

**CORETRONIC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**WITH**

**REPORT OF INDEPENDENT AUDITORS**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2024 AND 2023**

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

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## **REPRESENTATION LETTER**

The entities included in the consolidated financial statements as of December 31, 2024 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 17, 2025

## **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, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter – Making Reference to the Audit of Other Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, 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. Based on our audits and the report(s) of the other auditors, 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 2024 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\$621,218 thousand as of December 31, 2024, due to the rapid technological changes and innovation for projectors, backlight, and FPD-related products. Considering the amount of inventories was significant and the assessment of the amount of inventories write-downs requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Group's consolidated financial statements.

### Revenue recognition

The Group recognized the revenue amounted to NT\$39,668,943 thousand for the year ended December 31, 2024. Main source of revenue comes from projectors, backlight, and FPD-related sales of products and related services. As revenue is the main operating activity of the Group, the Group recognized revenue when transferring a promised product or service to a customer. The terms of trade in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; performing product-specific analytical procedures; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; tracing to relevant documentation, and testing details of transaction, including sales contracts, terms of trade and other contents, and verifying the appropriateness of the timing of revenue recognition. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.

## **Other Matter – Making Reference to the Audit of Other Auditors**

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the report of the other auditors. These associates and joint ventures under equity method amounted to NT\$40,975 thousand, 0.07% of consolidated total assets as of December 31, 2023. The related shares of loss from the associates and joint ventures under the equity method amounted to NT\$9,128 thousand, (0.57)% of the consolidated net income before tax for the year ended December 31, 2023.

## **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 2024 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, 2024 and 2023.

Kuo, Shao-Pin

Huang, Ming-Ju

Ernst & Young

February 17, 2025

### 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, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2024	%	December 31, 2023	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$ 12,982,509	22.83	\$ 16,555,958	29.77
Financial assets at fair value through profit or loss - current	4, 6(2)	849,817	1.50	452,577	0.82
Financial assets at amortized cost - current	4, 6(4)	4,624,412	8.13	1,258,522	2.26
Notes receivable, net	4, 6(5), 6(20)	1,323	-	28,264	0.05
Trade receivables, net	4, 6(6), 6(20)	9,575,959	16.84	9,885,356	17.78
Trade receivables - related parties, net	4, 6(6), 6(20), 7	891	-	639	-
Other receivables	4, 7, 8	1,315,869	2.31	888,419	1.60
Current tax assets	4, 6(25)	190,311	0.33	39,742	0.07
Inventories, net	4, 5, 6(7)	7,363,307	12.95	8,588,936	15.45
Prepayments		1,151,220	2.02	921,490	1.66
Other current assets		223,124	0.39	146,781	0.27
Total current assets		38,278,742	67.30	38,766,684	69.73
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income - noncurrent	4, 6(3)	5,246,290	9.22	5,308,046	9.55
Investments accounted for using the equity method	4, 6(8)	-	-	40,975	0.07
Property, plant and equipment, net	4, 6(9), 8	10,108,052	17.77	8,431,972	15.16
Right-of-use assets	4, 6(21)	2,147,302	3.78	1,804,091	3.24
Investment property, net	4, 6(10), 8	125,771	0.22	136,161	0.24
Intangible assets	4, 6(11)	290,678	0.51	310,952	0.56
Deferred tax assets	4, 6(25)	358,300	0.63	238,534	0.43
Net defined benefit assets - noncurrent	4, 6(15)	129,284	0.23	55,891	0.10
Other noncurrent assets	8	193,566	0.34	510,598	0.92
Total non-current assets		18,599,243	32.70	16,837,220	30.27
<b>Total assets</b>		<u>\$ 56,877,985</u>	<u>100.00</u>	<u>\$ 55,603,904</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, 2024 and 2023  
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2024	%	December 31, 2023	%
<b>Current liabilities</b>					
Short-term borrowings	6(12)	\$ 12,513,727	22.00	\$ 13,512,487	24.30
Financial liabilities at fair value through profit or loss - current	4, 6(13)	126,257	0.22	347,557	0.62
Contract liabilities - current	6(19)	807,187	1.42	776,210	1.40
Notes payable		564	-	352	-
Accounts payable		6,933,246	12.19	7,567,334	13.61
Accounts payable - related parties	7	13,300	0.02	34,476	0.06
Other payables	7	3,680,014	6.47	3,934,309	7.08
Current tax liabilities	4, 6(25)	651,753	1.15	691,243	1.24
Provisions - current	4, 6(16)	389,566	0.68	522,524	0.94
Lease liabilities - current	4, 6(21)	157,434	0.28	188,905	0.34
Other current liabilities		590,728	1.04	789,580	1.42
Current portion of long-term borrowings	6(14)	57,143	0.10	301,879	0.54
Total current liabilities		25,920,919	45.57	28,666,856	51.55
<b>Non-current liabilities</b>					
Long-term borrowings	6(14)	3,340,419	5.87	114,838	0.21
Deferred tax liabilities	4, 6(25)	173,138	0.30	46,387	0.08
Lease liabilities - noncurrent	4, 6(21)	975,053	1.72	1,045,656	1.88
Net defined benefit liabilities - noncurrent	4, 6(15)	38,757	0.07	50,273	0.09
Other noncurrent liabilities		29,345	0.05	32,491	0.06
Total non-current liabilities		4,556,712	8.01	1,289,645	2.32
Total liabilities		30,477,631	53.58	29,956,501	53.87
<b>Equity attributable to owners of the parent</b>					
Share capital					
Common stock	6(17)	3,909,811	6.88	3,909,811	7.03
Capital surplus	4, 6(17)	2,234,717	3.93	2,507,703	4.51
Retained earnings	6(17)				
Legal reserve		4,512,231	7.93	4,364,561	7.85
Special reserve		1,188,383	2.09	1,322,902	2.38
Unappropriated retained earning		11,729,185	20.62	11,755,209	21.14
Total retained earnings		17,429,799	30.64	17,442,672	31.37
Other equity		822,542	1.45	(375,897)	(0.67)
Total equity attributable to owners of the parent		24,396,869	42.90	23,484,289	42.24
<b>Non-controlling interests</b>	6(17)	2,003,485	3.52	2,163,114	3.89
Total equity		26,400,354	46.42	25,647,403	46.13
<b>Total liabilities and equity</b>		\$ 56,877,985	100.00	\$ 55,603,904	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, 2024 and 2023  
(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	
		2024	%	2023	%
Net sales	4, 5, 6(19), 7	\$ 39,668,943	100.00	\$ 39,491,708	100.00
Operating costs	4, 6(7), 6(11), 6(15), 6(21), 6(22), 7	32,618,778	82.23	31,620,007	80.07
Gross profit		7,050,165	17.77	7,871,701	19.93
Operating expenses	6(11), 6(15), 6(20), 6(21), 6(22)				
Selling expenses		1,899,949	4.79	1,807,683	4.58
General and administrative expenses		2,120,492	5.35	2,220,479	5.62
Research and development expenses		2,856,039	7.20	2,901,998	7.35
(Reversal of expected credit loss) expected credit loss		(14,567)	(0.04)	10,871	0.03
Total operating expenses		6,861,913	17.30	6,941,031	17.58
Operating income		188,252	0.47	930,670	2.35
Non-operating income and expenses					
Interest income	6(23)	454,921	1.15	407,553	1.03
Other income	4, 6(23)	526,010	1.32	481,600	1.22
Other gains and losses	6(23)	166,143	0.42	220,990	0.56
Finance costs	6(23)	(448,437)	(1.13)	(443,307)	(1.12)
Share of (loss) of associates and joint ventures accounted for using the equity method	4, 6(8)	(8,468)	(0.02)	(9,128)	(0.02)
Total non-operating income and expenses		690,169	1.74	657,708	1.67
Income before income tax		878,421	2.21	1,588,378	4.02
Income tax expense	4, 6(25)	(220,575)	(0.55)	(386,349)	(0.98)
Net income		657,846	1.66	1,202,029	3.04
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(24)	83,423	0.21	(4,289)	(0.01)
Unrealized (loss) gain from equity instrument investments measured at fair value through other comprehensive income	6(24)	(66,811)	(0.17)	1,413,047	3.58
Income tax related to items that will not be reclassified subsequently to profit or loss	6(24), 6(25)	(21,516)	(0.05)	1,112	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(24)	1,309,124	3.30	(406,506)	(1.03)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	6(24)	185	-	(14)	-
Other comprehensive income, net of tax		1,304,405	3.29	1,003,350	2.54
Total comprehensive income		\$ 1,962,251	4.95	\$ 2,205,379	5.58
Net income (loss) for the periods attributable to :					
Shareholders of the parent	6(26)	\$ 820,326		\$ 1,391,923	
Non-controlling interests	6(17), 6(27)	\$ (162,480)		\$ (189,894)	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 2,081,505		\$ 2,423,700	
Non-controlling interests		\$ (119,254)		\$ (218,321)	
Basic Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 2.10		\$ 3.56	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(26)	\$ 2.09		\$ 3.53	

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

CORETRONIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

(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, 2023	\$ 3,909,811	\$ 2,808,225	\$ 4,121,627	\$ 1,276,610	\$ 12,024,401	\$ (1,464,373)	\$ 53,244	\$ 22,729,545	\$ 2,350,939	\$ 25,080,484
Acquisition or disposal of the interest of subsidiaries	-	80,443	-	-	-	-	-	80,443	37,604	118,047
Changes in subsidiaries' ownership	-	10,016	-	-	-	-	-	10,016	(960)	9,056
Reversal of special reserve	-	-	-	(88,227)	88,227	-	-	-	-	-
Appropriation and distribution of 2022 earnings:										
Legal reserve	-	-	242,934	-	(242,934)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,368,434)	-	-	(1,368,434)	-	(1,368,434)
Special reserve	-	-	-	134,519	(134,519)	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	(390,981)	-	(390,981)
Net income (loss) for the year ended December 31, 2023	-	-	-	-	1,391,923	-	-	1,391,923	(189,894)	1,202,029
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(3,455)	(378,069)	1,413,301	1,031,777	(28,427)	1,003,350
Total comprehensive income (loss)	-	-	-	-	1,388,468	(378,069)	1,413,301	2,423,700	(218,321)	2,205,379
Decrease of non-controlling interests	-	-	-	-	-	-	-	-	(6,148)	(6,148)
Balance as of December 31, 2023	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
Acquisition or disposal of the interest of subsidiaries	-	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 dividends 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

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, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

Description	For the year ended December 31		Description	For the year ended December 31	
	2024	2023		2024	2023
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 878,421	\$ 1,588,378	(Increase) decrease in financial assets at amortized cost - current	(3,365,890)	3,464,423
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:			Proceeds from disposal of subsidiary	32,700	-
Expected credit loss (reversal of expected credit loss)	(14,567)	10,871	Acquisition of property, plant and equipment	(2,560,418)	(1,660,013)
Depreciation (including investment property and right-of-use assets)	1,298,091	1,403,075	Proceeds from disposal of property, plant and equipment	89,512	108,641
Amortization (including other noncurrent assets)	99,999	90,274	Acquisition of intangible assets	(66,818)	(39,663)
Interest expenses	448,437	443,307	Proceeds from disposal of intangible assets	-	2,847
Interest income	(454,921)	(407,553)	Increase in prepayment of land use rights	(122,644)	(162,804)
Dividend income	(67,992)	(66,994)	(Increase) decrease in other noncurrent assets	(4,406)	9,578
Transfer of property, plant and equipment to expense	545	539	Net cash (used in) provided by investing activities	(5,945,239)	1,723,009
Transfer of intangible assets to expenses	7,295	78			
Loss on disposal of property, plant and equipment	14,925	17,265			
Loss on disposal of Intangible assets	18	94			
Share-based payment expense	(1,782)	9,042			
(Gain) loss on disposal of investments	(9,538)	77,835			
Casualty loss	72,581	-			
Share of loss of associates and joint ventures accounted for using the equity method	8,468	9,128			
Net (gain) on financial assets and liabilities at fair value through profit or loss	(618,540)	(400,165)			
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Notes receivable	12,183	1,407	(Decrease) increase in short-term borrowings	(998,760)	3,688,638
Trade receivables	309,751	339,950	Increase in long-term borrowings	3,287,100	112,900
Trade receivables - related parties	(252)	(109)	Repayment of long-term borrowings	(301,341)	(3,526,798)
Other receivables	(407,289)	377,421	(Decrease) increase in guarantee deposits	(3,396)	9,009
Inventories	1,190,638	1,856,467	Increase in other noncurrent liabilities	250	-
Prepayments	(239,970)	(134,323)	Cash dividends	(1,172,943)	(1,759,415)
Other current assets	(78,812)	52,869	Cash payment for the principal portion of lease liabilities	(190,177)	(267,106)
Other operating assets	7,988	13,979	Acquisition of subsidiaries' ownership.	-	(10,178)
Contract liabilities	28,143	247,145	Proceeds from disposal of subsidiaries' ownership (without a change of control)	-	123,591
Notes payable	212	(529)	Change in non-controlling interests	(36,042)	368
Accounts payable	(633,117)	283,186	Net cash provided by (used in) financing activities	584,691	(1,628,991)
Accounts payable - related parties	(21,176)	(14,534)			
Other payables	(497,051)	(594,698)	Effect of exchange rate changes on cash and cash equivalents	1,129,457	(352,074)
Provisions - current	(132,958)	(128,581)			
Other current liabilities	(198,771)	(82,445)	Net (decrease) increase in cash and cash equivalents	(3,573,449)	4,190,959
Net defined benefit assets/liabilities	(1,486)	(46,713)	Cash and cash equivalents at the beginning of the period	16,555,958	12,364,999
Cash provided by operating activities	999,473	4,945,666	Cash and cash equivalents at the end of the period	\$ 12,982,509	\$ 16,555,958
Dividend received	67,992	66,994			
Interest received	434,707	500,525			
Interest paid	(442,865)	(455,658)			
Income tax paid	(421,665)	(608,512)			
Net cash provided by operating activities	637,642	4,449,015			

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, 2024 and 2023

(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 17, 2025.

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, 2024. The adoption of these new standards and amendments had no material impact on the Group.

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IAS 21 Amendment	Lack of Exchangeability	January 1, 2025

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

Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned standards and interpretations issued by the IASB have been endorsed by the FSC, and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendments to Consolidated Financial Statements and Investments in Associates and Joint Ventures	To be determined by the IASB
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 9 and IFRS 7 Amendment	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026

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 standard 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. 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

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



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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and standards, interpretations, and amendments issued, revised, or amended which are endorsed and became effective by the FSC (collectively, “the TIFRS”).

(2) Basis of Preparation

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

(3) General Description of Reporting Entity

Principles of consolidation

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

- 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.

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

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

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

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

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

If loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;
- E. 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:

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, 2024	December 31, 2023
Tecpoint Limited (“Tecpoint”) and its subsidiaries	Subsidiary	Tecpoint is a holding company and invests in Mainland China. Tecpoint’s joint ventures are the production, manufacturing, marketing and R&D of acrylic plate, light guide plate and backlight module. The joint ventures also provide the after-sales services.	100.00%	100.00%
Visicorp Limited (“Visicorp”) and its subsidiaries	Subsidiary	Visicorp is a holding company and invests in Mainland China. Visicorp’s joint ventures are the R&D, production and marketing of backlight module and components. The joint ventures also provide after-sales services.	100.00%	100.00%
Coretronic (BVI) Investment Corp. (“Coretronic BVI”) and its subsidiaries	Subsidiary	BVI is a holding company and invests in Mainland China. BVI’s joint ventures are the R&D, production, manufacturing and marketing of digital projector, LCD monitor and components. The joint ventures also provide after-sales services.	100.00%	100.00%

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

Entity name	Relationship	Business nature	Percentage of Ownership	
			December 31, 2024	December 31, 2023
Sinolink Global Limited (“Sinolink”) and its subsidiaries	Subsidiary	Sinolink is a holding company and invests in Mainland China. Sinolink’s joint ventures are the design, R&D, production and marketing of projectors. The joint ventures also provide the after-sales services for self-produced and non-self-produced products.	100.00%	100.00%
Young Green Energy Co. (“YGE”) and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer and peripheral devices, and electronic material. YGE’s joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%
Young Optics Inc. (“TYO”) and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optical engines and key components. TYO’s joint ventures are the R&D, the production and after-sales services of electronic components, optical modules and components.	32.63%	32.63%

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, 2024	December 31, 2023
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%
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%

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, 2024	December 31, 2023
uCare Medical Electronics Co., Ltd. (“UCM”)	Subsidiary	UCM is engaged in R&D, design, production and marketing of intelligent exercise and medical care related software and hardware products.	60.69%	60.69%
Champ Vision Display Inc. (“CVD”)	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	79.36%	79.36%
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 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, 2024	December 31, 2023
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 Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary	System integration and application service solutions for intelligent logistics and smart manufacturing.	100.00%	100.00%
Coretronic Investment Limited (“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%	-

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

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

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

- (a) On December 1, 2023, Young Lighting Limited (“YLL”) converted its existing other receivables from Coretronic Investment to investment in Coretronic Investment. After this transaction, 158,808 ordinary shares were issued to YLL, and YLL acquired 61.36% ownership of Coretronic Investment; while CORE’s ownership in Coretronic Investment decreased to 38.64% with 100,000 ordinary shares. Total investment in Coretronic Investment was EUR 100 thousand and US\$ 46,776 thousand, with 258,808 ordinary shares in total. The percentage of ownership in Coretronic Investment, directly and indirectly controlled by CORE, remained 100%.
- (b) In consideration of group operation strategy, in December 2023, Guangzhou Nano Display Co., Ltd. and YLG Optotech (Guangzhou) Limited were absorbed by Coretronic (Guangzhou) Co., LTD. In March 2024, the related deregistration of Guangzhou Nano Display Co., Ltd. and YLG Optotech (Guangzhou) Limited was approved by the government authorities.
- (c) In consideration of group operation strategy, CIRC acquired 100% ownership of CILS by means of shares exchange with the Company on January 1, 2024.
- (d) In February 2024, the Company made an investment to establish a 100% held subsidiary Coretronic Intelligent Cloud Service Corporation (JP) in Japan, in an amount of JPY150,000,000. Coretronic Intelligent Cloud Service Corporation (JP) has been fully consolidated since the investment date.
- (e) In consideration of group operation strategy, Coretronic Display (Suzhou) was absorbed by Coretronic Optics (Suzhou) from June 2024. This absorption has not yet been approved by authorities.
- (f) 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 6(28).



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

(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.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

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

(5) Translation of Foreign Currency Financial Statements

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to 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.

(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.

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

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.

(7) Cash and Cash Equivalents

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

(8) Financial Instruments

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

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

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

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

Financial assets measured at amortized cost

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

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

- (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.

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:

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

- (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.

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.

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 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.

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.

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- (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.

**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.

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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).

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.



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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.

E. Offsetting of financial instruments

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

(9) Derivative Instrument and Hedging Accounting

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

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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.

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.

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(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.

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.

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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.

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".

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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

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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.

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(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:

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- 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 asset 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.



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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.

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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.

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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.

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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.

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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.

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.

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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. 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.

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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.

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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.



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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.

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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).

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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. Please refer to Note 6 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31,	
	2024	2023
Cash on hand, savings and checking accounts	\$2,504,302	\$4,707,516
Time deposits	10,478,207	11,848,442
Total	<u>\$12,982,509</u>	<u>\$16,555,958</u>

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

	December 31,	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	<u>\$849,817</u>	<u>\$452,577</u>
Current	\$849,817	\$452,577
Non-current	-	-
Total	<u>\$849,817</u>	<u>\$452,577</u>

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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,	
	2024	2023
Equity instruments investments measured at fair value through other comprehensive income		
Unlisted companies stocks	\$5,246,290	\$5,308,046
Current	\$-	\$-
Non-current	5,246,290	5,308,046
Total	\$5,246,290	\$5,308,046

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,	
	2024	2023
Time deposits (with original maturities of more than six months)	\$4,624,412	\$1,258,522
Current	\$4,624,412	\$1,258,522
Non-current	-	-
Total	\$4,624,412	\$1,258,522

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,	
	2024	2023
Notes receivable - arose from operating activities	\$1,323	\$28,264

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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,	
	2024	2023
Trade receivables	\$9,591,679	\$9,932,276
Less: allowance for doubtful accounts	(15,720)	(46,920)
Subtotal	9,575,959	9,885,356
Trade receivables from related parties	891	639
Total	<u>\$9,576,850</u>	<u>\$9,885,995</u>

Trade receivables were not pledged.

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts as of December 31, 2024 and 2023, were NT\$9,592,570 thousand and NT\$9,932,915 thousand, respectively. Please refer to Note 6(20) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

The Group entered into factoring contracts without recourse with domestic banks. The bank pays the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factored delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. As of December 31, 2024 and 2023, factored trade receivables of NT\$2,595,756 thousand and NT\$1,535,107 thousand were derecognized, and annual interest rates for advances from banks was 2.31%-5.33% and 1.60%-1.64%, respectively. The credit lines of factoring contracts provided by banks were US\$110,000 thousand as of December 31, 2024 and 2023, respectively.

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As of December 31, 2024 and 2023, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$4,251,309 thousand and NT\$4,331,883 thousand, respectively.

(7) Inventories

	December 31,	
	2024	2023
Raw materials and supplies	\$4,756,433	\$6,567,592
Work in process	219,156	142,436
Finished goods	2,387,718	1,878,908
Total	<u>\$7,363,307</u>	<u>\$8,588,936</u>

Note: Please refer to Notes 6(23) and 10 for more details on subsidiary TYO's fire damage.

The cost of inventories recognized in expenses amounted to NT\$32,618,778 thousand and NT\$31,620,007 thousand for the years ended December 31, 2024 and 2023, respectively, including the write-down of inventories and obsolescence loss of NT\$171,557 thousand and NT\$193,005 thousand, respectively.

The allowance of inventories write-down amounted to NT\$621,128 thousand and NT\$561,216 thousand as of December 31, 2024 and 2023, respectively.

No inventories were pledged.

(8) Investments Accounted for Using the Equity Method

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

Investees	December 31, 2024	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD ("EOE")	<u>\$-</u>	-%

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Investees	December 31, 2023	
	Carrying amount	Percentage of ownership (%)
Investments in associates:		
Eterge Opto-Electronics Co., LTD (“EOE”)	\$40,975	18.50%

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 and NT\$9,128 thousand for the years ended December 31, 2024 and December 31, 2023, respectively.

The Group disposed all equity interests in EOE on September 30 2024.

The abovementioned associate had no contingent liabilities or capital commitments as of December 31, 2024 and 2023. No investments accounted for using the equity method held by the Company were pledged to others.

(9) Property, Plant and Equipment

Property, plant and equipment for own-use

			Machinery	Office	Transportation	Leasehold	Other	Construction in progress and equipment awaiting inspection	Total
	Land	Buildings	and equipment	fixtures	equipment	improvement	equipment		
Cost:									
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 subsidiary (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	\$150,815	\$10,694,999	\$4,611,469	\$499,092	\$34,380	\$508,585	\$1,612,374	\$1,670,158	\$19,781,872

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			Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
	Land	Buildings							
As of January 1, 2023	\$25,620	\$8,587,666	\$5,431,443	\$466,951	\$48,518	\$691,855	\$1,532,621	\$688,798	\$17,473,472
Additions	126,914	226,209	217,418	19,647	884	7,070	65,530	1,001,536	1,665,208
Disposals	-	(24,776)	(981,382)	(45,456)	(11,804)	(225,755)	(179,702)	-	(1,468,875)
Transfers	-	55,626	(11,953)	(4,165)	-	5,614	29,328	(253,664)	(179,214)
Exchange differences	(112)	(80,022)	(53,051)	(4,006)	(729)	(5,214)	(15,744)	(40,099)	(198,977)
As of December 31, 2023	<u>\$152,422</u>	<u>\$8,764,703</u>	<u>\$4,602,475</u>	<u>\$432,971</u>	<u>\$36,869</u>	<u>\$473,570</u>	<u>\$1,432,033</u>	<u>\$1,396,571</u>	<u>\$17,291,614</u>

Depreciation and Impairment:

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)
Fire damage (Note a)	-	20,500	-	-	-	-	-	-	20,500
Disposal of subsidiary (Note b)	-	(2,640)	(7,687)	-	(31)	-	(1,948)	-	(12,306)
Exchange differences	-	93,341	63,674	8,119	667	12,295	28,597	-	206,693
As of December 31, 2024	<u>\$-</u>	<u>\$4,733,525</u>	<u>\$2,956,126</u>	<u>\$369,463</u>	<u>\$25,231</u>	<u>\$416,728</u>	<u>\$1,172,747</u>	<u>\$-</u>	<u>\$9,673,820</u>

As of January 1, 2023	\$-	\$3,937,742	\$3,408,354	\$341,435	\$36,114	\$532,927	\$1,124,428	\$19	\$9,381,019
Depreciation	-	435,307	456,776	46,362	3,545	50,930	124,810	-	1,117,730
Disposals	-	(23,035)	(882,945)	(39,128)	(11,761)	(214,243)	(171,857)	-	(1,342,969)
Transfers	-	993	(181,928)	(4,855)	-	(1,269)	(12,714)	(19)	(199,792)
Exchange differences	-	(47,208)	(21,552)	(3,272)	(550)	(11,902)	(11,862)	-	(96,346)
As of December 31, 2023	<u>\$-</u>	<u>\$4,303,799</u>	<u>\$2,778,705</u>	<u>\$340,542</u>	<u>\$27,348</u>	<u>\$356,443</u>	<u>\$1,052,805</u>	<u>\$-</u>	<u>\$8,859,642</u>

Net carrying amounts as of:

December 31, 2024	<u>\$150,815</u>	<u>\$5,961,474</u>	<u>\$1,655,343</u>	<u>\$129,629</u>	<u>\$9,149</u>	<u>\$91,857</u>	<u>\$439,627</u>	<u>\$1,670,158</u>	<u>\$10,108,052</u>
December 31, 2023	<u>\$152,422</u>	<u>\$4,460,904</u>	<u>\$1,823,770</u>	<u>\$92,429</u>	<u>\$9,521</u>	<u>\$117,127</u>	<u>\$379,228</u>	<u>\$1,396,571</u>	<u>\$8,431,972</u>

Note a: Please refer to Notes 6(23) and 10 for more details on subsidiary TYO's fire damage and insurance claim income.



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Note b: 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).

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

(10) Investment Property

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

	<u>Buildings</u>
Cost:	
As of January 1, 2024	\$244,538
Additions from acquisitions	-
As of December 31, 2024	<u>\$244,538</u>
As of January 1, 2023	\$244,538
Additions from acquisitions	-
As of December 31, 2023	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2024	\$108,377
Depreciation	10,390
As of December 31, 2024	<u>\$118,767</u>
As of January 1, 2023	\$100,307
Depreciation	8,070
As of December 31, 2023	<u>\$108,377</u>
Net carry amount as of:	
December 31, 2024	<u>\$125,771</u>
December 31, 2023	<u>\$136,161</u>

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	Years ended December 31,	
	2024	2023
Rental income from investment property	\$36,928	\$12,567
Less: Direct operating expenses from investment property generating rental income	(10,390)	(8,070)
Total	<u>\$26,538</u>	<u>\$4,497</u>

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,	
	2024	2023
Fair value of the investment property	<u>\$258,500</u>	<u>\$304,500</u>
Discount rates	<u>4.72%</u>	<u>4.595%</u>
Growth rates	<u>0.4%</u>	<u>0.4%</u>

(11) Intangible Assets

	Patents	Software	IPs	Goodwill	Other	Total
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 subsidiary (Note)	-	(195)	(3,693)	-	-	(3,888)
Exchange differences	(22)	1,208	-	-	1,956	3,142
As of December 31, 2024	<u>\$248,166</u>	<u>\$314,791</u>	<u>\$91,249</u>	<u>\$5,940</u>	<u>\$56,560</u>	<u>\$716,706</u>

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	Patents	Software	IPs	Goodwill	Other	Total
Cost:						
As of January 1, 2023	\$242,775	\$280,361	\$94,942	\$5,940	\$46,707	\$670,725
Additions	-	22,796	-	-	16,867	39,663
Disposals	-	(39,337)	-	-	-	(39,337)
Transfers	-	(83)	-	-	-	(83)
Exchange differences	(30)	933	-	-	694	1,597
As of December 31, 2023	<u>\$242,745</u>	<u>\$264,670</u>	<u>\$94,942</u>	<u>\$5,940</u>	<u>\$64,268</u>	<u>\$672,565</u>

Amortization and Impairment:

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 subsidiary (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>

Amortization and Impairment:

As of January 1, 2023	\$48,963	\$157,649	\$71,343	\$5,940	\$28,321	\$312,216
Amortization	23,173	43,259	5,723	-	14,969	87,124
Disposals	-	(39,259)	-	-	-	(39,259)
Exchange differences	(26)	595	-	-	963	1,532
As of December 31, 2023	<u>\$72,110</u>	<u>\$162,244</u>	<u>\$77,066</u>	<u>\$5,940</u>	<u>\$44,253</u>	<u>\$361,613</u>

Net carrying amount as of:

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>
December 31, 2023	<u>\$170,635</u>	<u>\$102,426</u>	<u>\$17,876</u>	<u>\$-</u>	<u>\$20,015</u>	<u>\$310,952</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).

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Amortization expense of intangible assets:

	Years ended December 31,	
	2024	2023
Operating Cost	\$12,942	\$16,220
Selling expenses	6,376	9,397
General and administrative expenses	26,125	16,433
Research and development expenses	50,005	45,074
Total	<u>\$95,448</u>	<u>\$87,124</u>

(12) Short-Term Borrowings

	December 31,	
	2024	2023
Unsecured bank loans	<u>\$12,513,727</u>	<u>\$13,512,487</u>
Interest rates (%)	<u>1.76%~6.00%</u>	<u>1.60%~2.55%</u>

The Group's unused short-term lines of credits amounted to NT\$36,099,893 thousand and NT\$34,125,026 thousand as of December 31, 2024 and 2023, respectively.

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

	December 31,	
	2024	2023
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward exchange contracts	<u>\$126,257</u>	<u>\$347,557</u>
Current	\$126,257	\$347,557
Non-current	-	-
Total	<u>\$126,257</u>	<u>\$347,557</u>

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(14) Long-Term Borrowings

Details of long-term borrowings are as follows:

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>		

Lenders	December 31, 2023	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$299,950	1.85%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from Hua Nan Commercial bank	112,900	1.84%	Principle is repaid in 14 quarterly payments from August 10, 2025.
Long-term borrowings from Sumitomo Mitsui Bank	3,867	1.60%	Government subsidizes interest for the first three years. Principle is repaid in 54 monthly payments from July 20, 2021.
Less: Current portion	(301,879)		
Total	<u>\$114,838</u>		

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The Group's unused long-term lines of credits amounted to NT\$3,950,000 thousand and NT\$7,474,200 thousand as of December 31, 2024 and 2023, 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.

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, 2024 and 2023 were NT\$340,683 thousand and NT\$361,529 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.

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

As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$0 thousand to its defined benefit plan in the next year beginning from December 31, 2024.

The weighted average duration of the defined benefits plan obligation was 9.60 to 34.85 years and 10.87 to 14.28 years as of December 31, 2024 and 2023, respectively.

Pension costs recognized in profit or loss are as follows:

	Years ended December 31,	
	2024	2023
Current service costs	\$444	\$66
Net interest on the net defined benefit liabilities (assets)	5,520	7,545
Expected return on plan assets	(5,823)	(6,989)
Loss (gain) on plan curtailment	1,709	(5,591)
Total	<u>\$1,850</u>	<u>\$(4,969)</u>

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

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	December 31,		January 1,
	2024	2023	2023
Present value of defined benefit obligation	\$290,262	\$352,523	\$433,963
Plan assets at fair value	(380,789)	(358,141)	(397,157)
Net defined benefit liabilities (assets)	<u>\$(90,527)</u>	<u>\$(5,618)</u>	<u>\$36,806</u>
Other non-current liabilities —			
Carrying amount on the net defined benefit liabilities	<u>\$38,757</u>	<u>\$50,273</u>	<u>\$70,509</u>
Other non-current assets —			
Carrying amount on the net defined benefit assets	<u>\$(129,284)</u>	<u>\$(55,891)</u>	<u>\$(33,703)</u>

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, 2023	\$433,963	\$397,157	\$36,806
Current service cost	66	-	66
Interest expense (revenue)	7,545	6,989	556
Gain on plan curtailment	(49,377)	(43,003)	(6,374)
Subtotal	<u>392,197</u>	<u>361,143</u>	<u>31,054</u>

Remeasurements of the defined benefit liability (asset):

Actuarial gains and losses arising from changes in financial assumptions	5,315	-	5,315
Experience adjustments	436	1,462	(1,026)
Subtotal	<u>5,751</u>	<u>1,462</u>	<u>4,289</u>
Benefits paid	(45,425)	(11,925)	(33,500)
Contributions by employer	-	7,461	(7,461)
As of December 31, 2023	<u>\$352,523</u>	<u>\$358,141</u>	<u>\$(5,618)</u>



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	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)
Gain on plan curtailment	(11,295)	(13,004)	1,709
Subtotal	347,192	350,960	(3,768)

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	(49,109)	34,314	(83,423)
Benefits paid	(7,821)	(4,824)	(2,997)
Contributions by employer	-	339	(339)
As of December 31, 2024	\$290,262	\$380,789	\$(90,527)

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

	December 31,	
	2024	2023
Discount rate	2.00%~2.375%	1.625%
Expected rate of salary increases	3.00%~4.00%	3.00%~5.00%

Sensitivity analysis of significant assumptions is as follows:

	Years ended December 31,			
	2024		2023	
	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%	\$-	\$7,493	\$-	\$10,088
Discount rate decrease by 0.25%	7,748	-	10,470	-
Future salary increase by 0.25%	7,453	-	9,978	-
Future salary decrease by 0.25%	-	7,252	-	9,664

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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.

(16) Provisions

	Warranties
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	<u>\$389,566</u>
Current	\$389,566
Non-current	-
As of December 31, 2024	<u>\$389,566</u>
As of January 1, 2023	\$651,105
Arising during the period	284,527
Utilized during the period	(414,701)
Exchange differences	1,593
As of December 31, 2023	<u>\$522,524</u>
Current	\$522,524
Non-current	-
As of December 31, 2023	<u>\$522,524</u>

Warranties

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

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(17) Equities

A. Common stock

CORE's authorized capital was NT\$10,000,000 thousand as of December 31, 2024 and 2023, 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, 2024 and 2023. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	December 31,	
	2024	2023
Additional paid-in capital	\$983,513	\$1,257,199
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	1,173,750	1,173,750
Changes in ownership interests in subsidiaries	77,454	74,904
Changes from investments in associates and joint ventures accounted for using the equity method	-	1,850
Total	<u>\$2,234,717</u>	<u>\$2,507,703</u>

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

C. Retained earnings and dividend policies:

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

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

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

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

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.

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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.

The special reserve of the first adoption of the TIFRS as of December 31, 2024 and 2023 amounted to NT\$1,188,383 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share are as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$147,670	\$242,934		
Special reserve	(134,519)	134,519		
Common stock -cash dividend	899,257	1,368,434	\$2.3	\$3.5

Based on the authorization from the Articles of Incorporation as mentioned above, the distribution of cash dividends were resolved by the Board of Director's meetings on March 18, 2024 and March 13, 2023, respectively. Other earning distributions have been resolved by shareholders meetings on June 14, 2024 and June 14, 2023, respectively.

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In addition, the board of directors in the meetings on March 18, 2024 and March 13, 2023, respectively, also resolved to distribute the paid-in capital in excess of par-common stock by cash in the amount of NT\$273,686 thousand (NT\$0.7 per share) and NT\$390,981 thousand (NT\$1 per share), respectively.

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

D. Non-controlling interests:

	Years ended December 31,	
	2024	2023
Beginning balance	\$2,163,114	\$2,350,939
Loss attributable to non-controlling interests	(162,480)	(189,894)
Other comprehensive income (loss) attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	39,227	(28,451)
Remeasurements of defined benefit plans	3,999	24
Disposal of subsidiary	(34,583)	-
Acquisition or disposal of the interest of subsidiaries	-	37,604
Changes in subsidiaries' ownership	(2,551)	(10,002)
Share-based payment plans	(1,782)	9,042
Cash dividends	(1,459)	(6,148)
Ending balance	<u>\$2,003,485</u>	<u>\$2,163,114</u>

(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.

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Each unit of employee stock options is eligible to subscribe for one common share of Optoma Holding Limited. New shares will be issued when employees exercise such options. Holders may exercise the stock options for a certain period of time and proportion two years after the employee stock options are granted. The total outstanding granted stock options were 2,268,950 units as of December 31, 2024. The fair value of options granted was EUR 975.6 thousand, and the grant date was April 28, 2022.

The fair value of each new common share granted for the restricted stocks plan is EUR2.02 with exercise price of EUR1.99. The restricted stocks plan for employee allows the new shares released in proportion according to the vesting condition. As of December 31, 2024, total outstanding granted stock options were 879,498 shares with the fair value of EUR26.4 thousand. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees do not need to pay back dividends obtained.

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

	<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.

Share-based compensation expenses recognized for the years ended December 31, 2024 and 2023 were NT\$(1,782) thousand and NT\$9,042 thousand, respectively.

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(19) Sales

	Years ended December 31,	
	2024	2023
Contract revenue from customers		
Sale of goods	\$37,060,832	\$37,324,539
Revenue arising from rendering of services	1,970,443	1,529,228
Other operating revenues	637,668	637,941
Total	<u>\$39,668,943</u>	<u>\$39,491,708</u>

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

A. Revenue of Segments

For the year ended December 31, 2024

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$18,579,060	\$14,736,342	\$2,490,541	\$1,999,138	\$(744,249)	\$37,060,832
Revenue arising from rendering of services	51,322	74,200	81,487	2,096,002	(332,568)	1,970,443
Other operating revenues	236,234	190,364	-	211,161	(91)	637,668
Total	<u>\$18,866,616</u>	<u>\$15,000,906</u>	<u>\$2,572,028</u>	<u>\$4,306,301</u>	<u>\$(1,076,908)</u>	<u>\$39,668,943</u>

The timing of revenue recognition:

At a point in time	\$18,866,616	\$15,000,906	\$2,492,313	\$4,306,301	\$(1,076,908)	\$39,589,228
Over time	-	-	79,715	-	-	79,715
Total	<u>\$18,866,616</u>	<u>\$15,000,906</u>	<u>\$2,572,028</u>	<u>\$4,306,301</u>	<u>\$(1,076,908)</u>	<u>\$39,668,943</u>



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For the year ended December 31, 2023

	Energy – saving products segment	Image products and brand segment	Optical component segment	Other segment	Elimination	Total
Sale of goods	\$17,108,453	\$16,510,742	\$2,892,890	\$2,265,031	\$(1,452,577)	\$37,324,539
Revenue arising from						
rendering of services	182,063	124,459	117,479	1,473,222	(367,995)	1,529,228
Other operating revenues	259,760	208,959	-	171,833	(2,611)	637,941
Total	<u>\$17,550,276</u>	<u>\$16,844,160</u>	<u>\$3,010,369</u>	<u>\$3,910,086</u>	<u>\$(1,823,183)</u>	<u>\$39,491,708</u>

The timing of revenue recognition:

At a point in time	\$17,550,276	\$16,844,160	\$2,929,721	\$3,910,086	\$(1,823,183)	\$39,411,060
Over time	-	-	80,648	-	-	80,648
Total	<u>\$17,550,276</u>	<u>\$16,844,160</u>	<u>\$3,010,369</u>	<u>\$3,910,086</u>	<u>\$(1,823,183)</u>	<u>\$39,491,708</u>

## B. Contract balance

Contract liabilities – current

	December 31,		January 1,
	2024	2023	2023
Sale of goods	\$534,832	\$404,307	\$276,621
Revenue arising from			
rendering of services	627	2,502	7,451
Other operating revenues	271,728	369,401	245,174
Total	<u>\$807,187</u>	<u>\$776,210</u>	<u>\$529,246</u>

The contract liabilities balances resulted from the difference between the satisfaction of the performance obligation and the customers' payment. The Group recognized NT\$655,299 thousand and NT\$453,832 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, 2024 and 2023.

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C.Transaction price allocated to unsatisfied performance obligations

As of December 31, 2024 and 2023, 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, 2024, the Group has incurred costs for fulfilling the contract but has not yet satisfied the performance obligations, as other current assets which amounted to NT\$11,298 thousand.

(20) Expected credit loss

	Years ended December 31,	
	2024	2023
Operating expenses – (reversal of expected credit loss) expected credit loss		
Trade receivables	<u>\$(14,567)</u>	<u>\$10,871</u>

The Group measures trade receivables (including notes receivable and trade receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2024 and 2023 is as follows:

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

As of December 31, 2024

Group A

		Past due					
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
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>

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Group B

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$8,432,604	\$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

As of December 31, 2023

Group A

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$730,673	\$197,272	\$17,386	\$5,267	\$7,855	\$21,444	\$979,897
Loss ratio	0%	0.2%	0.5%	3%	5%	10%	
Expected credit losses	-	(1,000)	(1,587)	(485)	(785)	(18,923)	(22,780)
Subtotal	\$730,673	\$196,272	\$15,799	\$4,782	\$7,070	\$2,521	\$957,117

Group B

	Not past due	Past due					Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$8,765,132	\$173,820	\$13,508	\$4,653	\$3,275	\$20,894	\$8,981,282
Loss ratio	0%	0-2%	5%	30%	50%	100%	
Expected credit losses	-	(23)	(314)	(1,331)	(1,578)	(20,894)	(24,140)
Subtotal	\$8,765,132	\$173,797	\$13,194	\$3,322	\$1,697	\$-	\$8,957,142

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

	<u>Trade receivables</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 subsidiary (Note)	(178)
As of December 31, 2024	<u>\$15,720</u>
As of January 1, 2023	\$42,363
Addition for the current period	10,871
Write-offs	(5,970)
Exchange differences	(344)
As of December 31, 2023	<u>\$46,920</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).

(21) Leases

A. Group as lessee

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

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	December 31,	
	2024	2023
Land (including land use rights)	\$1,942,843	\$1,506,177
Buildings	173,357	272,066
Transportation equipment	29,576	23,177
Office fixtures	1,526	2,671
Total	<u>\$2,147,302</u>	<u>\$1,804,091</u>

During the years ended December 31, 2024 and 2023, the additions to right-of-use assets of the Group amounted to NT\$586,746 thousand and NT\$178,674 thousand, respectively.

ii. Lease liability

	December 31,	
	2024	2023
Lease liability		
Current	\$157,434	\$188,905
Non-current	975,053	1,045,656
Total	<u>\$1,132,487</u>	<u>\$1,234,561</u>

Please refer to Note 6(23)D. for the interest on lease liability recognized during the years ended December 31, 2024 and 2023, and Note 12(5) for the maturity analysis for lease liabilities.

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

Depreciation charge for right-of-use assets

	Years ended December 31,	
	2024	2023
Land	\$59,173	\$59,448
Buildings	135,727	199,003
Transportation equipment	17,811	17,073
Office fixtures	557	1,379
Other equipment	477	372
Total	<u>\$213,745</u>	<u>\$277,275</u>

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(c) Income and costs relating to leasing activities

	Years ended December 31,	
	2024	2023
The expense relating to short-term leases	\$13,718	\$28,528
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	7,077	11,471
Total	<u>\$20,795</u>	<u>\$39,999</u>

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Group's total cash outflows for leases amounted to NT\$243,472 thousand and NT\$352,231 thousand, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

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

ii. Extension and termination options

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

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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.

	For the year ended December 31,	
	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$51,514	\$40,268

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, 2024	December 31, 2023
Not later than one year	\$45,654	\$45,474
Later than one year but not later than two years	44,643	44,293
Later than two years but not later than three years	492	43,917
Later than three years but not later than four years	492	492
Later than four years but not later than five years	-	492
Total	\$91,281	\$134,668

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

Function  Items	Years ended December 31					
	2024			2023		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$2,338,263	\$4,588,505	\$6,926,768	\$2,786,220	\$4,706,416	\$7,492,636
Salaries	1,894,072	3,871,711	5,765,783	2,248,194	4,030,075	6,278,269
Labor and health insurance	138,993	351,422	490,415	140,736	349,677	490,413
Pension	139,388	203,145	342,533	157,387	199,173	356,560
Other employee benefits expense	165,810	162,227	328,037	239,903	127,491	367,394
Depreciation	954,399	312,891	1,267,290	987,385	385,729	1,373,114
Amortization	13,148	82,594	95,742	14,884	71,477	86,361

According to the Articles of Incorporation of the Company, 10% to 20% of profit of the current year is distributable as employee compensation. However, the Company's accumulated losses shall have been covered. CORE may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employee 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 employee compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

CORE accrued employee compensation based on a specific rate of profit. The amounts of employee compensation were NT\$121,525 thousand and NT\$201,440 thousand for the years ended December 31, 2024 and 2023, respectively. If the Board of Directors resolved to distribute employee 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.



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A resolution was approved at a Board of Directors' meeting held on February 17, 2025 to distribute NT\$121,525 thousand in cash as employee compensation. No material differences exist between the resolution and the estimated amount for the year ended December 31, 2024.

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2023.

(23) Non-Operating Income and Expenses

A. Interest income

	Years ended December 31	
	2024	2023
Financial assets measured at amortized cost	\$454,921	\$407,553

B. Other income

	Years ended December 31	
	2024	2023
Government grants income	\$103,811	\$202,665
Dividend income	67,992	66,994
Rental income	51,514	40,268
Fire insurance claim income (Note)	45,000	-
Other	257,693	171,673
Total	\$526,010	\$481,600

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

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C. Other gains and losses

	Years ended December 31	
	2024	2023
Net gain on financial assets (liabilities) at fair value through profit or loss (Note a)	\$562,702	\$602,097
Foreign exchange loss, net	(273,588)	(239,672)
Gain (loss) on disposal of investments	9,538	(77,835)
Loss on disposal of property, plant and equipment	(14,925)	(17,265)
Gain on lease modification	3,463	12,059
Casualty loss (Note b)	(72,581)	-
Other losses	(48,466)	(58,394)
Total	<u>\$166,143</u>	<u>\$220,990</u>

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

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

D. Finance cost

	Years ended December 31	
	2024	2023
Interest on borrowings from bank	\$415,937	\$411,113
Interest on lease liabilities	32,500	45,126
Hedge ineffectiveness recognized in profit or loss	-	(12,932)
Total	<u>\$448,437</u>	<u>\$443,307</u>

(24) Components of Other Comprehensive Income

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	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>

For the year ended December 31, 2023

	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	\$(4,289)	\$858	\$(3,431)
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	1,413,047	254	1,413,301
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(406,506)	-	(406,506)
Share of the other comprehensive (loss) of associates accounted for using the equity method	(14)	-	(14)
Total of other comprehensive income	<u>\$1,002,238</u>	<u>\$1,112</u>	<u>\$1,003,350</u>

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(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	
	2024	2023
Current income tax expense	\$227,800	\$295,737
Deferred tax (income) expense	(7,225)	90,612
Total income tax expense	<u>\$220,575</u>	<u>\$386,349</u>

Income tax relating to components of other comprehensive income

	Years ended December 31	
	2024	2023
Deferred income tax expense (income):		
Remeasurements of defined benefit plans	\$16,685	\$(858)
Unrealized loss (gain) from equity instruments		
investments measured at fair value through		
other comprehensive income	4,831	(254)
Total	<u>\$21,516</u>	<u>\$(1,112)</u>

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

	Years ended December 31,	
	2024	2023
Accounting profit before tax from continuing operations	<u>\$878,421</u>	<u>\$1,588,378</u>
Tax at the domestic rates applicable to profits in the country concerned	\$319,928	\$504,484
Tax effect of expenses not deductible for tax purposes	(178,492)	(148,640)
Tax effect of deferred tax assets/liabilities	15,752	(74,939)
Surtax on undistributed retained earnings	23,803	34,173
Operating loss carry forward	115,779	74,071
Investment tax credits	(87,067)	(14,023)
Others	10,872	11,223
Total income tax expense recognized in profit or loss	<u>\$220,575</u>	<u>\$386,349</u>

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Deferred tax assets (liabilities) related to the following:

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	128,860	-	-	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>

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For the year ended December 31, 2023

	Beginning	Recognized in	Recognized in	Recognized in	Exchange	Ending
	balance	profit or loss	other comprehensive income	equity	differences	balance
Temporary differences						
Unrealized allowance for inventory obsolescence	\$47,362	\$(2,496)	\$-	\$-	\$106	\$44,972
Depreciation difference for tax purpose	3,891	(158)	-	-	(146)	3,587
Unrealized intragroup profits and losses	58,278	(23,272)	-	-	(17)	34,989
Net unrealized exchange (gains) losses	46,330	(39,831)	-	-	(98)	6,401
Provisions - maintenance warranties	32,478	(9,501)	-	-	432	23,409
Provision-sales returns and allowances	32,951	3,554	-	-	(39)	36,466
Impairment on property, plant and equipment	6,287	-	-	-	-	6,287
Defined benefit liabilities-non-current	5,075	(5,745)	858	-	113	301
Investments accounted for using the equity method	(21,805)	(681)	-	-	-	(22,486)
Accrued expense of tax differences	45,487	(496)	-	-	(103)	44,888
Allowance for bad debts	2,282	4,215	-	-	(171)	6,326
Others	3,893	(1,567)	254	-	165	2,745
Unused tax losses	4,709	(2,324)	-	-	-	2,385
Foreign unused tax losses	13,650	(12,310)	-	-	537	1,877
Deferred tax (expense) income		<u>\$(90,612)</u>	<u>\$1,112</u>	<u>\$-</u>	<u>\$779</u>	
Net deferred tax assets (liabilities)	<u>\$280,868</u>					<u>\$192,147</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$342,533</u>					<u>\$238,534</u>
Deferred tax liabilities	<u>\$(61,665)</u>					<u>\$(46,387)</u>

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

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>	

December 31, 2023

Accumulated loss	Unutilized accumulated loss	Expiration Year
\$1,443	\$1,443	2024
1,125	1,125	2025
2,074	2,074	2026
27,461	18,238	2027
73,216	70,912	2028
199,471	199,471	2029
399,047	290,340	2030
330,468	330,468	2031
441,490	441,490	2032
385,991	385,991	2033 (expected)
<u>\$1,861,786</u>	<u>\$1,741,552</u>	

Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets that have not been recognized amounted to NT\$616,379 thousand and NT\$444,276 thousand, respectively.

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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, 2024 and 2023, the amounts of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT\$26,628,915 thousand and NT\$25,650,783 thousand, respectively.

The risk exposure of Pillar Two income tax

Coretronic Vietnam Co., Ltd. and Coretronic Technology (BRVT), the subsidiary and sub-subsidiary of CORE, are operating in Vietnam where the Pillar Two legislation has come into effect. According to the legislation, profits taxed at an effective rate lower than 15% are subject to supplementary taxes payable in Vietnam. For the year ended December 31, 2024, the current income tax expenses related to the Pillar Two Income Tax are not significant.

Coretronic Investment and Coretronic Intelligent Cloud Service Corporation (JP), the subsidiaries of CORE, are operating in jurisdictions where the Pillar Two legislation has been enacted or substantively enacted. The legislation will gradually come into effect or be implemented in the aforementioned jurisdictions beginning from 2024. The subsidiaries had no current tax expense related to the Pillar Two legislation for the year ended December 31, 2024.

The assessment of income tax returns

As of December 31, 2024, 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 2021
TYO	Assessed and approved up to 2022
Optoma Technology Corporation	Assessed and approved up to 2022
CGT	Assessed and approved up to 2022
Tsen Ming Investment Corp.	Assessed and approved up to 2022
YGE	Assessed and approved up to 2022
CICS	Assessed and approved up to 2022



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	The assessment of income tax returns
CVC	Assessed and approved up to 2022
UCM	Assessed and approved up to 2022
ISC	Assessed and approved up to 2022
CVD	Assessed and approved up to 2022
CIRC	Assessed and approved up to 2022
CRI	Assessed and approved up to 2022
CMC	Assessed and approved up to 2022
Nano Precision Taiwan	Assessed and approved up to 2023
CILS	Assessed and approved up to 2022
Optoma Corporation	Assessed and approved up to 2022

(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	
	2024	2023
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$820,326	\$1,391,923
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Basic earnings per share (NT\$)	\$2.10	\$3.56

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	Years ended December 31	
	2024	2023
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$820,326	\$1,391,923
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)	1,712	3,501
Weighted average number of ordinary shares outstanding after dilution (in thousand)	392,693	394,482
Diluted earnings per share (NT\$)	\$2.09	\$3.53

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

(27) Subsidiaries that have Material Non-Controlling Interests

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

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	December 31,	
		2024	2023
Young Optics Inc.	Taiwan	67.37%	67.37%
		December 31,	
		2024	2023
Accumulated balance of material non-controlling interests			
Young Optics, Inc.		\$1,892,968	\$2,018,650

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	Years ended December 31	
	2024	2023
Loss allocated to material non-controlling interest		
Young Optics, Inc.	<u>\$(166,902)</u>	<u>\$(193,084)</u>

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, 2024:

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

Summarized information of profit or loss for the year ended December 31, 2023:

	Young Optics Inc.
Operating revenue	\$3,010,369
Loss for the period from continuing operations	(287,747)
Total comprehensive loss for the period	(306,187)

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

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

Summarized information of financial position as of December 31, 2023:

	Young Optics Inc.
Current assets	\$2,191,077
Non-current assets	2,525,579
Current liabilities	(1,262,359)
Non-current liabilities	(458,215)

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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)

Summarized cash flow information for the year ended December 31, 2023:

	<u>Young Optics Inc.</u>
Operating activities	\$289,960
Investing activities	(177,462)
Financing activities	(409,297)
Net decrease in cash and cash equivalents	(314,167)

(28) Disposal of Subsidiaries

The Subsidiary TYO disposed all equity interests in its Subsidiary- Mejiro Genossen Inc. on September 27, 2024. TYO lost control over Mejiro Genossen Inc. and has completed related deregistration. The disposal proceeds were NT\$50,390 thousand, and TYO recognized loss on disposal of investment in the amount of NT\$9,074 thousand.

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

	<u>September 27, 2024</u>
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

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	September 27, 2024
Right-of-use assets	502
Intangible assets	123
Other noncurrent assets - other	330
	<u>70,180</u>
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)
	<u>(19,952)</u>
Derecognition of net assets	<u><u>\$50,228</u></u>

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	<u><u>\$(9,074)</u></u>

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C. Cash flow analysis of derecognized subsidiaries :

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

7. Related Party Transactions

(1) Related Party Name and Categories

Related Party Name	Related Party Categories
Etergo Opto-Electronics Co., LTD (“EOE”)	Associate (Note)
Chi Hua Fitness Co., LTD. (“CHI HUA”)	Substantive related party
Dongtai Qidian Electronic Technology Co., Ltd (“DONGTAI QIDIAN”)	Substantive related party
Hannstar Display Corporation (“HANNSTAR”)	Entity which has significant influence over CORE
Shanghai Xianzhen Information Consulting Co., Ltd. (“Shanghai Xianzhen”)	Substantive related party
Shanghai Zhiwei Business Information Consulting Co., Ltd. (“Shanghai Zhiwei”)	Substantive related party
Global Expertise Consultants Limited (“Global Expertise”)	Substantive related party

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

(2) Significant transactions with related parties

A. Sales

	Years ended December 31	
	2024	2023
DONGTAI QIDIAN	\$3,517	\$1,479
CHI HUA	-	75
Total	\$3,517	\$1,554

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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.

**B. Purchases**

	Years ended December 31	
	2024	2023
EOE	\$49,067	\$72,588
HANNSTAR	130,690	165,957
DONGTAI QIDIAN	-	160
Total	\$179,757	\$238,705

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. Accounts Receivable from Related Parties**

	December 31,	
	2024	2023
DONGTAI QIDIAN	\$891	\$639

**D. Other Receivable from Related Parties**

	December 31,	
	2024	2023
HANNSTAR	\$82	\$969

**E. Accounts Payable to Related Parties**

	December 31,	
	2024	2023
HANNSTAR	\$13,300	\$34,476

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F. Other Payable to Related Parties

	December 31,	
	2024	2023
EOE	\$-	\$1,036
HANNSTAR	1,076	197
Total	<u>\$1,076</u>	<u>\$1,233</u>

G. Leases

Lease liability

	December 31	
	2024	2023
Shanghai Xianzhen	<u>\$-</u>	<u>\$2,705</u>

Interest on lease liabilities

	December 31	
	2024	2023
Shanghai Xianzhen and Global Expertise	<u>\$57</u>	<u>\$204</u>

Lease expense for operating leases

	December 31	
	2024	2023
Shanghai Zhiwei	<u>\$-</u>	<u>\$666</u>

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.

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.



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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.

H. Others

For years ended December 31, 2024 and 2023, the Group purchased molds from EOE, amounting to NT\$2,325 thousand and NT\$411 thousand.

I. Key Management Personnel Compensation

	Years ended December 31	
	2024	2023
Short-term employee benefits	\$216,997	\$313,367
Post-employment benefits	4,493	33,972
Share-based payment	(173)	1,451
Total	<u>\$221,317</u>	<u>\$348,790</u>

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, 2024	December 31, 2023	
Buildings (including investment property)	\$670,548	712,324	Collateral for long-term borrowings
Time deposits (presented as "Other receivables")	37,013	36,885	Lease execution deposits
Time deposits (presented as "Other non-current assets")	22,395	23,087	Lease execution deposits
Time deposits (presented as "Other receivables")	51,283	48,133	Customs import guarantee
Time deposits (presented as "Other non-current assets")	1,122	1,107	Customs import guarantee
Total	<u>\$782,361</u>	<u>\$821,536</u>	

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9. Commitments and Contingencies

A. Amount available under unused letters of credit as of December 31, 2024 was NT\$2,325 thousand.

B. The Group appointed contractors to build a new plant in Phu My 3 Specialized Industrial Park in Vietnam, and the total construction contract cost was VND1,875,845,475 thousand (approximately NT\$2,412,455 thousand). As of December 31, 2024, the Group has paid VND 1,784,842,143 thousand (approximately NT\$2,303,509 thousand), and recognized it under buildings, construction in progress and equipment awaiting inspection.

10. Losses due to Major Disasters

A fire incident occurred in the subsidiary TYO leased factory area on March 25, 2024, causing damage to some building, equipment, and inventory. Starting from the second quarter, inspection and repair operations for the factories, equipment, and inventory were carried out, and all restoration work was completed by the fourth quarter of 2024. Based on the actual damage and repair costs, a total loss of NT\$72,581 thousand was recognized in 2024. The property insurance purchased by TYO provided an advance payment of NT\$45,000 thousand for fire compensation, which was recognized as fire insurance claim income in the third quarter of 2024. The remaining insurance compensation amount is waiting for final determination following the insurer's co-insurance meetings and related procedures. The procedures for other claims, including business interruption insurance, are still in progress.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

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	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (Note 1)	\$5,101,126	\$4,784,460
Financial assets at fair value through other comprehensive income	5,246,290	5,308,046
Financial assets measured at amortized cost (Note 2)	24,269,177	24,305,295
Total	<u>\$34,616,593</u>	<u>\$34,397,801</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term borrowings	\$12,513,727	\$13,512,487
Accounts payable (including related parties)	6,947,110	7,602,162
Other payables	3,680,014	3,934,309
Lease liability (including current and noncurrent)	1,132,487	1,234,561
Long-term borrowings (including current portion)	3,397,562	416,717
Subtotal	<u>27,670,900</u>	<u>26,700,236</u>
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	126,257	347,557
Total	<u>\$27,797,157</u>	<u>\$27,047,793</u>

Note 1: As of December 31, 2024 and 2023, the financial assets measured at fair value through profit or loss, including trade receivables, were NT\$4,251,309 thousand and NT\$4,331,883 thousand, respectively. Please refer to Note 6(6) for more details.

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

(2) Financial Risk Management Objectives and Policies

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

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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.

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

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When NTD appreciates or depreciates against USD by 1%, the profit for the years ended December 31, 2024 and 2023 is decreased/increased by NT\$18,658 thousand and NT\$46,534 thousand, while equity is decreased/increased by NT\$329,021 thousand and NT\$303,859 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, 2024 and 2023 to decreased/increased by NT\$177,069 thousand and NT\$147,906 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, 2024 and 2023, 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\$52,463 thousand and NT\$53,080 thousand on the equity attributable to the Group, respectively.

#### (4) Credit Risk Management

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

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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, 2024 and 2023, receivables from top ten customers represented 75% and 87% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

(5) Liquidity Risk Management

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

Non-derivative financial liabilities

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
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

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	Less than 1				
	year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of December 31, 2023					
Borrowings	\$13,844,209	\$57,502	\$65,751	\$-	\$13,967,462
Accounts payable					
(including related parties)	7,602,162	-	-	-	7,602,162
Other payables					
(including related parties)	3,944,309	-	-	-	3,944,309
Lease liability	200,743	255,550	137,171	937,855	1,531,319

Derivative financial liabilities

	Less than 1 year	1 to 3 years	Total
As of December 31, 2024			
Inflows	\$-	\$-	\$-
Outflows	126,257	-	126,257
Net	\$126,257	\$-	\$126,257
As of December 31, 2023			
Inflows	\$-	\$-	\$-
Outflows	347,557	-	347,557
Net	\$347,557	\$-	\$347,557

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

(6) Reconciliation of Liabilities Arising from Financing Activities:

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

	Short-term	Long-term	Lease	Guarantee	Other	Total liabilities
	borrowings	borrowings	liabilities	deposits	liabilities-	from financing
	received	noncurrent	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 subsidiary	-	(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

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Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term	Long-term	Lease	Guarantee	Other	Total liabilities
	borrowings	borrowings	liabilities	deposits	liabilities-	from financing
				received	noncurrent	activities
As of January 1, 2023	\$9,823,849	\$3,826,977	\$1,613,090	\$19,775	\$3,707	\$15,287,398
Cash flows	3,688,638	(3,413,898)	(267,106)	9,009	-	16,643
Additional leases	-	-	(115,867)	-	-	(115,867)
Reclassification	-	3,638	-	-	-	3,638
Exchange differences	-	-	4,444	-	-	4,444
As of December 31, 2023	<u>\$13,512,487</u>	<u>\$416,717</u>	<u>\$1,234,561</u>	<u>\$28,784</u>	<u>\$3,707</u>	<u>\$15,196,256</u>

(7) Fair Value of Financial Instruments

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

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

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



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B. Fair value of financial instruments measured at amortized cost

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

C. Fair value measurement hierarchy for financial instruments

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

(8) Derivative Instruments

The related information for derivative financial instruments not yet settled as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Item (by contract)	Notional Amount		Contract Period
As of December 31, 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
Item (by contract)	Notional Amount		Contract Period
As of December 31, 2023			
Forward currency contract			
Selling forward currency contracts	USD	732,500 thousand	From January 2024 to March 2024
Buying forward currency contracts	USD	685,500 thousand	From January 2024 to October 2024
Selling forward currency contracts	CAD	1,500 thousand	From January 2024 to May 2024

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(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

December 31, 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

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		December 31, 2024			
		Level 1	Level 2	Level 3	Total
Liabilities measured at fair value:					
Financial liabilities at fair value through profit or loss					
Forward currency contract		-	126,257	-	126,257
		December 31, 2023			
		Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial assets at fair value through profit or loss					
Forward currency contract		\$-	\$452,577	\$-	\$452,577
Equity instrument measured at fair value through other comprehensive income					
		-	-	5,308,046	5,308,046
Liabilities measured at fair value:					
Financial liabilities at fair value through profit or loss					
Forward currency contract		-	347,557	-	347,557

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

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	Assets
	At fair value through other comprehensive income
	Stock
As of January 1, 2024:	\$5,308,046
Total gains and losses recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in “unrealized (losses) gains from equity instruments investments measured at fair value through other comprehensive income”)	(71,642)
Tax effect	4,831
Exchange differences	5,055
As of December 31, 2024	<u>\$5,246,290</u>

	Assets
	At fair value through other comprehensive income
	Stock
As of January 1, 2023:	\$3,895,009
Total gains and losses recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	1,413,301
Tax effect	(254)
Exchange differences	(10)
As of December 31, 2023	<u>\$5,308,046</u>

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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, 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\$4,871thousand

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As of December 31, 2023

	Valuation	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value					
through other comprehensive income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1..75	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\$5,312 thousand/ NT\$5,312 thousand.
	Market Approach	P/E ratio of similar companies	2.84	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\$4,692 thousand/ NT\$4,692thousand

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

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

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

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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

December 31, 2023				
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed: Investment properties (please refer to Note 6(10))	\$-	\$-	\$304,500	\$304,500

(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, 2024			
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
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

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December 31, 2024			
	Foreign currencies	Exchange rate	NTD thousand
<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
December 31, 2023			
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$1,152,045	30.705	\$35,373,542
JPY	400,772	0.2172	87,048
GBP	1,232	39.15	48,231
CNY	212	4.3263	917
Non-monetary items:			
USD	\$3,838	30.705	\$117,830
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,000,493	30.705	\$30,720,138
JPY	103,930	0.2172	22,574
EUR	13	33.98	442
CNY	26	4.3263	112

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\$273,588 thousand and NT\$239,672 thousand for the years ended December 31, 2024 and 2023, respectively.



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(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, 2024: Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2024: Please refer to Attachment 1-1.
- C. Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2024: Attachment 10.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2024: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2024: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2024: Please refer to Attachment 3, 3-1.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2024: Please refer to Attachment 4, 4-1.
- I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.
- J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(13), Note 12(1), Note 12(5), Note 12(8) and Attachment 8.

CORETRONIC CORPORATION AND SUBSIDIARIES  
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(2) Information on Investees

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

(3) Investment in Mainland China

- A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 7, 7-1.
- B. Directly or indirectly significant transactions with the investees in Mainland China: please refer to Attachment 5.

(4) Information on major shareholders

Please refer to Attachment 9.

14. Segment information

(1) General Information

- A. The Group's reportable segments are organized into business units based on their products and services, and that they will be available for managing units to earn revenues and incur expense. Every unit needs unique technologies and marketing strategies, and the Group's chief operating decision maker manages every unit individually. The Group determined its reportable segments based on the Group's internal reports.
- B. The Group has three reportable segments:
  - (a) Energy-saving products segments: mainly engaged in the R&D design, manufacturing and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.

CORETRONIC CORPORATION AND SUBSIDIARIES  
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- (b) Image products and brand segments: mainly engaged in the R&D design, manufacturing and marketing of projector and brand management.
- (c) Optical components segments: mainly engaged in the R&D, production and marketing of projection-related applications of optics related components.

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

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

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

(2) Segment Income, Assets and Liabilities Information

For the year ended December 31, 2024							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from external customers	\$18,837,220	\$14,991,070	\$2,050,134	\$35,878,424	\$3,790,519	\$-	\$39,668,943
Net revenue from sales among intersegments	29,396	9,836	521,894	561,126	515,782	(1,076,908)	-
Total revenue	<u>\$18,866,616</u>	<u>\$15,000,906</u>	<u>\$2,572,028</u>	<u>\$36,439,550</u>	<u>\$4,306,301</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>\$1,343,566</u>	<u>\$(437,605)</u>	<u>\$(27,540)</u>	<u>\$878,421</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$56,877,985</u>	<u>\$56,877,985</u>

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For the year ended December 31, 2023							
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from							
external customers	\$17,514,344	\$16,612,099	\$2,304,131	\$36,430,574	\$3,061,134	\$-	\$39,491,708
Net revenue from sales							
among intersegments	35,932	232,061	706,238	974,231	848,952	(1,823,183)	-
Total revenue	<u>\$17,550,276</u>	<u>\$16,844,160</u>	<u>\$3,010,369</u>	<u>\$37,404,805</u>	<u>\$3,910,086</u>	<u>(1,823,183)</u>	<u>\$39,491,708</u>
Segment income (loss)	<u>\$676,777</u>	<u>\$1,839,728</u>	<u>\$(284,265)</u>	<u>\$2,232,240</u>	<u>\$(762,551)</u>	<u>\$118,689</u>	<u>\$1,588,378</u>
Segment Assets (Note C)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$55,603,904</u>	<u>\$55,603,904</u>

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the years ended December 31, 2024 and 2023, 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	
	2024	2023
Net income of reportable segments	\$1,343,566	\$2,232,240
(Loss) of other segments	(437,605)	(762,551)
Unallocated amount:		
Interest income	454,921	407,553
Interest expense	(448,437)	(443,307)
Financial assets (liabilities) at fair value through profit or loss	562,702	602,097
Exchange losses	(273,588)	(239,672)
Others	(323,138)	(207,982)
Income before income tax	<u>\$878,421</u>	<u>\$1,588,378</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,	
	2024	2023
Taiwan	\$13,147,628	\$11,518,138
Mainland China (including Hong Kong)	10,839,875	11,964,469
South Korea	5,287,967	4,000,532
United Kingdom	3,491,836	3,761,245
United States	2,485,984	3,082,480
Japan	2,264,454	2,551,617
Others	2,151,199	2,613,227
Total	<u>\$39,668,943</u>	<u>\$39,491,708</u>

Sales are classified by customers' country.

B. Non-current assets

	December 31,	
	2024	2023
Taiwan	\$4,655,595	\$4,861,516
Vietnam	6,414,701	2,240,678
Mainland China (including Hong Kong)	1,233,808	3,468,850
Bangladesh	258,446	283,460
Europe	82,744	104,391
United States	83,335	93,715
Total	<u>\$12,728,629</u>	<u>\$11,052,610</u>

(4) Major customers information

For the years ended December 31, 2024 and 2023, major customers representing at least 10% of net revenue:

	Years ended December 31,	
	2024	2023
Customer A	\$6,606,817	\$4,689,182

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the year ended December 31, 2024)

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsidiary	\$ 12,239,916 (Note a)	\$ 3,536,330	\$ 1,259,418	\$ 960,155	\$ -	5.14%	\$ 24,479,831 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	12,239,916 (Note a)	1,477,575	1,081,905	184,275	-	4.42%	24,479,831 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	12,239,916 (Note a)	153,279	153,279	5,598	-	0.63%	24,479,831 (Note b)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsidiary	12,239,916 (Note a)	300,000	-	-	-	-	24,479,831 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	12,239,916 (Note a)	574,000	574,000	135,819	-	2.34%	24,479,831 (Note b)	Yes	No	No
	Total				<u>\$ 6,041,184</u>	<u>\$ 3,068,602</u>							

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

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

ATTACHMENT 1-1 (Financing provided to others for the year ended December 31, 2024)

(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)	Mat Limited	Trade receivables - related parties	Yes	\$ 142,077	\$ -	\$ -	-%	The need for short-term financing	-	Business turnover	-	None	-	\$ 563,530	\$ 563,530
1	Bigshine (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	351,334	350,800	350,800	-%	The need for short-term financing	-	Business turnover	-	None	-	563,530	563,530
2	Boom Power	Coretronic (BVI) Investment	Trade receivables - related parties	Yes	2,331	2,328	2,328	-%	The need for short-term financing	-	Business turnover	-	None	-	254,274	254,274
2	Boom Power	Coretronic Corporation	Trade receivables - related parties	Yes	125,036	124,845	124,845	-%	The need for short-term financing	-	Business turnover	-	None	-	254,274	254,274
3	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	2,567,697	2,557,230	2,557,230	-%	The need for short-term financing	-	Business turnover	-	None	-	2,587,549	2,587,549
4	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	121,490	121,305	121,305	-%	The need for short-term financing	-	Business turnover	-	None	-	2,802,370	2,802,370
5	Mat Limited	Coretronic Vietnam	Trade receivables - related parties	Yes	151,041	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,507,702	1,507,702
6	Tecpoint	Coretronic Corporation	Trade receivables - related parties	Yes	786,070	784,873	784,873	-%	The need for short-term financing	-	Business turnover	-	None	-	3,580,152	3,580,152
7	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	81,363	80,323	80,323	-%	The need for short-term financing	-	Business turnover	-	None	-	537,854	537,854
8	Wisdom Success (HK)	Young Lighting Limited	Trade receivables - related parties	Yes	328,350	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	7,923,700	7,923,700
8	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	607,448	606,523	606,523	-%	The need for short-term financing	-	Business turnover	-	None	-	7,923,700	7,923,700
9	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	32,835	32,785	32,785	-%	The need for short-term financing	-	Business turnover	-	None	-	12,144,616	12,144,616
10	Young Lighting Limited	Coretronic Technology (BRVT)	Trade receivables - related parties	Yes	646,850	318,015	318,015	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,433,655	3,433,655
10	Young Lighting Limited	Coretronic Corporation	Trade receivables - related parties	Yes	310,400	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,433,655	3,433,655
11	Chung Tsen Investment	Coretronic Reality Inc.	Trade receivables - related parties	Yes	90,000	90,000	90,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,043,729	1,043,729
11	Chung Tsen Investment	Coretronic Intelligent Logistics Solutions Corporation	Trade receivables - related parties	Yes	137,000	50,000	50,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,043,729	1,043,729
11	Chung Tsen Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	160,000	100,000	100,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,043,729	1,043,729
11	Chung Tsen Investment	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	124,000	124,000	124,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,043,729	1,043,729
11	Chung Tsen Investment	Coretronic Corporation	Trade receivables - related parties	Yes	305,000	230,000	230,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	1,043,729	1,043,729
11	Chung Tsen Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	55,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,043,729	1,043,729
12	Vimax (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	1,280,097	830,457	830,457	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,459,301	1,459,301
13	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	1,795,581	1,795,581	1,795,581	0.5%	The need for short-term financing	-	Business turnover	-	None	-	7,237,761	7,237,761
13	Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,973,770	1,077,349	1,077,349	0.5%	The need for short-term financing	-	Business turnover	-	None	-	7,237,761	7,237,761
14	Young Green Energy	Coretronic Corporation	Trade receivables - related parties	Yes	80,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	87,953	87,953
15	Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,254,018	2,244,477	2,244,477	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,794,311	3,794,311
16	Tsen Ming Investment	Coretronic Reality Inc.	Trade receivables - related parties	Yes	50,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	220,260	220,260
16	Tsen Ming Investment	Coretronic Intelligent Logistics Solutions Corporation	Trade receivables - related parties	Yes	55,000	55,000	55,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	220,260	220,260
16	Tsen Ming Investment	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	70,000	55,000	55,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	220,260	220,260
16	Tsen Ming Investment	Coretronic Corporation	Trade receivables - related parties	Yes	96,000	55,000	55,000	0.77%	The need for short-term financing	-	Business turnover	-	None	-	220,260	220,260
16	Tsen Ming Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	72,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	220,260	220,260
17	Champ Vision Display	uCare Medical Electronics	Trade receivables - related parties	Yes	19,800	19,800	19,800	1.75%	The need for short-term financing	-	Business turnover	-	None	-	79,400	79,400
18	Coretronic Optics (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	8,983	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	431,830	431,830
19	Lead Bright (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	591,030	590,130	590,130	-%	The need for short-term financing	-	Business turnover	-	None	-	3,899,630	3,899,630
20	Greendale	Coretronic Vietnam	Trade receivables - related parties	Yes	327,850	327,850	229,495	0.55%	The need for short-term financing	-	Business turnover	-	None	-	7,495,526	7,495,526
20	Greendale	Coretronic Corporation	Trade receivables - related parties	Yes	885,195	655,700	655,700	-%	The need for short-term financing	-	Business turnover	-	None	-	7,495,526	7,495,526
21	Coretronic Optotek (Suzhou)	0	Trade receivables - related parties	Yes	673,343	673,343	673,343	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,731,220	1,731,220
22	Young Optics	Young Optics (BD)	Other receivables - related parties	Yes	394,020	327,850	131,140	-%	The need for short-term financing	-	Business turnover	-	None	-	1,101,636	1,101,636
23	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	32,835	32,785	32,785	-%	The need for short-term financing	-	Business turnover	-	None	-	445,266	445,266

Note a : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statements, including Vimax (Kunshan), Coretronic Projection (Kunshan), Coretronic (Ningbo) and Greendale .

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

Note b : 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 c : 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 Champ Vision Display.

Note d : Bigshine (HK), Dynamic Time, Great Pride (HK), Tecpoint, Venture Orient, Wisdom Success (HK), Wisdom Success, Lead Bright (HK) and Greendale 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 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 (Securities held as of December 31, 2024)

(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, 2024				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	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	4,158,202	11.06%	4,158,202	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	67,359	19.90%	67,359	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	12,843	3.06%	12,843	

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



ATTACHMENT 2-1 (Securities held as of December 31, 2024)  
(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, 2024				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	48,712	18.54%	48,712	
Venture Orient	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,025,148	5.00%	USD 2,025,148	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	93,226,693	892,780	4.47%	892,780	

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, 2024)

(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	\$ 3,055,946	11.82%	90 days	-	-	\$ 731,289	2.55%	
Coretronic Corporation	Coretronic Optics (Suzhou)	Sub-subsidiary	Sales	121,735	0.47%	30 days	-	-	-	-	
Coretronic Corporation	Coretronic Optics (Suzhou)	Sub-subsidiary	Purchases	5,580,107	10.80%	60 days	-	-	(1,070,003)	(3.83%)	
Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsidiary	Purchases	5,300,636	10.26%	60 days	-	-	(1,271,752)	(4.55%)	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	918,255	1.78%	120 days	-	-	(411,800)	(1.47%)	
Coretronic Corporation	Coretronic Optotek (Suzhou)	Sub-subsidiary	Purchases	906,161	1.75%	60 days	-	-	-	-	
Coretronic Corporation	Coretronic Vietnam	Subsidiary	Purchases	308,551	0.60%	60 days	-	-	-	-	
Coretronic Corporation	HANNSTAR	Entity which has significant influence over Coretronic Corporation	Purchases	130,690	0.25%	90 days	-	-	(13,300)	(0.05%)	

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, 2024)

(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	Associate	Sales	\$ 400,069	49.64%	90 days	-	-	\$ 280,818	75.31 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	369,476	45.83%	90 days	-	-	69,875	18.74 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	380,295	3.13%	60 days	-	-	132,768	3.38 %	
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	Sales	156,408	12.79%	60 days	-	-	40,867	7.96 %	
Coretronic Optoteck (Suzhou)	Coretronic Optics (Suzhou)	Associate	Sales	122,676	11.41%	60 days	-	-	62,617	61.70 %	
Optoma Corporation	Optoma USA	Associate	Sales	970,127	23.56%	60 days	-	-	155,498	20.77 %	
Optoma Corporation	Optoma Europe	Associate	Sales	2,477,959	60.17%	60 days	-	-	482,468	64.45 %	

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, 2024)  
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Corporation	Sub-subsidiary	\$ 731,289	4.00	\$ -	-	\$ -	\$ -

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, 2024)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade Receivables :								
Young Optics (Kunshan)	Young Optics	Associate	\$ 280,818	1.16	\$ -	-	\$ -	\$ -
Coretronic Projection (Kunshan)	Optoma China	Associate	132,768	2.64	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	3,349,511	2.52	-	-	-	-
Young Optics	Young Optics (BD)	Associate	203,897	-	-	-	-	-
			(Note a)					
Grace China	Young Optics (BD)	Associate	276,211	-	-	-	-	-
			(Note b)					
Optoma Corporation	Optoma USA	Associate	155,498	5.44	-	-	-	-
Optoma Corporation	Optoma Europe	Associate	482,468	4.72	-	-	-	-
Other Receivables :								
Dynamic Time	Coretronic Corporation	Parent	2,557,230	-	-	-	-	-
Vimax (Kunshan)	Coretronic Optics (Kunshan)	Associate	833,202	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	230,700	-	-	-	-	-
Chung Tsen Investment	Coretronic Intelligent Robotics Corporation	Associate	124,465	-	-	-	-	-
Chung Tsen Investment	Coretronic MEMS Corporation	Associate	100,357	-	-	-	-	-
Masterview	Grace China	Associate	311,458	-	-	-	-	-
			(Note c)					
Tecpoint	Coretronic Corporation	Parent	784,873	-	-	-	-	-
Greendale	Coretronic Corporation	Parent	3,928,756	-	-	-	-	-
Greendale	Coretronic Vietnam	Associate	229,495	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	1,802,234	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Associate	1,079,206	-	-	-	-	-
Boom Power	Coretronic Corporation	Parent	124,845	-	-	-	-	-
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	2,247,844	-	-	-	-	-
Great Pride (HK)	Coretronic Corporation	Parent	121,305	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	606,523	-	-	-	-	-
Bigshine (HK)	Coretronic Corporation	Parent	350,800	-	-	-	-	-
Lead Bright (HK)	Coretronic Corporation	Parent	590,130	-	-	-	-	-
Young Lighting Limited	Coretronic Technology (BRVT)	Associate	319,273	-	-	-	-	-
Coretronic Optoteck (Suzhou)	Coretronic Optics (Suzhou)	Associate	673,714	-	-	-	-	-

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	Accounts receivable	\$ 43,859	—	0.08%
			1	Sales	47,790	—	0.12%
		Optoma Europe	1	Sales	79,732	—	0.20%
		Greendale	1	Accounts receivable	1,349,499	—	2.37%
			1	Sales	3,137,968	—	7.91%
		Coretronic Projection (Kunshan)	1	Sales	42,580	—	0.11%
		Coretronic (Ningbo)	1	Sales	114,200	—	0.29%
		Coretronic Optoteck (Suzhou)	1	Accounts receivable	96,206	—	0.17%
			1	Sales	1,536,059	—	3.87%
		Coretronic Optics (Suzhou)	1	Accounts receivable	7,612,902	—	13.38%
			1	Sales	9,659,184	—	24.35%
		Coretronic Vietnam	1	Accounts receivable	64,779	—	0.11%
		Coretronic Technology (BRVT)	1	Other receivables	68,306	—	0.12%
			1	Accounts receivable	12,403,218	—	21.81%
			1	Sales	14,164,479	—	35.71%
		Optoma Corporation	1	Accounts receivable	731,289	—	1.29%
			1	Sales	3,055,946	—	7.70%
1	Young Optics	Coretronic Corporation	2	Other receivables	31,471	—	0.06%
			2	Sales	66,921	—	0.17%
		Young Optics (Kunshan)	3	Accounts receivable	16,880	—	0.03%
			3	Sales	10,291	—	0.03%
			3	Purchase of property, plant and equipment	516	—	0.00%
		Young Optics (BD)	3	Other receivables	131,140	—	0.23%
			3	Accounts receivable	72,757	—	0.13%
			3	Sales	243	—	0.00%
		Young Optics (Suzhou)	3	Accounts receivable	2,261	—	0.01%
			3	Sales	7,357	—	0.01%
2	Grace China	Young Optics (BD)	3	Sales	8,158	—	0.02%
			3	Other receivables	144,585	—	0.25%
			3	Accounts receivable	131,626	—	0.23%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
3	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	280,818	—	0.49%
			3	Sales	400,069	—	1.01%
			3	Purchase of property, plant and equipment	157	—	0.00%
		Coretronic Optics (Kunshan)	3	Accounts receivable	69,875	—	0.12%
			3	Sales	369,476	—	0.93%
		Young Optics (Suzhou)	3	Accounts receivable	9,048	—	0.02%
			3	Sales	28,943	—	0.07%
		Young Optics (BD)	3	Sales	61	—	0.00%
4	Dynamic Time	Coretronic Corporation	2	Other receivables	2,557,230	—	4.50%
5	Wisdom Success	Coretronic Corporation	2	Other receivables	32,785	—	0.06%
6	Vimax (Kunshan)	Coretronic Optics (Kunshan)	3	Other receivables	833,202	—	1.46%
7	Chung Tsen Investment	Coretronic Corporation	2	Other receivables	230,700	—	0.41%
		Coretronic Intelligent Robotics Corporation	3	Other receivables	124,465	—	0.22%
		Coretronic MEMS Corporation	3	Other receivables	100,357	—	0.18%
		Coretronic Reality Inc.	3	Other receivables	90,457	—	0.16%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	50,273	—	0.09%
8	Venture Orient	Coretronic Corporation	2	Other receivables	80,323	—	0.14%
9	Masterview	Grace China	3	Other receivables	311,458	—	0.55%
		Best Alpha	3	Other receivables	59,013	—	0.10%
10	Best Alpha	Young Optics (BD)	3	Other receivables	32,785	—	0.06%
11	Tecpoint	Coretronic Corporation	2	Other receivables	784,873	—	1.38%
12	Greendale	Coretronic Corporation	2	Other receivables	3,928,756	—	6.91%
		Coretronic Optics (Kunshan)	3	Other receivables	1,343,528	—	2.36%
		Coretronic Vietnam	3	Other receivables	229,495	—	0.40%
13	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Sales	33,036	—	0.08%
		Optoma China	3	Accounts receivable	132,768	—	0.23%
			3	Sales	380,295	—	0.96%
		Greendale	3	Accounts receivable	3,272,307	—	5.75%
			3	Sales	9,251,381	—	23.32%
		Champ Vision Display	3	Accounts receivable	166,718	—	0.29%
			3	Sales	703,070	—	1.77%
		Coretronic Optics (Kunshan)	3	Other receivables	1,802,234	—	3.17%
			3	Accounts receivable	69,603	—	0.12%
			3	Sales	347,186	—	0.88%
		Coretronic Optics (Suzhou)	3	Other receivables	1,079,206	—	1.90%

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)
14	Boom Power	Coretronic Corporation	2	Other receivables	124,845	—	0.22%
15	Tsen Ming Investment	Coretronic Corporation	2	Other receivables	55,253	—	0.10%
		Coretronic Intelligent Robotics Corporation	3	Other receivables	55,146	—	0.10%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	55,146	—	0.10%
16	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	411,800	—	0.72%
			2	Sales	918,255	—	2.31%
		Coretronic Optics (Suzhou)	3	Other receivables	2,247,844	—	3.95%
			3	Accounts receivable	40,867	—	0.07%
			3	Sales	156,408	—	0.39%
17	Great Pride (HK)	Coretronic Corporation	2	Other receivables	121,305	—	0.21%
18	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	606,523	—	1.07%
19	Bigshine (HK)	Coretronic Corporation	2	Other receivables	350,800	—	0.62%
20	Lead Bright (HK)	Coretronic Corporation	2	Other receivables	590,130	—	1.04%
21	Coretronic Intelligent Cloud Service Corp.	Coretronic Corporation	2	Accounts receivable	79,736	—	0.14%
			2	Sales	222,367	—	0.56%
22	Young Lighting Limited	Coretronic Technology (BRVT)	3	Other receivables	319,273	—	0.56%
23	Coretronic Display (Suzhou)	Coretronic Optics (Suzhou)	3	Sales	79,527	—	0.20%
24	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	37,012	—	0.07%
			2	Sales	906,161	—	2.28%
		Coretronic Display (Suzhou)	3	Sales	40,084	—	0.10%
		Coretronic Optics (Suzhou)	3	Other receivables	673,714	—	1.18%
			3	Accounts receivable	62,617	—	0.11%
			3	Sales	122,676	—	0.31%
25	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	44,760	—	0.08%
			3	Sales	365,744	—	0.92%
26	Coretronic Optics (Kunshan)	Young Optics (Kunshan)	3	Sales	31,637	—	0.08%
		Coretronic Projection (Kunshan)	3	Accounts receivable	3,349,511	—	5.89%
			3	Sales	6,011,434	—	15.15%
27	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	8,044,473	—	14.14%
			2	Sales	5,580,107	—	14.07%
28	Coretronic Vietnam	Coretronic Corporation	2	Sales	308,551	—	0.78%
29	Coretronic Intelligent Logistics Solutions Corporation	Coretronic Corporation	2	Sales	43,361	—	0.11%
30	Coretronic Technology (BRVT)	Coretronic Corporation	2	Accounts receivable	13,253,383	—	23.30%
			2	Sales	5,300,636	—	13.36%



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)
31	Optoma Corporation	Optoma USA	3	Accounts receivable	155,498	—	0.27%
			3	Sales	970,127	—	2.45%
		Optoma Europe	3	Accounts receivable	482,468	—	0.85%
			3	Sales	2,477,959	—	6.25%
32	Young Optics (BD)	Young Optics	3	Accounts receivable	4,444	—	0.01%
			3	Sales	85,661	—	0.22%
			3	Purchase of property, plant and equipment	191	—	0.00%
		Young Optics (Kunshan)	3	Sales	15,321	—	0.04%
			3	Advance payment	950	—	0.00%
33	Young Optics (Suzhou)	Young Optics	3	Accounts receivable	7	—	0.00%
			3	Sales	807	—	0.00%
		Young Optics (Kunshan)	3	Other receivables	376	—	0.00%
			3	Accounts receivable	81	—	0.00%
			3	Sales	4,770	—	0.01%
34	Mejiro	Young Optics	3	Sales	6,203	—	0.02%
		Young Optics (BD)	3	Sales	39	—	0.00%

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

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

Note b: Transactions are categorized as follows:

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

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

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

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

ATTACHMENT 6 (Names, locations and related information of investee companies as of December 31, 2024) (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, 2024			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$1,563,709	\$1,563,709	38,220,000	100.00%	\$7,801,561	\$515,741	\$515,741	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	496,543	496,543	37,217,586	32.63%	917,783	(247,774)	(81,033)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	14,081,409	663,357	663,357	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,478,779	13,271	13,271	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	New Taipei City, Taiwan	Investment company for strategic purposes	692,696	692,696	127,099,664	100.00%	2,576,302	29,209	29,209	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,802,620	80,355	62,725	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic	214,620	214,620	18,833,220	99.91%	233,509	2,340	2,337	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company and invests in Europe. The subsidiaries are engaged in R&D, design, production and marketing of image processing products.	118,134	118,134	3,907,000	100.00%	1,698,120	27,731	27,731	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	354,990	354,990	25,000,000	100.00%	378,754	87,808	87,808	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	Taipei City, Taiwan	The investment activities for company's business expansion	300,000	300,000	30,000,000	100.00%	308,118	3,169	3,169	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	142,850	142,850	14,285,000	79.36%	191,129	46,380	36,806	Subsidiary
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	Miaoli County, Taiwan	Engaged in the R&D, design, production and marketing of intelligent movement and medical care related software and hardware products.	80,000	80,000	8,000,000	60.69%	(9,212)	(15,745)	(9,556)	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%	51,608	886	886	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	1,208,067	758,067	33,000,000	100.00%	331,125	(247,975)	(247,975)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	11,704	(1,743)	(1,395)	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	389,178	389,178	18,000,000	100.00%	69,590	(31,400)	(31,400)	Subsidiary
Coretronic Corporation	Coretronic Reality Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	220,000	100,000	20,000,000	100.00%	33,910	(60,634)	(60,634)	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%	(176,956)	(71,758)	(71,758)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Logistics Solutions Corporation	Hsinchu City, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	(Note a)	170,000	-	-	-	(Note a)	(Note a)	Sub-subsiidary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	38.64%	867,275	48,983	18,927	Subsidiary
Coretronic Corporation	Dynamic Time Investment Limited	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00%	2,592,864	1,256	1,256	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	-	1,500,000	100.00%	31,073	(415)	(415)	Subsidiary

Note a : In consideration of group business strategy, Coretronic Intelligent Robotics Corporation acquired 100% ownership of Coretronic Intelligent Logistics Solutions Corporation from Coretronic corporation in February 2024.

ATTACHMENT 6-1 (Names, locations and related information of investee companies as of December 31, 2024) (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, 2024			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	Hsinchu County, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	\$270,000	-	20,000,000	100.00%	\$28,666	(\$85,368)	(Note a)	Sub-subsidiary
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 238,152,402	USD 15,724,714	(Note a)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 362,548,508	USD 19,378,402	(Note a)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,176,801	(USD 261,599)	(Note a)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 30,960,521	USD 752,156	(Note a)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 16,541,846	USD 431,440	(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 13,259,358	USD 2,494,298	(Note a)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 237,240,224	USD 16,997,279	(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 87,616,669	USD 2,880,720	(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 26,468,522	USD 1,121,788	(Note a)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 10,197,030	(USD 701,898)	(Note a)	Sub-subsidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 138,000,000	USD 78,000,000	138,000,000	100.00 %	RMB 1,054,009,900	RMB 91,119,140	(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	USD 78,000,000	USD 78,000,000	-	100.00 %	USD 82,456,141	USD 10,745,976	(Note a)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,118,218	(USD 701,898)	(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 30,960,498	USD 2,880,720	(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 16,541,751	USD 1,121,788	(Note a)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 45,104,981	USD 413,031	(Note a)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 85,391,924	USD 2,065,567	(Note a)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	(Note b)	USD 23,260,000	-	-	-	USD 168,278	(Note a)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	(Note c)	USD 7,800,000	-	-	-	-	(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 85,353,063	USD 2,065,291	(Note a)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component	300,000	300,000	30,000,000	100.00 %	(RMB 12,386,655)	RMB 4,309,156	(Note a and d)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	505,264	(11,945)	(Note a)	Sub-subsidiary
Chung Tsen Investment	Tsen Ming Investment	New Taipei City, Taiwan	Investment company for strategic purposes	102,000	102,000	32,443,180	100.00 %	566,426	2,006	(Note a)	Sub-subsidiary

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

Note b : Core-Flex Limited was disregistered in June 2024.

Note c : Nano Display was disregistered in November 2024.

Note d : Nano Precision Taiwan was disregistered on April 9, 2024, which was approved by regulatory authority. As of December 31, 2024, the liquidation is still in progress.

ATTACHMENT 6-2 (Names, locations and related information of investee companies as of December 31, 2024) (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, 2024			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	(Note c)	USD 3,130,000	-	-	\$-	\$5,337	(Note a)	Sub-subsiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83%	USD 10,766,672	USD 2,494,298	(Note a)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	(Note c)	USD 1,718,289	-	-	-	5,337	(Note a)	Sub-subsiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00%	USD 3,877,925	USD 17	(Note a)	Sub-subsiary
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	33,442	2,545	(Note a)	Sub-subsiary
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	USD 1,020,055	USD 80,865	(Note a)	Sub-subsiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 40,680,793	32,620,000	97.37%	USD 68,420,997	USD 1,635,390	(Note a)	Sub-subsiary
Young Lighting Limited	Coretronic Investment Limited	U.K.	Holding company	USD 46,776,000	USD 46,776,000	158,808	61.36%	USD 42,010,114	USD 1,498,269	(Note a)	Subsidiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	(Note b)	USD 3,060,001	-	-	-	-	(Note a)	Sub-subsiary

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

Note b : YLG Limited was disregistered in February 2024.

Note c : Core-Flex Limited was disregistered in June 2024.

ATTACHMENT 6-3 (Names, locations and related information of investee companies as of December 31, 2024) (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, 2024			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Modern Smart	B.V.I.	Holding company	(Note b)	USD 1,200,000	-	-	\$-	\$-	(Note a)	Sub-subsidiary
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 23,206,146	(EUR 690,890)	(Note a)	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 32,020,487	EUR 1,172,138	(Note a)	Sub-subsidiary
Optoma Holding	Optoma Corporation	New Taipei City, Taiwan	Marketing and after-sales service of Optoma in the Asia-Pacific region	EUR 931,677	EUR 931,677	3,000,000	100.00 %	EUR 4,874,721	EUR 4,668,694	(Note a)	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 2,444,009	EUR 296,198	(Note a)	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 830,002	(EUR 61,088)	(Note a)	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 77,141	(EUR 14,724)	(Note a)	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 422,131	EUR 33,165	(Note a)	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 594,481	EUR 8,494	(Note a)	Sub-subsidiary
Optoma Corporation	Optoma Australia Pty Ltd	Australia	Marketing and after-sales service of Optoma in Australian region	AUD 150,000	-	150,000	100.00 %	3,517	298	(Note a)	Sub-subsidiary
Optoma Corporation	Optoma Technology India Private Limited	India	Marketing service of Optoma in India region	INR 4,000,000.00	-	4,000,000	100.00 %	1,708	177	(Note a)	Sub-subsidiary
Young Optics	Masterview	B.V.I.	Holding company	USD 200,000	USD 200,000	200,000	100.00 %	1,116,594	(71,857)	(Note a)	Sub-subsidiary
Young Optics	Mejiro Genossen	Japan	Researching, developing, manufacturing and selling of optics machines	(Note c)	JPY 161,200,908	-	-	-	2,602	(Note a)	Sub-subsidiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 13,618,437	(USD 14,690)	(Note a)	Sub-subsidiary
Masterview	Grace China	Cayman Islands	Holding company	USD 2,356,458	USD 2,356,458	2,356,458	100.00 %	USD 14,776,161	(USD 115,200)	(Note a)	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 5,664,130)	(USD 2,643,950)	(Note a)	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 1,416,033)	(USD 2,643,950)	(Note a)	Sub-subsidiary

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

Note b : Modern Smart was disregistered in March 2024.

Note c : Subsidiary Young Optics disposed all shares of its subsidiary, Mejiro Genossen Inc. in September, 2024. Related registration has completed.

ATTACHMENT 7 : (Investment in Mainland China as of December 31, 2024)  
(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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2024	Accumulated inward remittance of earnings as of December 31, 2024
					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)	-	-	\$ 1,525,064 (USD 46,000,000)	\$510,276	100.00%	\$510,276	\$6,874,352	\$ 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)	2,064	100.00%	2,064	35,427	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	RMB 8,236,258	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	USD 1,000,000	-	-	USD 1,000,000	1,513	100.00%	1,513	55,581	-
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))	-	-	-	-	109,165	100.00%	109,165	953,000	-
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)	12,720	100.00%	12,720	1,468,520	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	89,157 (USD 2,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	423,950	100.00%	423,950	4,969,980	-
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)	-	-	-	-	84,678	100.00%	84,678	418,324	-
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)	-	-	-	-	38,493	100.00%	38,493	1,771,089	-
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)	(22,724)	100.00%	(22,724)	182,055	81,790 (USD 2,800,000) (Note a, Note d and Note j)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	(Note n)	Indirect investment from the Mainland China subsidiary (Coretronic Optics (Suzhou))	88,972 (RMB 2,967,283)	-	-	88,972 (RMB 2,967,283)	65,509	(Note n)	65,509	(Note n)	-
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)	-	-	151,490 (USD 4,700,000)	92,055	100.00%	92,055	3,296,801	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)	-	-	330,478 (USD 10,392,880)	66,471	100.00%	66,471	2,674,034	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	35,997	100.00%	35,997	1,410,075	-
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	2,545	100.00%	2,545	33,442	-
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	(15,735)	97.37%	(15,322)	77,994	-
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) )	-	-	-	-	992	100.00%	992	44,889	-

Accumulated investment in Mainland China as of December 31, 2024 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b, i and j)	Upper limit on investment
\$2,433,349 (USD 77,191,338)	\$2,419,269 (USD 77,191,338)	\$14,638,121

Note a : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

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

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

Note l : Young Bright Optical (Suzhou) was disregistered in August 2023.

Note m : In December 2023, Nano Display (Guangzhou) and YLG Optotech were absorbed by Coretronic (Guangzhou). This absorption was approved by authorities.

Note n : Coretronic Display (Suzhou) was absorbed by Coretronic Optics (Suzhou) from June 1, 2024. Related registration processes was in progress, which has not been approved by authorities yet.

Note o : To use the currency rate 1 USD =32.785 NTD as of December 31, 2024.

## ATTACHMENT 7-1 (Investment in Mainland China as of December 31, 2024)

(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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	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, 2024 (Note a)	Accumulated inward remittance of earnings as of December 31, 2024
					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)	\$164,450 (USD 5,000,000)	\$-	\$164,450 (USD 5,000,000) (Note n and o)	\$-	\$17,506 (USD 544,627)	100.00%	\$17,506 (USD 544,627)	\$689,446 (USD 21,029,299)	\$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)	(7,128) (-USD 224,985)	100.00%	(7,128) (-USD 224,985)	241,045 (USD 7,352,310)	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, 2024 (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)	\$1,685,883

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.

ATTACHMENT 8 (Financial instrument and derivative transaction as of December 31, 2024)

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

Investment company	Financial statement account	Financial product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2025 to March, 2025	USD 536,000,000	(\$125,589)	(\$125,589)	Note a
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2025 to November, 2025	USD 695,000,000	844,217	844,217	Note a
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling EUR	From January, 2025 to March, 2025	USD 10,500,000	4,084	4,084	Note f
Optoma USA	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling CAD	From January, 2025 to April, 2025	CAD 1,700,000	848	848	Note g

Note a : Coretronic Corporation entered into forward foreign exchange contracts and realized a loss amounting to NT\$25,733 thousand for the year ended December 31, 2024.

Note b : Champ Vision Display entered into forward foreign exchange contracts and realized a loss amounting to NT\$494 thousand for the year ended December 31, 2024.

Note c : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$20,040 thousand for the year ended December 31, 2024.

Note d : Coretronic Optotech (Suzhou) entered into forward foreign exchange contract and realized a loss amounting to NT\$19,168 thousand for the year ended December 31, 2024.

Note e : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$9,841 thousand for the year ended December 31, 2024.

Note f : Optoma Europe entered into forward foreign exchange contracts and realized a profit amounting to NT\$22,901 thousand for the year ended December 31, 2024.

Note g : Optoma USA entered into forward foreign exchange contracts and realized a loss amounting to NT\$92 thousand for the year ended December 31, 2024.

Note h : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$2,745 thousand for the year ended December 31, 2024.



ATTACHMENT 9 (The information of Major shareholder as of December 31, 2024)

Shares Name	Number of shares (Units/shares)	Percentage of ownership (%)
Taiwei Advanced Technology Co., Ltd.	40,579,196	10.37%
Yann Yuan Investment Co., Ltd.	36,148,000	9.24%

ATTACHMENT 10 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2024)  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				December 31, 2024	
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note)	Units / shares	Amount
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	\$ -	-	RMB 119,000,000	-	\$ -	RMB 119,000,000	RMB 485,278	-	\$ -
Young Optics (Kunshan)	Structured Deposits in RMB	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 40,000,000	-	-	RMB 40,000,000	RMB 220,166	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	-	-	RMB 136,000,000	-	-	RMB 136,000,000	RMB 788,165	-	-
Young Optics (Suzhou)	Structured Deposits in RMB	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 40,000,000	-	-	RMB 40,000,000	RMB 221,763	-	-

Note: To be recognized in interest income.