

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED

DECEMBER 31, 2022 AND 2021

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Independent Auditors' Report

To Coretronic Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Coretronic Corporation and its subsidiaries (“the Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation for inventories

The Group recognized the allowance write-down of inventories amounted to NT\$567,494 thousand for the year ended December 31, 2022, due to the rapid technological changes and innovation for projectors, backlight, and FPD-related products. Considering the amount of inventories was significant and the assessment of the amount of inventories write-downs requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Group's consolidated financial statements.

Revenue recognition

The Group recognized the revenue amounted to NT\$49,783,157 thousand for the year ended December 31, 2022. Main source of revenue comes from projectors, backlight, and FPD-related sales of products and related services. As revenue is the main operating activity of the Group, the Group recognized revenue when transferring a promised product or service to a customer. The terms of trade in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; performing product-specific analytical procedures; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; tracing to relevant documentation, and testing details of transaction, including sales contracts, terms of trade and other contents, and verifying the appropriateness of the timing of revenue recognition. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain consolidated subsidiary whose statements are based solely on the reports of other auditors. Total assets of the consolidated subsidiary amounted to NT\$47,186 thousand, representing 0.08% of consolidated total assets as of December 31, 2021; and total operating revenues amounted to NT\$20,434 thousand, representing 0.04% of the consolidated total operating revenues for the year ended December 31, 2021. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT\$50,117 thousand and NT\$43,035 thousand, representing 0.09% and 0.07% of consolidated total assets as of December 31, 2022 and 2021, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$7,071 thousand and NT\$(3,689) thousand, representing 0.22% and (0.13)% of the consolidated net income before tax for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

February 13, 2023

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2022	%	December 31, 2021	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 12,364,999	22.14	\$ 11,229,839	18.27
Financial assets at fair value through profit or loss - current	4, 6(2)	155,286	0.28	180,759	0.29
Financial assets at amortized cost - current	4, 6(4)	4,722,945	8.46	5,483,485	8.92
Notes receivable, net	4, 6(5), 6(21)	29,671	0.05	28,098	0.05
Trade receivables, net	4, 6(6), 6(21)	10,235,833	18.32	18,937,127	30.81
Trade receivables - related parties, net	4, 6(6), 6(21), 7	530	-	5,842	0.01
Other receivables	4, 8	1,358,812	2.43	722,000	1.17
Current tax assets	4, 6(26)	35,699	0.06	77,866	0.13
Inventories, net	4, 5, 6(7)	10,444,982	18.70	9,301,377	15.13
Prepayments		792,007	1.42	850,479	1.38
Other current assets		195,308	0.35	139,432	0.23
Total current assets		40,336,072	72.21	46,956,304	76.39
Non-current assets					
Financial assets at fair value through other comprehensive income - noncurrent	4, 6(3)	3,895,009	6.97	3,988,804	6.49
Investments accounted for using the equity method	4, 6(8)	50,117	0.09	43,035	0.07
Property, plant and equipment, net	4, 6(9), 8	8,092,453	14.49	7,513,806	12.22
Right-of-use assests	4, 6(22)	2,206,646	3.95	1,938,026	3.15
Investment property, net	4, 6(10), 8	144,231	0.26	152,301	0.25
Intangible assets	4, 6(11)	358,509	0.64	330,634	0.54
Deferred tax assets	4, 6(26)	342,533	0.61	270,147	0.44
Net defined benefit assets - noncurrent	4, 6(16)	33,703	0.06	18,385	0.03
Other noncurrent assets	8	398,542	0.72	258,951	0.42
Total non-current assets		15,521,743	27.79	14,514,089	23.61
Total assets		\$ 55,857,815	100.00	\$ 61,470,393	100.00

(continued)

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2022	%	December 31, 2021	%
Current liabilities					
Short-term borrowings	6(12)	\$ 9,823,849	17.59	\$ 11,812,397	19.22
Financial liabilities at fair value through profit or loss - current	4, 6(13)	450,431	0.81	57,060	0.09
Hedging financial liabilities - current	4, 6(14)	1,483	-	-	-
Contract liabilities - current	6(20)	529,246	0.95	301,242	0.49
Notes payable		881	-	666	-
Accounts payable		7,284,148	13.04	13,465,920	21.90
Accounts payable - related parties	7	49,010	0.09	29,824	0.05
Other payables	7	4,520,234	8.09	5,297,433	8.62
Current tax liabilities	4, 6(26)	999,196	1.79	895,552	1.46
Provisions - current	4, 6(17)	651,105	1.16	578,084	0.94
Lease liabilities - current	4, 6(22)	321,631	0.58	331,267	0.54
Other current liabilities		872,025	1.56	639,571	1.04
Current portion of long-term borrowings	6(15)	414,871	0.74	316,446	0.51
Total current liabilities		25,918,110	46.40	33,725,462	54.86
Non-current liabilities					
Long-	6(15)	3,412,106	6.11	1,826,901	2.97
Deferred tax liabilities	4, 6(26)	61,665	0.11	78,069	0.13
Lease liabilities - noncurrent	4, 6(22)	1,291,459	2.31	1,439,893	2.34
Net defined benefit liabilities - noncurrent	4, 6(16)	70,509	0.13	156,435	0.26
Other noncurrent liabilities		23,482	0.04	26,632	0.04
Total non-current liabilities		4,859,221	8.70	3,527,930	5.74
Total liabilities		30,777,331	55.10	37,253,392	60.60
Equity attributable to owners of the parent					
Share capital					
Common stock	6(18)	3,909,811	7.00	3,909,811	6.36
Capital surplus	4, 6(18)	2,808,225	5.03	2,893,442	4.71
Retained earnings	6(18)				
Legal reserve		4,121,627	7.38	4,046,623	6.58
Special reserve		1,276,610	2.28	2,469,437	4.02
Unappropriated retained earning		12,024,401	21.53	9,650,179	15.70
Total retained earnings		17,422,638	31.19	16,166,239	26.30
Other equity		(1,411,129)	(2.53)	(817,388)	(1.33)
Total equity attributable to owners of the parent		22,729,545	40.69	22,152,104	36.04
Non-controlling interests	6(18)	2,350,939	4.21	2,064,897	3.36
Total equity		25,080,484	44.90	24,217,001	39.40
Total liabilities and equity		\$ 55,857,815	100.00	\$ 61,470,393	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2022	%	2021	%
Net sales	4, 5, 6(20), 7	\$ 49,783,157	100.00	\$ 49,833,368	100.00
Operating costs	4, 6(7), 6(11), 6(16), 6(22), 6(23), 7	40,328,961	81.01	41,102,386	82.48
Gross profit		9,454,196	18.99	8,730,982	17.52
Operating expenses	6(11), 6(16), 6(21), 6(22), 6(23)				
Selling expenses		1,952,260	3.92	1,925,275	3.87
General and administrative expenses		2,282,457	4.58	2,149,263	4.31
Research and development expenses		3,056,452	6.14	3,008,812	6.04
Expected credit loss		12,405	0.03	1,206	-
Total operating expenses		7,303,574	14.67	7,084,556	14.22
Operating income		2,150,622	4.32	1,646,426	3.30
Non-operating income and expenses					
Interest income	6(24)	342,036	0.69	385,149	0.77
Other income	4, 6(24)	332,218	0.67	412,234	0.84
Other gains and losses	6(24)	737,479	1.48	494,137	0.99
Finance costs	6(24)	(396,446)	(0.80)	(148,938)	(0.30)
Share of gain (loss) of associates and joint ventures accounted for using the equity method	4, 6(8)	7,071	0.01	(3,689)	(0.01)
Total non-operating income and expenses		1,022,358	2.05	1,138,893	2.29
Income before income tax		3,172,980	6.37	2,785,319	5.59
Income tax expense	4, 6(26)	(759,546)	(1.52)	(746,039)	(1.50)
Net income		2,413,434	4.85	2,039,280	4.09
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(25)	89,306	0.18	6	-
Unrealized (loss) gain from equity instrument investments measured at fair value through other comprehensive income	6(25)	(1,400,799)	(2.81)	1,025,700	2.06
Income tax related to items that will not be reclassified subsequently to profit or loss	6(25), 6(26)	(22,687)	(0.05)	59	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(25)	856,307	1.72	(272,133)	(0.55)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	6(25)	7,071	0.01	(2)	-
Other comprehensive (loss) income, net of tax		(470,802)	(0.95)	753,630	1.51
Total comprehensive income		\$ 1,942,632	3.90	\$ 2,792,910	5.60
Net income for the periods attributable to :					
Shareholders of the parent	6(27)	\$ 2,358,935		\$ 2,031,625	
Non-controlling interests	6(18), 6(28)	\$ 54,499		\$ 7,655	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 1,835,602		\$ 2,801,001	
Non-controlling interests		\$ 107,030		\$ (8,091)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 6.03		\$ 5.12	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 5.92		\$ 5.06	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent									Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity			Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)	Treasury stock			
Balance as of January 1, 2021	\$ 4,344,231	\$ 3,548,559	\$ 3,889,871	\$ 2,469,437	\$ 10,229,840	\$ (2,020,488)	\$ 434,034	\$ -	\$ 22,895,484	\$ 2,043,951	\$ 24,939,435
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	293	-	-	-	-	-	-	293	-	293
Acquisition or disposal of the interest of subsidiaries	-	127,012	-	-	-	-	-	-	127,012	36,117	163,129
Changes in subsidiaries' ownership	-	(4,815)	-	-	(169)	-	-	-	(4,984)	-	(4,984)
Appropriation and distribution of 2020 earnings:											
Legal reserve	-	-	156,752	-	(156,752)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income for the year ended December 31, 2021	-	-	-	-	2,031,625	-	-	-	2,031,625	7,655	2,039,280
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	310	(255,769)	1,024,835	-	769,376	(15,746)	753,630
Total comprehensive income (loss)	-	-	-	-	2,031,935	(255,769)	1,024,835	-	2,801,001	(8,091)	2,792,910
Treasury stock acquired	-	-	-	-	-	-	-	(2,102,777)	(2,102,777)	-	(2,102,777)
Treasury stock retired	(434,420)	(386,626)	-	-	(1,281,731)	-	-	2,102,777	-	-	-
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	-	(7,080)	(7,080)
Balance as of December 31, 2021	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	-	334,824	-	-	-	-	-	-	334,824	123,856	458,680
Changes in subsidiaries' ownership	-	(29,060)	-	-	-	-	-	-	(29,060)	(24,300)	(53,360)
Appropriation and distribution of 2021 earnings:											
Legal reserve	-	-	75,004	-	(75,004)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,172,944)	-	-	-	(1,172,944)	-	(1,172,944)
Reversal of special reserve	-	-	-	(1,192,827)	1,192,827	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	-	(390,981)	-	(390,981)
Net income for the year ended December 31, 2022	-	-	-	-	2,358,935	-	-	-	2,358,935	54,499	2,413,434
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	70,408	811,884	(1,405,625)	-	(523,333)	52,531	(470,802)
Total comprehensive income (loss)	-	-	-	-	2,429,343	811,884	(1,405,625)	-	1,835,602	107,030	1,942,632
Increase of non-controlling interests	-	-	-	-	-	-	-	-	-	79,456	79,456
Balance as of December 31, 2022	\$ 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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2022	2021		2022	2021
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$ 3,172,980	\$ 2,785,319	Acquisition of financial assets at fair value through profit or loss	(41,610)	(130,578)
Adjustments for:			Proceeds from disposal of financial assets at fair value through profit or loss	-	129,648
The profit or loss items which did not affect cash flows:			Acquisition of financial assets at fair value through other comprehensive income	(1,238,610)	(2,054,000)
Expected credit loss	12,405	1,206	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,219
Depreciation (including investment property and right-of-use assets)	1,453,547	\$ 1,325,377	Decrease (increase) in financial assets at amortized cost - current	760,540	(5,483,485)
Amortization (including other noncurrent assets)	91,464	115,440	Disposal of subsidiary	860	-
Interest expenses	396,446	148,938	Acquisition of property, plant and equipment	(1,631,104)	(1,465,671)
Interest income	(342,036)	(385,149)	Proceeds from disposal of property, plant and equipment	46,918	140,912
Dividend income	(70,475)	(34,640)	Acquisition of intangible assets	(113,938)	(85,129)
Transfer of property, plant and equipment to expense	4	4,683	Proceeds from disposal of intangible assets	103	381
Gain on disposal of property, plant and equipment	(7,922)	(93,351)	Acquisition of land use rights	(453,177)	-
Gain on disposal of Intangible assets	-	(2)	Increase in prepayment of land use rights	(155,479)	-
Gain on disposal of other noncurrent assets	-	(43)	Increase in other noncurrent assets	(10,003)	(52,620)
Share-based payment expense	6,218	-	Net cash used in investing activities	(2,835,500)	(8,999,323)
Gain on disposal of investments	(531)	-			
Share of (gain) loss of associates and joint ventures accounted for using the equity method	(7,071)	3,689	Cash flows from financing activities:		
Net loss on financial assets and liabilities at fair value through profit or loss	404,814	214,236	(Decrease) increase in short-term borrowings	(1,988,548)	6,674,980
Impairment of non-financial assets	4,991	56,629	Increase in long-term borrowings (including current portion of long-term borrowings)	2,003,193	1,591,869
Changes in operating assets and liabilities:			Decrease in long-term borrowings	(319,563)	(118,001)
Notes receivable	(1,573)	(2,898)	Decrease in guarantee deposits	(3,516)	(5,099)
Trade receivables	8,688,495	(7,278,424)	Increase (decrease) in other noncurrent liabilities	366	(12,544)
Trade receivables - related parties	5,312	(5,842)	Cash dividends	(1,563,925)	(1,563,925)
Other receivables	(648,547)	(255,236)	Cash payment for the principal portion of lease liabilities	(328,525)	(301,528)
Inventories	(1,155,824)	(4,405,186)	Proceeds from disposal of subsidiaries' ownership (without a change of control)	398,598	165,445
Prepayments	59,809	(243,751)	Treasury stock acquired	-	(2,102,777)
Other current assets	(55,876)	(44,018)	Change in non-controlling interests	79,456	(7,080)
Other operating assets	14,084	1,892	Net cash (used in) provided by financing activities	(1,722,464)	4,321,340
Contract liabilities	228,004	50,767			
Notes payable	215	333	Effect of exchange rate changes on cash and cash equivalents	787,571	(253,503)
Accounts payable	(6,181,772)	5,317,320			
Accounts payable - related parties	19,186	18,441	Net increase (decrease) in cash and cash equivalents	1,135,160	(7,070,725)
Other payables	(788,169)	1,080,201	Cash and cash equivalents at the beginning of the period	11,229,839	18,300,564
Provisions - current	73,021	(122,880)	Cash and cash equivalents at the end of the period	\$ 12,364,999	\$ 11,229,839
Other current liabilities	232,454	97,772			
Net defined benefit assets/liabilities	(11,938)	(11,922)			
Cash provided by (used in) operating activities	5,591,715	(1,661,099)			
Dividend received	70,475	34,640			
Interest received	354,051	256,421			
Interest paid	(385,476)	(144,935)			
Income tax paid	(725,212)	(624,266)			
Net cash provided by (used in) operating activities	4,905,553	(2,139,239)			

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

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

1. HISTORY AND ORGANIZATION

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

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

The consolidated financial statements of CORE and its subsidiaries (“the Group”) were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on February 13, 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, 2022. The adoption of these new standards and amendments had no material impact on the Group.

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IAS 1 Amendment	Disclosure Initiative - Accounting Policies	January 1, 2023
IAS 8 Amendment	Definition of Accounting Estimates	January 1, 2023
IAS 12 Amendment	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

B. Definition of Accounting Estimates – Amendments to IAS 8

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

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

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

The abovementioned standards and interpretations issued by the IASB have been endorsed by the FSC, and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by the IASB which are not yet 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
IFRS 16 Amendment	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1 Amendment	Non-current Liabilities with Covenants	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)

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.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and standards, interpretations, and amendments issued, revised, or amended which are endorsed and became effective by the FSC (collectively, “the TIFRS”).

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) General Description of Reporting Entity

Principles of consolidation

Control is achieved when CORE is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, CORE controls an investee if and only if CORE has:

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- 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.

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

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

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

If loses control of a subsidiary, it:

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The consolidated entities are as follows:

Entity name	Relationship	Business nature	Percentage of Ownership	
			December 31, 2022	December 31, 2021
Tecpoint Limited (“Tecpoint”) and its subsidiaries	Subsidiary	Tecpoint is a holding company and invests in Mainland China. Tecpoint’s joint ventures are the production, manufacturing, marketing and R&D of acrylic plate, light guide plate and backlight module. The joint ventures also provide the after-sales services.	100.00%	100.00%
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%
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%

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	
			December 31, 2022	December 31, 2021
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%
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%
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.	33.86%	37.61%

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	
			December 31, 2022	December 31, 2021
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%
Optoma Technology Corporation ("Optoma") and its subsidiaries (Note)	Subsidiary	Optoma is engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment, electronic appliances. Optoma's joint ventures are engaged in the marketing and after-sales services of products of the brand Optoma in America, Canada, Europe, Hong Kong, and Mainland China.	-	100.00%
Dynamic Time Investments Limited ("Dynamic Time")	Subsidiary	Holding Company	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	
			December 31, 2022	December 31, 2021
Chung Tsen Investment Corp. (“CGT”) and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	100.00%	100.00%
Coretronic Intelligent Cloud Service Corporation (“CICS”) and its subsidiaries	Subsidiary	CICS is engaged in intelligent cloud, IT information, intelligent applications of new media and platform development. CICS’s joint ventures are contractor in intelligent building engineering and provide services to customers from various domains.	100.00%	100.00%
Coretronic Venture Capital Co. (“CVC”)	Subsidiary	The investment activities of business expansion.	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%
Champ Vision Display Inc. (“CVD”)	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	80.00%	80.00%

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	
			December 31, 2022	December 31, 2021
Calibre UK Ltd. ("CAL")	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%
InnoSpectra Corporation ("ISC")	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	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%
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%
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%
Coretronic Vietnam Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	100.00%	100.00%

CORETRONIC 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	
			December 31, 2022	December 31, 2021
Coretronic Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary	System integration and application service solutions for intelligent logistics and smart manufacturing.	100.00%	100.00%
Coretronic Investment Limited and its subsidiaries	Subsidiary	Coretronic Investment Limited is a holding company and invests in Europe. Coretronic Investment Limited’s joint ventures are engaged in R&D, design, production and marketing of image processing products.	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 November 2021.

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

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

- (a) CORE made an investment to establish 100% held subsidiary Coretronic Intelligent Logistics Solutions Corporation (“CILS”) and had completed registration of establishment in March 2021. CILS has been fully consolidated since the investment date.
- (b) Dynamic Time Investments Limited made an investment to establish 100% held subsidiary Optoma Holding Limited (“Optoma Holding”) and had completed registration of establishment in June 2021. Optoma Holding has been fully consolidated since the investment date.
- (c) CORE made an investment of EUR 100 thousand to establish 100% held subsidiary Coretronic Investment Limited in the United Kingdom in December 2021. Coretronic Investment Limited is a holding company and invests in Europe.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (d) In consideration of group business strategy, Coretronic Investment Limited acquired 100% ownership of Optoma Holding from Dynamic Time Investment Limited in December 2021.
- (e) 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.

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in NT\$, which is also the parent group's functional currency. Each entity in the Group determines its functional currency upon its primary economic environment and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(5) Translation of Foreign Currency Financial Statements

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considering as disposal.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and Non-Current Distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, including time deposits with original maturities of six months or less.

(8) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date. The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, at initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not being subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should be recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement are recognized in profit or loss which includes any dividend or interest received on such financial assets.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. Impairment of financial assets

The Group is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

A financial liability is classified as held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in short term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of financial liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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

When the Group and the creditors have a significant difference between the terms of the debt instruments to exchange, or make significant changes to all or part of the existing financial liabilities (no matter due to financial difficulties or not), deal with the way to exclude original liabilities and recognize new liabilities, when exclude the financial liabilities, the difference between book value and the total amount paid or payable (Including transferred non-cash assets or liabilities assumed) is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative Instrument and Hedging Accounting

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as effective hedging instruments and are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

With the adoption of IFRS 9, the Group designates a hedging relationship between the hedging instrument and the hedged item with the existence of an economic relationship. The accounting policies 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)

A. Fair value hedges

Gains or losses on derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The changes in the fair value of the hedging instrument and the changes in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item. The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

B. Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the related hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the year in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

C. Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss. The gains and losses on the hedging instrument relating to the effective portion of the hedge, which were accumulated in the foreign currency translation reserve, are reclassified to profit or loss on the disposal or partial disposal of a foreign operation.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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(10) Fair Value Measurement

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability; or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques which are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are stated at acquisition cost, and the cost is measured by standard cost method. The Group considers the normal level of materials, labors, efficiency and equipment capacity when making regular reviews and adjustments according to the current situation.

Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 but not within the scoping of inventories.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 "Investments in Associates and Joint Ventures". If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the "share of profit or loss of an associate" in the statement of comprehensive income in accordance with IAS 36 "Impairment of Assets". In determining the value in use of the investment, the Group estimates:

CORETRONIC CORPORATION AND SUBSIDIARIES

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

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 “Impairment of Assets”.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

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

Name	Years
Buildings and facilities	2~50 years
Machinery and equipment	2~10 years
Transportation equipment	4~9 years
Furniture and fixtures	2~10 years
Leasing assets	2~5 years
Leasehold improvement	Depends on the lease term
Miscellaneous equipment	3~15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(14) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Name	Years
Buildings	10~30 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset;
and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;

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- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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Except for leases that meet and elect short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associate with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and is treated as changes in accounting estimates.

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Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in other operating income and expenses.

Developing intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- A. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- B. Its intention to complete and its ability to use or sell the asset
- C. How the asset will generate future economic benefits
- D. The availability of resources to complete the asset
- E. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Patent rights and trademark rights

The patent rights have been granted by the relevant enterprise for fifteen years; and the trademark rights have been granted the right to use between six to ten years.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (one to five years).

Acquired Special Technology

The special technology has been granted by the relevant enterprise for fourteen years.

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(17) Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Maintenance warranties

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

Sales returns and allowances

Sales returns and allowances are accounted in accordance with IFRS 15.

(19) Treasury shares

Acquisitions of the shares of the Group (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration, if reissues, is recognized in capital surplus under equity.

When the retirement of treasury shares, capital surplus – share premiums and share capital are debited proportionately, gains on retirement of treasury shares should be recognized under existing capital surplus arising from similar types of treasury shares; losses on retirement of treasury shares should be offset against existing capital surplus from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

(20) Revenue Recognition

The Group's revenue arising from contracts with customers mainly include sale of goods and rendering of services. The accounting policies for the Group's types of revenue are explained as follow:

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Sale of goods

The Group manufactures and sells of merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. Revenue is recognized based on the consideration stated in the contract. The remaining sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Group transfers the goods to customers and when the customers pay for that goods is usually short and have no significant financing component to the contract. For a small part of the contracts, the Group has the right to transfer the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides maintenance services of products and customized design services and the revenue is recognized once the contract is completed.

Most of the contractual considerations of the Group are received on average during the contract period after the provision of maintenance services. For some rendering of services contracts, part of the consideration was received from customers upon signing the contract, then the Group has the obligation to provide the services subsequently and it should be recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arisen.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(21) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(22) Post-Employment Benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Remeasurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. The date of the plan amendment or curtailment; and
- B. The date that the Group recognizes related restructuring or termination costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(23) Share-based payment plans

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

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

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

(24) Income Tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) is expensed in the year the shareholders approve the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Group has considered the economic implications of COVID-19 on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimates to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid technological changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventories is mainly determined based on assumptions of future demand within a specific time period, therefore material adjustments may occur. Please refer to Note 6(7).

C. Maintenance warranties

The provision of maintenance warranties for goods sold is based on historical experience and the specific ratios determined by other known causes to estimate the possible product warranty and maintenance that may occur. The provision is recognized in the account of cost of goods sold when goods in the selling year. Management of the Group regularly examines the reasonableness of the estimates. Refer to Note 6(17) for more details.

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

D. Revenue recognition - sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Please refer to Note 6 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31,	
	2022	2021
Cash on hand, savings and checking accounts	\$4,836,956	\$4,993,183
Time deposits	7,389,043	6,078,756
Cash equivalents - repurchase agreements	139,000	157,900
Total	\$12,364,999	\$11,229,839

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

	December 31,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	\$155,286	\$125,399
Stock option	-	55,360
Total	\$155,286	\$180,759
Current	\$155,286	\$180,759
Non-current	-	-
Total	\$155,286	\$180,759

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

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

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

	December 31,	
	2022	2021
Equity instruments investments measured at fair value through other comprehensive income		
Unlisted companies stocks	\$3,895,009	\$3,988,804
Current	\$-	\$-
Non-current	3,895,009	3,988,804
Total	\$3,895,009	\$3,988,804

For unlisted equity securities recognized as financial assets at fair value through other comprehensive income – current, due to expiration of trust fund, the unlisted company has completed the liquidation process in December 2021.

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

(4) Financial assets measured at amortized cost

	December 31,	
	2022	2021
Time deposits (with original maturities of more than six months)	\$4,722,945	\$5,483,485
Current	\$4,722,945	\$5,483,485
Non-current	-	-
Total	\$4,722,945	\$5,483,485

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

	December 31,	
	2022	2021
Notes receivable - arose from operating activities	\$29,671	\$28,098

Notes receivable 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)

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

	December 31,	
	2022	2021
Trade receivables	\$10,278,196	\$18,966,690
Less: allowance for doubtful accounts	(42,363)	(29,563)
Subtotal	10,235,833	18,937,127
Trade receivables from related parties	530	5,842
Total	\$10,236,363	\$18,942,969

Trade receivables were not pledged.

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts as of December 31, 2022 and 2021, were NT\$10,278,726 thousand and NT\$18,972,532 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 2021, factored trade receivables of NT\$483,486 thousand and NT\$1,660,011 thousand were derecognized, and annual interest rates for advances from banks was 5.05% and 0.68% to 0.75%, respectively. The credit lines of factoring contracts provided by banks were US\$110,000 thousand and US\$60,000 thousand as of December 31, 2022 and December 31, 2021, respectively.

As of December 31, 2022 and 2021, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$4,074,948 thousand and NT\$8,694,391 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(7) Inventories

	December 31,	
	2022	2021
Raw materials and supplies	\$6,916,832	\$6,555,737
Work in process	233,584	405,578
Finished goods	3,294,566	2,340,062
Total	\$10,444,982	\$9,301,377

The cost of inventories recognized in expenses amounted to NT\$40,328,961 thousand and NT\$41,102,386 thousand for the years ended December 31, 2022 and 2021, respectively, including the write-down of inventories and obsolescence loss of NT\$210,050 thousand and NT\$59,087 thousand, respectively.

The allowance of inventories write-down amounted to NT\$567,494 thousand and NT\$629,953 thousand as of December 31, 2022 and 2021, respectively.

No inventories were pledged.

(8) Investments Accounted for using the Equity Method

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

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

Investees	December 31, 2021	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$43,035	18.50%

The Group recognized share of gain (loss) of associates and joint ventures accounted for using the equity method in the amount of NT\$7,071 thousand and NT\$(3,689) thousand for the years ended December 31, 2022 and December 31, 2021, respectively.

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

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

(9) Property, Plant and Equipment

Property, plant and equipment for own-use

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 2022	\$25,680	\$8,134,122	\$4,978,854	\$427,227	\$44,195	\$788,434	\$1,582,090	\$441,630	\$16,422,232
Additions	-	266,880	396,382	43,345	5,384	12,983	91,998	822,034	1,639,006
Disposals	-	(67,333)	(311,879)	(7,166)	(2,592)	(142,147)	(148,745)	(369)	(680,231)
Transfers	-	185,721	296,064	(3,283)	(40)	4,462	(16,198)	(585,710)	(118,984)
Exchange differences	(60)	68,276	72,022	6,828	1,571	28,123	23,476	11,213	211,449
As of December 31, 2022	<u>\$25,620</u>	<u>\$8,587,666</u>	<u>\$5,431,443</u>	<u>\$466,951</u>	<u>\$48,518</u>	<u>\$691,855</u>	<u>\$1,532,621</u>	<u>\$688,798</u>	<u>\$17,473,472</u>
As of January 1, 2021	\$39,039	\$7,466,949	\$4,779,933	\$438,802	\$37,440	\$710,212	\$1,615,620	\$810,952	\$15,898,947
Additions	-	100,153	255,636	28,843	1,028	23,339	145,715	901,670	1,456,384
Disposals	(13,190)	(136,396)	(115,603)	(23,168)	(2,891)	(5,906)	(204,672)	-	(501,826)
Transfers	-	727,304	90,063	(14,001)	9,075	69,676	35,546	(1,255,668)	(338,005)
Exchange differences	(169)	(23,888)	(31,175)	(3,249)	(457)	(8,887)	(10,119)	(15,324)	(93,268)
As of December 31, 2021	<u>\$25,680</u>	<u>\$8,134,122</u>	<u>\$4,978,854</u>	<u>\$427,227</u>	<u>\$44,195</u>	<u>\$788,434</u>	<u>\$1,582,090</u>	<u>\$441,630</u>	<u>\$16,422,232</u>
Depreciation and Impairment:									
As of January 1, 2022	\$-	\$3,566,409	\$3,269,963	\$304,536	\$33,424	\$594,020	\$1,140,074	\$-	\$8,908,426
Depreciation	-	398,166	460,616	44,056	3,014	51,536	142,781	-	1,100,169
Disposals	-	(55,831)	(295,672)	(7,120)	(1,278)	(134,905)	(147,619)	-	(642,425)
Transfers	-	(3,558)	(79,081)	(5,657)	(16)	837	(30,503)	19	(117,959)
Impairment	-	-	4,991	-	-	-	-	-	4,991
Exchange differences	-	32,556	47,537	5,620	970	21,439	19,695	-	127,817
As of December 31, 2022	<u>\$-</u>	<u>\$3,937,742</u>	<u>\$3,408,354</u>	<u>\$341,435</u>	<u>\$36,114</u>	<u>\$532,927</u>	<u>\$1,124,428</u>	<u>\$19</u>	<u>\$9,381,019</u>
As of January 1, 2021	\$-	\$3,331,098	\$3,223,509	\$305,503	\$33,244	\$613,346	\$1,233,622	\$-	\$8,740,322
Depreciation	-	354,487	415,963	37,058	3,293	45,945	135,059	-	991,805
Disposals	-	(119,137)	(100,485)	(22,987)	(2,891)	(5,706)	(198,287)	-	(449,493)
Transfers	-	11,158	(251,992)	(12,651)	-	(41,228)	(21,684)	-	(316,397)
Impairment	-	-	874	139	-	-	294	-	1,307
Exchange differences	-	(11,197)	(17,906)	(2,526)	(222)	(18,337)	(8,930)	-	(59,118)
As of December 31, 2021	<u>\$-</u>	<u>\$3,566,409</u>	<u>\$3,269,963</u>	<u>\$304,536</u>	<u>\$33,424</u>	<u>\$594,020</u>	<u>\$1,140,074</u>	<u>\$-</u>	<u>\$8,908,426</u>
Net carrying amounts as of:									
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>

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	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
December 31, 2021	\$25,680	\$4,567,713	\$1,708,891	\$122,691	\$10,771	\$194,414	\$442,016	\$441,630	\$7,513,806

The Group evaluated the economic benefits for property, plant and equipment, and recognized impairment losses of NT\$4,991 thousand and for NT\$1,307 thousand for the years ended December 31, 2022 and December 31, 2021, 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, which included clauses to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	<u>Buildings</u>
Cost:	
As of January 1, 2022	\$244,538
Additions from acquisitions	-
As of December 31, 2022	<u>\$244,538</u>
As of January 1, 2021	\$244,538
Additions from acquisitions	-
As of December 31, 2021	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2022	\$92,237
Depreciation	8,070
As of December 31, 2022	<u>\$100,307</u>
As of January 1, 2021	\$84,184
Depreciation	8,053
As of December 31, 2021	<u>\$92,237</u>
Net carry amount as of:	
December 31, 2022	<u>\$144,231</u>
December 31, 2021	<u>\$152,301</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Years ended December 31,	
	2022	2021
Rental income from investment property	\$12,783	\$12,784
Less: Direct operating expenses from investment property generating rental income	(8,070)	(8,053)
Total	\$4,713	\$4,731

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:

	December 31,	
	2022	2021
Fair value of the investment property	\$200,400	\$212,800
Discount rates	4.345%	3.845%
Growth rates	0.4%	0.4%

(11) Intangible Assets

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2022	\$103,621	\$179,451	\$284,391	\$87,123	\$5,940	\$225,050	\$885,576
Additions	-	73,716	25,231	7,819	-	7,172	113,938
Disposals	(103,621)	(10,376)	(29,917)	-	-	(181,867)	(325,781)
Transfers	-	-	1,200	-	-	-	1,200
Exchange differences	-	(16)	(544)	-	-	(3,648)	(4,208)
As of December 31, 2022	\$-	\$242,775	\$280,361	\$94,942	\$5,940	\$46,707	\$670,725
As of January 1, 2021	\$103,677	\$179,522	\$228,722	\$87,123	\$5,940	\$260,930	\$865,914
Additions	-	-	84,344	-	-	785	85,129
Disposals	-	-	(24,353)	-	-	(29,640)	(53,993)
Exchange differences	(56)	(71)	(4,322)	-	-	(7,025)	(11,474)
As of December 31, 2021	\$103,621	\$179,451	\$284,391	\$87,123	\$5,940	\$225,050	\$885,576

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, 2022	\$103,621	\$41,846	\$140,738	\$60,929	\$5,940	\$201,868	\$554,942
Amortization	-	17,504	47,430	10,414	-	12,005	87,353
Disposals	(103,621)	(10,376)	(29,814)	-	-	(181,867)	(325,678)
Exchange differences	-	(11)	(705)	-	-	(3,685)	(4,401)
As of December 31, 2022	<u>\$-</u>	<u>\$48,963</u>	<u>\$157,649</u>	<u>\$71,343</u>	<u>\$5,940</u>	<u>\$28,321</u>	<u>\$312,216</u>

Amortization and Impairment:							
As of January 1, 2021	\$101,601	\$24,379	\$119,851	\$56,770	\$5,940	\$148,727	\$457,268
Amortization	2,076	17,511	48,555	4,159	-	33,454	105,755
Disposals	-	-	(23,974)	-	-	(29,640)	(53,614)
Impairment	-	-	-	-	-	55,322	55,322
Exchange differences	(56)	(44)	(3,694)	-	-	(5,995)	(9,789)
As of December 31, 2021	<u>\$103,621</u>	<u>\$41,846</u>	<u>\$140,738</u>	<u>\$60,929</u>	<u>\$5,940</u>	<u>\$201,868</u>	<u>\$554,942</u>

Net carrying amount as of:

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>
December 31, 2021	<u>\$-</u>	<u>\$137,605</u>	<u>\$143,653</u>	<u>\$26,194</u>	<u>\$-</u>	<u>\$23,182</u>	<u>\$330,634</u>

Amortization expense of intangible assets:

	Years ended December 31,	
	2022	2021
Operating Cost	\$17,133	\$7,569
Selling expenses	8,895	17,151
General and administrative expenses	20,101	24,447
Research and development expenses	41,224	56,588
Total	<u>\$87,353</u>	<u>\$105,755</u>

(12) Short-Term Borrowings

	December 31,	
	2022	2021
Unsecured bank loans	<u>\$9,823,849</u>	<u>\$11,812,397</u>
Interest rates (%)	<u>1.70%~5.07%</u>	<u>0.33%~1.00%</u>

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

The Group's unused short-term lines of credits amounted to NT\$37,254,987 thousand and NT\$35,699,280 thousand as of December 31, 2022 and 2021, respectively.

(13) Financial Liabilities at Fair Value through Profit or Loss

	December 31,	
	2022	2021
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivative not designated as hedging instruments		
Forward exchange contracts	\$450,431	\$57,060
Current	\$450,431	\$57,060
Non-current	-	-
Total	\$450,431	\$57,060

(14) Hedging financial liabilities:

	December 31,	
	2022	2021
Forward exchange contracts	\$1,483	\$-
Current	\$1,483	\$-
Non-current	-	-
Total	\$1,483	\$-

Please refer to Note 12(8) for more details on hedging financial liabilities.

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

(15) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	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.
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	<u>\$3,412,106</u>		

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.10%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from First bank	69	1.10%	Principle is repaid in 16 quarterly payments from December 20, 2020.
Secured long-term borrowings from Hua Nan Commercial bank	4,286	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	102,857	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	214,285	1.00%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	21,428	1.02%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Long-term borrowings from Export-Import Bank of the Republic of China	105,000	0.62%	Principle will be repaid once at maturity on May 8, 2022.
Long-term borrowings from Export-Import Bank of the Republic of China	95,000	0.62%	Principle will be repaid once at maturity on May 13, 2022.
Long-term borrowings from Sumitomo Mitsui Bank	8,552	1.60%	Government subsidizes interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Syndicated loan of 9 Banks - Commercial paper loans	1,000,000	0.978%	Revolving credit. Renewable every three months. Credit

CORETRONIC CORPORATION AND SUBSIDIARIES
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 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
			has not been fully utilized.
Less: Arrangement Fee	(6,037)		
Amortization of commercial paper discount	(1,993)		
Current portion	(316,446)		
Total	<u>\$1,826,901</u>		

The Group's unused long-term lines of credits amounted to NT\$3,893,800 thousand and NT\$5,600,000 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

(16) Post-Employment Benefits

Defined contribution plan

The Group and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Group and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of Mainland China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$421,014 thousand and NT\$369,186 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

The Group and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Group and its domestic subsidiaries will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority.

As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$9,907 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefits plan obligation was 12.52 to 15.71 years and 12.44 to 17.61 years as of December 31, 2022 and 2021, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Pension costs recognized in profit or loss are as follows:

	Years ended December 31,	
	2022	2021
Current service costs	\$68	\$152
Net interest on the net defined benefit liabilities (assets)	3,765	3,810
Expected return on plan assets	(2,744)	(2,747)
Total	\$1,089	\$1,215

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	December 31,		January 1,
	2022	2021	2021
Present value of defined benefit obligation	\$433,963	\$513,258	\$520,493
Plan assets at fair value	(397,157)	(375,208)	(370,515)
Net defined benefit Liabilities (assets)	\$36,806	\$138,050	\$149,978
Other non-current liabilities			
— Carrying amount on the net defined benefit liabilities	\$70,509	\$156,435	\$165,113
Other non-current assets			
— Carrying amount on the net defined benefit assets	\$(33,703)	\$(18,385)	\$(15,135)

Reconciliations of net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As of January 1, 2021	\$520,493	\$370,515	\$149,978
Current service cost	152	-	152
Interest expense (revenue)	3,810	2,747	1,063
Subtotal	524,455	373,262	151,193

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	14,471	-	14,471
Actuarial gains and losses arising from changes in financial assumptions	795	-	795
Experience adjustments	(18,670)	(3,398)	(15,272)
Subtotal	(3,404)	(3,398)	(6)
Benefits paid	(7,793)	(4,972)	(2,821)
Contributions by employer	-	10,316	(10,316)
As of December 31, 2021	\$513,258	\$375,208	\$138,050

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As of January 1, 2022	\$513,258	\$375,208	\$138,050
Current service cost	68	-	68
Interest expense (revenue)	3,765	2,744	1,021
Subtotal	517,091	377,952	139,139

Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(41,207)	-	(41,207)
Experience adjustments	(19,368)	28,731	(48,099)
Subtotal	(60,575)	28,731	(89,306)
Benefits paid	(22,553)	(19,435)	(3,118)
Contributions by employer	-	9,909	(9,909)
As of December 31, 2022	\$433,963	\$397,157	\$36,806

The principal assumptions used in determining the Group's defined benefit plan are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	December 31,	
	2022	2021
Discount rate	1.75%	0.625%~0.75%
Expected rate of salary increases	3.00%~5.00%	1.00%~4.00%

Sensitivity analysis of significant assumptions is as follows:

	Years ended December 31,			
	2022		2021	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	\$-	\$12,845	\$-	\$16,163
Discount rate decrease by 0.25%	13,389	-	16,819	-
Future salary increase by 0.25%	12,813	-	15,994	-
Future salary decrease by 0.25%	-	12,385	-	15,460

The sensitivity analysis above is based on a change in one significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(17) Provisions

	Warranties
As of January 1, 2022	\$578,084
Arising during the period	657,124
Utilized during the period	(598,453)
Exchange differences	14,350
As of December 31, 2022	\$651,105

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Warranties
Current	\$651,105
Non-current	-
As of December 31, 2022	\$651,105
As of January 1, 2021	\$700,964
Arising during the period	282,239
Utilized during the period	(385,902)
Exchange differences	(19,217)
As of December 31, 2021	\$578,084
	Warranties
Current	\$578,084
Non-current	-
As of December 31, 2021	\$578,084

Warranties

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

(18) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of December 31, 2022, and December 31, 2021, respectively (including NT\$700,000 thousand reserved for exercise of share warrants, preferred shares with warrants and corporate bonds with warrants), each at a par value of NT\$10. CORE's issued capital was NT\$3,909,811 thousand divided into 390,981 thousand shares, as of December 31, 2022, and December 31, 2021. Each share has one voting right and a right to receive dividends.

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

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

B. Capital surplus

	December 31,	
	2022	2021
Additional paid-in capital	\$1,648,180	\$2,039,161
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	1,093,307	758,483
Changes in ownership interests in subsidiaries	64,888	93,948
Changes from investments in associates and joint ventures accounted for using the equity method	1,850	1,850
Total	\$2,808,225	\$2,893,442

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

C. Treasury shares

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

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

D. Retained earnings and dividend policies:

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

- (a) Payment of all taxes and dues;
- (b) Offset accumulated losses in previous years, if any;

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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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 December 31, 2022 and 2021 amounted to NT\$1,276,610 thousand.

Details of the 2022 and 2021 earnings distribution and dividends per share as resolved by the shareholders' meeting on June 10, 2022 and July 30, 2021, respectively, are as follows:

	<u>Appropriation of earnings</u>		<u>Dividends per share (NT\$)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Legal reserve	\$75,004	\$156,752		
Common stock -cash dividend	1,172,944	1,172,944	\$3	\$3

In addition, the shareholders in the meetings on June 10, 2022, and on July 30, 2021 both proposed and resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$390,981 thousand (NT\$1 per share).

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

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E. Non-controlling interests:

	Years ended December 31,	
	2022	2021
Beginning balance	\$2,064,897	\$2,043,951
Profit attributable to non-controlling interests	54,499	7,655
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	51,494	(16,366)
Remeasurements of defined benefit plans	1,037	620
Acquisition or disposal of the interest of subsidiaries	123,856	36,117
Changes in subsidiaries' ownership	(24,300)	-
Share-based payment plans	79,895	-
Cash dividends	(439)	(7,080)
Ending balance	<u>\$2,350,939</u>	<u>\$2,064,897</u>

(19) Share-based payment plans

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

Share-based payment plans of subsidiaries

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

Each unit of employee stock options is eligible to subscribe for one common share of Optoma Holding Limited. New shares will be issued when employees exercise such options. Holders may exercise the stock options for a certain period of time and proportion two years after the employee stock options are granted. The total outstanding granted stock options were 2,997,700 units as of December 31, 2022. The fair value of options granted was EUR 1,289 thousand, and the grant date was April 28, 2022.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The fair value of each new common share granted for the restricted stocks plan is EUR2.02 with exercise price of EUR1.99. The restricted stocks plan for employee allows the new shares released in proportion according to the vesting condition. As of December 31, 2022, total outstanding granted stock options were 1,283,308 shares with the fair value of EUR 38 thousand. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees have to pay back dividends obtained.

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

	Share-based payment plan of subsidiaries
Expected dividend yield (%)	0.00%
Expected volatility (%)	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 year ended December 31, 2022 was NT\$6,218 thousand.

(20) Sales

	Years ended December 31,	
	2022	2021
Contract revenue from customers		
Sale of goods	\$48,236,614	\$48,424,134
Revenue arising from rendering of services	1,214,059	1,122,052
Other operating revenues	332,484	287,182
Total	<u>\$49,783,157</u>	<u>\$49,833,368</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

A.Revenue of Segments

For the year ended December 31, 2022

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$22,051,010	\$21,767,002	\$4,632,205	\$3,017,535	\$(3,231,138)	\$48,236,614
Revenue arising from						
rendering of services	516,753	95,393	51,298	911,969	(361,354)	1,214,059
Other operating						
revenues	114,079	56,633	-	164,946	(3,174)	332,484
Total	\$22,681,842	\$21,919,028	\$4,683,503	\$4,094,450	\$(3,595,666)	\$49,783,157
The timing of revenue recognition:						
At a point in time	\$22,681,842	\$21,919,028	\$4,683,503	\$4,094,450	\$(3,595,666)	\$49,783,157

For the year ended December 31, 2021

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$26,456,630	\$15,925,446	\$4,545,210	\$3,277,635	\$(1,780,787)	\$48,424,134
Revenue arising from						
rendering of services	758,892	10,660	17,456	698,516	(363,472)	1,122,052
Other operating						
revenues	67,651	102,984	-	130,170	(13,623)	287,182
Total	\$27,283,173	\$16,039,090	\$4,562,666	\$4,106,321	\$(2,157,882)	\$49,833,368
The timing of revenue recognition:						
At a point in time	\$27,283,173	\$16,039,090	\$4,562,666	\$4,106,321	\$(2,157,882)	\$49,833,368

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

B. Contract balance

Contract liabilities - current

	December 31,		January 1,
	2022	2021	2021
Sale of goods	\$276,621	\$173,726	\$152,133
Revenue arising from rendering of services	7,451	112	1,813
Other operating revenues	245,174	127,404	96,529
Total	\$529,246	\$301,242	\$250,475

The contract liabilities balances resulted from the difference between the satisfaction of the performance obligation and the customers' payment. The Group recognized NT\$301,242 thousand and NT\$250,475 thousand, respectively, in revenues from the contract liabilities balance at the beginning of the period as performance obligations were satisfied for the years ended December 31, 2022 and 2021.

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2022 and 2021, there is no need to provide relevant information of the unsatisfied performance obligations as the contracts with customers about the sales of goods are all satisfied within one year.

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

None.

(21) Expected credit losses

	Years ended December 31,	
	2022	2021
Operating expenses – expected credit losses		
Trade receivables	\$12,405	\$1,206

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 December 31, 2022 and 2021 is as follows:

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

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As of December 31, 2022

Group A

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$1,043,607	\$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	\$1,043,607	\$186,387	\$27,183	\$15,156	\$1,395	\$24,337	\$1,298,065

Group B

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$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	\$8,558,872	\$347,663	\$33,298	\$26,740	\$1,391	\$5	\$8,967,969

As of December 31, 2021

Group A

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$1,053,171	\$208,805	\$16,591	\$2,153	\$1,735	\$18,061	\$1,300,516
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(392)	(93)	(117)	(87)	(3,436)	(4,125)
Subtotal	\$1,053,171	\$208,413	\$16,498	\$2,036	\$1,648	\$14,625	\$1,296,391

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Group B

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$16,989,926	\$610,291	\$65,998	\$16,550	\$1,056	\$16,293	\$17,700,114
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(752)	(3,308)	(4,965)	(120)	(16,293)	(25,438)
Subtotal	\$16,989,926	\$609,539	\$62,690	\$11,585	\$936	\$-	\$17,674,676

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

	Trade receivables
As of January 1, 2022	\$29,563
Addition for the current period	12,405
Exchange differences	395
As of December 31, 2022	\$42,363
	Trade receivables
As of January 1, 2021	\$42,430
Addition for the current period	1,206
Write off	(13,726)
Exchange differences	(347)
As of December 31, 2021	\$29,563

(22) Leases

A. Group as lessee

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

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

	December 31,	
	2022	2021
Land (including land use rights)	\$1,669,059	\$1,258,689
Buildings	504,286	648,590
Transportation equipment	30,971	27,529
Office fixtures	2,330	3,212
Other equipment	-	6
Total	\$2,206,646	\$1,938,026

During the years ended December 31, 2022 and 2021, the additions to right-of-use assets of the Group amounted to NT\$630,902 thousand and NT\$564,264 thousand, respectively.

ii. Lease liability

	December 31,	
	2022	2021
Lease liability		
Current	\$321,631	\$331,267
Non-current	1,291,459	1,439,893
Total	\$1,613,090	\$1,771,160

Please refer to Note 6(24)D. for the interest on lease liability recognized during the years ended December 31, 2022 and 2021, and Note 12(5) for the maturity analysis for lease liabilities.

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

Depreciation charge for right-of-use assets

	Years ended December 31,	
	2022	2021
Land	\$62,526	\$61,487
Buildings	261,014	243,196
Transportation equipment	20,434	19,620
Office fixtures	1,328	1,150
Other equipment	6	66
Total	\$345,308	\$325,519

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

(c)Income and costs relating to leasing activities

	Years ended December 31,	
	2022	2021
The expense relating to short-term leases	\$60,496	\$61,662
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	13,743	28,321
Total	\$74,239	\$89,983

(d)Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Group's total cash outflows for leases amounted to NT\$458,047 thousand and NT\$448,568 thousand, respectively.

(e)Other information relating to leasing activities

i. Variable lease payments

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

ii. Extension and termination options

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

iii. Residual value guarantees

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

	Years ended December 31,	
	2022	2021
The expense relating to short-term leases	\$60,496	\$61,662
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	13,743	28,321
Total	<u>\$74,239</u>	<u>\$89,983</u>

	For the year ended December 31,	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$42,782	\$46,388
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	<u>\$42,782</u>	<u>\$46,388</u>

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:

	December 31, 2022	December 31, 2021
Not later than one year	\$37,298	\$36,817
Later than one year but not later than two years	1,504	35,270
Later than two years but not later than three years	778	286
Later than three years but not later than four years	492	286
Later than four years but not later than five years	492	-
Over than five years	492	-
Total	<u>\$41,056</u>	<u>\$72,659</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Function Items	Years ended December 31					
	2022			2021		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$3,989,897	\$4,982,885	\$8,972,782	\$3,731,888	\$4,916,266	\$8,648,154
Salaries	3,294,758	4,302,029	7,596,787	3,101,404	4,301,468	7,402,872
Labor and health insurance	176,114	332,275	508,389	147,984	306,491	454,475
Pension	218,143	203,906	422,049	175,740	194,661	370,401
Other employee benefits expense	300,882	144,675	445,557	306,760	113,646	420,406
Depreciation	1,032,076	391,858	1,423,934	896,788	400,835	1,297,623
Amortization	12,717	68,876	81,593	7,787	98,281	106,068

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

CORE accrued employees' compensation based on a specific rate of profit for the years ended December 31, 2022 and 2021. The amounts of employees' compensation were NT\$360,060 thousand and NT\$288,508 thousand for the years ended December 31, 2022 and 2021, respectively. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, CORE will recognize the change as an adjustment in the profit or loss in the subsequent period.

A resolution was approved at a Board of Directors' meeting held on February 13, 2023 to distribute NT\$360,060 thousand in cash as employees' compensation. No material differences exist between the resolution and the estimated amount for the year ended December 31, 2022.

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2021.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(24) Non-Operating Income and Expenses

A. Interest income

	Years ended December 31	
	2022	2021
Financial assets measured at amortized cost	\$342,036	\$385,149

B. Other income

	Years ended December 31	
	2022	2021
Government grants income	\$110,394	\$159,218
Dividend income	70,475	34,640
Rental income	42,782	46,388
Other	108,567	171,988
Total	\$332,218	\$412,234

C. Other gains and losses

	Years ended December 31	
	2022	2021
Net gain on financial assets at fair value through profit or loss (Note)	\$1,708,310	\$481,987
Foreign exchange (loss) gain, net	(899,361)	26,055
Gain on disposal of property, plant and equipment	7,922	93,351
Non-financial assets impairment losses	(4,991)	(56,629)
Gain on lease modification	726	523
Gain on disposal of investments	531	-
Other losses	(75,658)	(51,150)
Total	\$737,479	\$494,137

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

D. Finance cost

	Years ended December 31	
	2022	2021
Interest on borrowings from bank	\$341,163	\$91,866
Interest on lease liabilities	55,283	57,072
Total	\$396,446	\$148,938

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 year ended December 31, 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	\$89,306	\$(17,861)	\$71,445
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	(1,400,799)	(4,826)	(1,405,625)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	856,307	-	856,307
Share of the other comprehensive income of associates accounted for using the equity method	7,071	-	7,071
Total of other comprehensive income	<u>\$(448,115)</u>	<u>\$(22,687)</u>	<u>\$(470,802)</u>

For the year ended December 31, 2021

	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	\$6	\$(1)	\$5
Unrealized gains from equity instrument investments measured at fair value through other comprehensive income	1,025,700	60	1,025,760
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(272,133)	-	(272,133)
Share of the other comprehensive loss of associates accounted for using the equity method	(2)	-	(2)
Total of other comprehensive income	<u>\$753,571</u>	<u>\$59</u>	<u>\$753,630</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(26) Income Tax

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

Income tax expense (income) recognized in profit or loss

	Years ended December 31	
	2022	2021
Current income tax expense	\$855,257	\$694,884
Deferred tax expense (income)	(95,711)	51,155
Total income tax expense	\$759,546	\$746,039

Income tax relating to components of other comprehensive income

	Years ended December 31	
	2022	2021
Deferred income tax expense (income):		
Remeasurements of defined benefit plans	\$17,861	\$1
Unrealized loss (gain) from equity instruments investments measured at fair value through other comprehensive income	4,826	(60)
Total	\$22,687	\$(59)

Reconciliation of income tax expense and the accounting profit multiplied by applicable tax rates is as follows:

	Years ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	\$3,172,980	\$2,785,319
Tax at the domestic rates applicable to profits in the country concerned	\$993,459	\$1,200,589
Tax effect of expenses not deductible for tax purposes	(294,783)	(496,192)
Tax effect of deferred tax assets/liabilities	(28,061)	(9,637)
Surtax on undistributed retained earnings	70,806	11,891
Operating loss carry forward	81,007	51,337
Investment tax credits	(62,882)	(11,949)
Total income tax expense recognized in profit or loss	\$759,546	\$746,039

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

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$46,630	\$(862)	\$-	\$1,594	\$47,362
Depreciation difference for tax purpose	(335)	3,914	-	312	3,891
Unrealized intragroup profits and losses	28,513	29,618	-	147	58,278
Net unrealized exchange (gains) or losses	(11,869)	58,203	-	(4)	46,330
Provisions - maintenance warranties	24,223	6,729	-	1,526	32,478
Provision-sales returns and allowances	24,965	7,465	-	521	32,951
Impairment on property, plant and equipment	6,287	-	-	-	6,287
Defined benefit liabilities-non-current	25,669	(2,704)	(17,861)	(29)	5,075
Investments accounted for using the equity method	(24,032)	2,227	-	-	(21,805)
Accrued expense of tax differences	47,584	(3,913)	-	1,816	45,487
Allowance for bad debts	2,360	(290)	-	212	2,282
Others	(11,624)	11,786	(4,826)	8,557	3,893
Unused tax losses	22,955	(18,246)	-	-	4,709
Foreign unused tax losses	10,752	1,784	-	1,114	13,650
Deferred tax (expense) income		<u>\$95,711</u>	<u>\$(22,687)</u>	<u>\$15,766</u>	
Net deferred tax assets (liabilities)	<u>\$192,078</u>				<u>\$280,868</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$270,147</u>				<u>\$342,533</u>
Deferred tax liabilities	<u>\$(78,069)</u>				<u>\$(61,665)</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 year ended December 31, 2021

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$51,315	\$(4,282)	\$-	\$(403)	\$46,630
Depreciation difference for tax purpose	581	(1,174)	-	258	(335)
Unrealized intragroup profits and losses	28,601	(85)	-	(3)	28,513
Net unrealized exchange gains or losses	(38,677)	26,742	-	66	(11,869)
Provisions - maintenance warranties	23,060	1,533	-	(370)	24,223
Provision-sales returns and allowances	22,149	2,950	-	(134)	24,965
Impairment on property, plant and equipment	6,287	-	-	-	6,287
Defined benefit liabilities-noncurrent	27,202	(1,533)	(1)	1	25,669
Investments accounted for using the equity method	(21,783)	(2,249)	-	-	(24,032)
Accrued expense of tax differences	45,506	3,313	-	(1,235)	47,584
Allowance for bad debts	2,288	131	-	(59)	2,360
Others	28,510	(41,753)	60	1,559	(11,624)
Unused tax losses	44,118	(21,163)	-	-	22,955
Foreign unused tax losses	24,771	(13,581)	-	(438)	10,752
Deferred tax (expense) income		<u>\$(51,151)</u>	<u>\$59</u>	<u>\$(758)</u>	
Net deferred tax assets (liabilities)	<u>\$243,928</u>				<u>\$192,078</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$338,374</u>				<u>\$270,147</u>
Deferred tax liabilities	<u>\$(94,446)</u>				<u>\$(78,069)</u>

The following table contains information of the unused tax losses of the Company and its domestic subsidiaries:

CORETRONIC CORPORATION AND SUBSIDIARIES
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(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2022

Accumulated loss	Unutilized accumulated loss	Expiration Year
\$4,114	\$4,114	2023
1,443	1,443	2024
1,125	1,125	2025
61,931	8,205	2026
38,259	31,248	2027
98,791	70,192	2028
222,906	199,471	2029
1,018,610	371,596	2030
330,468	330,468	2031
308,979	308,979	2032 (expected)
<u>\$2,086,626</u>	<u>\$1,326,841</u>	

December 31, 2021

Accumulated loss	Unutilized accumulated loss	Expiration Year
\$18,929	\$18,929	2022
4,114	4,114	2023
1,443	1,443	2024
1,125	1,125	2025
417,699	49,035	2026
63,833	32,703	2027
96,558	73,124	2028
126,756	126,756	2029
1,033,545	548,794	2030
238,190	238,190	2031(expected)
<u>\$2,002,192</u>	<u>\$1,094,213</u>	

Unrecognized deferred tax assets

As of December 31, 2022 and 2021, deferred tax assets that have not been recognized amounted to NT\$870,070 thousand and NT\$416,836 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize deferred tax liabilities associated with tax payable for unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that not all distributed profits of its subsidiaries will be distributed in the foreseeable future. As of December 31, 2022 and 2021, the amounts of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT\$23,854,518 thousand and NT\$22,547,638 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 assessment of income tax returns

As of December 31, 2022, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
CORE	Except for 2019, assessed and approved up to 2020
TYO	Assessed and approved up to 2020
Optoma Technology Corporation	Assessed and approved up to 2020
CGT	Assessed and approved up to 2020
Tsen Ming Investment Corp.	Assessed and approved up to 2020
YGE	Assessed and approved up to 2020
Rays Optics	Assessed and approved up to 2020
CICS	Assessed and approved up to 2020
CVC	Assessed and approved up to 2020
UCM	Assessed and approved up to 2020
ISC	Assessed and approved up to 2020
CVD	Assessed and approved up to 2020
CIRC	Assessed and approved up to 2020
CRI	Assessed and approved up to 2020
CMC	Assessed and approved up to 2020
NPT	Assessed and approved up to 2020
CILS	Established in 2021 and has not yet completed the assessment of 2021
Optoma Corporation	Established in 2021 and has not yet completed the assessment of 2021

(27) Earnings Per Share

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Years ended December 31	
	2022	2021
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$2,358,935	\$2,031,625
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	397,180
Basic earnings per share (NT\$)	\$6.03	\$5.12
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$2,358,935	\$2,031,625
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	397,180
Effect of dilution:		
Employee bonus—stock (in thousand)	7,180	4,046
Weighted average number of ordinary shares outstanding after dilution (in thousand)	398,161	401,226
Diluted earnings per share (NT\$)	\$5.92	\$5.06

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	December 31,	
		2022	2021
Young Optics Inc.	Taiwan	66.14%	62.39%
		December 31,	
		2022	2021
Accumulated balance of material non-controlling interests			
Young Optics, Inc.		\$2,194,352	\$1,989,816

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

	Years ended December 31	
	2022	2021
Profit allocated to material non-controlling interest		
Young Optics, Inc.	\$42,030	\$16,880

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

Summarized information of profit or loss for the year ended December 31, 2022:

	Young Optics Inc.
Operating revenue	\$4,683,503
Profit for the period from continuing operations	66,371
Total comprehensive income for the period	128,721

Summarized information of profit or loss for the year ended December 31, 2021:

	Young Optics Inc.
Operating revenue	\$4,562,666
Profit for the period from continuing operations	26,974
Total comprehensive income for the period	2,073

Summarized information of financial position as of December 31, 2022:

	Young Optics Inc.
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 December 31, 2021:

	Young Optics Inc.
Current assets	\$3,186,858
Non-current assets	2,753,280
Current liabilities	(1,550,402)
Non-current liabilities	(1,205,901)

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

Summarized cash flow information for the year ended December 31, 2022:

	<u>Young Optics Inc.</u>
Operating activities	\$662,295
Investing activities	(201,097)
Financing activities	(441,495)
Net increase in cash and cash equivalents	58,980

Summarized cash flow information for the year ended December 31, 2021:

	<u>Young Optics Inc.</u>
Operating activities	\$(145,405)
Investing activities	(130,959)
Financing activities	275,163
Net decrease in cash and cash equivalents	(9,466)

7. Related Party Transactions

(1) Related Party Name and Categories

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

(2) Significant transactions with related parties

A. Sales

	<u>Years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
DONGTAI QIDIAN	\$630	\$11,206
CHI HUA	24	71
Total	<u>\$654</u>	<u>\$11,277</u>

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. Purchases

	Years ended December 31	
	2022	2021
EOE	\$253,596	\$113,812
HANNSTAR	148,896	-
DONGTAI QIDIAN	294	-
Total	\$402,786	\$113,812

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

C. Accounts Receivable from Related Parties

	December 31,	
	2022	2021
DONGTAI QIDIAN	\$530	\$5,842

D. Accounts Payable to Related Parties

	December 31,	
	2022	2021
EOE	\$13,573	\$29,824
HANNSTAR	35,437	-
Total	\$49,010	\$29,824

E. Other Payable to Related Parties

	December 31,	
	2022	2021
EOE	\$5,345	\$6,440
HANNSTAR	452	-
Total	\$5,797	\$6,440

F. Others

For years ended December 31, 2022 and 2021, the Group purchased molds from EOE, amounting to NT\$3,946 thousand and NT\$10,320 thousand.

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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G. Key Management Personnel Compensation

	Years ended December 31	
	2022	2021
Short-term employee benefits	\$544,930	\$239,566
Post-employment benefits	3,800	5,806
Share-based payment	2,929	-
Total	\$551,659	\$245,372

8. Assets Pledged as Collateral

The following assets of the Group pledged as collateral:

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2022	December 31, 2021	
Buildings (including investment property)	\$754,100	\$795,875	Collateral for long-term borrowings
Time deposits (presented as “Other receivables”)	36,885	34,985	Lease execution deposits
Time deposits (presented as “Other non-current assets”)	20,784	20,781	Lease execution deposits
Time deposits (presented as “Other receivables”)	4,057	2,037	Customs import guarantee
Time deposits (presented as “Other non-current assets”)	1,094	1,087	Customs import guarantee
Bank deposits (presented as “Other receivables”)	14	13	Export tax guarantee
Total	\$816,934	\$854,778	

9. Commitments and Contingencies

- A. Amount available under unused letters of credit as of December 31, 2022 was NT\$5,857 thousand.
- B. The Group entered into contracts to acquire two land use rights by two stages in the amount of VND340,275,000 thousand (approximately NT\$453,177 thousand) and VND340,155,904 thousand (approximately NT\$421,513 thousand), respectively. As of December 31, 2022, the prepayment of VND136,287,283 thousand (approximately NT\$155,479 thousand) was recognized under non-current assets, and the outstanding payable is VND203,868,621 thousand (approximately NT\$271,511 thousand).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- 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 December 31, 2022, 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.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

<u>Financial assets</u>	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (Note 1)	\$4,230,234	\$8,875,150
Financial assets at fair value through other comprehensive income	3,895,009	3,988,804
Financial assets measured at amortized cost (Note 2)	24,655,305	27,729,328
Total	\$32,780,548	\$40,593,282
	December 31, 2022	December 31, 2021
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term borrowings	\$9,823,849	\$11,812,397
Accounts payable (including related parties)	7,334,039	13,496,410
Other payables	4,520,234	5,297,433
Lease liability (including current and noncurrent)	1,613,090	1,771,160
Long-term borrowings (including current portion)	3,826,977	2,143,347
Subtotal	27,118,189	34,520,747

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

	December 31, 2022	December 31, 2021
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	450,431	57,060
Hedging financial liabilities-current	1,483	-
Total	\$27,570,103	\$34,577,807

Note 1: As of December 31, 2022 and 2021, the financial assets measured at fair value through profit or loss, including trade receivables, were NT\$4,074,948 thousand and NT\$8,694,391 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 non-current assets.

(2) Financial Risk Management Objectives and Policies

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

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

(3) Market Risk

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 years ended December 31, 2022 and 2021 is decreased/increased by NT\$3,857 thousand and NT\$17,308 thousand, while equity is decreased/increased by NT\$291,256 thousand and NT\$265,971 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rate, and interest rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2022 and 2021 to decreased/increased by NT\$141,120 thousand and NT\$142,774 thousand, respectively.

Equity price risk

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the years ended December 31, 2021, an increase/decrease of 1% in the price of the unlisted equity securities and stock options classified as equity instruments at fair value through profit or loss could increase/decrease by NT\$554 thousand on income attributable to the Group.

For the years ended December 31, 2022 and 2021, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instruments at fair value through other comprehensive income could increase/decrease by NT\$38,950 thousand and NT\$39,888 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 December 31, 2022, and 2021, receivables from top ten customers represented 71% and 73% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

(5) Liquidity Risk Management

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Non-derivative financial liabilities

	Less than 1			Over 5	
	year	1 to 3 years	3 to 5 years	years	Total
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
As of December 31, 2021					
Borrowings	\$12,144,575	\$841,785	\$1,002,164	\$-	\$13,988,524
Accounts payable					
(including related parties)	13,496,410	-	-	-	13,496,410
Other payables					
(including related parties)	5,297,433	-	-	-	5,297,433
Lease liability	360,261	469,545	220,501	1,130,865	2,181,172

Derivative financial liabilities

	Less than 1 year		1 to 3 years		Total	
As of December 31, 2022						
Inflows	\$-		\$-		\$-	
Outflows	451,914		-		451,914	
Net	\$451,914		\$-		\$451,914	
As of December 31, 2021						
Inflows	\$-		\$-		\$-	
Outflows	57,060		-		57,060	
Net	\$57,060		\$-		\$57,060	

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

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(6) Reconciliation of Liabilities Arising from Financing Activities:

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2022	\$11,812,397	\$2,143,347	\$1,771,160	\$23,291	\$3,341	\$15,753,536
Cash flows	(1,988,548)	1,683,630	(328,525)	(3,516)	366	(636,593)
Additional leases	-	-	160,813	-	-	160,813
Exchange differences	-	-	9,642	-	-	9,642
As of December 31, 2022	<u>\$9,823,849</u>	<u>\$3,826,977</u>	<u>\$1,613,090</u>	<u>\$19,775</u>	<u>\$3,707</u>	<u>\$15,287,398</u>

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2021	\$5,137,417	\$669,479	\$1,554,422	\$28,390	\$15,885	\$7,405,593
Cash flows	6,674,980	1,473,868	(301,528)	(5,099)	(12,544)	7,829,677
Additional leases	-	-	538,466	-	-	538,466
Exchange differences	-	-	(20,200)	-	-	(20,200)
As of December 31, 2021	<u>\$11,812,397</u>	<u>\$2,143,347</u>	<u>\$1,771,160</u>	<u>\$23,291</u>	<u>\$3,341</u>	<u>\$15,753,536</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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(c)The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model or other valuation method.

(d)The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate mainly is measured by similar financial instruments.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative Instruments

The related information for derivative financial instruments not yet settled 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 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
Selling forward currency contracts	EUR 27,000 thousand	January 2023

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Item (by contract)	Notional Amount	Contract Period
As of December 31, 2021		
Forward currency contract		
Selling forward currency contracts	USD 627,000 thousand	From January 2022 to October 2022
Buying forward currency contracts	USD 713,500 thousand	From January 2022 to June 2022
Selling forward currency contracts	CAD 2,100 thousand	From January 2022 to April 2022
Selling forward currency contracts	EUR 35,000 thousand	January 2022

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
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	Changes in Fair Value of Hedged items 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
			Hedge Accounting Is Continuously Applicable	Hedge Accounting Is No Longer Applicable		
Hedges of net investments in foreign operations	\$-	\$-	(\$1,483)	\$-	(\$41,032)	\$-

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

	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

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	December 31, 2022			
	Level 1	Level 2	Level 3	Total
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
December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$125,399	\$-	\$125,399
Stock option	-	-	55,360	55,360
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,988,804	3,988,804
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	57,060	-	57,060

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

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	Assets			
	At fair value through profit or loss		At fair value through other comprehensive income	
	Stock option	Convertible bond	Stock	Total
As of January 1, 2022:	\$55,360	\$-	\$3,988,804	\$4,044,164
Total gains and losses recognized for the year ended December 31, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	280	(41,610)	-	(41,330)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	-	(1,405,625)	(1,405,625)
Transfers	(55,640)	-	55,640	-
Acquisition	-	41,610	1,238,610	1,280,220
Tax effect	-	-	4,826	4,826
Exchange differences	-	-	12,754	12,754
As of December 31, 2022	\$-	\$-	\$3,895,009	\$3,895,009

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	Assets		
	At fair value through profit or loss	At fair value through other comprehensive income	Total
	Stock option	Stock	Total
As of January 1, 2021:	\$56,960	\$913,080	\$970,040
Total gains and losses recognized for the year ended December 31, 2021:			
Amount recognized in profit or loss (presented in “other profit or loss”)	(1,600)	-	(1,600)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	1,025,760	1,025,760
Acquisition	-	2,054,000	2,054,000
Settlement	-	(1,219)	(1,219)
Tax effect	-	(60)	(60)
Exchange differences	-	(2,757)	(2,757)
As of December 31, 2021	\$55,360	\$3,988,804	\$4,044,164

Total gains and (losses) recognized in profit or loss for the years ended December 31, 2022 and 2021 were in the amount of NT\$41,330 thousand and NT\$1,600 thousand, respectively.

Information on significant unobservable inputs to valuation

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

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As of 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 December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.73	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$4,494 thousand/ NT\$4,494 thousand.
At fair value through profit or loss					
Stock option	Market Approach	P/E ratio of similar companies	0.43	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase /decrease in equity by NT\$6,110 thousand/ NT\$6,110 thousand.

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

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

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

	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

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$212,800	\$212,800

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

	December 31, 2022		
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
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

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	December 31, 2022		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
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
	December 31, 2021		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$968,740	27.68	\$26,814,723
JPY	167,318	0.2405	40,240
GBP	338	37.30	12,607
EUR	83	31.32	2,600
Non-monetary items:			
USD	\$7,001	27.68	\$193,800
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,031,268	27.68	\$28,545,498
JPY	86,369	0.2405	20,772
GBP	119	37.30	4,439
EUR	183	31.32	5,732

The Group's functional currencies are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange (loss) gain was NT\$(899,361) thousand and NT\$26,055 thousand for the years ended December 31, 2022 and 2021, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(11) Capital Management

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

(12) Other Items

Due to the impact of the COVID-19 pandemic, local governments of certain subsidiaries are implementing measures such as quarantine, tourism bans, or temporary shutdowns of shops and facilities. In a response to the pandemic, the Group took the following actions:

A. Adjust operating strategies

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

B. Government relief measures

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

13. Additional Disclosures

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

A. Financing provided to others for the year ended December 31, 2022: Attachment 1-2.

B. Endorsement/Guarantee provided to others for the year ended December 31, 2022: Please refer to Attachment 1, 1-1.

C. Securities held as of December 31, 2022 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: Attachment 10.

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: None.

F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2022: None.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2022: Please refer to Attachment 3, 3-1.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2022: Please refer to Attachment 4, 4-1.
- I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.
- J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(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.

(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.

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

B. The Group has three reportable segments:

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

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

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

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

(2) Segment Income, Assets and Liabilities Information

	For the year ended December 31, 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	\$22,589,976	\$21,261,851	\$2,974,781	\$46,826,608	\$2,956,549	\$-	\$49,783,157
Net revenue from sales							
among intersegments	91,866	657,177	1,708,722	2,457,765	1,137,901	(3,595,666)	-
Total revenue	<u>\$22,681,842</u>	<u>\$21,919,028</u>	<u>\$4,683,503</u>	<u>\$49,284,373</u>	<u>\$4,094,450</u>	<u>(3,595,666)</u>	<u>\$49,783,157</u>
Segment income (loss)	<u>\$813,869</u>	<u>\$2,804,004</u>	<u>\$34,088</u>	<u>\$3,651,961</u>	<u>\$(735,231)</u>	<u>\$256,250</u>	<u>\$3,172,980</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$55,857,815</u>	<u>\$55,857,815</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 year ended December 31, 2021						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from							
external customers	\$27,158,039	\$15,947,933	\$3,912,729	\$47,018,701	\$2,814,667	\$-	\$49,833,368
Net revenue from sales							
among intersegments	125,134	91,157	649,937	866,228	1,291,654	(2,157,882)	-
Total revenue	<u>\$27,283,173</u>	<u>\$16,039,090</u>	<u>\$4,562,666</u>	<u>\$47,884,929</u>	<u>\$4,106,321</u>	<u>\$(2,157,882)</u>	<u>\$49,833,368</u>
Segment income (loss)	<u>\$1,160,648</u>	<u>\$1,583,567</u>	<u>\$55,588</u>	<u>\$2,799,803</u>	<u>\$(353,311)</u>	<u>\$338,827</u>	<u>\$2,785,319</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$61,470,393</u>	<u>\$61,470,393</u>

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the years ended December 31, 2022 and 2021, respectively. They have been combined into other segments.

Note B: Inter-segment revenue 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.

	Years ended December 31	
	2022	2021
Net income of reportable segments	\$3,651,961	\$2,799,803
Income of other segments	(735,231)	(353,311)
Unallocated amount:		
Interest income	342,036	385,149
Interest expense	(396,446)	(148,938)
Financial assets (liabilities) at fair value through profit or loss	1,708,310	481,987
Exchange (losses) gains	(899,361)	26,055
Others	(498,289)	(405,426)
Income before income tax	<u>\$3,172,980</u>	<u>\$2,785,319</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(3) Geographical information

A. Sales to other than consolidated entities

	Years ended December 31,	
	2022	2021
Mainland China (including Hong Kong)	\$18,391,556	\$23,533,259
Taiwan	10,741,794	11,742,577
South Korea	7,686,653	1,930,845
United Kingdom	4,235,774	4,299,270
United States	3,531,745	3,008,504
Japan	2,607,421	2,904,317
Malaysia	707,287	532,644
Others	1,880,927	1,881,952
Total	\$49,783,157	\$49,833,368

Sales are classified by customers' country.

B. Non-current assets

	December 31,	
	2022	2021
Taiwan	\$4,875,748	\$5,176,343
Mainland China (including Hong Kong)	4,388,670	4,296,916
Vietnam	1,273,867	-
Bangladesh	319,145	338,539
United States	95,769	97,411
Europe	92,012	114,621
Total	\$11,045,211	\$10,023,830

(4) Major customers information

For the years ended December 31, 2022 and 2021, major customers representing at least 10% of net revenue:

	Years ended December 31,	
	2022	2021
Customer A	\$5,953,677	(Note)

Note: Since individual amounts did not exceed 10% net sales of the Group, disclosure was not required.

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the year ended December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsiary	\$ 11,265,546 (Note)	\$ 1,228,400	\$ 1,228,400	\$ -	\$ -	5.45%	\$ 22,531,092 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	11,265,546 (Note)	1,179,661	883,220	545,410	-	3.92%	22,531,092 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	11,265,546 (Note)	164,000	164,000	4,550	-	0.73%	22,531,092 (Note)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsiary	11,265,546 (Note)	350,000	350,000	124,268	-	1.55%	22,531,092 (Note)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	11,265,546 (Note)	260,000	260,000	10,027	-	1.15%	22,531,092 (Note)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsiary	11,265,546 (Note)	289,935	276,390	-	-	1.23%	22,531,092 (Note)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsiary	11,265,546 (Note)	16,108	15,355	15,355	-	0.07%	22,531,092 (Note)	Yes	No	No
0	Coretronic Corporation	Optoma Corporation	Sub-subsiary	11,265,546 (Note)	2,000	2,000	2,000	-	0.01%	22,531,092 (Note)	Yes	No	No
	Total				\$ 3,490,104	\$ 3,179,365							

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 year ended December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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

Note c : Coretronic Corporation absorbed Optoma Technology from July 1, 2022. Therefore, endorser was changed to Coretronic Corporation.

ATTACHMENT 1-2 (Financing provided to others for the year ended December 31, 2022)

(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	Bighshine (HK)	Core-Flex	Trade receivables - related parties	Yes	\$ 120,427	\$ -	\$ -	-%	The need for short-term financing	-	Business turnover	-	None	-	\$ 236,220	\$ 236,220
1	Bighshine (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	341,479	325,526	325,526	1.25%	The need for short-term financing	-	Business turnover	-	None	-	590,549	590,549
1	Bighshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	174,741	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	590,549	590,549
2	Great Pride (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	979,336	933,584	933,584	1.25%	The need for short-term financing	-	Business turnover	-	None	-	3,142,428	3,142,428
2	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	94,605	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,142,428	3,142,428
3	Tecpoint	Brightbridge	Trade receivables - related parties	Yes	2,706	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,989,481	3,989,481
4	Venture Orient	Coretronic Investment Limited	Trade receivables - related parties	Yes	96,645	92,130	92,130	1.25%	The need for short-term financing	-	Business turnover	-	None	-	651,383	651,383
4	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	115,752	24,568	24,568	-%	The need for short-term financing	-	Business turnover	-	None	-	651,383	651,383
5	Wisdom Success (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	64,430	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,395,510	7,395,510
5	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	605,642	577,348	577,348	-%	The need for short-term financing	-	Business turnover	-	None	-	7,395,510	7,395,510
6	Wisdom Success	Coretronic Investment Limited	Trade receivables - related parties	Yes	25,772	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	11,626,724	11,626,724
6	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	32,215	30,710	30,710	-%	The need for short-term financing	-	Business turnover	-	None	-	11,626,724	11,626,724
7	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	-	1,026,529	1,026,529
7	Chung Tsen Investment	Coretronic Corporation	Trade receivables - related parties	Yes	366,000	366,000	366,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	1,026,529	1,026,529
7	Chung Tsen Investment	Optoma Technology	Trade receivables - related parties	Yes	246,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,026,529	1,026,529
8	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	477,970	467,400	467,400	0.5%	The need for short-term financing	-	Business turnover	-	None	-	5,787,031	5,787,031
9	Young Green Energy	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	70,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	89,702	89,702
10	Tsen Ming Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	186,000	136,000	136,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	186,970	186,970
10	Tsen Ming Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	50,000	50,000	50,000	0.55%	The need for short-term financing	-	Business turnover	-	None	-	186,970	186,970
10	Tsen Ming Investment	Optoma Technology	Trade receivables - related parties	Yes	140,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	186,970	186,970
11	Coretronic (Suzhou)	Coretronic Optotech (Suzhou)	Trade receivables - related parties	Yes	1,852,903	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,910,132	4,910,132
11	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	1,485,120	202,686	202,686	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,910,132	4,910,132
11	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,247,176	1,243,461	1,243,461	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,910,132	4,910,132
12	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	139,427	132,913	132,913	-%	The need for short-term financing	-	Business turnover	-	None	-	974,664	974,664
12	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	869,805	829,170	829,170	-%	The need for short-term financing	-	Business turnover	-	None	-	2,436,661	2,436,661
12	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	1,520,548	1,449,512	1,449,512	-%	The need for short-term financing	-	Business turnover	-	None	-	2,436,661	2,436,661
13	Boom Power Trading Corp.	Coretronic Corporation	Trade receivables - related parties	Yes	116,944	116,944	116,944	-%	The need for short-term financing	-	Business turnover	-	None	-	135,394	135,394
13	Boom Power Trading Corp.	Coretronic (BVI) Investment	Trade receivables - related parties	Yes	2,180	2,180	2,180	-%	The need for short-term financing	-	Business turnover	-	None	-	135,394	135,394
14	Nano Display (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	266,700	233,396	233,396	-%	The need for short-term financing	-	Business turnover	-	None	-	560,123	560,123
15	Young Lighting Limited	Coretronic Corporation	Trade receivables - related parties	Yes	1,639,744	1,563,139	1,563,139	-%	The need for short-term financing	-	Business turnover	-	None	-	3,323,484	3,323,484
16	Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	300,748	295,432	295,432	0.5%	The need for short-term financing	-	Business turnover	-	None	-	2,779,477	2,779,477
17	Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	260,349	255,747	255,747	0.5%	The need for short-term financing	-	Business turnover	-	None	-	389,213	389,213
18	Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	299,841	299,841	299,841	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,572,357	3,572,357
19	Coretronic Display (Suzhou)	Coretronic Corporation	Trade receivables - related parties	Yes	203,874	202,686	202,686	0.5%	The need for short-term financing	-	Business turnover	-	None	-	481,910	481,910
20	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	32,215	30,710	30,710	-%	The need for short-term financing	-	Business turnover	-	None	-	533,137	537,137

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 Bighshine(HK), Great Pride (HK), Venture Orient,

Coretronic Projection (Kunshan), Coretronic (Suzhou), Dynamic Time, Nano Precision (Suzhou), Young Bright Optical (Suzhou), Coretronic (Ningbo) and Boom Power Trading Corp.

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

Note b : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statements, including Dynamic Time, Boom Power Trading Corp., Nano Display (HK), Wisdom Success (HK), Venture Orient, Wisdom Success and Coretronic Display (Suzhou).

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

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

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

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

ATTACHMENT 2 (Securities held as of December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2022				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	\$ - (Note b)	0.84%	\$ -	
Coretronic Corporation	Nanosys Inc.	-	Financial assets at fair value through profit or loss-noncurrent	9,007	-	0.003%	-	
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661 (Note c)	-	16.80%	-	
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	3,014,975	11.06%	3,014,975	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	8,497	3.06%	8,497	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	44,476	19.90%	44,476	
Coretronic Corporation	Eterge Opto-Electronics	Coretronic Corporation was Eterge Opto-Electronics' director.	Investments accounted for using the equity method- noncurrent	1,850,000	50,117	18.50%	-	

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

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

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

ATTACHMENT 2-1 (Securities held as of December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2022				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Coretronic Venture Capital	GeneJet Biotech	-	Financial assets at fair value through other comprehensive income-noncurrent	315,000	\$ - (Note b)	5.85%	\$ -	
Coretronic Intelligent Cloud Service Corp.	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	900,000	32,355	18.54%	32,355	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 1,656,040	5.00%	USD 1,656,040	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	98,556,488	743,849	4.47%	743,849	

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 year ended December 31, 2022)

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

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	\$ 1,068,775	1.92%	120 days	-	-	\$ (278,806)	3.86%	
Coretronic Corporation	Optoma Corporation	Sub-subsidiary	Sales	4,998,334	16.35%	90 days	-	-	965,186	13.92%	
Coretronic Corporation	HANNSTAR	Entity with significant influence over the Company	Purchases	148,896	0.27%	90 days	-	-	(35,437)	0.49%	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NTS100 million or 20 percent of capital stock for the year ended December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payables)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payables)	
Young Optics	Coretronic Projection (Kunshan)	Associate	Sales	\$ 1,339,160	28.47%	90 days	-	-	\$ 63,072	11.01 %	Note
Young Optics	Rays Optics	Associate	Sales	462,507	9.83%	30 days	-	-	121,431	21.20%	
Young Optics (Kunshan)	Young Optics	Associate	Sales	1,872,564	79.01%	90 days	-	-	409,850	83.15 %	
Young Optics (Kunshan)	Young Optics (Suzhou)	Associate	Sales	100,887	4.27%	60 days	-	-	12,640	2.56%	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	362,143	15.30%	90 days	-	-	73,375	14.89 %	
Nano Precision (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	128,311	12.84%	60 days	-	-	3,178	1.44%	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	301,270	30.15%	60 days	-	-	89,715	40.73 %	
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	Sales	211,166	21.13%	60 days	-	-	35,326	16.04 %	
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	Sales	653,255	3.57%	90 days	-	-	32,198	0.79 %	Note
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	540,811	2.96%	60 days	-	-	188,248	4.60 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	522,213	2.86%	60 days	-	-	100,127	2.45 %	
Young Optics (BD)	Young Optics	Associate	Sales	184,071	78.27%	30 days	-	-	1,077	100 %	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	266,509	7.12%	60 days	-	-	7,551	0.28 %	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	8,494,234	99.96%	60 days	-	-	848,174	99.91 %	
Optoma Corporation	Optoma USA	Associate	Sales	1,661,156	27.30%	90 days	-	-	323,571	29.92 %	
Optoma Corporation	Optoma Europe	Associate	Sales	3,404,269	55.95%	90 days	-	-	602,165	55.68 %	

Note : All transactions among Young Optics, Young Optics (Kunshan) and Coretronic Projection (Kunshan) were presented as gross amounts, and the percentage of total receivables (payables) were calculated accordingly. Related receivables and payables also included Other payables and Other receivables.

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2022)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Corporation	Sub-subsidiary	\$ 965,186	4.76	\$ -	-	\$ -	\$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2022)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables :								
Young Optics	Rays Optics	Associate	\$ 121,431	5.48	\$ -	-	\$ -	\$ -
Young Optics (Kunshan)	Young Optics	Associate	409,850	4.17	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	188,248	2.43	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	100,127	5.46	-	-	-	-
Coretronic (Ningbo)	Coretronic Corporation	Parent	278,806	3.00	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	848,174	8.54	-	-	-	-
Optoma Corporation	Optoma USA	Associate	323,571	4.90	-	-	-	-
Optoma Corporation	Optoma Europe	Associate	602,165	4.79	-	-	-	-
Other receivables :								
Grace China	Young Optics (BD)	Associate	289,440 (Note)	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	1,449,512	-	-	-	-	-
Dynamic Time	Core-Flex	Associate	132,913	-	-	-	-	-
Dynamic Time	Great Pride (HK)	Associate	829,170	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Display (Suzhou)	Associate	202,803	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Associate	1,244,611	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	366,860	-	-	-	-	-
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Associate	295,826	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	471,099	-	-	-	-	-
Boom Power	Coretronic Corporation	Parent	116,944	-	-	-	-	-
Tsen Ming Investment	Coretronic MEMS Corporation	Associate	136,324	-	-	-	-	-
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	300,052	-	-	-	-	-
Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	Associate	256,082	-	-	-	-	-
Nano Display	Coretronic Corporation	Parent	233,396	-	-	-	-	-
Nano Display	Coretronic (Guangzhou)	Associate	262,657	-	-	-	-	-
Great Pride (HK)	Coretronic Investment Limited	Associate	944,638	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	577,348	-	-	-	-	-
Bigshine (HK)	Coretronic Investment Limited	Associate	329,380	-	-	-	-	-
Young Lighting Limited	Coretronic Corporation	Parent	1,563,139	-	-	-	-	-
YLG Limited	Coretronic (Guangzhou)	Associate	110,236	-	-	-	-	-
Coretronic Display (Suzhou)	Coretronic Corporation	Parent	202,686	-	-	-	-	-

Note : Includes Other receivables.

ATTACHMENT 5 (Significant intercompany transactions between consolidated entities)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
0	Coretronic Corporation	Optoma Technology	1	Sales	72,648	—	0.15%
		Optoma USA	1	Sales	54,239	—	0.11%
		Optoma Europe	1	Sales	71,101	—	0.14%
		Greendale	1	Accounts receivable	1,417,375	—	2.54%
			1	Sales	6,579,167	—	13.22%
		Coretronic Projection (Kunshan)	1	Sales	46,641	—	0.09%
		YLG Optotech	1	Accounts receivable	253,769	—	0.45%
			1	Sales	667,639	—	1.34%
		Coretronic Display (Suzhou)	1	Sales	2,118,460	—	4.26%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	3,643,069	—	6.52%
			1	Sales	8,772,951	—	17.62%
		Coretronic Optics (Suzhou)	1	Accounts receivable	2,529,458	—	4.53%
			1	Sales	9,574,424	—	19.23%
1	Young Optics	Coretronic Vietnam	1	Accounts receivable	539,705	—	0.97%
			1	Sales	805,148	—	1.62%
		Optoma Corporation	1	Accounts receivable	965,186	—	1.73%
			1	Sales	4,998,334	—	10.04%
		Rays Optics	3	Other receivables	3,014	—	0.01%
			3	Accounts receivable	121,431	—	0.22%
			3	Sales	462,507	—	0.93%
		Young Optics (Suzhou)	3	Accounts receivable	420	—	0.00%
			3	Sales	67,903	—	0.14%
		Mejiro	3	Accounts receivable	645	—	0.00%
			3	Sales	9,140	—	0.02%
		Young Optics (Kunshan)	3	Sales	15,737	—	0.03%
			3	Other income	22	—	0.00%
Young Optics (BD)	3	Other receivables	8,096	—	0.01%		
	3	Accounts receivable	60,952	—	0.11%		
	3	Sales	3,031	—	0.01%		
	3	Other income	915	—	0.00%		
Coretronic Projection (Kunshan)	3	Other receivables	32,061	—	0.06%		
	3	Accounts receivable	31,011	—	0.06%		
	3	Sales	1,339,160	—	2.69%		

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
2	Grace China	Young Optics	3	Sales	56	—	0.00%
		Young Optics (BD)	3	Other receivables	135,032	—	0.24%
		Young Optics (Kunshan)	3	Accounts receivable	154,408	—	0.28%
3	Young Optics (Kunshan)	Young Optics (Kunshan)	3	Sales	496	—	0.00%
		Young Optics (Suzhou)	3	Accounts receivable	12,640	—	0.02%
		Young Optics (BD)	3	Sales	100,887	—	0.20%
		Young Optics (BD)	3	Accounts receivable	458	—	0.00%
		Coretronic Optics (Kunshan)	3	Sales	10,224	—	0.02%
		Coretronic Optics (Kunshan)	3	Accounts receivable	73,375	—	0.13%
		Young Optics	3	Sales	362,143	—	0.73%
		Young Optics	3	Other receivables	8,236	—	0.01%
		Young Optics	3	Accounts receivable	409,850	—	0.73%
4	Dynamic Time	Coretronic Corporation	2	Sales	1,872,564	—	3.76%
		Coretronic Corporation	2	Other income	8,236	—	0.02%
		Core-Flex	3	Other receivables	1,449,512	—	2.60%
5	Wisdom Success	Great Pride (HK)	3	Other receivables	132,913	—	0.24%
		Coretronic Corporation	2	Other receivables	829,170	—	1.48%
		Coretronic Optics (Suzhou)	3	Other receivables	30,710	—	0.05%
6	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	3	Other receivables	37,206	—	0.07%
		Coretronic Optics (Suzhou)	3	Other receivables	202,803	—	0.36%
7	Chung Tsen Investment Corp.	Coretronic Corporation	2	Other receivables	1,244,611	—	2.23%
		CILS	3	Other receivables	366,860	—	0.66%
8	Venture Orient	Coretronic Investment Limited	3	Other receivables	70,112	—	0.13%
9	Best Alpha	Coretronic Investment Limited	3	Other receivables	93,221	—	0.17%
		Young Optics (BD)	3	Other receivables	30,710	—	0.05%
10	Young Optics (Suzhou)	Young Optics (BD)	3	Other income	186	—	0.00%
		Young Optics	3	Sales	49,883	—	0.10%
		Young Optics (Kunshan)	3	Sales	314	—	0.00%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
11	Nano Precision (Suzhou)	Coretronic Corporation	2	Sales	31,372	—	0.06%
		Coretronic Projection (Kunshan)	3	Sales	48,316	—	0.10%
		Great Pride (HK)	3	Sales	67,061	—	0.13%
		Coretronic Display (Suzhou)	3	Sales	128,311	—	0.26%
		Coretronic Optotech (Suzhou)	3	Accounts receivable	89,715	—	0.16%
			3	Sales	301,270	—	0.61%
		Coretronic Optics (Suzhou)	3	Other receivables	295,826	—	0.53%
			3	Accounts receivable	35,326	—	0.06%
12	Greendale	Coretronic Corporation	2	Other receivables	3,165,090	—	5.67%
		Coretronic Projection (Kunshan)	3	Other receivables	41,762	—	0.07%
		Coretronic Optics (Kunshan)	3	Other receivables	1,375,613	—	2.46%
13	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Other receivable	32,198	—	0.06%
			3	Sales	653,255	—	1.31%
		Optoma China	3	Accounts receivable	188,248	—	0.34%
			3	Sales	540,811	—	1.09%
		Greendale	3	Accounts receivable	3,164,499	—	5.67%
			3	Sales	13,898,900	—	27.92%
		Champ Vision Display	3	Accounts receivable	354,473	—	0.63%
			3	Sales	869,438	—	1.75%
Coretronic Optics (Kunshan)	3	Other receivables	471,099	—	0.84%		
	3	Accounts receivable	100,127	—	0.18%		
14	Boom Power	Coretronic Corporation	2	Other receivables	116,944	—	0.21%
			2	Sales	1,068,775	—	2.15%
15	Tsen Ming Investment	Nano Precision (Suzhou)	3	Other receivables	50,029	—	0.09%
		Coretronic MEMS Corporation	3	Other receivables	136,324	—	0.24%
16	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	278,806	—	0.50%
			2	Sales	1,068,775	—	2.15%
		Coretronic Optics (Suzhou)	3	Other receivables	300,052	—	0.54%
			3	Accounts receivable	33,463	—	0.06%
17	Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	3	Sales	35,566	—	0.07%
			3	Other receivables	256,082	—	0.46%
18	Nano Display	Coretronic Corporation	2	Other receivables	233,396	—	0.42%
		Coretronic (Guangzhou)	3	Other receivables	262,657	—	0.47%
19	Nano Display (Guangzhou)	Coretronic (Guangzhou)	3	Sales	63,099	—	0.13%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
20	Great Pride (HK)	Coretronic Investment Limited	3	Other receivables	944,638	—	1.69%
21	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	577,348	—	1.03%
22	Bigshine (HK)	Coretronic Investment Limited	3	Other receivables	329,380	—	0.59%
23	CICS	Coretronic Corporation	2	Accounts receivable	64,151	—	0.11%
			2	Sales	187,114	—	0.38%
24	Young Lighting Limited	Coretronic Corporation	2	Other receivables	1,563,139	—	2.80%
25	YLG Limited	Coretronic (Guangzhou)	3	Other receivables	110,236	—	0.20%
26	YLG Optotech	Coretronic Corporation	2	Accounts receivable	288,148	—	0.52%
			2	Sales	961,548	—	1.93%
		3	Champ Vision Display	Sales	37,410	—	0.08%
27	Coretronic Display (Suzhou)	Coretronic Corporation	2	Other receivables	202,686	—	0.36%
			2	Accounts receivable	96,006	—	0.17%
			2	Sales	2,526,566	—	5.08%
		3	Wisdom Success	Accounts receivable	37,205	—	0.07%
		Coretronic Optics (Suzhou)	3	Sales	31,290	—	0.06%
28	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	2,662,697	—	4.77%
			2	Sales	3,475,006	—	6.98%
		Coretronic Display (Suzhou)	3	Accounts receivable	7,551	—	0.01%
			3	Sales	266,509	—	0.54%
29	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	39,688	—	0.07%
			3	Sales	355,521	—	0.71%
30	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	848,174	—	1.52%
			3	Sales	8,494,234	—	17.06%
31	CIRC	CILS	3	Sales	40,887	—	0.08%
32	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	2,647,040	—	4.74%
			2	Sales	3,992,717	—	8.02%

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	Nano Precision Taiwan	Coretronic Corporation	2	Other receivables	30,632	—	0.05%
			2	Sales	43,773	—	0.09%
		Nano Precision (Suzhou)	3	Sales	136,451	—	0.27%
		Coretronic (Ningbo)	3	Sales	45,971	—	0.09%
34	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	71,715	—	0.13%
			2	Sales	550,164	—	1.11%
35	CILS	Coretronic Corporation	2	Sales	67,394	—	0.14%
36	Optoma Holding Limited	Optoma Europe	3	Other receivables	95,615	—	0.17%
37	Optoma Corporation	Optoma USA	3	Accounts receivable	323,571	—	0.58%
			3	Sales	1,661,156	—	3.34%
		Optoma Europe	3	Accounts receivable	602,165	—	1.08%
			3	Sales	3,404,269	—	6.84%
38	Young Optics (BD)	Young Optics	3	Accounts receivable	1,077	—	0.00%
			3	Sales	184,071	—	0.37%
		Young Optics (Kunshan)	3	Sales	50,620	—	0.10%
			3	Advanced receipts	2,798	—	0.01%
39	Rays Optics	Grace China	3	Sales	529	—	0.00%
		Young Optics	3	Other receivables	19	—	0.00%
40	Mejiro	Young Optics	3	Other receivables	685	—	0.00%
			3	Accounts receivable	144	—	0.00%
			3	Sales	10,972	—	0.02%
		Young Optics (BD)	3	Accounts receivable	8	—	0.00%
			3	Sales	785	—	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 December 31, 2022) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$1,563,709	\$1,566,475	38,220,000	100.00%	\$6,817,733	\$1,022,541	\$1,022,541	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	506,416	526,482	37,957,586	33.28%	1,100,133	64,650	22,095	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,853,241	565,849	565,849	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,390,192	45,963	45,963	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%	2,312,556	(7,177)	(7,177)	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,713,848	(197,674)	(154,305)	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic material	214,620	214,620	18,833,220	99.91%	217,673	(5,048)	(5,044)	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,682,235	164,274	164,274	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%	284,962	21,448	21,448	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%	306,045	1,520	1,520	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	144,000	144,000	14,400,000	80.00%	176,443	29,004	23,203	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%	10,224	(21,105)	(12,809)	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%	45,718	20,098	20,098	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%	90,071	(94,342)	(94,342)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	10,776	2,223	1,778	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	180,000	18,000,000	100.00%	143,524	(106,213)	(106,213)	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%	18,077	(39,943)	(39,943)	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%	(337,622)	(244,183)	(244,183)	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	50,000	15,000,000	100.00%	86,127	(76,502)	(76,502)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	100.00%	507,420	461,718	461,718	Subsidiary
Coretronic Corporation	Dynamic Time	Cayman Islands	Holding company	USD 14,122,230 (Note a)	-	14,856	100.00%	2,426,880	(4,007)	(4,007)	Subsidiary
Coretronic Corporation	Optoma Technology	New Taipei City, Taiwan	Engaged in the production and marketing of data storage and processing equipment, electronic components, optical devices, wireless communications equipment and electronic appliances.	-	518,465	-	-	-	-	-	Subsidiary (Note a)

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

ATTACHMENT 6-1 : (Names, locations and related information of investee companies as of December 31, 2022) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 222,502,137	USD 33,923,929	(Note a)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 348,929,316	USD 18,256,793	(Note a)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,799,349	(USD 204,198)	(Note a)	Sub-subsidiary
Visicorp	Investdragon	Samoa	Holding company	(Note b)	USD 636,000	-	100.00 %	-	USD 59	(Note a)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 31,335,115	USD 1,053,589	(Note a)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 18,005,395	USD 392,622	(Note a)	Sub-subsidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 13,706,894	(USD 6,344,372)	(Note a)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 219,178,151	USD 14,979,376	(Note a)	Sub-subsidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 88,676,751	USD 4,035,195	(Note a)	Sub-subsidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 28,810,353	USD 1,020,857	(Note a)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 11,239,727	(USD 545,363)	(Note a)	Sub-subsidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 78,000,000	USD 1,000,000	78,000,000	100.00 %	RMB 537,175,026	RMB 4,211,907	(Note a)	Sub-subsidiary
Coretronic Technology (HK)	Coretronic Technology (BRVT) Company	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 78,000,000	USD 30,000,000	-	100.00 %	USD 77,126,420	USD 581,940	(Note a)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,743,836	(USD 545,363)	(Note a)	Sub-subsidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 31,335,092	USD 4,035,195	(Note a)	Sub-subsidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 18,005,300	USD 1,020,857	(Note a)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 45,267,987	USD 1,537,127	(Note a)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 89,035,280	(USD 5,353,946)	(Note a)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,965,724	USD 43,577	(Note a)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 16,178,456	(USD 1,042,020)	(Note a)	Sub-subsidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800	100.00 %	USD 88,996,945	(USD 5,353,964)	(Note a)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	(RMB 6,378,238)	(RMB 26,586,236)	(Note a)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	515,361	(27,284)	(Note a)	Sub-subsidiary

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

Note b : Investdragon has deregistered in November 2022.

ATTACHMENT 6-2 : (Names, locations and related information of investee companies as of December 31, 2022) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	\$9,013	\$29,596	666,317	0.58%	\$19,289	\$64,650	(Note a)	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 %	545,027	(2,923)	(Note a)	Sub-subsidiary
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39 %	3,604	1,100	(Note a)	Sub-subsidiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83 %	USD 11,130,073	(USD 6,344,372)	(Note a)	Subsidiary
Tsen Ming Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	-	23,842	-	-	-	64,650	(Note a)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61 %	9,359	1,100	(Note a)	Sub-subsidiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00 %	119,090	(USD 212,434)	(Note a)	Sub-subsidiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00 %	USD 3,590,630	USD 2,649,531	(Note a)	Sub-subsidiary
Young Lighting Limited	Brightbridge	Samoa	Holding company	(Note b)	USD 1	-	-	-	-	(Note a)	Sub-subsidiary
Young Lighting Limited	Crystal Word	Samoa	Holding company	(Note b)	USD 1	-	-	-	-	(Note a)	Sub-subsidiary
Coretronic Intelligent Cloud Service	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00 %	27,769	715	(Note a)	Sub-subsidiary
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 904,223	USD 23,988	(Note a)	Sub-subsidiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 30,630,000	32,620,000	96.21 %	USD 60,890,103	USD 15,196,443	(Note a)	Sub-subsidiary

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

Note b : Brightbridge and Crystal World has deregistered in November 2022.

ATTACHMENT 6 -3 : (Names, locations and related information of investee companies as of December 31, 2022) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 1,056,441	(USD 133,213)	(Note a)	Sub-subsiary
Dynamic Time	Optoma (China & HK) Ltd.	HK	Marketing and after-sales service of Optoma in Hong Kong and the Asia-Pacific region	USD 309,546	USD 309,546	2,400,000	100.00 %	USD 303,991	USD 541	(Note a)	Sub-subsiary
Optoma Holding	Optoma USA	USA	Marketing and after-sales service of Optoma in Americas region	EUR 6,328,202	EUR 6,328,202	825,000	100.00 %	EUR 21,600,515	EUR 8,477,932	(Note a)	Sub-subsiary
Optoma Holding	Optoma Europe	U.K.	Marketing and after-sales service of Optoma in European region	EUR 24,911,549	EUR 24,911,549	1,200,000	100.00 %	EUR 27,105,041	EUR 5,796,661	(Note a)	Sub-subsiary
Optoma Holding	Optoma Corporation	New Taipei City, Taiwan	Marketing and after-sales service of Optoma in the Asia-Pacific region	EUR 931,677	EUR 931,677	3,000,000	100.00 %	EUR 6,456,068	EUR 5,469,853	(Note a)	Sub-subsiary
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after-sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	EUR 1,840,994	EUR 413,189	(Note a)	Sub-subsiary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 1,134,790	EUR 399,739	(Note a)	Sub-subsiary
Optoma Europe	Optoma Scandinavia. A.S.	Norway	Marketing and after-sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	EUR 147,430	(EUR 10,654)	(Note a)	Sub-subsiary
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after-sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	EUR 486,825	EUR 105,854	(Note a)	Sub-subsiary
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after-sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	EUR 625,305	EUR 115,371	(Note a)	Sub-subsiary
Young Optics	Masterview	B.V.I.	Holding company	USD 6,000,000	USD 6,000,000	6,000,000	100.00 %	1,649,592	(86,770)	(Note a)	Sub-subsiary
Young Optics	Rays Optics	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	298,140	298,140	9,250,000	92.50 %	125,494	21,842	(Note a)	Sub-subsiary
Young Optics	Mejiro Genossen	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	43,980	8,440	(Note a)	Sub-subsiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 16,818,680	(USD 58,787)	(Note a)	Sub-subsiary
Masterview	Grace China	Cayman Islands	Holding company	USD 8,156,458	USD 8,156,458	8,156,458	100.00 %	USD 37,733,226	(USD 1,210,420)	(Note a)	Sub-subsiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000 (Note b)	USD 12,000,000	10,089,436	80.00 %	(USD 866,231)	(USD 2,197,147)	(Note a)	Sub-subsiary
Masterview	Young Optics Europe GmbH	Germany	Manufacturing and selling of 3D printer	(Note c)	EUR 18,750	-	-	-	-	-	Sub-subsiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	(USD 216,558)	(USD 2,197,147)	(Note a)	Sub-subsiary

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

Note b : Young Optics (BD) has completed the capital increase process in March 2022.

Note c : The Group has disposed investments of Young Optics Europe GmbH and completed registration in the first half year of 2022.

ATTACHMENT 7 : (Investment in Mainland China as of December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2022	Accumulated inward remittance of earnings as of December 31, 2022
					Outflow	Inflow						
Coretronic Projection (Kunshan)	Digital projectors, LCD monitors and related components of the research and development, processing, manufacturing and sales of the company's products and engaged in after-sales maintenance services	\$ 1,525,064 (USD 46,000,000)	Indirect investment from the third region (Greendale)	\$ 1,525,064 (USD 46,000,000)	-	-	\$ 1,525,064 (USD 46,000,000)	1,009,278	100.00%	1,009,278	6,802,494	\$ 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)	3,113	100.00%	3,113	30,655	(Note a and Note e)
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	USD 1,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	USD 1,000,000	-	-	USD 1,000,000	3,937	100.00%	3,937	50,818	-
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))	-	-	-	-	270,057	100.00%	270,057	780,748	-
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)	45,870	100.00%	45,870	1,381,549	-
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)	46,991	100.00%	46,991	4,490,074	-
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)	-	-	-	-	141,972	100.00%	141,972	187,316	-
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)	-	-	-	-	245,670	100.00%	245,670	1,472,532	-
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)	(19,873)	100.00%	(19,873)	222,482	81,790 (USD 2,800,000)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (USD 51,758,000)	Indirect investment from the Mainland China subsidiary (Coretronic Optics (Suzhou))	88,972 (USD 2,967,283)	-	-	88,972 (USD 2,967,283)	84,261	100.00%	84,261	567,291	(Note a, Note d and Note j)
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)	119,013	100.00%	119,013	3,685,393	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)	1,100	100.00%	1,100	392,131	(Note a and Note j)
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)	(177,821)	100.00%	(177,821)	2,617,205	85,228 (USD 2,795,270)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	30,435	100.00%	30,435	1,432,795	(Note a and Note e)
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	238,740 (USD 7,800,000)	Indirect investment from the third region (Coretronic (Guangzhou))	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	(7,825)	100.00%	(7,825)	249,866	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	USD 6,000,000	Indirect investment from the third region (Coretronic (Guangzhou))	USD 3,060,000	-	-	USD 3,060,000	84,650	100.00%	84,650	108,823	-
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	715	100.00%	715	27,769	-
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	(11,998)	96.21%	(11,543)	79,012	-
Coretronic Robotek (Kunshan)	Provide intelligent solutions for warehousing and manufacturing	RMB 12,000,000	Indirect investment from the third region (Coretronic Projection (Kunshan) and Coretronic (Suzhou))	-	-	-	-	727	100.00%	727	53,635	-

Accumulated investment in Mainland China as of December 31, 2022 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b~Note j)	Upper limit on investment
\$2,433,349 (USD 77,191,338)	\$2,149,269 (USD 77,191,338)	\$13,637,727

Note a : To use historical currency rates.

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

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

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

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

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

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

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

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

Note j : In 2020, Visicorp 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 =30.71 NTD as of December 31, 2022.

ATTACHMENT 7-1 (Investment in Mainland China as of December 31, 2022)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of December 31, 2022 (Note a)	Accumulated inward remittance of earnings as of December 31, 2022
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$440,619 (USD 12,200,000) (Note d, e and m)	Indirect investment from the third region (Best Alpha and Grace China)	\$164,450 (USD 5,000,000)	\$-	\$-	\$164,450 (USD 5,000,000)	\$(31,490) (-USD 1,079,465)	100.00%	\$(31,490) (-USD 1,079,465)	\$967,903 (USD 31,517,535)	\$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)	5,486 (USD 200,320)	100.00%	5,486 (USD 200,320)	246,350 (USD 8,021,803)	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 December 31, 2022 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	Note c

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

Note b : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of December 31, 2022)

(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 January, 2023 to March, 2023	USD 498,500,000	\$ 4,049	\$ 4,049	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2023 to April, 2023	USD 742,000,000	(296,402)	(296,402)	Note a
Coretronic Investment Limited	Hedging financial assets (liabilities) - current	Forward foreign exchange contract	Selling EUR	January, 2023	EUR 27,000,000	(1,483)	(1,483)	Note b
Champ Vision Display	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	January, 2023	USD 4,000,000	(531)	(531)	Note c
Nano Precision (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2023 to February, 2023	USD 2,000,000	217	217	Note e
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2023 to February, 2023	USD 34,000,000	9,803	9,803	Note f
Coretronic Display (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	January, 2023	USD 4,000,000	5,151	5,151	Note h
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2023 to March, 2023	USD 9,000,000	4,474	4,474	Note i
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2023 to March, 2023	USD 17,000,000	138	138	Note j
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2023 to March, 2023	USD 13,500,000	(21,799)	(21,799)	Note k
Optoma USA	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2023 to March, 2023	CAD 1,500,000	(443)	(443)	Note l
Young Optics (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	March, 2023	USD 2,000,000	196	196	Note m

Note a : Coretronic Corporation entered into forward foreign exchange contracts and realized a profit amounting to NT\$1,993,786 thousands for the year ended December 31, 2022.

Note b : Coretronic Investment Limited entered into forward foreign exchange contracts and realized a profit amounting to NT\$87,454 thousands for the year ended December 31, 2022.

Note c : Champ Vision Display entered into forward foreign exchange contracts and realized a loss amounting to NT\$3,742 thousands for the year ended December 31, 2022.

Note d : Nano Precision Taiwan entered into forward foreign exchange contracts and realized a loss amounting to NT\$643 thousands for the year ended December 31, 2022.

Note e : Nano Precision (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$19,769 thousands for the year ended December 31, 2022.

Note f : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a profit amounting to NT\$14,373 thousands for the year ended December 31, 2022.

Note g : Coretronic (Ningbo) entered into forward foreign exchange contracts and realized a loss amounting to NT\$1,242 thousands for the year ended December 31, 2022.

Note h : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and realized a profit amounting to NT\$2,705 thousands for the year ended December 31, 2022.

Note i : Coretronic Optotech (Suzhou) entered into forward foreign exchange contract and realized a loss amounting to NT\$17,392 thousands for the year ended December 31, 2022.

Note j : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$7,131 thousands for the year ended December 31, 2022.

Note k : Optoma Europe entered into forward foreign exchange contracts and realized a profit amounting to NT\$52,093 thousands for the year ended December 31, 2022.

Note l : Optoma USA entered into forward foreign exchange contracts and realized a profit amounting to NT\$2,418 thousands for the year ended December 31, 2022.

Note m : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$4,779 thousands for the year ended December 31, 2022.

ATTACHMENT 9 (The information of Major shareholder as of December 31, 2022)

Name	Number of shares (Units/shares)	Percentage of ownership (%)
Yann Yuan Investment Co., Ltd.	32,825,000	8.39%
Taiwei Advanced Technology Co., Ltd.	44,807,196	11.46%

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 year ended December 31, 2022.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			December 31, 2022		
					Units / shares	Amount (Note b)	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note c)	Units / shares (Note a)	Amount (Note b)
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	Financial assets at fair value through other comprehensive income-noncurrent	-	-	13,000,000	\$ 2,752,957	18,000,000	\$ 1,170,000	-	\$ -	\$ -	\$ -	57,000,000	\$ 3,014,975
Young Optics (Kunshan)	Structured Deposits	Financial assets at amortised cost-current	Kunshan Rural Commercial bank	-	-	-	RMB 130,000,000	-	-	-	RMB 130,000,000	RMB 944,405	-	-
Young Optics (Kunshan)	Structured Deposits	Financial assets at amortised cost-current	China CITIC Bank	-	-	-	RMB 120,000,000	-	-	-	RMB 120,000,000	RMB 741,544	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets at amortised cost-current	Kunshan Rural Commercial bank	-	-	-	RMB 130,000,000	-	-	-	RMB 130,000,000	RMB 943,215	-	-

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

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

Note c : To be recognized in interest income.