

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

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

Telephone: +886-3-577-2000

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2025 and for the year then ended prepared under the International Financial Reporting Standard 10 are the same as the entities to be included in the Combined Financial Statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the consolidated financial statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the consolidated financial statements.

Very truly yours,

Coretronic Corporation

Chairman: Wade Chang

February 9, 2026



安永聯合會計師事務所

30078 新竹市新竹科學園區力行一路1號E-3
E-3, No. 1, Lixing 1st Rd., Hsinchu Science Park
Hsinchu City, Taiwan, R.O.C.

電話 Tel: 886 3 688 5678
傳真 Fax: 886 3 688 6000
ey.com/zh_tw

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, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, 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 Financial Statement Audit and Attestation Engagements of 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 2025 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\$629,258 thousand as of December 31, 2025, 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 4, 5 and 6 to the Group's consolidated financial statements.

Revenue recognition

The Group recognized the revenue amounted to NT\$39,576,665 thousand for the year ended December 31, 2025. 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.



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.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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, 2025 and 2024.

Huang, Ming-Ju

Kuo, Shao-Pin

Ernst & Young

February 9, 2026

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, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2025	%	December 31, 2024	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 8,918,400	15.13	\$ 12,982,509	22.83
Financial assets at fair value through profit or loss - current	4, 6(2)	684,398	1.16	849,817	1.50
Financial assets at amortized cost - current	4, 6(4)	5,336,757	9.05	4,624,412	8.13
Contract assets - current	6(19), 6(20)	979,110	1.66	-	-
Notes receivable, net	4, 6(5), 6(20)	16,895	0.03	1,323	-
Trade receivables, net	4, 6(6), 6(20)	12,638,078	21.44	9,575,959	16.84
Trade receivables - related parties, net	4, 6(6), 6(20), 7	120,388	0.20	891	-
Other receivables	4,7,8	983,269	1.67	1,315,869	2.31
Current tax assets	4, 6(25)	57,786	0.10	190,311	0.33
Inventories, net	4, 5, 6(7)	7,062,292	11.98	7,363,307	12.95
Prepayments		1,114,531	1.89	1,151,220	2.02
Other current assets		280,877	0.48	223,124	0.39
Total current assets		<u>38,192,781</u>	<u>64.79</u>	<u>38,278,742</u>	<u>67.30</u>
Non-current assets					
Financial assets at fair value through other comprehensive income - noncurrent	4, 6(3)	6,156,520	10.44	5,246,290	9.22
Investments accounted for using the equity method	4, 6(8)	167,762	0.28	-	-
Property, plant and equipment, net	4, 6(9), 8	11,326,674	19.21	10,108,052	17.77
Right-of-use assets	4, 6(21)	1,960,264	3.32	2,147,302	3.78
Investment property, net	4, 6(10), 8	117,170	0.20	125,771	0.22
Intangible assets	4, 6(11)	258,787	0.44	290,678	0.51
Deferred tax assets	4, 6(25)	402,665	0.68	358,300	0.63
Net defined benefit assets - noncurrent	4, 6(15)	148,357	0.25	129,284	0.23
Other noncurrent assets	8	227,845	0.39	193,566	0.34
Total non-current assets		<u>20,766,044</u>	<u>35.21</u>	<u>18,599,243</u>	<u>32.70</u>
Total assets		<u>\$ 58,958,825</u>	<u>100.00</u>	<u>\$ 56,877,985</u>	<u>100.00</u>

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2025 and 2024
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2025	%	December 31, 2024	%
Current liabilities					
Short-term borrowings	6(12)	\$ 17,228,157	29.22	\$ 12,513,727	22.00
Financial liabilities at fair value through profit or loss - current	4, 6(13)	110,827	0.19	126,257	0.22
Contract liabilities - current	6(19)	561,831	0.95	807,187	1.42
Notes payable		723	-	564	-
Accounts payable		7,551,142	12.81	6,933,246	12.19
Accounts payable - related parties	7	54,257	0.09	13,300	0.02
Other payables	7	3,768,041	6.39	3,680,014	6.47
Current tax liabilities	4, 6(25)	691,239	1.17	651,753	1.15
Provisions - current	4, 6(16)	433,128	0.73	389,566	0.68
Lease liabilities - current	4, 6(21)	144,397	0.25	157,434	0.28
Other current liabilities		653,439	1.11	590,728	1.04
Current portion of long-term borrowings	6(14)	82,000	0.14	57,143	0.10
Total current liabilities		31,279,181	53.05	25,920,919	45.57
Non-current liabilities					
Long-term borrowings	6(14)	164,000	0.28	3,340,419	5.87
Deferred tax liabilities	4, 6(25)	155,231	0.26	173,138	0.30
Lease liabilities - noncurrent	4, 6(21)	904,515	1.53	975,053	1.72
Net defined benefit liabilities - noncurrent	4, 6(15)	31,933	0.06	38,757	0.07
Other noncurrent liabilities		24,867	0.04	29,345	0.05
Total non-current liabilities		1,280,546	2.17	4,556,712	8.01
Total liabilities		32,559,727	55.22	30,477,631	53.58
Equity attributable to owners of the parent					
Share capital					
Common stock	6(17)	3,909,811	6.63	3,909,811	6.88
Capital surplus	4, 6(17)	2,017,890	3.43	2,234,717	3.93
Retained earnings	6(17)				
Legal reserve		4,600,869	7.80	4,512,231	7.93
Special reserve		1,188,383	2.02	1,188,383	2.09
Unappropriated retained earning		11,628,090	19.72	11,729,185	20.62
Total retained earnings		17,417,342	29.54	17,429,799	30.64
Other equity		1,178,652	2.00	822,542	1.45
Total equity attributable to owners of the parent		24,523,695	41.60	24,396,869	42.90
Non-controlling interests	6(17)	1,875,403	3.18	2,003,485	3.52
Total equity		26,399,098	44.78	26,400,354	46.42
Total liabilities and equity		\$ 58,958,825	100.00	\$ 56,877,985	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, 2025 and 2024
(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	
		2025	%	2024	%
Net sales	4, 5, 6(19), 7	\$ 39,576,665	100.00	\$ 39,668,943	100.00
Operating costs	4, 6(7), 6(11), 6(15), 6(21), 6(22), 7	32,746,991	82.74	32,618,778	82.23
Gross profit		6,829,674	17.26	7,050,165	17.77
Operating expenses	6(11), 6(15), 6(20), 6(21), 6(22)				
Selling expenses		1,854,624	4.69	1,899,949	4.79
General and administrative expenses		2,198,168	5.56	2,120,492	5.35
Research and development expenses		2,914,592	7.36	2,856,039	7.20
Reversal of expected credit loss		(6,683)	(0.02)	(14,567)	(0.04)
Total operating expenses		6,960,701	17.59	6,861,913	17.30
Operating (loss) income		(131,027)	(0.33)	188,252	0.47
Non-operating income and expenses					
Interest income	6(23)	277,622	0.70	454,921	1.15
Other income	4, 6(23)	524,859	1.33	526,010	1.32
Other gains and losses	6(23)	401,884	1.02	166,143	0.42
Finance costs	6(23)	(592,947)	(1.50)	(448,437)	(1.13)
Share of loss of associates and joint ventures accounted for using the equity method	4, 6(8)	(7,329)	(0.02)	(8,468)	(0.02)
Total non-operating income and expenses		604,089	1.53	690,169	1.74
Income before income tax		473,062	1.20	878,421	2.21
Income tax expense	4, 6(25)	(115,425)	(0.29)	(220,575)	(0.55)
Net income		357,637	0.91	657,846	1.66
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(24)	9,254	0.02	83,423	0.21
Unrealized gain (loss) from equity instrument investments measured at fair value through other comprehensive income	6(24)	911,748	2.31	(66,811)	(0.17)
Remeasurements of defined benefit pension plans of subsidiaries, associates and joint ventures accounted for using the equity method		673	-	-	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6(24), 6(25)	1,163	-	(21,516)	(0.05)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(24)	(612,148)	(1.55)	1,309,124	3.30
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	6(24)	-	-	185	-
Other comprehensive income, net of tax		310,690	0.78	1,304,405	3.29
Total comprehensive income		\$ 668,327	1.69	\$ 1,962,251	4.95
Net income (loss) for the periods attributable to :					
Shareholders of the parent	6(26)	\$ 371,914		\$ 820,326	
Non-controlling interests	6(17), 6(27)	\$ (14,277)		\$ (162,480)	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 734,634		\$ 2,081,505	
Non-controlling interests		\$ (66,307)		\$ (119,254)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 0.95		\$ 2.10	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 0.95		\$ 2.09	

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, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent								Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity		Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)			
Balance as of January 1, 2024	\$ 3,909,811	\$ 2,507,703	\$ 4,364,561	\$ 1,322,902	\$ 11,755,209	\$ (1,842,442)	\$ 1,466,545	\$ 23,484,289	\$ 2,163,114	\$ 25,647,403
Changes in subsidiaries' ownership	-	2,550	-	-	3,318	-	-	5,868	(4,333)	1,535
Changes in associates and joint ventures accounted for using the equity method	-	(1,850)	-	-	-	-	-	(1,850)	-	(1,850)
Appropriation and distribution of 2023 earnings:										
Legal reserve	-	-	147,670	-	(147,670)	-	-	-	-	-
Cash dividends	-	-	-	-	(899,257)	-	-	(899,257)	-	(899,257)
Reversal of special reserve	-	-	-	(134,519)	134,519	-	-	-	-	-
Cash distributed from capital surplus	-	(273,686)	-	-	-	-	-	(273,686)	-	(273,686)
Net income (loss) for the year ended December 31, 2024	-	-	-	-	820,326	-	-	820,326	(162,480)	657,846
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	62,740	1,270,081	(71,642)	1,261,179	43,226	1,304,405
Total comprehensive income (loss)	-	-	-	-	883,066	1,270,081	(71,642)	2,081,505	(119,254)	1,962,251
Disposal of subsidiary	-	-	-	-	-	-	-	-	(34,583)	(34,583)
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	(1,459)	(1,459)
Balance as of December 31, 2024	3,909,811	2,234,717	4,512,231	1,188,383	11,729,185	(572,361)	1,394,903	24,396,869	2,003,485	26,400,354
Changes in subsidiaries' ownership	-	(21,808)	-	-	-	-	-	(21,808)	(11,885)	(33,693)
Appropriation and distribution of 2024 earnings:										
Legal reserve	-	-	88,638	-	(88,638)	-	-	-	-	-
Cash dividends	-	-	-	-	(390,981)	-	-	(390,981)	-	(390,981)
Cash distributed from capital surplus	-	(195,491)	-	-	-	-	-	(195,491)	-	(195,491)
Changes in capital surplus - other	-	472	-	-	-	-	-	472	-	472
Net income (loss) for the year ended December 31, 2025	-	-	-	-	371,914	-	-	371,914	(14,277)	357,637
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	6,610	(558,652)	914,762	362,720	(52,030)	310,690
Total comprehensive income (loss)	-	-	-	-	378,524	(558,652)	914,762	734,634	(66,307)	668,327
Disposal of subsidiary	-	-	-	-	-	-	-	-	(49,888)	(49,888)
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	(2)	(2)
Balance as of December 31, 2025	\$ 3,909,811	\$ 2,017,890	\$ 4,600,869	\$ 1,188,383	\$ 11,628,090	\$ (1,131,013)	\$ 2,309,665	\$ 24,523,695	\$ 1,875,403	\$ 26,399,098

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, 2025 and 2024
(Amounts in thousands of New Taiwan Dollars)

Description	For the year ended December 31		Description	For the year ended December 31	
	2025	2024		2025	2024
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 473,062	\$ 878,421	Increase in financial assets at amortized cost - current	(712,345)	(3,365,890)
Adjustments for:			Proceeds from disposal of investments accounted for using the equity method	-	52,725
The profit or loss items which did not affect cash flows:			Net cash flow from deconsolidation of subsidiary	(27,005)	32,700
Reversal of expected credit loss	(6,683)	(14,567)	Acquisition of property, plant and equipment	(3,138,037)	(2,560,418)
Depreciation (including investment property and right-of-use assets)	1,329,275	1,298,091	Proceeds from disposal of property, plant and equipment	489,800	89,512
Amortization (including other noncurrent assets)	101,844	99,999	Proceeds from disposal of non-current assets held for sale	23,729	-
Finance costs	592,947	448,437	Acquisition of intangible assets	(57,605)	(66,818)
Interest income	(277,622)	(454,921)	Increase in prepayment of land use rights	-	(122,644)
Dividend income	(77,197)	(67,992)	Proceeds from disposal of land use rights	23,316	-
Transfer of property, plant and equipment to expense	9	545	Increase in other noncurrent assets	(50,997)	(4,406)
Transfer of intangible assets to expenses	-	7,295	Net cash used in investing activities	(3,449,144)	(5,945,239)
(Gain) loss on disposal of property, plant and equipment	(116,100)	14,925			
Gain on disposal of land use rights	(8,002)	-	Cash flows from financing activities:		
Loss on disposal of intangible assets	-	18	Increase (decrease) in short-term borrowings	4,714,430	(998,760)
Gain on disposal of investments	(197,350)	(9,538)	Increase in long-term borrowings	-	3,287,100
(Reversal of casualty loss) casualty loss	(20,500)	72,581	Repayment of long-term borrowings (including current portion of long-term borrowings)	(3,154,000)	(301,341)
Impairment loss	61,094	-	Decrease in guarantee deposits	(4,312)	(3,396)
Share-based payment expense	(16,826)	(1,782)	(Decrease) increase in other noncurrent liabilities	(164)	250
Share of loss of associates and joint ventures accounted for using the equity method	7,329	8,468	Cash dividends and cash distributed from capital surplus	(586,472)	(1,172,943)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	149,989	(618,540)	Cash payment for the principal portion of lease liabilities	(180,377)	(190,177)
Changes in operating assets and liabilities:			Change in non-controlling interests	(2)	(36,042)
Contract assets	(979,110)	-	Other	472	-
Notes receivable	(15,572)	12,183	Net cash provided by financing activities	789,575	584,691
Trade receivables	(3,255,840)	309,751			
Trade receivables - related parties	16,002	(252)	Effect of exchange rate changes on cash and cash equivalents	(301,191)	1,129,457
Other receivables	318,494	(407,289)			
Inventories	248,837	1,190,638	Net decrease in cash and cash equivalents	(4,064,109)	(3,573,449)
Prepayments	31,223	(239,970)	Cash and cash equivalents at the beginning of the period	12,982,509	16,555,958
Other current assets	(55,351)	(78,812)	Cash and cash equivalents at the end of the period	\$ 8,918,400	\$ 12,982,509
Other operating assets	(3,930)	7,988			
Contract assets - current	(183,392)	28,143			
Notes payable	159	212			
Accounts payable	664,035	(633,117)			
Accounts payable - related parties	(2,349)	(21,176)			
Other payables	152,647	(497,051)			
Provisions - current	45,033	(132,958)			
Other current liabilities	69,150	(198,771)			
Net defined benefit assets/liabilities	(2,976)	(1,486)			
Cash (used in) generated from operating activities	(957,671)	999,473			
Dividend received	94,639	67,992			
Interest received	299,473	434,707			
Interest paid	(534,855)	(442,865)			
Income tax paid	(4,935)	(421,665)			
Net cash (used in) provided by operating activities	(1,103,349)	637,642			

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, 2025 and 2024

(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 9, 2026.

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, 2025. 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
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

A. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

B. Annual Improvements to IFRS Accounting Standards – Volume 11

- (a) Amendments to IFRS 1
- (b) Amendments to IFRS 7
- (c) Amendments to Guidance on implementing IFRS 7
- (d) Amendments to IFRS 9
- (e) Amendments to IFRS 10
- (f) Amendments to IAS 7

C. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026, and have no material impact on the Group.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (3) Standards or interpretations issued, revised or amended, by 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	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	To be determined by the IASB
IFRS 18	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
IAS 21 and IAS 29	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

B. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The main changes are as below:

a. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

b. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

c. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- a. Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- b. In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- c. When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

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, 2025 and 2024 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”).

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(2) Basis of Preparation

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

(3) General Description of Reporting Entity

Principles of consolidation

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

- A. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- B. exposure, or rights, to variable returns from its involvement with the investee; and
- C. the ability to use its power over the investee to affect its returns.

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

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

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

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss;
- F. recognizes any surplus or deficit in profit or loss.

The consolidated entities are as follows:

Entity name	Relationship	Business nature	Percentage of Ownership	
			December 31, 2025	December 31, 2024
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%

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, 2025	December 31, 2024
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%
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%

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, 2025	December 31, 2024
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.	32.63%	32.63%
Young Lighting Limited (“YLL”) and its subsidiaries	Subsidiary	YLL is a holding company and invests in Europe. Coretronic Investment Limited’s subsidiaries are engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%
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, 2025	December 31, 2024
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”)	From July 1, 2025, CVD was no longer the Company’s subsidiary.	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	-	79.36%

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, 2025	December 31, 2024
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") and its subsidiaries	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, 2025	December 31, 2024
Coretronic Investment Limited (“Coretronic Investment”) and its subsidiaries	Subsidiary	Coretronic Investment is a holding company and invests in Europe. Coretronic Investment’s subsidiaries are engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%
Coretronic Intelligent Cloud Service Corporation (JP)	Subsidiary	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	100.00%	100.00%

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) In consideration of group operation strategy, CIRC acquired 100% ownership of CILS by means of shares exchange with the Company on January 1, 2024.
- (b) In February 2024, the Company made an investment to establish a 100% held subsidiary Coretronic Intelligent Cloud Service Corporation (JP) in Japan, in the amount of JPY150,000,000. Coretronic Intelligent Cloud Service Corporation (JP) has been fully consolidated since the investment date.
- (c) In consideration of group operation strategy, Coretronic Display (Suzhou) was absorbed by Coretronic Optics (Suzhou) in June 2024. This absorption has been approved by authorities.
- (d) The subsidiary TYO disposed all equity interests in its subsidiary Mejiro Genossen Inc. and has completed related deregistration on September 27, 2024. For the derecognized assets and liabilities, please refer to Note 6(28).
- (e) To meet group operational needs, Coretronic Technology (HK) increased additional capital of USD 60,000 thousand into Coretronic Technology (BRVT) in April 2025. As of December 31, 2025, the ownership percentage was maintained 100%.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (f) To meet group operational needs, in June 2025, Nano precision (Suzhou) made investment in Coretronic Technology (HK), in the amount of USD 60,000 thousand. As of December 31, 2025, the shareholding ratios of Nano precision (Suzhou) and Coretronic (Suzhou) in Coretronic Technology (HK) were 30.3% and 69.7%, respectively.
- (g) On July 1, 2025, the Company disposed a portion of its equity interest in subsidiary CVD and lost control over it. The remaining equity interest was accounted for as an investment under the equity method. For the derecognized assets and liabilities, please refer to Note 6(8).

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars, 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

(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 the 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.

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

(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
- 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 the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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
- (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.

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

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.
- (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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

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

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.

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).

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 which 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.

(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.

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 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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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:

- 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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:

<u>Asset Category</u>	<u>Years</u>
Buildings and facilities	2~51 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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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:

<u>Asset Category</u>	<u>Years</u>
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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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, maximizing 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:

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

(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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

A cash generating unit, or the 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.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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) 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:

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 contracts 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.

(20) 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.

(21) 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

(22) 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

(23) 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 approved 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:

- 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; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- 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.

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 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.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

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 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).

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. 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(16) for more details.

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 recognized will not occur.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31,	
	2025	2024
Cash on hand, savings and checking accounts	\$2,909,400	\$2,504,302
Time deposits	5,999,000	10,478,207
Cash equivalents - repurchase agreements	10,000	-
Total	\$8,918,400	\$12,982,509

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

	December 31,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	\$684,398	\$849,817
	\$684,398	\$849,817

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	December 31,	
	2025	2024
Current	\$684,398	\$849,817
Non-current	-	-
Total	\$684,398	\$849,817

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

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

	December 31,	
	2025	2024
Equity instrument investments measured at fair value through other comprehensive income		
Unlisted companies stocks	\$6,156,520	\$5,246,290
Current	\$-	\$-
Non-current	6,156,520	5,246,290
Total	\$6,156,520	\$5,246,290

Financial assets at fair value through other comprehensive income were not pledged. Please refer to Note 12 for more details.

(4) Financial assets measured at amortized cost

	December 31,	
	2025	2024
Time deposits (with original maturities of more than six months)	\$5,336,757	\$4,624,412
Current	\$5,336,757	\$4,624,412
Non-current	-	-
Total	\$5,336,757	\$4,624,412

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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,	
	2025	2024
Notes receivable - arose from operating activities	\$16,895	\$1,323

Notes receivable were not pledged.

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

(6) Trade Receivables and Trade Receivables - Related Parties

	December 31,	
	2025	2024
Trade receivables	\$12,642,939	\$9,591,679
Less: allowance for doubtful accounts	(4,861)	(15,720)
Subtotal	12,638,078	9,575,959
Trade receivables from related parties	120,388	891
Total	\$12,758,466	\$9,576,850

Trade receivables were not pledged.

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts as of December 31, 2025 and 2024, were NT\$12,763,327 thousand and NT\$9,592,570 thousand, respectively. Please refer to Note 6(20) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The Group entered into factoring contracts without recourse with domestic banks. The bank pays the Group 100% of the trade 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, 2024, factored trade receivables of NT\$2,595,756 thousand was derecognized, and annual interest rates for advances from banks was 2.31%-5.33%. The credit lines of factoring contracts provided by banks were US\$110,000 thousand as of December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$7,134,325 thousand and NT\$4,251,309 thousand, respectively.

(7) Inventories

	December 31,	
	2025	2024
Raw materials and supplies	\$4,352,139	\$4,756,433
Work in process	321,601	219,156
Finished goods	2,388,552	2,387,718
Total	<u>\$7,062,292</u>	<u>\$7,363,307</u>

Note: Please refer to Notes 6(23) and 10 for more details on subsidiary TYO's fire damage for the year ended December 31, 2024.

The cost of inventories recognized in expenses amounted to NT\$32,746,991 thousand and NT\$32,618,778 thousand for the years ended December 31, 2025 and 2024, respectively, including the write-down of inventories and obsolescence loss of NT\$204,673 thousand and NT\$171,557 thousand, respectively.

The allowance of inventories write-down amounted to NT\$629,258 thousand and NT\$621,128 thousand as of December 31, 2025 and 2024, respectively.

No inventories were pledged.

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

(8) Investments Accounted for Using the Equity Method

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

Investees	December 31, 2025	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Champ Vision Display Inc. (“CVD”)	\$167,762	39.56%

On July 1, 2025, the Group disposed a portion of its equity interest in subsidiary CVD and lost control over it. The remaining equity interest was accounted for as an investment under the equity method. Total investment in CVD was not significant to the Group. The Group recognized share of loss of associates and joint ventures accounted for using equity method in the amount of NT\$7,329 thousand for the year ended December 31, 2025.

The Group disposed all equity interests in Eterge Opto-Electronics Co., Ltd on September 30, 2024. The Group recognized share of loss of associates and joint ventures accounted for using the equity method in the amount of NT\$8,468 thousand for the year ended December 31, 2024.

The abovementioned associates had no contingent liabilities or capital commitments as of December 31, 2025 and 2024. No investments accounted for using the equity method held by the Group were pledged to others.

(9) Property, Plant and Equipment

Property, plant and equipment for own-use

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

	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, 2025	\$150,815	\$10,694,999	\$4,611,469	\$499,092	\$34,380	\$508,585	\$1,612,374	\$1,670,158	\$19,781,872
Additions	-	114,216	396,908	31,161	665	5,270	158,492	2,337,344	3,044,056
Disposals	-	(1,022,838)	(631,153)	(21,155)	(8,700)	(9,528)	(115,513)	(636)	(1,809,523)
Transfers (Note a)	-	781,326	1,395,967	29,358	1,690	21,470	103,347	(2,461,436)	(128,278)
Disposal of subsidiaries (Note b)	-	-	(3,334)	(715)	-	(1,125)	(9,598)	-	(14,772)
Exchange differences	-	(177,342)	(77,129)	(1,022)	(1,459)	(6,684)	(8,814)	(17,160)	(289,610)
As of December 31, 2025	<u>\$150,815</u>	<u>\$10,390,361</u>	<u>\$5,692,728</u>	<u>\$536,719</u>	<u>\$26,576</u>	<u>\$517,988</u>	<u>\$1,740,288</u>	<u>\$1,528,270</u>	<u>\$20,583,745</u>
As of January 1, 2024	\$152,422	\$8,764,703	\$4,602,475	\$432,971	\$36,869	\$473,570	\$1,432,033	\$1,396,571	\$17,291,614
Additions	-	313,477	166,164	59,972	3,227	16,494	131,574	2,036,055	2,726,963
Disposals	-	(129,799)	(363,570)	(23,144)	(9,656)	(620)	(49,477)	-	(576,266)
Transfers	-	1,591,053	107,459	19,436	3,192	852	64,021	(1,789,967)	(3,954)
Disposal of subsidiaries (Note b)	(1,645)	(6,195)	(11,641)	-	(36)	-	(2,054)	-	(21,571)
Exchange differences	38	161,760	110,582	9,857	784	18,289	36,277	27,499	365,086
As of December 31, 2024	<u>\$150,815</u>	<u>\$10,694,999</u>	<u>\$4,611,469</u>	<u>\$499,092</u>	<u>\$34,380</u>	<u>\$508,585</u>	<u>\$1,612,374</u>	<u>\$1,670,158</u>	<u>\$19,781,872</u>
Depreciation and Impairment:									
As of January 1, 2025	\$-	\$4,733,525	\$2,956,126	\$369,463	\$25,231	\$416,728	\$1,172,747	\$-	\$9,673,820
Depreciation	-	472,692	408,183	43,831	2,743	51,944	140,376	-	1,119,769
Disposals	-	(746,572)	(551,571)	(21,117)	(8,700)	(9,530)	(108,453)	-	(1,445,943)
Impairment	-	-	17,485	-	-	-	355	-	17,840
Transfers (Note a)	-	(40,522)	(13,651)	15,548	-	43	(17,980)	-	(56,562)
Disposal of subsidiaries (Note b)	-	-	(1,870)	(625)	-	(1,010)	(7,024)	-	(10,529)
Fire damage (Note c)	-	(20,500)	-	-	-	-	-	-	(20,500)
Exchange differences	-	9,234	(18,871)	(281)	(834)	(6,651)	(3,421)	-	(20,824)
As of December 31, 2025	<u>\$-</u>	<u>\$4,407,857</u>	<u>\$2,795,831</u>	<u>\$406,819</u>	<u>\$18,440</u>	<u>\$451,524</u>	<u>\$1,176,600</u>	<u>\$-</u>	<u>\$9,257,071</u>

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

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
As of January 1, 2024	\$-	\$4,303,799	\$2,778,705	\$340,542	\$27,348	\$356,443	\$1,052,805	\$-	\$8,859,642
Depreciation	-	445,168	404,153	44,143	2,975	48,780	128,737	-	1,073,956
Disposals	-	(126,572)	(277,910)	(23,038)	(5,728)	(620)	(37,777)	-	(471,645)
Transfers	-	(71)	(4,809)	(303)	-	(170)	2,333	-	(3,020)
Disposal of subsidiaries (Note b)	-	(2,640)	(7,687)	-	(31)	-	(1,948)	-	(12,306)
Fire damage (Note c)	-	20,500	-	-	-	-	-	-	20,500
Exchange differences	-	93,341	63,674	8,119	667	12,295	28,597	-	206,693
As of December 31, 2024	\$-	\$4,733,525	\$2,956,126	\$369,463	\$25,231	\$416,728	\$1,172,747	\$-	\$9,673,820

Net carrying amounts as of:

December 31, 2025	\$150,815	\$5,982,504	\$2,896,897	\$129,900	\$8,136	\$66,464	\$563,688	\$1,528,270	\$11,326,674
December 31, 2024	\$150,815	\$5,961,474	\$1,655,343	\$129,629	\$9,149	\$91,857	\$439,627	\$1,670,158	\$10,108,052

Note a: Some of the subsidiary TYO's property, plant and equipment had been classified as non-current assets held for sale, since those assets' condition met the criteria for awaiting disposal. They were measured at the lower of carrying amount and fair value, less disposal costs. In the first quarter of 2025, TYO recognized impairment loss of NT\$43,254 thousand and disposed related assets in the second quarter of 2025. For further details, please refer to Note 6(23) C.

Note b: The subsidiary TYO disposed all equity interests in Mejiro Genossen Inc. and has completed related deregistration on September 27, 2024; on July 1, 2025, the Company disposed a portion of its equity interest in subsidiary CVD and lost control over it. For the derecognized assets and liabilities, please refer to Note 6(28).

Note c: The property insurance claim submitted by the subsidiary TYO was officially assessed and notarized in the first quarter of 2025, and a settlement was reached with the neighbouring factories regarding the property damage. As a result, the fire-related impairment loss of NT\$20,500 thousand for property, plant and equipment was reversed as fire insurance claim income in the first quarter of 2025. For details on losses and related income due to the fire incident, please refer to Notes 6(23) and 10.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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.

	Buildings
Cost:	
As of January 1, 2025	\$244,538
Additions from acquisitions	-
As of December 31, 2025	\$244,538
As of January 1, 2024	\$244,538
Additions from acquisitions	-
As of December 31, 2024	\$244,538
Depreciation and Impairment:	
As of January 1, 2025	\$118,767
Depreciation	8,601
As of December 31, 2025	\$127,368
As of January 1, 2024	\$108,377
Depreciation	10,390
As of December 31, 2024	\$118,767
Net carry amount as of:	
December 31, 2025	\$117,170
December 31, 2024	\$125,771

	Years ended December 31,	
	2025	2024
Rental income from investment property	\$28,104	\$36,928
Less: Direct operating expenses from investment property generating rental income	(8,601)	(10,390)
Total	\$19,503	\$26,538

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

	December 31,	
	2025	2024
Fair value of the investment property	\$261,200	\$258,500
Discount rates	4.72%	4.72%
Growth rates	0.5%	0.4%

(11) Intangible Assets

	Patents	Software	IPs	Goodwill	Other	Total
Cost:						
As of January 1, 2025	\$248,166	\$314,791	\$91,249	\$5,940	\$56,560	\$716,706
Additions	-	33,974	-	-	23,631	57,605
Disposals	-	(31,309)	-	-	-	(31,309)
Transfers	-	2,521	-	-	-	2,521
Exchange differences	-	(255)	-	-	(665)	(920)
As of December 31, 2025	\$248,166	\$319,722	\$91,249	\$5,940	\$79,526	\$744,603
Cost:						
As of January 1, 2024	\$242,745	\$264,670	\$94,942	\$5,940	\$64,268	\$672,565
Additions	5,850	52,347	-	-	8,621	66,818
Disposals	(407)	(30,038)	-	-	-	(30,445)
Transfers	-	26,799	-	-	(18,285)	8,514
Disposal of subsidiaries (Note)	-	(195)	(3,693)	-	-	(3,888)
Exchange differences	(22)	1,208	-	-	1,956	3,142
As of December 31, 2024	\$248,166	\$314,791	\$91,249	\$5,940	\$56,560	\$716,706

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	Patents	Software	IPs	Goodwill	Other	Total
Amortization and Impairment:						
As of January 1, 2025	\$98,269	\$192,660	\$78,055	\$5,940	\$51,104	\$426,028
Amortization	20,582	49,061	3,790	-	17,300	90,733
Disposals	-	(31,309)	-	-	-	(31,309)
Exchange differences	-	1,014	-	-	(650)	364
As of December 31, 2025	<u>\$118,851</u>	<u>\$211,426</u>	<u>\$81,845</u>	<u>\$5,940</u>	<u>\$67,754</u>	<u>\$485,816</u>
As of January 1, 2024	\$72,110	\$162,244	\$77,066	\$5,940	\$44,253	\$361,613
Amortization	26,588	54,403	4,067	-	10,390	95,448
Disposals	(407)	(30,020)	-	-	-	(30,427)
Transfers	-	5,527	-	-	-	5,527
Disposal of subsidiaries (Note)	-	(72)	(3,078)	-	-	(3,150)
Exchange differences	(22)	578	-	-	(3,539)	(2,983)
As of December 31, 2024	<u>\$98,269</u>	<u>\$192,660</u>	<u>\$78,055</u>	<u>\$5,940</u>	<u>\$51,104</u>	<u>\$426,028</u>
Net carrying amount as of:						
December 31, 2025	<u>\$129,315</u>	<u>\$108,296</u>	<u>\$9,404</u>	<u>\$-</u>	<u>\$11,772</u>	<u>\$258,787</u>
December 31, 2024	<u>\$149,897</u>	<u>\$122,131</u>	<u>\$13,194</u>	<u>\$-</u>	<u>\$5,456</u>	<u>\$290,678</u>

Note: The subsidiary TYO disposed all equity interests in Mejiro Genossen Inc. and completed related deregistration on September 27, 2024. For the derecognized assets and liabilities, please refer to 6(28).

Amortization expense of intangible assets:

	Years ended December 31,	
	2025	2024
Operating cost	\$27,286	\$12,942
Selling expenses	1,346	6,376
General and administrative expenses	23,117	26,125
Research and development expenses	38,984	50,005
Total	<u>\$90,733</u>	<u>\$95,448</u>

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

(12) Short-Term Borrowings

	December 31,	
	2025	2024
Unsecured bank loans	\$17,228,157	\$12,513,727
Interest rates (%)	1.77%~4.57%	1.76%~6.00%

The Group's unused short-term lines of credits amounted to NT\$34,401,820 thousand and NT\$36,099,893 thousand as of December 31, 2025 and 2024, respectively.

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

	December 31,	
	2025	2024
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward exchange contracts	\$110,827	\$126,257
Current	\$110,827	\$126,257
Non-current	-	-
Total	\$110,827	\$126,257

(14) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	December 31, 2025	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Hua Nan Commercial bank	\$246,000	1.96%	Principle is repaid in 14 quarterly payments from August 10, 2025.
Less: Current portion	(82,000)		
Total	\$164,000		

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, 2024	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from Hua Nan Commercial bank	\$287,100	1.96%	Principle is repaid in 14 quarterly payments from August 10, 2025.
Secured long-term borrowings from Hua Nan Commercial bank	112,900	1.96%	Principle is repaid in 14 quarterly payments from August 10, 2025.
Syndicated loan of 9 Banks - unsecured bank loans	3,000,000	2.19%	Revolving credit. Renewable every three months. Credit has not been fully utilized.
Less: Arrangement Fee	(2,438)		
Current portion	(57,143)		
Total	<u>\$3,340,419</u>		

The Group's unused long-term lines of credits amounted to NT\$6,700,000 thousand and NT\$3,950,000 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

(15) 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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, 2025 and 2024 were NT\$330,317 thousand and NT\$340,683 thousand, respectively.

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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\$0 thousand to its defined benefit plan in the next year beginning from December 31, 2025.

The weighted average duration of the defined benefits plan obligation was 8.64 to 33.85 years and 9.60 to 34.85 years as of December 31, 2025 and 2024, respectively.

Pension costs recognized in profit or loss are as follows:

	Years ended December 31,	
	2025	2024
Current service costs	\$3,173	\$444
Net interest on the net defined benefit liabilities (assets)	5,682	5,520
Expected return on plan assets	(8,852)	(5,823)
Gain on plan curtailment	-	1,709
Total	\$3	\$1,850

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

	December 31,		January 1,
	2025	2024	2024
Present value of defined benefit obligation	\$280,895	\$290,262	\$352,523
Plan assets at fair value	(397,319)	(380,789)	(358,141)
Net defined benefit liabilities (assets)	\$(116,424)	\$(90,527)	\$(5,618)
Other noncurrent liabilities — Carrying amount on the net defined benefit liabilities	\$31,933	\$38,757	\$50,273
Other noncurrent assets — Carrying amount on the net defined benefit assets	\$(148,357)	\$(129,284)	\$(55,891)

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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, 2024	\$352,523	\$358,141	\$(5,618)
Current service cost	444	-	444
Interest expense (revenue)	5,520	5,823	(303)
Past service cost and gain (loss) on plan curtailment	(11,295)	(13,004)	1,709
Subtotal	<u>347,192</u>	<u>350,960</u>	<u>(3,768)</u>
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(44,128)	-	(44,128)
Experience adjustments	(4,981)	34,314	(39,295)
Subtotal	<u>(49,109)</u>	<u>34,314</u>	<u>(83,423)</u>
Benefits paid	(7,821)	(4,824)	(2,997)
Contributions by employer	-	339	(339)
As of December 31, 2024	<u><u>\$290,262</u></u>	<u><u>\$380,789</u></u>	<u><u>\$(90,527)</u></u>
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As of January 1, 2025	\$290,262	\$380,789	\$(90,527)
Current service cost	3,173	-	3,173
Interest expense (revenue)	5,682	8,852	(3,170)
Subtotal	<u>299,117</u>	<u>389,641</u>	<u>(90,524)</u>
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	6,938	-	6,938
Experience adjustments	7,918	24,110	(16,192)
Subtotal	<u>14,856</u>	<u>24,110</u>	<u>(9,254)</u>
Benefits paid	(19,411)	(16,444)	(2,967)
Contributions by employer	-	12	(12)
Other (the group lost control over CVD)	(13,667)	-	(13,667)
As of December 31, 2025	<u><u>\$280,895</u></u>	<u><u>\$397,319</u></u>	<u><u>\$(116,424)</u></u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	December 31,	
	2025	2024
Discount rate	1.75%~2.00%	2.00%~2.375%
Expected rate of salary increases	3.00%	3.00%~4.00%

Sensitivity analysis of significant assumptions is as follows:

	Years ended December 31,			
	2025		2024	
	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%	\$-	\$ 6,844	\$-	\$7,493
Discount rate decrease by 0.25%	7,087	-	7,748	-
Future salary increase by 0.25%	6,790	-	7,453	-
Future salary decrease by 0.25%	-	6,584	-	7,252

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.

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

(16) Provisions

	Warranties
As of January 1, 2025	\$389,566
Arising during the period	427,839
Utilized during the period	(388,845)
Exchange differences	4,568
As of December 31, 2025	\$433,128
Current	\$433,128
Non-current	-
As of December 31, 2025	\$433,128
As of January 1, 2024	\$522,524
Arising during the period	277,361
Utilized during the period	(420,667)
Exchange differences	10,348
As of December 31, 2024	\$389,566
Current	\$389,566
Non-current	-
As of December 31, 2024	\$389,566

Warranties

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

(17) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of December 31, 2025 and 2024, 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, 2025 and 2024. Each share has one voting right and a right to receive dividends.

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,	
	2025	2024
Additional paid-in capital	\$788,022	\$983,513
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	1,173,920	1,173,920
Changes in ownership interests in subsidiaries	55,476	77,284
Other	472	-
Total	\$2,017,890	\$2,234,717

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. Retained earnings and dividend policies:

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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 reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

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

Once upon a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, CORE shall set aside an equal amount of special reserve. Following the 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The special reserve of the first adoption of the TIFRS as of December 31, 2025 and 2024 amounted to NT\$1,188,383 thousand.

Details of the 2024 and 2023 earnings distribution and dividends per share are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$88,638	\$147,670		
Special reserve	-	(134,519)		
Common stock -cash dividend	390,981	899,257	\$1.0	\$2.3

Based on the authorization from the Articles of Incorporation as mentioned above, the distributions of cash dividends were resolved by the Board of Directors' meetings on March 17, 2025 and March 18, 2024, respectively. Other earning distributions have been resolved by shareholders meetings on June 18, 2025 and June 14, 2024, respectively.

In addition, the Board of Directors in the meetings on March 17, 2025 and March 18, 2024, respectively, also resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$195,491 thousand (NT\$0.5 per share) and NT\$273,686 thousand (NT\$0.7 per share), respectively.

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

D. Non-controlling interests:

	Years ended December 31,	
	2025	2024
Beginning balance	\$2,003,485	\$2,163,114
Loss attributable to non-controlling interests	(14,277)	(162,480)
Other comprehensive (loss) income attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(53,089)	39,227
Remeasurements of defined benefit plans	1,059	3,999
Disposal of subsidiaries	(49,888)	(34,583)
Changes in subsidiaries' ownership	4,941	(2,551)
Share-based payment plans	(16,826)	(1,782)
Cash dividends	(2)	(1,459)
Ending balance	\$1,875,403	\$2,003,485

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(18) 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 1,811,750 units as of December 31, 2025.

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. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees need not to pay back dividends obtained. As of December 31, 2025, there was no outstanding restricted stocks.

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:

	<u>Share-based payment plan of subsidiaries</u>
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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

On July 28, 2025, the Board of Directors of the subsidiary, Optoma Holding Limited, resolved to terminate the execution of its previously planned listing on the London Stock Exchange, as the vested conditions for achieving a successful initial public offering were expected not to be met. Accordingly, the Group revised and reversed the previously recognized expenses related to the share-based payment plan in the third quarter of 2025.

Share-based compensation expenses reversed for the years ended December 31, 2025 and 2024 were NT\$16,826 thousand and NT\$1,782 thousand, respectively.

(19) Sales

	Years ended December 31,	
	2025	2024
Contract revenue from customers		
Sale of goods	\$38,408,757	\$37,060,832
Revenue arising from rendering of services	517,828	1,970,443
Other operating revenues	650,080	637,668
Total	\$39,576,665	\$39,668,943

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

A. Revenue of Segments

For the year ended December 31, 2025

	Energy – saving products segment	Image products and brand segment	Optical component segment	Autonomous mobile robotics segment	Cloud service segment	Other segment	Elimination	Total
Sale of goods	\$19,001,202	\$11,945,346	\$2,599,551	\$2,320,653	\$2,021,462	\$1,160,747	\$(640,204)	\$38,408,757
Revenue arising from rendering of services	49,056	57,973	88,976	106,534	513,343	8,326	(306,380)	517,828
Other operating revenues	330,272	168,899	-	33,566	-	117,343	-	650,080
Total	\$19,380,530	\$12,172,218	\$2,688,527	\$2,460,753	\$2,534,805	\$1,286,416	\$(946,584)	\$39,576,665

The timing of revenue recognition:

At a point in time	\$19,380,530	\$12,172,218	\$2,599,551	\$2,460,753	\$2,534,805	\$1,286,416	\$(946,584)	\$39,487,689
Over time	-	-	88,976	-	-	-	-	88,976
Total	\$19,380,530	\$12,172,218	\$2,688,527	\$2,460,753	\$2,534,805	\$1,286,416	\$(946,584)	\$39,576,665

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, 2024

	Energy – saving products segment	Image products and brand segment	Optical component segment	Autonomous mobile robotics segment	Cloud service segment	Other segment	Elimination	Total
Sale of goods	\$18,579,060	\$14,736,342	\$2,490,541	\$171,829	\$1,456,895	\$1,472,580	\$(744,365)	\$38,162,882
Revenue arising from rendering of services	51,322	74,200	81,487	64,392	570,709	358,735	(332,452)	868,393
Other operating revenues	236,234	190,364	-	69,329	-	141,832	(91)	637,668
Total	\$18,866,616	\$15,000,906	\$2,572,028	\$305,550	\$2,027,604	\$1,973,147	\$(1,076,908)	\$39,668,943

The timing of revenue recognition:

At a point in time	\$18,866,616	\$15,000,906	\$2,490,541	\$305,550	\$2,027,604	\$1,973,147	\$(1,076,908)	\$39,587,456
Over time	-	-	81,487	-	-	-	-	81,487
Total	\$18,866,616	\$15,000,906	\$2,572,028	\$305,550	\$2,027,604	\$1,973,147	\$(1,076,908)	\$39,668,943

B. Contract balance

Contract liabilities – current

	December 31,		January 1,
	2025	2024	2024
Sale of goods	\$287,775	\$534,832	\$404,307
Revenue arising from rendering of services	2,550	627	2,502
Other operating revenues	271,506	271,728	369,401
Total	\$561,831	\$807,187	\$776,210

The contract liabilities balances resulted from the difference between the satisfaction of the performance obligation and the customers' payment. The Group recognized NT\$601,522 thousand and NT\$655,299 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, 2025 and 2024.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2025 and 2024, 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.

As of December 31, 2025 and 2024, the cost of assets from acquisition or performance of customer contracts for the Group were NT\$13,116 thousand and NT\$11,298 thousand, respectively, which was recognized under other current assets.

(20) Expected credit loss

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating expenses – reversal of expected credit loss		
Trade receivables	<u>\$ (6,683)</u>	<u>\$ (14,567)</u>

The Group measures the loss allowance of its trade receivables (including notes receivable and trade receivable) and contract assets at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2025 and 2024 is as follows:

- A. The historical credit loss experience for contract assets shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance of contract assets is measured at an amount equal to lifetime expected credit losses and with no distinction between groups, details are as follows:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Total carrying amount	\$979,110	\$-
Loss ratio	0%	0%
Lifetime expected credit losses	<u>\$-</u>	<u>\$-</u>

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2025

Group A

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$574,494	\$126,055	\$13,460	\$1,977	\$1,445	\$3,268	\$720,699
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(717)	(218)	(394)	(70)	(2,807)	(4,206)
Subtotal	<u>\$574,494</u>	<u>\$125,338</u>	<u>\$13,242</u>	<u>\$1,583</u>	<u>\$1,375</u>	<u>\$461</u>	<u>\$716,493</u>

Group B

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$11,246,392	\$795,677	\$16,652	\$802	\$0	\$0	\$12,059,523
Loss ratio	0%	0%	5%	30%	50%	100%	
Expected credit losses	-	(56)	(435)	(164)	0	0	(655)
Subtotal	<u>\$11,246,392</u>	<u>\$795,621</u>	<u>\$16,217</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,058,868</u>

As of December 31, 2024

Group A

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$720,287	\$146,932	\$15,260	\$784	\$2,745	\$7,014	\$893,022
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(895)	(173)	(69)	(575)	(5,459)	(7,171)
Subtotal	<u>\$720,287</u>	<u>\$146,037</u>	<u>\$15,087</u>	<u>\$715</u>	<u>\$2,170</u>	<u>\$1,555</u>	<u>\$885,851</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Group B

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$8,432,604	\$241,270	\$16,261	\$1,408	\$-	\$9,328	\$8,700,871
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(10)	(621)	(86)	-	(7,832)	(8,549)
Subtotal	\$8,432,604	\$241,260	\$15,640	\$1,322	\$-	\$1,496	\$8,692,322

The movements of provision for impairment of trade receivables during the periods are as follows:

	<u>Trade receivables</u>
As of January 1, 2025	\$15,720
Reversal for the current period	(6,683)
Write-offs	(3,850)
Exchange differences	(326)
As of December 31, 2025	<u>\$4,861</u>
As of January 1, 2024	\$46,920
Reversal for the current period	(14,567)
Write-offs	(17,774)
Exchange differences	1,319
Disposal of subsidiaries (Note)	(178)
As of December 31, 2024	<u>\$15,720</u>

Note: The subsidiary TYO disposed all equity interests in Mejiro Genossen Inc. and has completed related deregistration on September 27, 2024. For the derecognized assets and liabilities, please refer to 6(28).

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

(21) Leases

A. Group as lessee

The Group leases various properties including land, buildings, transportation equipment, and office fixtures. 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

	December 31,	
	2025	2024
Land (including land use rights)	\$1,771,191	\$1,942,843
Buildings	153,752	173,357
Transportation equipment	27,926	29,576
Office fixtures	7,395	1,526
Total	\$1,960,264	\$2,147,302

During the years ended December 31, 2025 and 2024, the additions to right-of-use assets of the Group amounted to NT\$150,189 thousand and NT\$586,746 thousand, respectively.

ii. Lease liability

	December 31,	
	2025	2024
Lease liability		
Current	\$144,397	\$157,434
Non-current	904,515	975,053
Total	\$1,048,912	\$1,132,487

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

Please refer to Note 6(23) D. for the interest on lease liability recognized during the years ended December 31, 2025 and 2024. Please refer to Note 12(5) for the maturity analysis for lease liabilities as of December 31, 2025 and 2024.

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

Depreciation charge for right-of-use assets

	Years ended December 31,	
	2025	2024
Land	\$59,857	\$59,173
Buildings	122,835	135,727
Transportation equipment	17,202	17,811
Office fixtures	548	557
Other equipment	463	477
Total	<u>\$200,905</u>	<u>\$213,745</u>

(c) Income and costs relating to leasing activities

	Years ended December 31,	
	2025	2024
The expense relating to short-term leases	\$15,350	\$13,718
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	5,049	7,077
Total	<u>\$20,399</u>	<u>\$20,795</u>

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Group's total cash outflows for leases amounted to NT\$230,086 thousand and NT\$243,472 thousand, respectively.

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

(e) Other information relating to leasing activities

i. Variable lease payments

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

ii. Extension and termination options

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

iii. Residual value guarantees

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

B. Group as lessor

Please refer to Note 6(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.

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,	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$73,379	\$51,514

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, 2025	December 31, 2024
Not later than one year	\$44,943	\$45,654
Later than one year but not later than two years	492	44,643
Later than two years but not later than three years	492	492
Later than three years but not later than four years	-	492
Total	\$45,927	\$91,281

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

Function Items	Years ended December 31					
	2025			2024		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$2,563,153	\$4,567,121	\$7,130,274	\$2,338,263	\$4,588,505	\$6,926,768
Salaries	2,081,618	3,860,777	5,942,395	1,894,072	3,871,711	5,765,783
Labor and health insurance	158,975	354,635	513,610	138,993	351,422	490,415
Pension	134,778	195,542	330,320	139,388	203,145	342,533
Other employee benefits expense	187,782	156,167	343,949	165,810	162,227	328,037
Depreciation	989,633	329,369	1,319,002	954,399	312,891	1,267,290
Amortization	27,295	63,564	90,859	13,148	82,594	95,742

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

According to the Articles of Incorporation of the Company, 10% to 20% of profit of the current year is distributable as employees compensation. However, the Company's accumulated losses shall have been covered. No less than 1% of the aforementioned profit as employees' compensation should be allocated to entry-level employees. CORE may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees compensation in the form of shares or in cash; and thereto a report of such distribution is submitted to the shareholders' meeting. The Articles of Incorporation are to be amended in the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

CORE accrued employees compensation based on a specific rate of profit. The amounts of employees compensation were NT\$60,351 thousand and NT\$121,525 thousand for the years ended December 31, 2025 and 2024, 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 9, 2026 to distribute NT\$60,351 thousand in cash as employees compensation. No material differences exist between the resolution and the estimated amount for the year ended December 31, 2025.

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2024.

(23) Non-Operating Income and Expenses

A. Interest income

	Years ended December 31	
	2025	2024
Financial assets measured at amortized cost	\$277,622	\$454,921

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. Other income

	Years ended December 31	
	2025	2024
Government grants income	\$164,751	\$103,811
Fire insurance claim income (Note)	100,579	45,000
Dividend income	77,197	67,992
Rental income	73,379	51,514
Other	108,953	257,693
Total	\$524,859	\$526,010

Note: The subsidiary TYO recognized insurance claim income due to the fire damage on building, equipment and inventory. Please refer to Note 6(9) and 10 for more details

C. Other gains and losses

	Years ended December 31	
	2025	2024
Net gain on financial assets (liabilities) at fair value through profit or loss (Note a)	\$401,467	\$562,702
Gain on disposal of investments	197,350	9,538
Gain (loss) on disposal of property, plant and equipment	116,100	(14,925)
Gain on disposal of land use rights	8,002	-
Gain on lease modification	119	3,463
Casualty loss (Note b)	-	(72,581)
Foreign exchange loss, net	(228,820)	(273,588)
Impairment loss (Note c)	(61,094)	-
Other losses	(31,240)	(48,466)
Total	\$401,884	\$166,143

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

Note b: Due to the fire accident, subsidiary TYO recognized damage loss for inventories, property, plant and equipment. Please refer to Note 6(9) and 10 for more details.

Note c: Please refer to Note 6(9) for the impairment loss subsidiary TYO recognized for the year ended December 31, 2025.

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

D. Finance cost

	Years ended December 31	
	2025	2024
Interest on borrowings from bank	\$563,637	\$415,937
Interest on lease liabilities	29,310	32,500
Total	\$592,947	\$448,437

(24) Components of Other Comprehensive Income

For the year ended December 31, 2025

	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	\$9,254	\$(1,851)	\$7,403
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	911,748	3,014	914,762
Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	673	-	673
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(612,148)	-	(612,148)
Total of other comprehensive income	\$309,527	\$1,163	\$310,690

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, 2024

	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	\$83,423	\$(16,685)	\$66,738
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	(66,811)	(4,831)	(71,642)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	1,309,124	-	1,309,124
Share of the other comprehensive income of associates accounted for using the equity method	185	-	185
Total of other comprehensive income	<u>\$1,325,921</u>	<u>\$(21,516)</u>	<u>\$1,304,405</u>

(25) 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	
	2025	2024
Current income tax expense	\$183,263	\$227,800
Deferred tax income	(67,838)	(7,225)
Total income tax expense	<u>\$115,425</u>	<u>\$220,575</u>

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

Income tax relating to components of other comprehensive income

	Years ended December 31	
	2025	2024
Deferred income tax expense (income):		
Remeasurements of defined benefit plans	\$1,851	\$16,685
Unrealized (gain) loss from equity instruments investments measured at fair value through other comprehensive income	(3,014)	4,831
Total	<u>\$ (1,163)</u>	<u>\$ 21,516</u>

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

	Years ended December 31,	
	2025	2024
Accounting profit before tax from continuing operations	<u>\$473,062</u>	<u>\$878,421</u>
Tax at the domestic rates applicable to profits in the country concerned	\$235,617	\$313,441
Tax effect of expenses not deductible for tax purposes	(125,128)	(178,492)
Tax effect of deferred tax assets/liabilities	6,575	15,752
Surtax on undistributed retained earnings	20,338	23,803
Operating loss carry forward	(19,792)	115,779
Investment tax credits	(7,329)	(87,067)
Current tax expense related to Pillar Two legislation	2,790	6,487
Others	2,354	10,872
Total income tax expense recognized in profit or loss	<u>\$115,425</u>	<u>\$220,575</u>

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, 2025

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Disposal of subsidiaries (Note)	Exchange differences	Ending balance
Temporary differences						
Unrealized allowance for inventory obsolescence	\$44,201	\$22,324	\$-	\$(2,745)	\$(539)	\$63,241
Depreciation difference for tax purpose	6,879	5,237	-	-	(380)	11,736
Unrealized intragroup profits and losses	38,688	(8,135)	-	-	(11)	30,542
Net unrealized exchange losses (gains)	(109,348)	20,058	-	(1,034)	142	(90,182)
Provisions - maintenance warranties	17,158	(156)	-	-	(244)	16,758
Provision-sales returns and allowances	28,097	(8,085)	-	-	(110)	19,902
Impairment on property, plant and equipment	6,287	-	-	-	-	6,287
Defined benefit liabilities- non-current	(13,403)	11	(1,851)	1,409	(12)	(13,846)
Investments accounted for using the equity method	(22,335)	-	-	-	-	(22,335)
Accrued expense of tax differences	25,285	(788)	-	(64)	(749)	23,684
Allowance for bad debts	1,361	(212)	-	-	(18)	1,131
Others	2,332	(4,122)	3,014	(1,891)	70	(597)
Unused tax losses	131,225	(5,104)	-	-	(65)	126,056
Foreign unused tax losses	28,735	46,810	-	-	(488)	75,057
Deferred tax (expense) income		<u>\$67,838</u>	<u>\$1,163</u>	<u>\$(4,325)</u>	<u>\$(2,404)</u>	
Net deferred tax assets (liabilities)	<u>\$185,162</u>					<u>\$247,434</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$358,300</u>					<u>\$402,665</u>
Deferred tax liabilities	<u>\$(173,138)</u>					<u>\$(155,231)</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, 2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Exchange differences	Ending balance
Temporary differences						
Unrealized allowance for inventory obsolescence	\$44,972	\$(664)	\$-	\$-	\$(107)	\$44,201
Depreciation difference for tax purpose	3,587	1,923	-	-	1,369	6,879
Unrealized intragroup profits and losses	34,989	3,881	-	-	(182)	38,688
Net unrealized exchange losses (gains)	6,401	(115,634)	-	-	(115)	(109,348)
Provisions - maintenance warranties	23,409	(5,494)	-	-	(757)	17,158
Provision-sales returns and allowances	36,466	(8,144)	-	-	(225)	28,097
Impairment on property, plant and equipment	6,287	-	-	-	-	6,287
Defined benefit liabilities- non-current	301	(280)	(16,685)	3,318	(57)	(13,403)
Investments accounted for using the equity method	(22,486)	151	-	-	-	(22,335)
Accrued expense of tax differences	44,888	(18,829)	-	-	(774)	25,285
Allowance for bad debts	6,326	(4,224)	-	-	(741)	1,361
Others	2,745	4,601	(4,831)	-	(183)	2,332
Unused tax losses	2,385	128,830	-	-	10	131,225
Foreign unused tax losses	1,877	21,108	-	-	5,750	28,735
Deferred tax (expense) income		<u>\$7,225</u>	<u>\$(21,516)</u>	<u>\$3,318</u>	<u>\$3,988</u>	
Net deferred tax assets (liabilities)	<u>\$192,147</u>					<u>\$185,162</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$238,534</u>					<u>\$358,300</u>
Deferred tax liabilities	<u>\$(46,387)</u>					<u>\$(173,138)</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Note: On July 1, 2025, the Company disposed a portion of its equity interest in subsidiary CVD and lost control over it. For the derecognized assets and liabilities, please refer to Note 6(28).

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

December 31, 2025

Accumulated loss	Unutilized accumulated loss	Expiration Year
\$23,725	\$3,005	2027
26,509	21,274	2028
92,547	48,872	2029
316,121	82,607	2030
228,229	128,334	2031
347,357	216,617	2032
297,119	175,224	2033
1,255,729	1,049,711	2034
774,213	697,197	2035(expected)
<u>\$3,361,549</u>	<u>\$2,422,841</u>	

December 31, 2024

Accumulated loss	Unutilized accumulated loss	Expiration Year
\$1,125	\$1,125	2025
2,074	2,074	2026
35,312	15,899	2027
73,216	67,793	2028
199,472	197,671	2029
399,047	301,897	2030
342,979	333,719	2031
441,490	441,490	2032
393,848	393,848	2033
1,421,321	1,421,321	2034 (expected)
<u>\$3,309,884</u>	<u>\$3,176,837</u>	

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

Unrecognized deferred tax assets

As of December 31, 2025 and 2024, deferred tax assets that have not been recognized amounted to NT\$502,730 thousand and NT\$604,300 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, 2025 and 2024, the amounts of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT\$27,886,034 thousand and NT\$26,628,915 thousand, respectively.

The assessment of income tax returns

As of the date of authorization for issuance of financial statements, 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	Assessed and approved up to 2023
TYO	Assessed and approved up to 2023
CGT	Assessed and approved up to 2023
Tsen Ming Investment	Assessed and approved up to 2023
YGE	Assessed and approved up to 2023
CICS	Assessed and approved up to 2023
CVC	Assessed and approved up to 2023
UCM	Assessed and approved up to 2023
ISC	Assessed and approved up to 2023
CIRC	Assessed and approved up to 2023
CRI	Assessed and approved up to 2023
CMC	Assessed and approved up to 2023
NPT	Assessed and approved up to 2023
CILS	Assessed and approved up to 2023
Optoma Corporation	Assessed and approved up to 2023

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(26) Earnings Per Share

Basic earnings per share amounts are calculated by dividing net income for the year 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.

	Years ended December 31	
	2025	2024
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$371,914	\$820,326
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Basic earnings per share (NT\$)	\$0.95	\$2.10
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$371,914	\$820,326
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Effect of dilution:		
Employee bonus – stock (in thousand)	889	1,712
Weighted average number of ordinary shares outstanding after dilution (in thousand)	391,870	392,693
Diluted earnings per share (NT\$)	\$0.95	\$2.09

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.

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

(27) 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,	
		2025	2024
Young Optics Inc.	Taiwan	67.37%	67.37%
		December 31,	
		2025	2024
Accumulated balance of material non-controlling interests			
Young Optics, Inc.		\$1,883,085	\$1,892,968
		Years ended December 31	
		2025	2024
Loss allocated to material non-controlling interest			
Young Optics, Inc.		\$(6,325)	\$(166,902)

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, 2025:

	<u>Young Optics Inc.</u>
Operating revenue	\$2,688,527
Loss for the period from continuing operations	(9,388)
Total comprehensive loss for the period	(14,670)

Summarized information of profit or loss for the year ended December 31, 2024:

	<u>Young Optics Inc.</u>
Operating revenue	\$2,572,028
Loss for the period from continuing operations	(247,751)
Total comprehensive loss for the period	(185,769)

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Summarized information of financial position as of December 31, 2025:

	<u>Young Optics Inc.</u>
Current assets	\$2,216,643
Non-current assets	2,014,325
Current liabilities	(984,347)
Non-current liabilities	(451,486)

Summarized information of financial position as of December 31, 2024:

	<u>Young Optics Inc.</u>
Current assets	\$2,115,521
Non-current assets	2,320,548
Current liabilities	(953,344)
Non-current liabilities	(672,920)

Summarized cash flow information for the year ended December 31, 2025:

	<u>Young Optics Inc.</u>
Operating activities	\$332,454
Investing activities	(25,230)
Financing activities	(100,032)
Net increase in cash and cash equivalents	210,385

Summarized cash flow information for the year ended December 31, 2024:

	<u>Young Optics Inc.</u>
Operating activities	\$141,930
Investing activities	(62,320)
Financing activities	(158,924)
Net decrease in cash and cash equivalents	(52,243)

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

(28) Disposal of Subsidiaries

(1) On July 1, 2025, the Company disposed 39.80% equity interest of its subsidiary - Champ Vision Display Inc (“CVD”). Following the completion of the transaction, the Company lost control over CVD. The disposal consideration were NT\$192,848 thousand, and the Company recognized gain on disposal of investments of NT\$193,810 thousand. As of July 1, 2025, major classes of assets and liabilities were disclosed as follows:

A. The amount of assets and liabilities of CVD was as follows :

	July 1, 2025
Assets:	
Cash and cash equivalents	\$220,433
Trade receivables	200,730
Trade receivables - related parties, net	43,306
Other receivables	212
Other receivables - related parties, net	20,179
Inventories, net	53,974
Prepayments	6,649
Other current assets	37
Property, plant and equipment, net	4,243
Deferred tax assets	4,325
Other noncurrent assets	416
	\$554,504
Contract liabilities - current	\$62,047
Accounts payable	46,139
Accounts payable - related parties, net	135,499
Other payables	39,136
Other payables- related parties, net	8,010
Current tax liabilities	3,913
Provisions - current	1,471
Other current liabilities	2,900
Net defined benefit liabilities - noncurrent	13,667
Deposits received	2
	\$312,784
Derecognition of net assets	\$241,720

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

B. The consideration received and the profit or loss recognized for this transaction are as follows :

	July 1, 2025
Consideration received	\$193,428
Derecognition of net assets of CVD	(241,720)
Non-controlling interests	49,888
Investments accounted for using the equity method and recognized at the fair value of the remaining equity interest	192,214
Gain on disposal of investment	\$193,810

C. Cash flow analysis of derecognized subsidiary :

	July 1, 2025
Consideration received	\$193,428
Derecognized subsidiary of net cash	(220,433)
Derecognition of net cash flow	\$(27,005)

(2) The subsidiary TYO disposed all equity interests in its subsidiary - Mejiro Genossen Inc. on September 27, 2024. TYO lost control over Mejiro Genossen Inc. The disposal consideration were NT\$50,390 thousand, and TYO recognized loss on disposal of investment in the amount of NT\$9,074 thousand. As of September 27, 2024, major classes of assets and liabilities were disclosed as follows:

A. The amount of assets and liabilities of Mejiro Genossen Inc. was as follows :

	September 27, 2024
Assets:	
Cash and cash equivalents	\$17,690
Notes receivable, net	14,758
Trade receivables, net	15,415
Trade receivables - related parties, net	1,070
Inventories, net	10,956
Prepayments	40
Other current assets - other	31
Property, plant and equipment, net	9,265
Right-of-use assets	502
Intangible assets	123
Other noncurrent assets - other	330
	70,180

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

	September 27, 2024
Liabilities:	
Contract liabilities	(109)
Accounts payable	(1,909)
Accounts payable - related parties	(2,525)
Other payables	(12,163)
Current tax liabilities	(182)
Lease liabilities – current and noncurrent	(507)
Current portion of long-term borrowings	(2,476)
Other current liabilities	(81)
	(19,952)
Derecognition of net assets	\$50,228

B. The consideration received and the profit or loss recognized for this transaction are as follows :

	September 27, 2024
Consideration received	\$50,390
Derecognition of net assets of Mejiro Genossen Inc.	(50,228)
Non-controlling interests	508
Derecognition for IPs arising from consolidation	(615)
Exchange differences on translation of foreign operations	(9,129)
Loss on disposal of investment	\$(9,074)

C. Cash flow analysis of derecognized subsidiaries :

	September 27, 2024
Consideration received	\$50,390
Derecognized subsidiary of net cash	(17,690)
Derecognition of net cash flow	\$32,700

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

7. Related Party Transactions

(1) Related Party Name and Categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
Etergo Opto-Electronics Co., LTD (“EOE”)	Associate (Note a)
Champ Vision Display. Inc. (“CVD”)	Associate (Note b)
Dongtai Qidian Electronic Technology Co., Ltd (“DONGTAI QIDIAN”)	Substantive related party
Hannstar Display Corporation (“HANNSTAR”)	Entity which has significant influence over CORE
Shanghai Xianzhen Information Consulting Co., Ltd. (“Shanghai Xianzhen”)	Substantive related party

Note a: The Group disposed all equity interests in EOE on September 30, 2024. Since that date, EOE was no longer an associate to the Group.

Note b: On July, 2025, the Group disposed a portion of its equity interest in subsidiary CVD and lost control over it. Since that date, CVD is an associate to the Company.

(2) Significant transactions with related parties

A. Sales

	<u>Years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
CVD	\$175,025	\$-
HANNSTAR	8,445	-
DONGTAI QIDIAN	3,151	3,517
Total	<u>\$186,621</u>	<u>\$3,517</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	
	2025	2024
HANNSTAR	\$293,156	\$130,690
CVD	123,993	-
EOE	-	49,067
Total	<u>\$417,149</u>	<u>\$179,757</u>

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 to 90 days.

C. Rental income from Related Parties

	Years ended December 31,	
	2025	2024
CVD	<u>\$5,138</u>	<u>\$-</u>

The Group recognizes rental income from leasing offices to related parties, with payments collected according to the contract.

D. Trade Receivables from Related Parties

	December 31,	
	2025	2024
CVD	\$119,377	\$-
DONGTAI QIDIAN	1,011	891
Total	<u>\$120,388</u>	<u>\$891</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

E. Other Receivable from Related Parties

	December 31,	
	2025	2024
CVD	\$4,254	\$-
HANNSTAR	506	82
Total	\$4,760	\$82

F. Accounts Payable to Related Parties

	December 31,	
	2025	2024
CVD	\$39,557	\$-
HANNSTAR	14,700	13,300
Total	\$54,257	\$13,300

G. Other Payable to Related Parties

	December 31,	
	2025	2024
CVD	\$190	\$-
HANNSTAR	-	1,076
Total	\$190	\$1,076

H. Leases

Interest on lease liabilities

	Years ended December 31	
	2025	2024
Shanghai Xianzhen	\$-	\$57

The Group leased staff dormitories and offices from substantive related parties. The lease prices were determined by mutual agreement based on the market rates. The payment terms from the related party lessors are comparable with third party lessors.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Due to the full termination of leases with substantive related parties, the Group derecognized right-of-use assets and lease liabilities, and recognized gain on lease modification of NT\$98 thousand for the year ended December 31, 2024.

The Group recognized other income in amount of NT\$18,269 thousand due to the rent concession provided by substantive related parties during the year ended December 31, 2024.

I. Others

The Group purchased molds from EOE, amounting to NT\$2,325 thousand for year ended December 31, 2024.

J. Key Management Personnel Compensation

	Years ended December 31	
	2025	2024
Short-term employee benefits	\$158,396	\$216,997
Post-employment benefits	6,289	4,493
Share-based payment	(4,884)	(173)
Total	\$159,801	\$221,317

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, 2025	December 31, 2024	
Buildings (including investment property)	\$628,772	\$670,548	Collateral for long-term borrowings
Time deposits (presented as "Other receivables")	49,284	51,283	Customs import guarantee
Time deposits (presented as "Other receivables")	37,013	37,013	Lease execution deposits
Time deposits (presented as "Other noncurrent assets")	22,395	22,395	Lease execution deposits
Time deposits (presented as "Other noncurrent assets")	1,139	1,122	Customs import guarantee
Total	\$738,603	\$782,361	

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

9. Significant contingencies and unrecognized contractual commitments

Maxell Ltd. (“Maxell”) filed a patent infringement lawsuit in the United States District Court for the Eastern District of Texas against the Company and its sub-subsidiary, Optoma Corporation. The plaintiff alleges that projector products manufactured under the Optoma brand infringe upon seven U.S. patents held by Maxell. The Company has engaged legal counsel to represent it in handling this litigation. In accordance with the court’s litigation rules, the parties engaged in mediation in late January 2026. However, as of the date of authorization for issuance of financial statements, the mediation has not yet to reach a concrete outcome. If the parties fail to reach a settlement, the case will proceed according to the court’s scheduled litigation timetable, with the trial currently set in March 2026.

Furthermore, to safeguard the legitimate rights and interests of Company and sub-subsidiary, Optoma USA, and to prevent Maxell from disrupting the normal sales of the Company’s branded products through alleged misuse of specific patents, the Company filed a lawsuit against Maxell in the United States District Court for the Northern District of California on January 22, 2026. The complaint seeks a judicial determination holding Maxell liable for damages arising from its patent misuse.

As of the date of authorization for issuance of financial statements, the case is still in progress under the relevant procedures, and it is not practicable to estimate the impacts on the Company at this point in time. The Company will continue to manage the matter with prudence and due diligence.

10. Losses due to Major Disasters

Regarding the fire incident at the leased-out plant area of the subsidiary, TYO, on March 25, 2024, the settlement of property insurance claims, business interruption insurance claims, and compensation for neighbouring property losses were all finalized in the second quarter of 2025.

11. Significant Subsequent Events

None.

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

12. Others

(1) Categories of Financial Instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (Note 1)	\$7,818,723	\$5,101,126
Financial assets at fair value through other comprehensive income	6,156,520	5,246,290
Financial assets measured at amortized cost (Note 2)	20,899,083	24,269,177
Total	\$34,874,326	\$34,616,593
 <u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term borrowings	\$17,228,157	\$12,513,727
Accounts payable (including related parties)	7,606,122	6,947,110
Other payables (including related parties)	3,768,041	3,680,014
Lease liability (including current and noncurrent)	1,048,912	1,132,487
Long-term borrowings (including current portion)	246,000	3,397,562
Subtotal	29,897,232	27,670,900
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	110,827	126,257
Total	\$30,008,059	\$27,797,157

Note 1: As of December 31, 2025 and 2024, the financial assets measured at fair value through profit or loss, including trade receivables, were NT\$7,134,325 thousand and NT\$4,251,309 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(2) Financial Risk Management Objectives and Policies

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

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

(3) Market Risk

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

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

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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, 2025 and 2024 is decreased/increased by NT\$106,713 thousand and NT\$18,658 thousand, while equity is decreased/increased by NT\$332,069 thousand and NT\$329,021 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments with variable interest rate and bank borrowings with variable interest rate. 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, 2025 and 2024 to decreased/increased by NT\$153,073 thousand and NT\$177,069 thousand, respectively.

Equity price risk

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

For the years ended December 31, 2025 and 2024, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instrument at fair value through other comprehensive income could increase/decrease by NT\$61,565 thousand and NT\$52,463 thousand on the equity attributable to the Group, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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, 2025 and 2024, receivables from top ten customers represented 79% and 75% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade 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				Total
	year	1 to 3 years	3 to 5 years	Over 5 years	
As of December 31, 2025					
Borrowings	\$17,444,501	\$167,348	\$-	\$-	\$17,611,849
Accounts payable					
(including related parties)	7,606,122	-	-	-	7,606,122
Other payables					
(including related parties)	3,768,041	-	-	-	3,768,041
Lease liability	141,843	195,040	102,121	823,916	1,262,920
As of December 31, 2024					
Borrowings	\$12,647,725	\$3,252,988	\$115,499	\$-	\$16,016,212
Accounts payable					
(including related parties)	6,947,110	-	-	-	6,947,110
Other payables					
(including related parties)	3,680,014	-	-	-	3,680,014
Lease liability	169,387	202,661	127,392	906,032	1,405,472

Derivative financial liabilities

	Less than 1 year		1 to 3 years	Total
As of December 31, 2025				
Inflows	\$-		\$-	\$-
Outflows	110,827		-	110,827
Net	\$110,827		\$-	\$110,827
As of December 31, 2024				
Inflows	\$-		\$-	\$-
Outflows	126,257		-	126,257
Net	\$126,257		\$-	\$126,257

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

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

(6) Reconciliation of Liabilities Arising from Financing Activities:

Reconciliation of liabilities for the year ended December 31, 2025:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other liabilities-noncurrent	Total liabilities from financing activities
As of January 1, 2025	\$12,513,727	\$3,397,562	\$1,132,487	\$25,388	\$3,957	\$17,073,121
Cash flows	4,714,430	(3,154,000)	(180,377)	(4,312)	(164)	1,375,577
Additional leases	-	-	121,369	-	-	121,369
Disposal of subsidiaries	-	-	-	(2)	-	(2)
Reclassification	-	2,438	-	-	-	2,438
Exchange differences	-	-	(24,567)	-	-	(24,567)
As of December 31, 2025	\$17,228,157	\$246,000	\$1,048,912	\$21,074	\$3,793	\$18,547,936

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other liabilities-noncurrent	Total liabilities from financing activities
As of January 1, 2024	\$13,512,487	\$416,717	\$1,234,561	\$28,784	\$3,707	\$15,196,256
Cash flows	(998,760)	2,985,759	(190,177)	(3,396)	250	1,793,676
Additional leases	-	-	76,135	-	-	76,135
Disposal of subsidiaries	-	(2,476)	(507)	-	-	(2,983)
Reclassification	-	(2,438)	-	-	-	(2,438)
Exchange differences	-	-	12,475	-	-	12,475
As of December 31, 2024	\$12,513,727	\$3,397,562	\$1,132,487	\$25,388	\$3,957	\$17,073,121

(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:

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (a) The carrying amount of cash and cash equivalents, trade receivables, short-term borrowings, trade payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price at the reporting date.
- (c) Fair value of equity instruments without active market (including unlisted equity securities) are estimated using the asset-based approach or market approach valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information.
- (d) 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.
- (e) 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:

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

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, 2025			
Forward currency contract			
Selling forward currency contracts	USD	368,500 thousand	From January 2026 to March 2026
Buying forward currency contracts	USD	724,300 thousand	From January 2026 to September 2026
Selling forward currency contracts	CAD	700 thousand	From January 2026 to February 2026

Item (by contract)	Notional Amount		Contract Period
As of December 31, 2024			
Forward currency contract			
Selling forward currency contracts	USD	536,000 thousand	From January 2025 to March 2025
Buying forward currency contracts	USD	705,500 thousand	From January 2025 to November 2025
Selling forward currency contracts	CAD	1,700 thousand	From January 2025 to April 2025

(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.

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

B. Fair value 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, 2025			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$684,398	\$-	\$684,398
Equity instrument measured at fair value through other comprehensive income				
	-	-	6,156,520	6,156,520
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	110,827	-	110,827
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$849,817	\$-	\$849,817
Equity instrument measured at fair value through other comprehensive income				
	-	-	5,246,290	5,246,290
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	126,257	-	126,257

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

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

	Assets	
	At fair value through other comprehensive income	
	Stock	
	2025	2024
Beginning balance	\$5,246,290	\$5,308,046
Total gains recognized for the year ended December 31:		
Amount recognized in OCI (presented in “unrealized gains from equity instruments investments measured at fair value through other comprehensive income”)	914,762	(71,642)
Tax effect	(3,014)	4,831
Exchange differences	(1,518)	5,055
Ending Balance	\$6,156,520	\$5,246,290

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

Information on significant unobservable inputs to valuation

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

As of December 31, 2025

	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	Discount for lack of marketability	10%	The higher degree of lack of marketability, the lower the fair value estimated.	10% increase (decrease) in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could result in decrease/increase in equity by NT\$67,126 thousand.
	Market Approach	P/E ratio of similar companies	1.88	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\$6,202 thousand/ NT\$6,202 thousand.
	Market Approach	P/E ratio of similar companies	3.16	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\$5,320 thousand/ NT\$5,320 thousand.

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

As of December 31, 2024

	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	2.4	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$8,020 thousand/ NT\$8,020 thousand.
	Market Approach	P/E ratio of similar companies	3.24	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\$4,871 thousand/ NT\$4,871 thousand

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	December 31, 2025			
	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))	\$-	\$-	\$261,200	\$261,200

	December 31, 2024			
	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))	\$-	\$-	\$258,500	\$258,500

(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, 2025		
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
Monetary item:			
USD	\$679,641	31.43	\$21,361,117
CNY	10,232	4.4952	45,994
JPY	164,401	0.2008	33,012
Non-monetary items:			
USD	\$3,457	31.43	\$108,642

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

	December 31, 2025		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,019,167	31.43	\$32,032,419
JPY	23,887	0.2008	4,797
	December 31, 2024		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$699,073	32.785	\$22,919,108
JPY	184,313	0.2099	38,687
Non-monetary items:			
USD	\$4,080	32.785	\$133,753
<u>Financial liabilities</u>			
Monetary items:			
USD	\$642,163	32.785	\$21,053,314
CNY	664	4.4890	2,981
JPY	12,335	0.2099	2,589

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 was NT\$228,820 thousand and NT\$273,588 thousand for the years ended December 31, 2025 and 2024, 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.

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, 2025: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2025: Please refer to Attachment 1-1.
- C. Material securities held as of December 31, 2025 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2 and 2-1.
- D. 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, 2025: Please refer to Attachment 3 and 3-1.
- E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2025: Please refer to Attachment 4 and 4-1.
- F. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.

(2) Information on Investees

- G. 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.
- H. When the investees have significant influence or direct or indirect control, the above items from A to F shall be disclosed: Please refer to Attachments 1-1, 2-1, 3-1 and 4-1.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(3) Investment in Mainland China

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

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

14. Segment information

(1) General Information

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

B. The Group has five 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.
- (d) Autonomous mobile robotics segment: mainly engaged in system integration and application service solutions for intelligent logistics and smart manufacturing; R&D, production and marketing of unmanned aerial vehicles and intelligent robotics.
- (e) Cloud service segment: mainly engaged in intelligent cloud, IT information, intelligent applications of new media and platform development.

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

The Company has aggregated certain operating segments into a single reportable segment based on the following considerations:

- A. Similarity in the nature and class of customers for the products and services;
- B. Similarity in the nature of the products and services offered;
- C. Similarity in the methods used to deliver the services.

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, 2025								
	Energy - saving products segment	Image products and brand segment	Optical components segment	Autonomous mobile robotics segment	Cloud service segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue									
Net revenue from									
external customers	\$19,266,358	\$12,148,719	\$2,249,613	\$2,412,317	\$2,280,826	\$38,357,833	\$1,218,832	\$-	\$39,576,665
Net revenue from sales									
among intersegments	114,172	23,499	438,914	48,436	253,979	879,000	67,584	(946,584)	-
Total revenue	<u>\$19,380,530</u>	<u>\$12,172,218</u>	<u>\$2,688,527</u>	<u>\$2,460,753</u>	<u>\$2,534,805</u>	<u>\$39,236,833</u>	<u>\$1,286,416</u>	<u>(\$946,584)</u>	<u>\$39,576,665</u>
Segment income (loss)	<u>\$153,750</u>	<u>\$243,462</u>	<u>\$10,010</u>	<u>\$429,190</u>	<u>\$102,786</u>	<u>\$939,198</u>	<u>(\$222,066)</u>	<u>(\$244,070)</u>	<u>\$473,062</u>
Segment Assets									
(Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$58,958,825</u>	<u>\$58,958,825</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, 2024									
	Energy - saving products segment	Image products and brand segment	Optical components segment	Autonomous mobile robotics segment	Cloud service segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue									
Net revenue from									
external customers	\$18,837,220	\$14,991,070	\$2,050,134	\$255,113	\$1,755,533	\$37,889,070	\$1,779,873	\$-	\$39,668,943
Net revenue from sales									
among intersegments	29,396	9,836	521,894	50,437	272,071	883,634	193,274	(1,076,908)	-
Total revenue	<u>\$18,866,616</u>	<u>\$15,000,906</u>	<u>\$2,572,028</u>	<u>\$305,550</u>	<u>\$2,027,604</u>	<u>\$38,772,704</u>	<u>\$1,973,147</u>	<u>(\$1,076,908)</u>	<u>\$39,668,943</u>
Segment income (loss)	<u>\$568,136</u>	<u>\$1,044,724</u>	<u>(\$269,294)</u>	<u>(\$270,497)</u>	<u>\$94,649</u>	<u>\$1,167,718</u>	<u>(\$261,757)</u>	<u>(\$27,540)</u>	<u>\$878,421</u>
Segment Assets									
(Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$56,877,985</u>	<u>\$56,877,985</u>

Note A: Seven operating segments did not meet the quantitative thresholds for reportable segments for the years ended December 31, 2025 and 2024, 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	
	2025	2024
Net income of reportable segments	\$939,198	\$1,167,718
Loss of other segments	(222,066)	(261,757)
Unallocated amount:		
Interest income	277,622	454,921
Interest expense	(592,947)	(448,437)
Net gain on financial assets (liabilities) at fair value through profit or loss	401,467	562,702
Exchange losses	(228,820)	(273,588)
Others	(101,392)	(323,138)
Income before income tax	<u>\$473,062</u>	<u>\$878,421</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,	
	2025	2024
Taiwan	\$ 13,502,477	\$13,147,628
Mainland China (including Hong Kong)	10,020,613	10,839,875
South Korea	6,093,319	5,287,967
United States	3,066,906	2,485,984
United Kingdom	2,627,786	3,491,836
Japan	1,739,970	2,264,454
Others	2,525,594	2,151,199
Total	\$39,576,665	\$39,668,943

Sales are classified by customers' country.

B. Non-current assets

	December 31,	
	2025	2024
Taiwan	\$4,390,246	\$4,655,595
Vietnam	5,403,408	6,414,701
Mainland China (including Hong Kong)	3,657,097	1,233,808
Bangladesh	118,364	258,446
Europe	73,964	82,744
United States	60,336	83,335
Total	\$13,703,415	\$12,728,629

(4) Major customers information

For the years ended December 31, 2025 and 2024, major customers representing at least 10% of net revenue:

	Years ended December 31,	
	2025	2024
Customer A	\$4,631,272	\$6,606,817

ATTACHMENT 1 (Financing provided to others for the year ended December 31, 2025)

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

No.	Lender	Counter-party	Financial statement account	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	\$355,293	\$336,301	\$336,301	-%	The need for short-term financing	-	Business turnover	-	None	-	\$512,788	\$512,788
2	Boom Power	Coretronic (BVI) Investment	Trade receivables - related parties	Yes	2,358	2,232	2,232	-%	The need for short-term financing	-	Business turnover	-	None	-	243,766	243,766
2	Boom Power	Coretronic Corporation	Trade receivables - related parties	Yes	125,444	119,685	119,685	-%	The need for short-term financing	-	Business turnover	-	None	-	243,766	243,766
3	Dynamic Time	Young Lighting Limited	Trade receivables - related parties	Yes	119,434	119,434	119,434	-%	The need for short-term financing	-	Business turnover	-	None	-	2,481,836	2,481,836
3	Dynamic Time	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	351,600	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	992,734	992,734
3	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	2,599,990	2,009,949	2,009,949	-%	The need for short-term financing	-	Business turnover	-	None	-	2,481,836	2,481,836
4	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	430,591	430,591	430,591	-%	The need for short-term financing	-	Business turnover	-	None	-	2,682,647	2,682,647
5	Greendale	Coretronic Vietnam	Trade receivables - related parties	Yes	332,050	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,485,130	7,485,130
5	Greendale	Coretronic Corporation	Trade receivables - related parties	Yes	653,700	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,485,130	7,485,130
6	Lead Bright (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	597,690	565,740	565,740	-%	The need for short-term financing	-	Business turnover	-	None	-	3,726,880	3,726,880
7	Teepoint	Coretronic Corporation	Trade receivables - related parties	Yes	794,928	752,434	752,434	-%	The need for short-term financing	-	Business turnover	-	None	-	3,441,927	3,441,927
8	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	81,352	70,718	70,718	-%	The need for short-term financing	-	Business turnover	-	None	-	484,381	484,381
9	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	614,293	581,455	581,455	-%	The need for short-term financing	-	Business turnover	-	None	-	7,439,304	7,439,304
10	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	33,205	31,430	31,430	-%	The need for short-term financing	-	Business turnover	-	None	-	11,515,949	11,515,949
11	Young Lighting Limited	Coretronic Technology (BRVT)	Trade receivables - related parties	Yes	318,354	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,250,838	3,250,838
11	Young Lighting Limited	Coretronic Vietnam	Trade receivables - related parties	Yes	423,900	377,160	377,160	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,250,838	3,250,838
11	Young Lighting Limited	Coretronic Corporation	Trade receivables - related parties	Yes	272,281	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,250,838	3,250,838
12	Chung Tsen Investment	Coretronic Reality Inc.	Trade receivables - related parties	Yes	140,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,030,521	1,030,521
12	Chung Tsen Investment	Coretronic Intelligent Logistics Solutions Corpora	Trade receivables - related parties	Yes	100,000	83,000	83,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,030,521	1,030,521
12	Chung Tsen Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	100,000	45,000	45,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,030,521	1,030,521
12	Chung Tsen Investment	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	254,000	250,000	250,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,030,521	1,030,521
12	Chung Tsen Investment	Coretronic Corporation	Trade receivables - related parties	Yes	240,000	240,000	240,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,030,521	1,030,521
13	Vimax (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	833,226	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,474,126	1,474,126
13	Vimax (Kunshan)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	899,030	899,030	899,030	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,474,126	1,474,126
14	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	1,801,568	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	6,870,921	6,870,921
14	Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,483,400	1,483,400	1,483,400	0.5%	The need for short-term financing	-	Business turnover	-	None	-	6,870,921	6,870,921
15	Champ Vision Display	uCare Medical Electronics	Trade receivables - related parties	Yes	19,800	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	96,336	96,336
16	Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,251,960	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,306,320	3,306,320
17	Tsen Ming Investment	Coretronic Reality Inc.	Trade receivables - related parties	Yes	54,000	54,000	54,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	226,570	226,570
17	Tsen Ming Investment	Coretronic Intelligent Logistics Solutions Corpora	Trade receivables - related parties	Yes	55,000	35,000	35,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	226,570	226,570
17	Tsen Ming Investment	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	55,000	55,000	55,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	226,570	226,570
17	Tsen Ming Investment	Coretronic Corporation	Trade receivables - related parties	Yes	56,000	29,000	29,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	226,570	226,570
17	Tsen Ming Investment	uCare Medical Electronics	Trade receivables - related parties	Yes	27,000	27,000	27,000	1.75%	The need for short-term financing	-	Business turnover	-	None	-	226,570	226,570
18	Coretronic Optics (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	686,666	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,773,533	1,773,533
19	Coretronic Technology (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	1,961,232	1,961,232	1,961,232	-%	The need for short-term financing	-	Business turnover	-	None	-	3,592,955	3,592,955
20	Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	404,564	404,564	404,564	0.5%	The need for short-term financing	-	Business turnover	-	None	-	2,680,541	2,680,541
21	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	134,855	134,855	134,855	0.5%	The need for short-term financing	-	Business turnover	-	None	-	4,976,839	4,976,839
22	Coretronic (Guangzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,348,545	1,348,545	1,348,545	-%	The need for short-term financing	-	Business turnover	-	None	-	1,415,146	1,415,146
23	Young Green Energy	Coretronic Reality Inc.	Trade receivables - related parties	Yes	22,000	22,000	22,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	90,618	90,618
23	Young Green Energy	Coretronic Intelligent Logistics Solutions Corpora	Trade receivables - related parties	Yes	22,000	22,000	22,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	90,618	90,618
23	Young Green Energy	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	22,000	22,000	22,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	90,618	90,618
23	Young Green Energy	Coretronic Corporation	Trade receivables - related parties	Yes	22,000	20,000	20,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	90,618	90,618
24	Young Optics	Young Optics (BD)	Other receivables - related parties	Yes	508,710	198,009	105,605	-%	The need for short-term financing	-	Business turnover	-	None	-	1,101,535	1,101,535
25	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	44,805	31,430	31,430	-%	The need for short-term financing	-	Business turnover	-	None	-	416,394	416,394

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

Note 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 Vimax (Kunshan), Coretronic Projection (Kunshan), Nano Precision (Suzhou), Coretronic (Suzhou), Coretronic (Guangzhou) and Dynamic Time.

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

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

Note e : Boom Power provided financing to its parent company. Limit of financing amount for individual counter-party and total financing amount should not exceed 200% of lender's net worth from the latest financial statements.

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

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

ATTACHMENT 2 (Material securities held as of December 31, 2025)

(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, 2025				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note)	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	550,436	\$-	0.41%	\$-	
Coretronic Corporation	Sysonan Inc.	-	Financial assets at fair value through profit or loss-noncurrent	9,007	-	0.00%	-	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	52,289	19.90%	52,289	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	9,732	3.06%	9,732	
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	96,900,000	5,101,014	11.06%	5,101,014	
Coretronic Corporation	Champ Vision Display	Coretronic Corporation was Yann Yuan Investment's director.	Investments accounted for using the equity method	7,121,000	167,762	39.56%	-	

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

ATTACHMENT 2-1 (Material securities held as of December 31, 2025)

(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, 2025				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note)	
Coretronic Venture Capital	GeneJet Biotech	-	Financial assets at fair value through other comprehensive income-noncurrent	315,000	-	5.85%	\$-	
Coretronic Intelligent Cloud Service Corp.	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	990,000	53,200	18.54%	53,200	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 1,792,977	5.00%	USD 1,792,977	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	90,558,275	883,931	4.47%	883,931	

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

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, 2025)

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

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma Corporation	Sub-subsidiary	Sales	\$2,342,850	10.11%	90 days	-	-	\$682,098	6.94%	
Coretronic Corporation	Coretronic Optics (Suzhou)	Sub-subsidiary	Sales	117,686	0.51%	30 days	-	-	-	-	
Coretronic Corporation	Coretronic Optics (Suzhou)	Sub-subsidiary	Purchases	7,363,465	34.85%	60 days	-	-	(3,344,490)	(23.72%)	
Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsidiary	Purchases	5,341,939	25.28%	60 days	-	-	(3,716,699)	(26.36%)	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	455,952	2.16%	120 days	-	-	(153,904)	(1.09%)	
Coretronic Corporation	Coretronic Optoteck (Suzhou)	Sub-subsidiary	Purchases	139,164	0.66%	60 days	-	-	(2,400)	(0.02%)	
Coretronic Corporation	HANNSTAR	Entity which has significant influence over Coretronic Corporation	Purchases	293,156	1.39%	90 days	-	-	(14,700)	(0.10%)	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2025)

(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 (Kunshan)	Young Optics	Affiliate	Sales	\$274,743	47.52%	90 days	-	-	\$172,336	73.45 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Affiliate	Sales	276,757	48.05%	90 days	-	-	56,079	23.90 %	
Young Optics (BD)	Young Optics	Affiliate	Sales	109,812	85.28%	60 days	-	-	37,314	97.05 %	
Coretronic Projection (Kunshan)	Optoma China	Affiliate	Sales	282,510	3.17%	60 days	-	-	92,041	2.07 %	
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	Sales	431,573	4.84%	60 days	-	-	113,220	2.54 %	
Coretronic Optoteck (Suzhou)	Coretronic Optics (Suzhou)	Affiliate	Sales	208,787	59.40%	60 days	-	-	27,039	92.37 %	
Optoma Corporation	Optoma USA	Affiliate	Sales	811,591	24.74%	90 days	-	-	229,589	29.70 %	
Optoma Corporation	Optoma Europe	Affiliate	Sales	1,800,971	54.90%	90 days	-	-	435,273	56.31 %	

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, 2025)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Corporation	Sub-subsiidiary	\$682,098	3.32	\$-	-	\$-	\$-

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, 2025)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade Receivables :								
Young Optics (Kunshan)	Young Optics	Affiliate	\$172,336	1.21	\$-	\$-	\$-	\$-
Young Optics	Young Optics (BD)	Affiliate	201,807 (Note a)	-	-	-	-	-
Grace China	Young Optics (BD)	Affiliate	249,079 (Note b)	-	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Affiliate	898,239	2.15	-	-	-	-
Coretronic Projection (Kunshan)	Champ Vision Display	Associate	113,220	3.08	-	-	-	-
Optoma Corporation	Optoma USA	Affiliate	229,589	4.22	-	-	-	-
Optoma Corporation	Optoma Europe	Affiliate	435,273	3.92	-	-	-	-
Other Receivables :								
Masterview	Grace China	Affiliate	298,585 (Note c)	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	2,009,949	-	-	-	-	-
Dynamic Time	Young Lighting Limited	Affiliate	119,434	-	-	-	-	-
Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Affiliate	135,079	-	-	-	-	-
Vimax (Kunshan)	Coretronic Optics (Suzhou)	Affiliate	902,301	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	241,120	-	-	-	-	-
Chung Tsen Investment	Coretronic Intelligent Robotics Corporation	Affiliate	250,926	-	-	-	-	-
Tecpoint	Coretronic Corporation	Parent	752,434	-	-	-	-	-
Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Affiliate	405,237	-	-	-	-	-
Greendale	Coretronic Corporation	Parent	4,328,006	-	-	-	-	-
Greendale	Coretronic Optics (Kunshan)	Affiliate	970,412	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Affiliate	1,486,078	-	-	-	-	-
Boom Power	Coretronic Corporation	Parent	119,685	-	-	-	-	-
Coretronic (Guangzhou)	Coretronic Optics (Suzhou)	Affiliate	1,350,306	-	-	-	-	-
Great Pride (HK)	Coretronic Corporation	Parent	430,591	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	581,455	-	-	-	-	-
Bigshine (HK)	Coretronic Corporation	Parent	336,301	-	-	-	-	-
Lead Bright (HK)	Coretronic Corporation	Parent	565,740	-	-	-	-	-
Young Lighting Limited	Coretronic Vietnam	Affiliate	377,766	-	-	-	-	-
Coretronic Technology (HK)	Coretronic Corporation	Parent	1,961,232	-	-	-	-	-

Note a : Included financing amounts.

Note b : Included Other receivables.

Note c : Distribution of earnings.

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	Young Optics	1	Sales	\$44,018	—	0.11%
		Greendale	1	Accounts receivable	984,265	—	1.67%
			1	Sales	2,660,562	—	6.72%
		Coretronic Projection (Kunshan)	1	Sales	35,389	—	0.09%
		Coretronic (Ningbo)	1	Sales	67,139	—	0.17%
		Coretronic Optotek (Suzhou)	1	Sales	214,895	—	0.54%
		Coretronic Optics (Suzhou)	1	Sales	117,686	—	0.30%
		Coretronic Technology (BRVT)	1	Accounts receivable	2,401,513	—	4.07%
			1	Sales	13,167,832	—	33.27%
		Optoma Corporation	1	Accounts receivable	682,098	—	1.16%
1	Sales		2,342,850	—	5.92%		
1	Young Optics	Coretronic Corporation	2	Sales	81,279	—	0.21%
		Coretronic Projection (Kunshan)	3	Other receivables	39,426	—	0.07%
			3	Accounts receivable	40,764	—	0.07%
			3	Sales	79,566	—	0.20%
		Young Optics (BD)	3	Other receivables	105,605	—	0.18%
			3	Accounts receivable	96,202	—	0.16%
		Young Optics (Suzhou)	3	Sales	192	—	0.00%
			3	Accounts receivable	1,481	—	0.00%
		Young Optics (Kunshan)	3	Sales	7,991	—	0.02%
			3	Accounts receivable	3,101	—	0.01%
3	Sales	13,041	—	0.03%			
2	Grace China	Young Optics (BD)	3	Accounts receivable	110,470	—	0.19%
			3	Other receivables	138,609	—	0.24%
3	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	172,336	—	0.29%
			3	Sales	274,743	—	0.69%
		Coretronic Optics (Kunshan)	3	Accounts receivable	56,079	—	0.10%
			3	Sales	276,757	—	0.70%
		Young Optics (Suzhou)	3	Accounts receivable	2,563	—	0.00%
			3	Sales	18,369	—	0.05%
3	Sales	4,687	—	0.01%			
4	Dynamic Time	Coretronic Corporation	2	Other receivables	2,009,949	—	3.41%
		Young Lighting Limited	3	Other receivables	119,434	—	0.20%
5	Wisdom Success	Coretronic Corporation	2	Other receivables	31,430	—	0.05%
6	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	3	Other receivables	135,079	—	0.23%
7	Vimax (Kunshan)	Coretronic Optics (Suzhou)	3	Other receivables	902,301	—	1.53%
8	Chung Tsen Investment	Coretronic Corporation	2	Other receivables	241,120	—	0.41%
		Coretronic Intelligent Robotics Corporation	3	Other receivables	250,926	—	0.43%
		Coretronic MEMS Corporation	3	Other receivables	45,162	—	0.08%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	83,396	—	0.14%
9	Venture Orient	Coretronic Corporation	2	Other receivables	70,718	—	0.12%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
10	Masterview	Grace China	3	Other receivables	298,585	—	0.51%
		Best Alpha	3	Other receivables	56,574	—	0.10%
11	Best Alpha	Young Optics (BD)	3	Other receivables	31,430	—	0.05%
12	Tecpoint	Coretronic Corporation	2	Other receivables	752,434	—	1.28%
13	Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	3	Other receivables	405,237	—	0.69%
14	Greendale	Coretronic Corporation	2	Other receivables	3,884,625	—	6.59%
		Coretronic Optics (Kunshan)	3	Other receivables	970,412	—	1.65%
15	Coretronic Projection (Kunshan)	Optoma China	3	Accounts receivable	92,041	—	0.16%
			3	Sales	282,510	—	0.71%
		Greendale	3	Accounts receivable	3,884,538	—	6.59%
			3	Sales	6,716,058	—	16.97%
		Coretronic Optics (Kunshan)	3	Accounts receivable	77,456	—	0.13%
			3	Sales	264,376	—	0.67%
		Coretronic Optics (Suzhou)	3	Other receivables	1,486,078	—	2.52%
Champ Vision Display	3	Sales	270,040	—	0.68%		
16	Boom Power	Coretronic Corporation	2	Other receivables	119,685	—	0.20%
17	Tsen Ming Investment	Coretronic Intelligent Robotics Corporation	3	Other receivables	55,153	—	0.09%
		Coretronic Reality Inc.	3	Other receivables	54,359	—	0.09%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	35,095	—	0.06%
18	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	153,904	—	0.26%
			2	Sales	455,952	—	1.15%
		Coretronic Optics (Suzhou)	3	Sales	95,479	—	0.24%
19	Coretronic (Guangzhou)	Coretronic Optics (Suzhou)	3	Other receivables	1,350,306	—	2.29%
20	Great Pride (HK)	Coretronic Corporation	2	Other receivables	430,591	—	0.73%
21	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	581,455	—	0.99%
22	Bigshine (HK)	Coretronic Corporation	2	Other receivables	336,301	—	0.57%
23	Lead Bright (HK)	Coretronic Corporation	2	Other receivables	565,740	—	0.96%
24	Coretronic Intelligent Cloud Service Corp.	Coretronic Corporation	2	Accounts receivable	61,726	—	0.10%
			2	Sales	197,763	—	0.50%
25	Young Lighting Limited	Coretronic Vietnam	3	Other receivables	377,766	—	0.64%

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)
26	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	2,400	—	0.01%
			2	Sales	139,164	—	0.35%
		Coretronic Optics (Suzhou)	3	Sales	208,787	—	0.53%
27	Champ Vision Display	Coretronic Projection (Kunshan)	3	Sales	156,309	—	0.39%
28	Coretronic Optics (Kunshan)	Young Optics (Kunshan)	3	Other receivables	41,714	—	0.07%
			3	Sales	48,833	—	0.12%
		Coretronic Projection (Kunshan)	3	Accounts receivable	898,239	—	1.52%
			3	Sales	4,569,971	—	11.55%
29	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	3,344,490	—	5.67%
			2	Sales	7,363,465	—	18.61%
30	Coretronic Reality Inc.	Coretronic Intelligent Robotics Corporation	3	Sales	65,540	—	0.17%
31	Coretronic Intelligent Logistics Solutions Corporation	Coretronic Corporation	2	Sales	43,578	—	0.11%
32	Coretronic Technology (HK)	Coretronic Corporation	2	Other receivables	1,961,232	—	3.33%
33	Coretronic Technology (BRVT)	Coretronic Corporation	2	Accounts receivable	3,716,699	—	6.30%
			2	Sales	5,341,939	—	13.50%
34	Optoma Corporation	Optoma USA	3	Accounts receivable	229,589	—	0.39%
			3	Sales	811,591	—	2.05%
		Optoma Europe	3	Accounts receivable	435,273	—	0.74%
			3	Sales	1,800,971	—	4.55%
35	Young Optics (BD)	Young Optics	3	Accounts receivable	37,314	—	0.06%
			3	Sales	109,812	—	0.28%
		Young Optics (Kunshan)	3	Accounts receivable	1,134	—	0.00%
			3	Sales	25,353	—	0.06%
36	Young Optics (Suzhou)	Young Optics	3	Other receivables	2,620	—	0.00%
			3	Accounts receivable	99	—	0.00%
			3	Sales	9,855	—	0.02%
		Young Optics (Kunshan)	3	Other receivables	5	—	0.00%
			3	Accounts receivable	13	—	0.00%
			3	Sales	1,043	—	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.

Note e: In July, 2025, the Company sold a portion of its equity interest in subsidiary CVD, and lost control over it.

ATTACHMENT 6 (Names, locations and related information of investee companies as of December 31, 2025) (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, 2025			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	\$752,010	\$1,563,709	38,220,000	100.00%	\$7,025,611	\$84,927	\$84,927	Subsidiary
Coretronic Corporation	Young Optics Inc.	Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	496,543	496,543	37,217,586	32.63%	912,969	(9,388)	(3,091)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	14,108,917	355,082	355,082	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,494,347	13,499	13,499	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	Taiwan	Investment company for strategic purposes	692,696	692,696	127,099,664	100.00%	2,567,754	38,481	38,481	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,796,330	119,078	92,953	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD.	Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic material	214,620	214,620	18,833,220	99.91%	231,592	5,440	5,435	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Invested in Coretronic Investment Limited's subsidiaries in Europe, which are engaged in R&D, design, production and marketing of image processing products	118,134	118,134	3,907,000	100.00%	1,675,318	(32,651)	(32,651)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	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%	393,971	91,406	91,406	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	Taiwan	The investment activities for company's business expansion	300,000	300,000	30,000,000	100.00%	309,029	3,763	3,763	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	(Note)	142,850	(Note)	(Note)	(Note)	(Note)	(6,630)	(Note)
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	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%	(16,304)	(11,685)	(7,092)	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%	52,993	(41)	(41)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	1,208,067	1,208,067	33,000,000	100.00%	758,298	433,632	433,632	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	10,764	(1,176)	(940)	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	389,178	389,178	18,000,000	100.00%	85,474	15,884	15,884	Subsidiary
Coretronic Corporation	Coretronic Reality Inc.	Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	220,000	220,000	20,000,000	100.00%	118	(33,792)	(33,792)	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%	(251,969)	(89,726)	(89,726)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	38.64%	860,378	(55,511)	(21,448)	Subsidiary
Coretronic Corporation	Dynamic Time Investment Limited	Cayman Islands	Holding company	USD 2,972,230	USD 14,122,230	14,856	100.00%	2,136,730	1,296	1,296	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corporation (JP)	Japan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	JPY 150,000,000	JPY 150,000,000	1,500,000	100.00%	29,744	19	19	Subsidiary

Note: In July, 2025, the Company sold a portion of its equity interest in subsidiary CVD, and lost control over it.

ATTACHMENT 6-1 (Names, locations and related information of investee companies as of December 31, 2025) (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, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Intelligent Robotics Corporation	Coretronic Intelligent Logistics Solutions Corporation	Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	\$270,000	\$270,000	20,000,000	100.00%	\$(19,224)	\$(50,487)	(Note a)	Sub-subsidiary
Coretronic BVI	Greendale	Samoa	Holding company	USD 19,800,000	USD 46,400,000	46,400	100.00 %	USD 223,723,105	USD 2,722,646	(Note a)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 378,558,429	USD 10,235,251	(Note a)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,609,865	USD 326,361	(Note a)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 32,353,706	USD 218,118	(Note a)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 17,556,598	USD 269,046	(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 13,799,944	USD 3,827,114	(Note a)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 246,963,842	USD 8,645,374	(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 91,559,313	USD 835,379	(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 28,092,229	USD 699,548	(Note a)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 10,916,305	USD 866,299	(Note a)	Sub-subsidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 138,000,000	USD 138,000,000	138,000,000	69.70 %	RMB 998,771,366	RMB 28,864,880	(Note a)	Sub-subsidiary
Coretronic Technology (HK)	Coretronic Technology (BRVT)	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 138,000,000	USD 78,000,000	-	100.00 %	USD 142,510,382	USD 3,608,178	(Note a)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,549,783	USD 866,299	(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 32,353,683	USD 835,379	(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 17,556,502	USD 699,548	(Note a)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 47,544,854	USD 431,682	(Note a)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 89,849,575	USD 3,819,993	(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 89,810,500	USD 3,819,780	(Note a)	Sub-subsidiary
Nano Precision (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 60,000,000	-	60,000,000	30.30 %	RMB 434,186,118	RMB 28,864,880	(Note a)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	(Note b)	300,000	(Note b)	(Note b)	(Note b)	RMB 2,354,784	(Note a)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	482,508	3,279	(Note a)	Sub-subsidiary
Chung Tsen Investment	Tsen Ming Investment	Taiwan	Investment company for strategic purposes	102,000	102,000	32,443,180	100.00 %	571,118	4,692	(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 11,205,630	USD 3,827,114	(Note a)	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 : Nano Precision Taiwan completed deregistration in August, 2025.

ATTACHMENT 6-2 (Names, locations and related information of investee companies as of December 31, 2025) (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, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00%	\$121,883	USD 8	(Note)	Sub-subsidiary
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	36,018	2,492	(Note)	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 1,145,989	USD 77,351	(Note)	Sub-subsidiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 40,680,793	32,620,000	100.00%	USD 70,838,500	(USD 1,782,851)	(Note)	Sub-subsidiary
Young Lighting Limited	Coretronic Investment Limited	U.K.	Holding company	USD 46,776,000	USD 46,776,000	158,808	61.36%	USD 43,472,744	(USD 1,712,518)	(Note)	Subsidiary

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

ATTACHMENT 6-3 (Names, locations and related information of investee companies as of December 31, 2025) (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, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
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 19,195,259	(EUR 1,422,491)	(Note)	Sub-subsidiary
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 31,704,134	(EUR 161,018)	(Note)	Sub-subsidiary
Optoma Holding	Optoma Corporation	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 5,207,808	(EUR 240,886)	(Note)	Sub-subsidiary
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after-sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	EUR 2,446,274	EUR 2,264	(Note)	Sub-subsidiary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	100,000	100.00 %	EUR 453,713	(EUR 376,289)	(Note)	Sub-subsidiary
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 75,244	(EUR 2,003)	(Note)	Sub-subsidiary
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 282,622	(EUR 141,304)	(Note)	Sub-subsidiary
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 496,838	(EUR 97,643)	(Note)	Sub-subsidiary
Optoma Corporation	Optoma Australia Pty Ltd	Australia	Marketing and after-sales service of Optoma in Australian region	AUD 150,000	AUD 150,000	150,000	100.00 %	3,882	242	(Note)	Sub-subsidiary
Optoma Corporation	Optoma Technology India Private Limited	India	Marketing service of Optoma in India region	INR 4,000,000	INR 4,000,000	4,000,000	100.00 %	2,861	1,435	(Note)	Sub-subsidiary
Young Optics	Masterview	B.V.I.	Holding company	USD 200,000	USD 200,000	200,000	100.00 %	961,046	(148,695)	(Note)	Sub-subsidiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 13,746,712	(USD 418,453)	(Note)	Sub-subsidiary
Masterview	Grace China	Cayman Islands	Holding company	USD 2,356,458	USD 2,356,458	2,356,458	100.00 %	USD 13,694,636	(USD 1,755,519)	(Note)	Sub-subsidiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000	USD 12,000,000	10,089,436	80.00 %	(USD 8,143,484)	(USD 3,099,192)	(Note)	Sub-subsidiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	(USD 2,035,871)	(USD 3,099,192)	(Note)	Sub-subsidiary

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

ATTACHMENT 7 : (Investment in Mainland China as of December 31, 2025)
(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	Investment flows		Accumulated outflow of investment from Taiwan as of January 1, 2025	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2025	Accumulated remittance of earnings as of December 31, 2025
				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	\$610,026 (USD 18,400,000)	Indirect investment from the third region (Greendale)	\$1,525,064 (USD 46,000,000)	\$811,699 (USD 26,600,000)	\$713,365 (USD 19,400,000)	\$89,249	100.00%	\$89,249	\$6,975,590	\$ 428,855 (USD 14,065,436) (Note a and Note c)
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)	843	100.00%	843	36,349	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	RMB 8,236,258	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	USD 1,000,000	-	USD 1,000,000	965	100.00%	965	56,659	-
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))	-	-	-	45,906	100.00%	45,906	1,001,314	-
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)	13,272	100.00%	13,272	1,484,282	-
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)	-	USD 271,297 (USD 8,000,000)	22,790	100.00%	22,790	4,727,425	-
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)	88,972 (RMB 2,967,283)	-	USD 88,972 (RMB 2,967,283)	226,353	100.00%	226,353	652,904	-
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)	-	-	-	17,314	100.00%	17,314	1,791,089	-
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)	28,178	100.00%	28,178	210,652	81,790 (USD 2,800,000) (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	65,005 (USD 2,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD 4,700,000)	-	USD 151,490 (USD 4,700,000)	26,083	100.00%	26,083	3,328,235	139,650 (USD 4,619,805) (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)	-	USD 330,478 (USD 10,392,880)	118,771	100.00%	118,771	2,389,235	85,228 (USD 2,795,270) (Note a and Note e)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	USD 4,368,797	-	USD 4,368,797	21,897	100.00%	21,897	1,434,723	-
Coretronic System Engineering (Kunshan)	Contractor in intelligent building engineering and provide related services to customers	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	USD 1,500,000	2,492	100.00%	2,492	36,018	-
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	USD 1,200,000	Indirect investment from the third region (Optoma Holding Limited)	USD 1,200,000	-	USD 1,200,000	(3,058)	100.00%	(3,058)	77,320	-
Coretronic Robotek (Kunshan)	Provide intelligent solutions for warehousing and manufacturing	RMB 12,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan) and Coretronic (Suzhou))	-	-	-	(3,701)	100.00%	(3,701)	41,232	-

Accumulated investment in Mainland China as of December 31, 2025 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b, l, j and i)	Upper limit on investment
\$1,621,650 (USD 50,591,338)	\$1,583,231 (USD 50,591,338)	\$14,714,217

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 : Teepoint received USD 2,795,270 in 2019 from Nano Precision (Suzhou), which was from the liquidation of Nano Precision (Nanjing) in 2006. Teepoint 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 : Coretronic Projection (Kunshan) reduced its capital by USD 27,600,000 in August, 2025, of which USD 26,600,000 has been remitted to the Company. The cancellation of related investment quota has been approved by MOEA.

Note m : To use the currency rate 1 USD =31.43 NTD as of December 31, 2025.

ATTACHMENT 7-1 (Investment in Mainland China as of December 31, 2025)
(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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (loss) of investee company	Percentage of ownership by Young Optics Inc.	Investment income (loss) recognized (Note a)	Carrying value as of December 31, 2025 (Note a)	Accumulated inward remittance of earnings as of December 31, 2025
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$217,275 (USD 5,000,000) (Note c, d, l and m)	Indirect investment from the third region (Best Alpha and Grace China)	\$-	\$-	\$-	\$-	\$(49,437) (- USD 1,596,153)	100.00%	\$(49,437) (- USD 1,596,153)	\$638,860 (USD 20,326,446)	\$230,950 (USD 7,457,289) (Note b, Note i-j and Note n-Note o)
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)	(3,034) (-USD 102,685)	100.00%	(3,034) (-USD 102,685)	238,147 (USD 7,577,047)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note e-h and Note k)

Accumulated investment in Mainland China as of December 31, 2025 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$33,951 (USD 1,000,000)	\$33,951 (USD 1,000,000)	\$1,677,081

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

Note b : To use historical currency rates.

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

Note d : 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 e : 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 f : 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 g : 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 h : 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 i : 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 j : 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 k : 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 l : Young Optic (Kunshan) conducted capital reduction amounting to USD10,000,000 in December 2020.

Note m : Young Optics (Kunshan) conducted capital reduction amounting to USD7,200,000 in November 2023, and completed the procedure in January 2024.

Note n : The capital reduction amounts in Note l and Note m only USD 10,000,000 was remitted to Young Optics. USD 5,000,000 came from capitalization of earnings in Note c and Note d. The rest USD 5,000,000 was the original investment amount.

Note o : Accumulated inward remittance of earnings was approved by Investment Commission, MOEA, to be deducted in the investment amounts Mainland China.