	7,334,039	8,753,929
Other payables	5,565,091	4,520,234	6,150,749

CORETRONIC CORPORATION AND SUBSIDIARIES

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

<u>Financial liabilities</u>	June 30, 2023	December 31, 2022	June 30, 2022
Lease liability (including current and noncurrent)	1,440,774	1,613,090	1,730,479
Long-term borrowings (including current portion)	3,619,829	3,826,977	1,884,065
Subtotal	<u>\$23,597,439</u>	<u>27,118,189</u>	<u>31,712,230</u>
Financial liabilities at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss			
- current	338,527	450,431	179,387
Hedging financial liabilities -			
current	-	1,483	-
Total	<u>\$23,935,966</u>	<u>\$27,570,103</u>	<u>\$31,891,617</u>

Note 1: As of June 30, 2023, December 31, 2022, and June 30, 2022, the financial assets measured at fair value through profit or loss, including trade receivables, were NT\$3,007,244 thousand, NT\$4,074,948 thousand, and NT\$397,687 thousand respectively. Please refer to Note 6(6) for more details.

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

(2) Financial Risk Management Objectives and Policies

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(3) Market Risk

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

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

Foreign currency risk

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

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

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

When NTD appreciates or depreciates against USD by 1%, the profit for the six months ended June 30, 2023 and 2022 is decreased/increased by NT\$40,049 thousand and NT\$81,968 thousand, while equity is decreased/increased by NT\$288,867 thousand and NT\$284,567 thousand, respectively.

Interest rate risk

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

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments with variable interest rate and bank borrowings with variable interest rate. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the six months ended June 30, 2023 and 2022 to decreased/increased by NT\$52,707 thousand and NT\$71,363 thousand, respectively.

Equity price risk

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

For the six months ended June 30, 2023 and 2022, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instrument at fair value through other comprehensive income could increase/decrease by NT\$46,784 thousand and NT\$40,774 thousand on the equity attributable to the Group, respectively.

(4) Credit Risk Management

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

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

As of June 30, 2023, December 31, 2022, and June 30, 2022, receivables from top ten customers represented 68%, 71% and 66% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

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 June 30, 2023					
Borrowings	\$7,646,274	\$3,305,112	\$-	\$-	\$10,951,386
Accounts payable (including related parties)	5,784,526	-	-	-	5,784,526
Other payables (including related parties)	5,565,091	-	-	-	5,565,091
Lease liability	292,628	274,346	150,121	1,066,322	1,783,417
As of December 31, 2022					
Borrowings	\$10,316,720	\$3,815,001	\$-	\$-	\$14,131,721
Accounts payable (including related parties)	7,334,039	-	-	-	7,334,039
Other payables (including related parties)	4,520,234	-	-	-	4,520,234
Lease liability	352,468	422,985	153,541	1,099,545	2,028,539

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of June 30, 2022					
Borrowings	\$13,546,786	\$631,957	\$1,000,982	\$-	\$15,179,725
Accounts payable (including related parties)	8,753,929	-	-	-	8,753,929
Other payables (including related parties)	6,150,749	-	-	-	6,150,749
Lease liability	347,804	440,109	191,290	1,131,116	2,110,319

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of June 30, 2023			
Inflows	\$-	\$-	\$-
Outflows	338,527	-	338,527
Net	\$338,527	\$-	\$338,527

As of December 31, 2022

	Less than 1 year	1 to 3 years	Total
Inflows	\$-	\$-	\$-
Outflows	451,914	-	451,914
Net	\$451,914	\$-	\$451,914

As of June 30, 2022

	Less than 1 year	1 to 3 years	Total
Inflows	\$-	\$-	\$-
Outflows	179,387	-	179,387
Net	\$179,387	\$-	\$179,387

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

(6) Reconciliation of Liabilities Arising from Financing Activities

Reconciliation of liabilities for the six months ended June 30, 2023:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2023	\$9,823,849	\$3,826,977	\$1,613,090	\$19,775	\$3,707	\$15,287,398
Cash flows	(2,636,630)	(207,148)	(152,483)	(1,192)	53	(2,997,400)
Additional leases	-	-	(23,694)	-	-	(23,694)
Exchange differences	-	-	3,861	-	-	3,861
As of June 30, 2023	\$7,187,219	\$3,619,829	\$1,440,774	\$18,583	\$3,760	\$12,270,165

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Reconciliation of liabilities for the six months ended June 30, 2022:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2022	\$11,812,397	\$2,143,347	\$1,771,160	\$23,291	\$3,341	\$15,753,536
Cash flows	1,380,611	(259,282)	(159,121)	(943)	854	962,119
Additional leases	-	-	99,922	-	-	99,922
Exchange differences	-	-	18,518	-	-	18,518
As of June 30, 2022	<u>\$13,193,008</u>	<u>\$1,884,065</u>	<u>\$1,730,479</u>	<u>\$22,348</u>	<u>\$4,195</u>	<u>\$16,834,095</u>

(7) Fair Value of Financial Instruments

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

The Group entered into forward 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 contracts:

Item (by contract)	Notional Amount	Contract Period
As of June 30, 2023		
Forward currency contract		
Selling forward currency contracts	USD 554,500 thousand	From July 2023 to October 2023
Buying forward currency contracts	USD 650,500 thousand	From July 2023 to March 2024
Selling forward currency contracts	CAD 300 thousand	July 2023
As of December 31, 2022		
Forward currency contract		
Selling forward currency contracts	USD 570,500 thousand	From January 2023 to March 2023
Buying forward currency contracts	USD 755,500 thousand	From January 2023 to April 2023
Selling forward currency contracts	CAD 1,500 thousand	From January 2023 to April 2023
As of June 30, 2022		
Forward currency contract		
Selling forward currency contracts	USD 645,000 thousand	From July 2022 to December 2022
Buying forward currency contracts	USD 912,700 thousand	From July 2022 to December 2022
Selling forward currency contracts	CAD 1,450 thousand	From July 2022 to September 2022

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

Group's partial net investments in foreign operations were in EUR. The Group entered into forward currency contracts to manage its exposure to currency exchange rate risk, and these contracts are designated as hedging instruments. The table below lists the information related to hedging forward currency contracts:

Hedging instruments	Notional Amount	Contract Period
As of December 31, 2022		
Forward currency contract		
Selling forward currency contracts	EUR 27,000 thousand	January 2023

Hedging instruments/ Hedged items	Line Item in Balance Sheet	Carrying Amount of the Hedging Instrument	
		Assets	Liabilities
As of December 31, 2022			
Hedges of net			
investments in foreign operations	Hedging financial liabilities - current	\$-	\$1,483

Hedging instruments/ Hedged items	Changes in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness for the Current Period		Carrying Amount of Other Equity		Change in the Value of the Hedging Instrument Recognized in Other Comprehensive Income	Hedge Ineffectiveness Recognized in Profit or Loss
	Changes in Fair Value of Hedged items Used for Calculating Hedge Ineffectiveness for the Current Period	Hedge Accounting Is Continuously Applicable	Hedge Accounting Is No Longer Applicable	Hedge Accounting Is No Longer Applicable		
Hedges of net investments in foreign operations						
As of December 31, 2022	\$-	\$-	(\$1,483)	\$-	(\$41,032)	\$-

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

(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$380,791	\$-	\$380,791
Equity instrument measured at fair value through other comprehensive income				
	-	-	4,678,439	4,678,439
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	338,527	-	338,527

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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$155,286	\$-	\$155,286
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,985,009	3,985,009
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	450,431	-	450,431
Hedging financial liabilities				
Forward currency contract	-	1,483	-	1,483
June 30, 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$422,019	\$-	\$422,019
Convertible bond	-	-	44,580	44,580
Equity instrument measured at fair value through other comprehensive income				
	-	-	4,077,378	4,077,378
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	179,387	-	179,387

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

Transfers between the Level 1 and Level 2 during the period

During the six months ended June 30, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

	Assets
	At fair value through other comprehensive income
	Stock
As of January 1, 2023:	\$3,895,009
Total gains and losses recognized for the six months ended June 30, 2023:	
Amount recognized in OCI (presented in “unrealized gains from equity instruments investments measured at fair value through other comprehensive income”)	783,611
Tax effect	(892)
Exchange differences	711
As of June 30, 2023	\$4,678,439

	Assets			
	At fair value through profit or loss		At fair value through other comprehensive income	
	Convertible			
	Stock option	bond	Stock	Total
As of January 1, 2022:	\$55,360	\$-	\$3,988,804	\$4,044,164
Total gains and losses recognized for the six months ended June 30, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	280	2,970	-	3,250

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

	Assets			
	At fair value through profit or loss		At fair value through other comprehensive income	
	Stock option	Convertible bond	Stock	Total
OCI (presented in “unrealized (losses) gains from equity instruments investments measured at fair value through other comprehensive income”)				
Acquisition	-	41,610	1,238,610	1,280,220
Transfers	(55,640)	-	55,640	-
Tax effect	-	-	3,644	3,644
Exchange differences	-	-	8,586	8,586
As of June 30, 2022	\$-	\$44,580	\$4,077,378	\$4,121,958

Total gains and losses recognized in profit or loss for the six months ended June 30, 2023 and 2022 are in the amount of NT\$0 thousand and NT\$3,250 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:

As of June 30, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship	Sensitivity of the input to
				between inputs and fair value	fair value
Financial assets :					
At fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.62	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$4,889 thousand/ NT\$4,889 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Market Approach	P/E ratio of similar companies	3.32	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$4,576 thousand/ NT\$4,576 thousand.

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.81	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\$5,297 thousand/ NT\$5,297 thousand.
	Market Approach	P/E ratio of similar companies	2.39	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\$3,235 thousand/ NT\$3,235thousand.

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

As of June 30, 2022

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$200,400	\$200,400

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$200,400	\$200,400

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$212,800	\$212,800

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	June 30, 2023		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$726,706	31.14	\$22,629,625
JPY	401,785	0.215	86,384
GBP	1,231	39.38	48,476
CNY	2,761	4.3096	11,899
Non-monetary items:			
USD	\$3,334	31.14	\$103,833
<u>Financial liabilities</u>			
Monetary items:			
USD	\$598,096	31.14	\$18,624,709
JPY	88,224	0.215	18,968
CNY	69	4.3096	297
December 31, 2022			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$762,907	30.71	\$23,428,874
JPY	217,151	0.2324	50,466
GBP	1,237	37.09	45,878
CNY	223	4.4094	983
Non-monetary items:			
USD	\$3,104	30.71	\$95,333
<u>Financial liabilities</u>			
Monetary items:			
USD	\$750,349	30.71	\$23,043,218
EUR	184	32.72	6,021
JPY	90,170	0.2324	20,956
GBP	\$13	37.09	482
CNY	508	4.4094	2,240

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

	June 30, 2022		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$554,661	29.72	\$16,484,525
EUR	80,125	31.06	2,488,916
AUD	4,088	20.45	83,600
JPY	207,188	0.2182	45,208
GBP	124	36.07	4,473
CNY	223	4.4283	988
Non-Monetary items:			
USD	\$8,341	29.72	\$247,904
<u>Financial liabilities</u>			
Monetary items:			
USD	\$830,463	29.72	\$24,681,360
EUR	26,567	31.06	825,248
JPY	102,527	0.2182	22,371
GBP	35	36.07	1,262

The Group's entities functional currencies are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The net foreign exchange loss was NT\$(5,671) thousand and NT\$(517,407) thousand for the six months ended June 30, 2023 and 2022, respectively.

(11)Capital Management

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

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

13. Additional Disclosures

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

- A. Financing provided to others for the six months ended June 30, 2023: Please refer to Attachment 1, 1-1.
- B. Endorsement/Guarantee provided to others for the six months ended June 30, 31, 2023: Please refer to Attachment 1-2.
- C. Securities held as of June 30, 2023 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six months ended June 30, 2023: Please refer to Attachment 10
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six months ended June 30, 2023: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six months ended June 30, 2023: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six months ended June 30, 2023: Please refer to Attachment 3, 3-1.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2023: Please refer to Attachment 4, 4-1.
- I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.
- J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(13), Note 6(14), Note 12(1), Note 12(5), Note 12(8) and Attachment 8.

(2) Information on Investees

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(3) Investment in Mainland China

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

B. Directly or indirectly significant transactions with the investees in Mainland China: please refer to Attachment 5.

(4) Information on major shareholders

Please refer to Attachment 9.

14. Segment information

(1) General Information

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

B. The Group has three reportable segments:

(a) Energy-saving products segments: mainly engaged in the R&D design, manufacturing and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.

(b) Image products and brand segments: mainly engaged in the R&D design, manufacturing and marketing of projector and brand management.

(c) Optical components segments: mainly engaged in the R&D, production and marketing of projection-related applications of optics related components.

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

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

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

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

(2) Segment Income, Assets and Liabilities Information

	For the three months ended June 30,2023						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	\$4,120,155	\$4,075,229	\$679,403	\$8,874,787	\$758,381	\$-	\$9,633,168
Net revenue from sales among intersegments	9,469	37,980	137,737	185,186	202,595	(387,781)	-
Total revenue	<u>\$4,129,624</u>	<u>\$4,113,209</u>	<u>\$817,140</u>	<u>\$9,059,973</u>	<u>\$960,976</u>	<u>\$(387,781)</u>	<u>\$9,633,168</u>
Segment income	<u>\$82,636</u>	<u>\$584,655</u>	<u>\$(83,665)</u>	<u>\$583,626</u>	<u>\$(200,176)</u>	<u>\$91,691</u>	<u>\$475,141</u>

	For the three months ended June 30,2022						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	\$5,242,975	\$5,924,661	\$728,770	\$11,896,406	\$674,680	\$-	\$12,571,086
Net revenue from sales among intersegments	12,335	218,394	529,928	760,657	236,878	(997,535)	-
Total revenue	<u>\$5,255,310</u>	<u>\$6,143,055</u>	<u>\$1,258,698</u>	<u>\$12,657,063</u>	<u>\$911,558</u>	<u>\$(997,535)</u>	<u>\$12,571,086</u>
Segment income	<u>\$169,055</u>	<u>\$852,407</u>	<u>\$44,322</u>	<u>\$1,065,784</u>	<u>\$(199,623)</u>	<u>\$192,229</u>	<u>\$1,058,390</u>

	For the six months ended June 30, 2023						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	\$8,269,224	\$8,160,018	\$1,302,996	\$17,732,238	\$1,471,715	\$-	\$19,203,953
Net revenue from sales among intersegments	22,938	47,262	243,737	313,937	415,932	(729,869)	-
Total revenue	<u>\$8,292,162</u>	<u>\$8,207,280</u>	<u>\$1,546,733</u>	<u>\$18,046,175</u>	<u>\$1,887,647</u>	<u>\$(729,869)</u>	<u>\$19,203,953</u>
Segment income	<u>\$218,416</u>	<u>\$965,595</u>	<u>\$(151,931)</u>	<u>\$1,032,080</u>	<u>\$(340,753)</u>	<u>\$63,661</u>	<u>\$754,988</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$51,378,593</u>	<u>\$51,378,593</u>

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

	For the six months ended June 30, 2022						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	\$12,673,993	\$10,158,797	\$1,468,009	\$24,300,799	\$1,408,195	\$-	\$25,708,994
Net revenue from sales among intersegments	68,914	411,270	992,656	1,472,840	578,609	(2,051,449)	-
Total revenue	<u>\$12,742,907</u>	<u>\$10,570,067</u>	<u>\$2,460,665</u>	<u>\$25,773,639</u>	<u>\$1,986,804</u>	<u>\$(2,051,449)</u>	<u>\$25,708,994</u>
Segment income	<u>\$401,059</u>	<u>\$1,215,275</u>	<u>\$67,425</u>	<u>\$1,683,759</u>	<u>\$(319,969)</u>	<u>\$336,817</u>	<u>\$1,700,607</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$58,786,578</u>	<u>\$58,786,578</u>

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the six months ended June 30, 2023 and 2022, respectively. They have been combined into other segments.

Note B: Inter-segment revenues is 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 June 30		Six months ended June 30	
	2023	2022	2023	2022
Net income of reportable segment	\$583,626	\$1,065,784	\$1,032,080	\$1,683,759
Loss of other segments	(200,176)	(199,623)	(340,753)	(319,969)
Unallocated amount:				
Interest income	90,198	88,368	179,757	171,097
Interest expense	(120,125)	(70,702)	(272,025)	(120,458)
Financial assets (liabilities) at fair value through profit or loss	97,267	448,258	291,591	962,394
Exchange gain (loss), net	63,558	(186,720)	(5,671)	(517,407)
Others	(39,207)	(86,975)	(129,991)	(158,809)
Income before income tax	<u>\$475,141</u>	<u>\$1,058,390</u>	<u>\$754,988</u>	<u>\$1,700,607</u>

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the six months ended June 30, 2023)
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsiary	\$ 10,992,896 (Note)	\$ 1,245,600	\$ 1,245,600	\$-	\$ -	5.67%	\$ 21,985,792 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	10,992,896 (Note)	1,150,000	1,150,000	402,640	-	5.23%	21,985,792 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	10,992,896 (Note)	164,000	164,000	-	-	0.75%	21,985,792 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsiary	10,992,896 (Note)	350,000	320,000	20,120	-	1.36%	21,985,792 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	10,992,896 (Note)	260,000	260,000	11,399	-	1.18%	21,985,792 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsiary	10,992,896 (Note)	270,315	-	-	-	-%	21,985,792 (Note)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsiary	10,992,896 (Note)	15,018	-	-	-	-%	21,985,792 (Note)	Yes	No	No
0	Coretronic Corporation	Optoma Corporation	Sub-subsiary	10,992,896 (Note)	2,000	-	-	-	-%	21,985,792 (Note)	Yes	No	No
	Total				<u>\$ 3,456,933</u>	<u>\$ 3,139,600</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 statements.
Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the latest financial statements.

ATTACHMENT 1-1 (Endorsement/Guarantee provided to others for the six months ended June 30, 2023)
 (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 statements	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
1	Coretronic Technology (BRVT)	Coretronic Vietnam	Associate	\$ 1,201,622	\$ 373,680	\$ 373,680	\$ 373,680	-	15.55%	\$ 2,403,245 (Note a - b)	No	No	No

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

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

ATTACHMENT 1-2 (Financing provided to others for the six months ended June 30, 2023)
(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	\$ 134,743	\$ 134,743	\$ 134,743	-%	The need for short-term financing	-	Business turnover	-	None	-	\$224,003	\$224,003
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	198,455	198,455	198,455	-%	The need for short-term financing	-	Business turnover	-	None	-	560,008	560,008
2	Boom Power Trading Corp.	Coretronic (BVI) Investment	Trade receivables - related parties	Yes	2,211	2,211	2,211	-%	The need for short-term financing	-	Business turnover	-	None	-	241,515	241,515
2	Boom Power Trading Corp.	Coretronic Corporation	Trade receivables - related parties	Yes	118,581	118,581	118,581	-%	The need for short-term financing	-	Business turnover	-	None	-	241,515	241,515
3	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	129,991	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	982,716	982,716
3	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	810,945	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,456,789	2,456,789
3	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	2,435,148	2,435,148	2,435,148	-%	The need for short-term financing	-	Business turnover	-	None	-	2,456,789	2,456,789
4	Great Pride (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	913,064	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,771,365	2,771,365
4	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	115,218	115,218	115,218	-%	The need for short-term financing	-	Business turnover	-	None	-	2,771,365	2,771,365
5	Nano Display (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	231,648	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	503,797	503,797
6	Venture Orient	Coretronic Investment Limited	Trade receivables - related parties	Yes	90,105	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	522,577	522,577
6	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	102,762	102,762	102,762	-%	The need for short-term financing	-	Business turnover	-	None	-	522,577	522,577
7	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	583,875	583,564	583,564	-%	The need for short-term financing	-	Business turnover	-	None	-	6,980,451	6,980,451
8	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	31,140	31,140	31,140	-%	The need for short-term financing	-	Business turnover	-	None	-	11,092,602	11,092,602
9	Young Lighting Limited	Coretronic Investment Limited	Trade receivables - related parties	Yes	1,432,440	1,401,300	1,401,300	4.38429%	The need for short-term financing	-	Business turnover	-	None	-	3,411,580	3,411,580
9	Young Lighting Limited	Coretronic Corporation	Trade receivables - related parties	Yes	302,058	302,058	302,058	-%	The need for short-term financing	-	Business turnover	-	None	-	3,411,580	3,411,580
10	Chung Tsen Investment	Coretronic Reality Inc.	Trade receivables - related parties	Yes	20,000	20,000	20,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coretronic Intelligent Logistics Solutions Corporation	Trade receivables - related parties	Yes	70,000	70,000	70,000	0.6%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	50,000	50,000	50,000	0.52%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coretronic Corporation	Trade receivables - related parties	Yes	366,000	295,000	295,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	132,000	132,000	132,000	0.52-0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
11	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	870,166	844,673	844,673	0.5%	The need for short-term financing	-	Business turnover	-	None	-	6,636,269	6,636,269
12	Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Trade receivables - related parties	Yes	412,483	409,408	409,408	0.5%	The need for short-term financing	-	Business turnover	-	None	-	2,558,816	2,558,816
12	Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,584,946	1,538,512	1,538,512	0.5%	The need for short-term financing	-	Business turnover	-	None	-	2,558,816	2,558,816
13	Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	257,681	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	381,417	381,417
14	Coretronic (Ningbo)	Coretronic Optotech (Suzhou)	Trade receivables - related parties	Yes	1,723,824	1,723,824	1,723,824	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,606,681	3,606,681
14	Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,047,223	1,047,223	1,047,223	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,606,681	3,606,681
15	Tsen Ming Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	136,000	86,000	86,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	122,000	122,000	122,000	0.55-0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
16	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	198,231	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,388,382	4,388,382
16	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,962,315	1,904,825	1,904,825	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,388,382	4,388,382
17	Coretronic Display (Suzhou)	Coretronic Corporation	Trade receivables - related parties	Yes	198,231	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	539,726	539,726
18	Tecpoint	Coretronic Corporation	Trade receivables - related parties	Yes	507,271	507,271	507,271	-%	The need for short-term financing	-	Business turnover	-	None	-	3,525,270	3,525,270
19	Vimax (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	1,228,224	1,228,224	1,228,224	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,353,690	1,353,690
20	Coretronic (Guangzhou)	YLG Optotech	Trade receivables - related parties	Yes	75,474	73,262	73,262	-%	The need for short-term financing	-	Business turnover	-	None	-	1,400,341	1,400,341
21	Optoma Europe	Optoma Holding Limited	Trade receivables - related parties	Yes	169,368	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	356,656	356,656
22	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	31,140	31,140	31,140	-%	The need for short-term financing	-	Business turnover	-	None	-	499,454	499,454

Note a : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statements, including Coretronic Projection (Kunshan), Coretronic (Suzhou), Nano Precision (Suzhou), Coretronic (Ningbo), Vimax (Kunshan) and Coretronic (Guangzhou).
The above restriction only applies to the foreign subsidiaries whose shares are 100% owned by the Company.

Note b : Bigshine (HK), Great Pride (HK), Dynamic Time, Tecpoint, Wisdom Success provided financing to Coretronic Corporation. Limit of total financing amount for individual counter-party should not exceed 100% of lender's net worth from the latest financial statements.

Note c : Young Lighting Limited and Boom Power provided financing to Coretronic Corporation or the foreign subsidiaries whose shares are 100% owned, directly or indirectly, by the Company. Limit of total financing amount for individual counter-party should not exceed 200% of lender's net worth from the latest financial statements.

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

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

ATTACHMENT 2 (Securities held as of Jun 30, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	June 30, 2023				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note a)	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	1,148,617	\$-	0.84%	\$-	(Note b)
Coretronic Corporation	Nanosys Inc.	-	Financial assets at fair value through profit or loss-noncurrent	9,007	-	0.00%	-	(Note b)
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661	-	16.80%	-	(Note b)
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	Coretronic Corporation was Yann Yuan Investment's director.	Financial assets at fair value through other comprehensive income-noncurrent	57,000,000	3,636,815	11.06%	3,636,815	
Coretronic Corporation	Eterge Opto-Electronics	Coretronic Corporation was Eterge Opto-Electronics' director.	Investments accounted for using the equity method	1,850,000	46,369	18.50%	-	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	8,877	3.06%	8,877	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	40,014	19.90%	40,014	

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

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

ATTACHMENT 2-1 (Securities held as of June 30, 2023)
 (The certain information is based on the unreviewed financial statements)
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	June 30, 2023				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Coretronic Venture Capital	GeneJet Biotech	-	Financial assets at fair value through other comprehensive income-noncurrent	315,000	\$ -	5.85%	\$ -	(Note b)
Coretronic Intelligent Cloud Service Corp.	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	900,000	45,757	18.54%	45,757	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,049,424	5.00%	USD 2,049,424	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	98,556,488	883,158	4.47%	883,158	

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

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

ATTACHMENT 3 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the six months ended June 30, 2023)

(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	Sub-subsiary	Sales	\$ 1,588,956	7.86%	90 days	-	-	\$ 1,015,193	7.88%	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsiary	Purchases	446,111	2.39%	120 days	-	-	(225,466)	1.49%	
Coretronic Corporation	HANNSTAR	Entity with significant influence over the Company	Purchases	106,894	0.57%	90 days	-	-	(10,890)	0.07%	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the six months ended June 30, 2023)
(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 (payables)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payables)	
Young Optics	Rays Optics	Associate	Sales	\$270,347	20.14%	30 days	-	-	\$64,518	12.12%	
Young Optics (Kunshan)	Young Optics	Associate	Sales	325,544	63.28%	90 days	-	-	331,426	79.15 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	162,787	31.59%	90 days	-	-	78,197	18.68 %	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	127,659	34.94%	60 days	-	-	52,149	27.43 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	190,781	3.33%	60 days	-	-	172,418	3.71 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	194,410	3.39%	60 days	-	-	82,348	1.77 %	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	122,291	7.65%	60 days	-	-	89,512	2.14 %	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	2,682,807	99.96%	60 days	-	-	1,165,780	99.90 %	
Optoma Corporation	Optoma USA	Associate	Sales	368,876	19.11%	90 days	-	-	41,961	5.22 %	
Optoma Corporation	Optoma Europe	Associate	Sales	1,153,571	59.77%	90 days	-	-	634,694	78.92 %	

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2023)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Corporation	Sub-subsiidiary	\$ 1,015,193	3.21	\$ -	-	\$ -	\$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of June 30, 2023)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables :								
Young Optics (Kunshan)	Young Optics	Associate	\$331,426	1.76	-	-	-	-
Grace China	Young Optics (BD)	Associate	293,493	-	-	-	-	-
			(Note)					
Coretronic Projection (Kunshan)	Optoma China	Associate	172,418	2.12	-	-	-	-
Coretronic Intelligent Cloud Service Corporation	Coretronic Corporation	Parent	144,464	1.95	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,165,780	5.33	-	-	-	-
Optoma Corporation	Optoma Europe	Associate	634,694	3.73	-	-	-	-
Optoma Corporation	Optoma USA	Associate	41,961	4.04	-	-	-	-
Other receivables :								
Dynamic Time	Coretronic Corporation	Parent	2,435,148	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	1,910,300	-	-	-	-	-
Vimax (Kunshan)	Coretronic Optics (Kunshan)	Associate	1,229,614	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	296,498	-	-	-	-	-
Chung Tsen Investment	Nano Precision Taiwan	Associate	132,144	-	-	-	-	-
Venture Orient	Coretronic Corporation	Parent	102,762	-	-	-	-	-
Tecpoint	Coretronic Corporation	Parent	507,271	-	-	-	-	-
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	409,612	-	-	-	-	-
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	1,541,539	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	849,604	-	-	-	-	-
Boom Power	Coretronic Corporation	Parent	118,581	-	-	-	-	-
Tsen Ming Investment	Nano Precision Taiwan	Associate	122,247	-	-	-	-	-
Coretronic (Ningbo)	Coretronic Optotech (Suzhou)	Associate	1,725,176	-	-	-	-	-
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	1,048,869	-	-	-	-	-
Great Pride (HK)	Coretronic Corporation	Parent	115,218	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	583,564	-	-	-	-	-
Bigshine (HK)	Coretronic Corporation	Parent	198,455	-	-	-	-	-
Bigshine (HK)	Core-Flex	Associate	134,743	-	-	-	-	-
Young Lighting Limited	Coretronic Corporation	Parent	302,058	-	-	-	-	-
Young Lighting Limited	Coretronic Investment Limited	Associate	1,430,483	-	-	-	-	-

Note : Includes Other receivables.

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	Greendale	1	Accounts receivable	570,595	—	1.11%
			1	Sales	1,879,174	—	9.79%
		YLG Optotech	1	Accounts receivable	83,563	—	0.16%
			1	Sales	252,198	—	1.31%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	2,912,724	—	5.67%
			1	Sales	2,819,045	—	14.68%
		Coretronic Optics (Suzhou)	1	Accounts receivable	2,421,830	—	4.71%
			1	Sales	3,736,458	—	19.46%
		Coretronic Vietnam	1	Accounts receivable	367,895	—	0.72%
			1	Sales	321,325	—	1.67%
Optoma Corporation	1	Accounts receivable	1,015,193	—	1.98%		
	1	Sales	1,588,956	—	8.27%		
1	Young Optics	Coretronic Projection (Kunshan)	3	Sales	70,982	—	0.37%
			3	Other receivables	126	—	0.00%
		Rays Optics	3	Accounts receivable	64,518	—	0.13%
			3	Sales	270,347	—	1.41%
		Young Optics (BD)	3	Other receivables	8,209	—	0.02%
			3	Accounts receivable	68,160	—	0.13%
		Young Optics (Suzhou)	3	Sales	1,607	—	0.01%
			3	Accounts receivable	4,409	—	0.01%
		Mejiro	3	Sales	5,345	—	0.03%
			3	Accounts receivable	924	—	0.00%
Young Optics (Kunshan)	3	Sales	952	—	0.00%		
	3	Accounts receivable	14,953	—	0.03%		
2	Grace China	Young Optics (BD)	3	Accounts receivable	14,953	—	0.03%
			3	Sales	23,727	—	0.12%
3	Young Optics (Kunshan)	Young Optics	3	Other receivables	136,923	—	0.27%
			3	Accounts receivable	156,570	—	0.30%
		Coretronic Optics (Kunshan)	3	Accounts receivable	331,426	—	0.65%
			3	Sales	325,544	—	1.70%
		Young Optics (Suzhou)	3	Accounts receivable	78,197	—	0.15%
			3	Sales	162,787	—	0.85%
3	Young Optics (Suzhou)	Young Optics (Suzhou)	3	Accounts receivable	7,452	—	0.01%
			3	Sales	16,551	—	0.09%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
3	Young Optics (Kunshan)	Young Optics (BD)	3	Accounts receivable	65	—	0.00%
			3	Sales	65	—	0.00%
4	Dynamic Time	Coretronic Corporation	2	Other receivables	2,435,148	—	4.74%
5	Optoma USA	Optoma Europe	3	Sales	38,090	—	0.20%
6	Wisdom Success	Coretronic Corporation	2	Other receivables	31,140	—	0.06%
7	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	3	Other receivables	1,910,300	—	3.72%
8	Vimax (Kunshan)	Coretronic Optics (Kunshan)	3	Other receivables	1,229,614	—	2.39%
9	Chung Tsen Investment	Coretronic Corporation	2	Other receivables	296,498	—	0.58%
		Coretronic Intelligent Robotics	3	Other receivables	50,078	—	0.10%
		Nano Precision Taiwan	3	Other receivables	132,144	—	0.26%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	70,320	—	0.14%
10	Venture Orient	Coretronic Corporation	2	Other receivables	102,762	—	0.20%
11	Best Alpha	Young Optics (BD)	3	Other receivables	31,140	—	0.06%
12	Tecpoint	Coretronic Corporation	2	Other receivables	507,271	—	0.99%
13	Nano Precision (Suzhou)	Great Pride (HK)	3	Sales	35,307	—	0.18%
		Coretronic Optotech (Suzhou)	3	Other receivables	409,612	—	0.80%
			3	Accounts receivable	52,149	—	0.10%
		Coretronic Optics (Suzhou)	3	Sales	127,659	—	0.66%
			3	Other receivables	1,541,539	—	3.00%
14	Greendale	Coretronic Corporation	2	Other receivables	3,799,505	—	7.40%
		Coretronic Optics (Kunshan)	3	Other receivables	544,775	—	1.06%
15	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Other receivables	30,430	—	0.06%
			3	Sales	39,399	—	0.21%
		Optoma China	3	Accounts receivable	172,418	—	0.34%
			3	Sales	190,781	—	0.99%
		Greendale	3	Accounts receivable	3,798,421	—	7.39%
			3	Sales	4,355,294	—	22.68%
		Champ Vision Display	3	Accounts receivable	309,697	—	0.60%
			3	Sales	368,417	—	1.92%
Coretronic Optics (Kunshan)	3	Other receivables	849,604	—	1.65%		
	3	Accounts receivable	82,348	—	0.16%		
	3	Sales	194,410	—	1.01%		
16	Boom Power	Coretronic Corporation	2	Other receivables	118,581	—	0.23%

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)
17	Tsen Ming Investment	Nano Precision Taiwan	3	Other receivables	122,247	—	0.24%
		Coretronic MEMS Corporation	3	Other receivables	86,439	—	0.17%
18	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	225,466	—	0.44%
			2	Sales	446,111	—	2.33%
		Coretronic Optotech (Suzhou)	3	Other receivables	1,725,176	—	3.36%
			3	Other receivables	1,048,869	—	2.04%
		Coretronic Optics (Suzhou)	3	Accounts receivable	50,743	—	0.10%
			3	Sales	67,106	—	0.35%
19	Coretronic (Guangzhou)	YLG Optotech	3	Other receivables	74,256	—	0.14%
20	Great Pride (HK)	Coretronic Corporation	2	Other receivables	115,218	—	0.22%
21	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	583,564	—	1.14%
22	Bigshine (HK)	Coretronic Corporation	2	Other receivables	198,455	—	0.39%
		Core-Flex	3	Other receivables	134,743	—	0.26%
23	Coretronic Intelligent Cloud Service Corp.	Coretronic Corporation	2	Accounts receivable	144,464	—	0.28%
			2	Sales	101,460	—	0.53%
24	Young Lighting Limited	Coretronic Corporation	2	Other receivables	302,058	—	0.59%
		Coretronic Investment Limited	3	Other receivables	1,430,483	—	2.78%
25	YLG Optotech	Coretronic Corporation	2	Accounts receivable	226,879	—	0.44%
			2	Sales	348,938	—	1.82%
26	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	4,090,860	—	7.96%
			2	Sales	1,475,962	—	7.69%
		Coretronic Display (Suzhou)	3	Accounts receivable	89,512	—	0.17%
			3	Sales	122,291	—	0.64%
27	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	98,114	—	0.19%
			3	Sales	177,707	—	0.93%
28	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	1,165,780	—	2.27%
			3	Sales	2,682,807	—	13.97%
29	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	4,933,460	—	9.60%
			2	Sales	2,269,136	—	11.82%
30	Nano Precision Taiwan	Coretronic (Ningbo)	3	Accounts receivable	37,743	—	0.07%
			3	Sales	60,905	—	0.32%
31	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	289,305	—	0.56%
			2	Sales	298,103	—	1.55%
32	Optoma Corporation	Optoma USA	3	Accounts receivable	41,961	—	0.08%
			3	Sales	368,876	—	1.92%
		Optoma Europe	3	Accounts receivable	634,694	—	1.24%
			3	Sales	1,153,571	—	6.01%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
33	Young Optics (BD)	Young Optics	3	Advanced receipts	767	—	0.00%
			3	Sales	75,894	—	0.40%
		Young Optics (Kunshan)	3	Accounts receivable	1,888	—	0.00%
			3	Sales	16,170	—	0.08%
34	Young Optics (Suzhou)	Young Optics	3	Sales	8	—	0.00%
			3	Other receivables	527	—	0.00%
		Young Optics (Kunshan)	3	Accounts receivable	138	—	0.00%
			3	Sales	831	—	0.00%
35	Mejiro	Young Optics (BD)	3	Accounts receivable	8	—	0.00%
			3	Sales	125	—	0.00%
		Young Optics	3	Other receivables	135	—	0.00%
			3	Accounts receivable	802	—	0.00%
			3	Sales	1,019	—	0.00%

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

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

Note b: Transactions are categorized as follows:

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

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

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

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

ATTACHMENT 6 : (Names, locations and related information of investee companies as of June 30, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of June 30, 2023			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	\$1,563,709	\$1,563,709	38,220,000	100.00%	\$6,820,659	\$154,962	\$154,962	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	496,543	506,416	37,217,586	32.63%	1,021,033	(152,744)	(50,369)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,808,092	110,170	110,170	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,376,709	18,150	18,150	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%	2,506,936	10,373	10,373	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,620,795	(49,884)	(38,940)	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	214,620	214,620	18,833,220	99.91%	220,486	1,148	1,147	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,733,907	29,525	29,525	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	354,990	354,990	25,000,000	100.00%	306,893	25,816	25,816	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%	306,206	1,529	1,529	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.	142,850	144,000	14,285,000	79.36%	146,022	(6,770)	(5,447)	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%	3,937	(10,361)	(6,288)	Subsidiary
Coretronic Corporation	Calibre UK Limited	U.K.	Engaged in R&D, design, production and marketing of image processing products.	238,841	238,841	52,701,042	100.00%	48,455	(83)	(83)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	506,263	506,263	18,000,000	100.00%	21,694	(68,377)	(68,377)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	8,975	(2,252)	(1,802)	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	389,178	389,178	18,000,000	100.00%	112,991	(30,533)	(30,533)	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%	(4,597)	(22,674)	(22,674)	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%	(356,708)	(13,192)	(13,192)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Logistics Solutions Corporation	Hsinchu County, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	170,000	170,000	15,000,000	100.00%	51,306	(34,821)	(34,821)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	100.00%	533,013	34,023	34,023	Subsidiary
Coretronic Corporation	Dynamic Time Investment Limited	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00%	2,461,180	397	397	Subsidiary

ATTACHMENT 6-1 : (Names, locations and related information of investee companies as of June 30, 2023) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of June 30, 2023			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 219,530,549	USD 4,941,339	(Note)	Sub-subsiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 344,665,846	USD 4,593,131	(Note)	Sub-subsiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,574,318	(USD 132,541)	(Note)	Sub-subsiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 30,440,161	USD 249,127	(Note)	Sub-subsiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 16,552,735	(USD 896,725)	(Note)	Sub-subsiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 13,054,124	(USD 1,619,887)	(Note)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 220,147,543	USD 5,544,597	(Note)	Sub-subsiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 86,144,075	USD 954,144	(Note)	Sub-subsiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 26,485,945	(USD 2,331,578)	(Note)	Sub-subsiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 10,863,551	(USD 355,242)	(Note)	Sub-subsiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 78,000,000	USD 78,000,000	78,000,000	100.00 %	RMB 559,863,847	RMB 2,104,648	(Note)	Sub-subsiary
Coretronic Technology (HK)	Coretronic Technology (BRVT) Company	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 78,000,000	USD 78,000,000	-	100.00 %	USD 77,478,442	USD 303,191	(Note)	Sub-subsiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,518,131	(USD 355,242)	(Note)	Sub-subsiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 30,440,138	USD 954,144	(Note)	Sub-subsiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 16,552,640	(USD 2,331,578)	(Note)	Sub-subsiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 44,209,899	USD 594,640	(Note)	Sub-subsiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 84,320,011	(USD 1,585,199)	(Note)	Sub-subsiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,192,493	USD 16,095	(Note)	Sub-subsiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 16,013,981	(USD 55,856)	(Note)	Sub-subsiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 84,281,560	(USD 1,585,315)	(Note)	Sub-subsiary
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 12,851,119)	(RMB 6,175,526)	(Note)	Sub-subsiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	506,305	(16,678)	(Note)	Sub-subsiary
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	-	9,013	-	0.00%	-	(152,744)	(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 %	\$546,306	\$1,971	(Note)	Sub-subsiary

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

ATTACHMENT 6-2 : (Names, locations and related information of investee companies as of June 30, 2023) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of June 30, 2023			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%	\$3,412	\$482	(Note)	Sub-subsiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83%	USD 10,600,020	(USD 1,619,887)	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61%	4,477	482	(Note)	Sub-subsiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00%	120,758	USD 7	(Note)	Sub-subsiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00%	USD 3,534,352	USD 7,154	(Note)	Sub-subsiary
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	29,280	2,203	(Note)	Sub-subsiary
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	USD 940,266	USD 72,155	(Note)	Sub-subsiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 40,680,793	32,620,000	96.27%	USD 62,910,158	USD 1,682,014	(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 6 -3 : (Names, locations and related information of investee companies as of June 30, 2023) (Not including investment in Mainland China)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of June 30, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 1,056,441	\$-	(Note a)	Sub-subsi-dary
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 303,230	USD 662	(Note a)	Sub-subsi-dary
Optoma Holding	Optoma USA	USA	Marketing and after-sales service of Optoma in Americas region	EUR 6,328,202	EUR 6,328,202	825,000	100.00 %	EUR 21,717,143	EUR 518,694	(Note a)	Sub-subsi-dary
Optoma Holding	Optoma Europe	U.K.	Marketing and after-sales service of Optoma in European region	EUR 24,911,549	EUR 24,911,549	1,200,000	100.00 %	EUR 28,997,418	EUR 1,832,583	(Note a)	Sub-subsi-dary
Optoma Holding	Optoma Corporation	New Taipei City, Taiwan	Marketing and after-sales service of Optoma in the Asia-Pacific region	EUR 931,677	EUR 931,677	3,000,000	100.00 %	(EUR 754,785)	EUR 155,959	(Note a)	Sub-subsi-dary
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after-sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	EUR 2,225,995	EUR 385,000	(Note a)	Sub-subsi-dary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 990,130	(EUR 144,660)	(Note a)	Sub-subsi-dary
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 4,348	(EUR 129,480)	(Note a)	Sub-subsi-dary
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 446,058	(EUR 40,752)	(Note a)	Sub-subsi-dary
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 507,825	(EUR 117,734)	(Note a)	Sub-subsi-dary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,533,717	(95,309)	(Note a)	Sub-subsi-dary
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 %	123,289	(2,384)	(Note a)	Sub-subsi-dary
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 %	45,117	4,719	(Note a)	Sub-subsi-dary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 15,691,360	(USD 591,272)	(Note a)	Sub-subsi-dary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 35,681,221	(USD 1,254,588)	(Note a)	Sub-subsi-dary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000	USD 12,000,000	10,089,436	80.00 %	(USD 2,127,592)	(USD 1,576,701)	(Note a)	Sub-subsi-dary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	(USD 531,898)	(USD 1,576,701)	(Note a)	Sub-subsi-dary

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

ATTACHMENT 7 : (Investment in Mainland China as of June 30, 2023)
 (The certain 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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of June 30, 2023	Accumulated inward remittance of earnings as of June 30, 2023
					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)	\$153,435	100.00%	\$153,435	\$6,804,826	\$ 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)	1,527	100.00%	1,527	31,459	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	RMB 8,236,258	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	USD 1,000,000	-	-	USD 1,000,000	1,250	100.00%	1,250	50,882	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	-	-	-	-	4,128	100.00%	4,128	769,080	-
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)	18,000	100.00%	18,000	1,367,792	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	89,157 (USD 2,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	14,745	100.00%	14,745	4,488,686	-
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)	-	-	-	-	8,201	100.00%	8,201	191,722	-
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)	-	-	-	-	149,567	100.00%	149,567	1,585,323	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	257,829 (USD 8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD 3,000,000)	-	-	95,254 (USD 3,000,000)	(10,982)	100.00%	(10,982)	206,721	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 (RMB 378,278,700)	Indirect investment from the Mainland China subsidiary (Coretronic Optics (Suzhou))	88,972 (USD 2,967,283)	-	-	88,972 (USD 2,967,283)	(51,361)	100.00%	(51,361)	967,144	-
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)	29,115	100.00%	29,115	3,630,257	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)	482	100.00%	482	380,541	-
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)	(49,185)	100.00%	(49,185)	2,506,644	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)	(71,966)	100.00%	(71,966)	1,340,206	-
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 (RMB 52,248,060)	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	(15,464)	100.00%	(15,464)	228,966	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	RMB 39,062,950	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	USD 3,060,000	-	-	USD 3,060,000	12,672	100.00%	12,672	118,433	-
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	2,203	100.00%	2,203	29,280	-
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	USD 3,000,000	Indirect investment from the third region (Modern Smart)	USD 1,200,000	-	-	USD 1,200,000	(441)	96.27%	(441)	77,004	-
Coretronic Robotek (Kunshan)	Provide intelligent solutions for warehousing and manufacturing	RMB 12,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan) and Coretronic (Suzhou))	-	-	-	-	(3,358)	100.00%	(3,358)	49,163	-

Accumulated investment in Mainland China as of June 30, 2023 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b, Note j)	Upper limit on investment
\$2,433,349 (USD 77,191,338)	\$2,149,269 (USD 77,191,338)	\$13,284,178

Note a : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

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

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

Note l : To use the currency rate 1 USD =31.14 NTD as of June 30, 2023.

ATTACHMENT 7-1 (Investment in Mainland China as of June 30, 2023)
(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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of June 30, 2023 (Note a)	Accumulated inward remittance of earnings as of June 30, 2023
					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)	\$(42,266) (-USD 1,391,222)	100.00%	\$(42,266) (-USD 1,391,222)	\$905,222 (USD 29,069,431)	\$74,505 (USD 2,457,289) (Note b and Note j-Note k)
Young Optics (Suzhou)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	33,951 (USD 1,000,000)	Indirect investment from the third region (Best Alpha)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	(7,552) (-USD 248,843)	100.00%	(7,552) (-USD 248,843)	233,437 (USD 7,496,376)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note f-Note i and Note l)

Accumulated investment in Mainland China as of June 30, 2023 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	Note c

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

Note b : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of June 30, 2023)

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

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

Investment company	Financial statement account	Financial product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From July, 2023 to September, 2023	USD 478,500,000	(227,277)	(227,277)	Note b
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From July, 2023 to March, 2024	USD 642,000,000	378,470	378,470	Note b
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From July, 2023 to September, 2023	USD 4,000,000	(7,055)	(7,055)	Note d
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	July, 2023	USD 6,000,000	(688)	(688)	Note e
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From July, 2023 to October, 2023	USD 30,000,000	(46,339)	(46,339)	Note g
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From July, 2023 to October, 2023	USD 32,000,000	(48,578)	(48,578)	Note h
Young Optics (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From July, 2023 to October, 2023	USD 4,000,000	(7,969)	(7,969)	Note i
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling EUR	From July, 2023 to August, 2023	USD 8,500,000	1,878	1,878	Note j
Optoma USA	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling CAD	July, 2023	CAD 300,000	(179)	(179)	Note k

Note a : Coretronic Investment Limited entered into forward foreign exchange contracts and realized a profit amounting to NT\$12,928 thousands for the six months ended June 30, 2023.

Note b : Coretronic Corporation entered into forward foreign exchange contracts and realized a profit amounting to NT\$19,296 thousands for the six months ended June 30, 2023.

Note c : Champ Vision Display entered into forward foreign exchange contracts and realized a profit amounting to NT\$437 thousands for the six months ended June 30, 2023.

Note d : Nano Precision (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$1,388 thousands for the six months ended June 30, 2023.

Note e : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$13,995 thousands for the six months ended June 30, 2023.

Note f : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and realized a profit amounting to NT\$5,959 thousands for the six months ended June 30, 2023.

Note g : Coretronic Optotech (Suzhou) entered into forward foreign exchange contract and realized a loss amounting to NT\$8,999 thousands for the six months ended June 30, 2023.

Note h : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$8,265 thousands for the six months ended June 30, 2023.

Note i : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$5,885 thousands for the six months ended June 30, 2023.

Note j : Optoma Europe entered into forward foreign exchange contracts and realized a loss amounting to NT\$30,333 thousands for the six months ended June 30, 2023.

Note k : Optoma USA entered into forward foreign exchange contracts and realized a loss amounting to NT\$543 thousands for the six months ended June 30, 2023.

ATTACHMENT 9 (The information of Major shareholder as of June 30, 2023)

Name	Number of shares (Units/shares)	Percentage of ownership (%)
Yann Yuan Investment Co., Ltd.	32,825,000	8.39%
Taiwei Advanced Technology Co., Ltd.	44,269,196	11.17%

ATTACHMENT 10 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$300 million or 20 percent of the capital stock for the nine months ended June 30, 2023.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			June 30, 2023		
					Units / shares	Amount (Note b)	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note a)	Units / shares	Amount
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	\$ -	-	RMB 60,000,000	-	\$ -	RMB 60,000,000	RMB 401,290	-	\$ -
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 80,000,000	-	-	RMB 80,000,000	RMB 460,948	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	-	-	RMB 50,000,000	-	-	RMB 50,000,000	RMB 338,989	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 20,000,000	-	-	RMB 20,000,000	RMB 121,365	-	-

Note a : To be recognized in interest income.