

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

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, 2023 and for the year then ended prepared under the International Financial Reporting Standards, No.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 26, 2024

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, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of 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, 2023 and 2022, and its consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 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\$561,216 thousand for the year ended December 31, 2023, 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\$39,491,708 thousand for the year ended December 31, 2023. 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 reports of the other auditors. These associates and joint ventures under equity method amounted to NT\$40,975 thousand and NT\$50,117 thousand, representing 0.07% and 0.09% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$(9,128) thousand and NT\$7,071 thousand, representing (0.57)% and 0.22% of the consolidated net income before tax for the years ended December 31, 2023 and 2022, respectively.

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

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

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

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

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 2023 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, 2023 and 2022.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

February 26, 2024

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023	%	December 31, 2022	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 16,555,958	29.77	\$ 12,364,999	22.14
Financial assets at fair value through profit or loss - current	4, 6(2)	452,577	0.82	155,286	0.28
Financial assets at amortized cost - current	4, 6(4)	1,258,522	2.26	4,722,945	8.46
Notes receivable, net	4, 6(5), 6(21)	28,264	0.05	29,671	0.05
Trade receivables, net	4, 6(6), 6(21)	9,885,356	17.78	10,235,833	18.32
Trade receivables - related parties, net	4, 6(6), 6(21), 7	639	-	530	-
Other receivables	4, 7, 8	888,419	1.60	1,358,812	2.43
Current tax assets	4, 6(26)	39,742	0.07	35,699	0.06
Inventories, net	4, 5, 6(7)	8,588,936	15.45	10,444,982	18.70
Prepayments		921,490	1.66	792,007	1.42
Other current assets		146,781	0.27	195,308	0.35
Total current assets		38,766,684	69.73	40,336,072	72.21
Non-current assets					
Financial assets at fair value through other comprehensive income - noncurrent	4, 6(3)	5,308,046	9.55	3,895,009	6.97
Investments accounted for using the equity method	4, 6(8)	40,975	0.07	50,117	0.09
Property, plant and equipment, net	4, 6(9), 8	8,431,972	15.16	8,092,453	14.49
Right-of-use assets	4, 6(22)	1,804,091	3.24	2,206,646	3.95
Investment property, net	4, 6(10), 8	136,161	0.24	144,231	0.26
Intangible assets	4, 6(11)	310,952	0.56	358,509	0.64
Deferred tax assets	4, 6(26)	238,534	0.43	342,533	0.61
Net defined benefit assets - noncurrent	4, 6(16)	55,891	0.10	33,703	0.06
Other noncurrent assets	8	510,598	0.92	398,542	0.72
Total non-current assets		16,837,220	30.27	15,521,743	27.79
Total assets		\$ 55,603,904	100.00	\$ 55,857,815	100.00

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English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2023	%	December 31, 2022	%
Current liabilities					
Short-term borrowings	6(12)	\$ 13,512,487	24.30	\$ 9,823,849	17.59
Financial liabilities at fair value through profit or loss - current	4, 6(13)	347,557	0.62	450,431	0.81
Hedging financial liabilities - current	4, 6(14)	-	-	1,483	-
Contract liabilities - current	6(20)	776,210	1.40	529,246	0.95
Notes payable		352	-	881	-
Accounts payable		7,567,334	13.61	7,284,148	13.04
Accounts payable - related parties	7	34,476	0.06	49,010	0.09
Other payables	7	3,934,309	7.08	4,520,234	8.09
Current tax liabilities	4, 6(26)	691,243	1.24	999,196	1.79
Provisions - current	4, 6(17)	522,524	0.94	651,105	1.16
Lease liabilities - current	4, 6(22)	188,905	0.34	321,631	0.58
Other current liabilities		789,580	1.42	872,025	1.56
Current portion of long-term borrowings	6(15)	301,879	0.54	414,871	0.74
Total current liabilities		28,666,856	51.55	25,918,110	46.40
Non-current liabilities					
Long-term borrowings	6(15)	114,838	0.21	3,412,106	6.11
Deferred tax liabilities	4, 6(26)	46,387	0.08	61,665	0.11
Lease liabilities - noncurrent	4, 6(22)	1,045,656	1.88	1,291,459	2.31
Net defined benefit liabilities - noncurrent	4, 6(16)	50,273	0.09	70,509	0.13
Other noncurrent liabilities		32,491	0.06	23,482	0.04
Total non-current liabilities		1,289,645	2.32	4,859,221	8.70
Total liabilities		29,956,501	53.87	30,777,331	55.10
Equity attributable to owners of the parent					
Share capital					
Common stock	6(18)	3,909,811	7.03	3,909,811	7.00
Capital surplus	4, 6(18)	2,507,703	4.51	2,808,225	5.03
Retained earnings	6(18)				
Legal reserve		4,364,561	7.85	4,121,627	7.38
Special reserve		1,322,902	2.38	1,276,610	2.28
Unappropriated retained earning		11,755,209	21.14	12,024,401	21.53
Total retained earnings		17,442,672	31.37	17,422,638	31.19
Other equity		(375,897)	(0.67)	(1,411,129)	(2.53)
Total equity attributable to owners of the parent		23,484,289	42.24	22,729,545	40.69
Non-controlling interests	6(18)	2,163,114	3.89	2,350,939	4.21
Total equity		25,647,403	46.13	25,080,484	44.90
Total liabilities and equity		\$ 55,603,904	100.00	\$ 55,857,815	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, 2023 and 2022
(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	
		2023	%	2022	%
Net sales	4, 5, 6(20), 7	\$ 39,491,708	100.00	\$ 49,783,157	100.00
Operating costs	4, 6(7), 6(11), 6(16), 6(22), 6(23), 7	31,620,007	80.07	40,328,961	81.01
Gross profit		7,871,701	19.93	9,454,196	18.99
Operating expenses	6(11), 6(16), 6(21), 6(22), 6(23)				
Selling expenses		1,807,683	4.58	1,952,260	3.92
General and administrative expenses		2,220,479	5.62	2,282,457	4.58
Research and development expenses		2,901,998	7.35	3,056,452	6.14
Expected credit loss		10,871	0.03	12,405	0.03
Total operating expenses		6,941,031	17.58	7,303,574	14.67
Operating income		930,670	2.35	2,150,622	4.32
Non-operating income and expenses					
Interest income	6(24)	407,553	1.03	342,036	0.69
Other income	4, 6(24)	481,600	1.22	332,218	0.67
Other gains and losses	6(24)	220,990	0.56	737,479	1.48
Finance costs	6(24)	(443,307)	(1.12)	(396,446)	(0.80)
Share of (loss) gain of associates and joint ventures accounted for using the equity method	4, 6(8)	(9,128)	(0.02)	7,071	0.01
Total non-operating income and expenses		657,708	1.67	1,022,358	2.05
Income before income tax		1,588,378	4.02	3,172,980	6.37
Income tax expense	4, 6(26)	(386,349)	(0.98)	(759,546)	(1.52)
Net income		1,202,029	3.04	2,413,434	4.85
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(25)	(4,289)	(0.01)	89,306	0.18
Unrealized gain (loss) from equity instrument investments measured at fair value through other comprehensive income	6(25)	1,413,047	3.58	(1,400,799)	(2.81)
Income tax related to items that will not be reclassified subsequently to profit or loss	6(25), 6(26)	1,112	-	(22,687)	(0.05)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(25)	(406,506)	(1.03)	856,307	1.72
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	6(25)	(14)	-	7,071	0.01
Other comprehensive income (loss), net of tax		1,003,350	2.54	(470,802)	(0.95)
Total comprehensive income		\$ 2,205,379	5.58	\$ 1,942,632	3.90
Net income for the periods attributable to :					
Shareholders of the parent	6(27)	\$ 1,391,923		\$ 2,358,935	
Non-controlling interests	6(18), 6(28)	\$ (189,894)		\$ 54,499	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 2,423,700		\$ 1,835,602	
Non-controlling interests		\$ (218,321)		\$ 107,030	
Basic Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 3.56		\$ 6.03	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 3.53		\$ 5.92	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent								Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity		Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)			
Balance as of January 1, 2022	\$ 3,909,811	\$ 2,893,442	\$ 4,046,623	\$ 2,469,437	\$ 9,650,179	\$ (2,276,257)	\$ 1,458,869	\$ 22,152,104	\$ 2,064,897	\$ 24,217,001
Acquisition or disposal of the interest of subsidiaries	-	334,824	-	-	-	-	-	334,824	123,856	458,680
Changes in subsidiaries' ownership	-	(29,060)	-	-	-	-	-	(29,060)	(24,300)	(53,360)
Appropriation and distribution of 2021 earnings:										
Legal reserve	-	-	75,004	-	(75,004)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,172,944)	-	-	(1,172,944)	-	(1,172,944)
Reversal of special reserve	-	-	-	(1,192,827)	1,192,827	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	(390,981)	-	(390,981)
Net income for the year ended December 31, 2022	-	-	-	-	2,358,935	-	-	2,358,935	54,499	2,413,434
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	70,408	811,884	(1,405,625)	(523,333)	52,531	(470,802)
Total comprehensive income (loss)	-	-	-	-	2,429,343	811,884	(1,405,625)	1,835,602	107,030	1,942,632
Increase of non-controlling interests	-	-	-	-	-	-	-	-	79,456	79,456
Balance as of December 31, 2022	3,909,811	2,808,225	4,121,627	1,276,610	12,024,401	(1,464,373)	53,244	22,729,545	2,350,939	25,080,484
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 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

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 1,588,378	\$ 3,172,980	Acquisition of financial assets at fair value through profit or loss	-	(41,610)
Adjustments for:			Acquisition of financial assets at fair value through other comprehensive income	-	(1,238,610)
The profit or loss items which did not affect cash flows:			Decrease in financial assets at amortized cost - current	3,464,423	760,540
Expected credit loss	10,871	12,405	Disposal of subsidiary	-	860
Depreciation (including investment property and right-of-use assets)	1,403,075	1,453,547	Acquisition of property, plant and equipment	(1,660,013)	(1,631,104)
Amortization (including other noncurrent assets)	90,274	91,464	Proceeds from disposal of property, plant and equipment	108,641	46,918
Interest expenses	443,307	396,446	Acquisition of intangible assets	(39,663)	(113,938)
Interest income	(407,553)	(342,036)	Proceeds from disposal of intangible assets	2,847	103
Dividend income	(66,994)	(70,475)	Acquisition of land use rights	-	(453,177)
Transfer of property, plant and equipment to expense	539	4	Increase in prepayment of land use rights	(162,804)	(155,479)
Transfer of intangible assets to expenses	78	-	Increase in other noncurrent assets	9,578	(10,003)
Loss (gain) on disposal of property, plant and equipment	17,265	(7,922)	Net cash provided by (used in) investing activities	<u>1,723,009</u>	<u>(2,835,500)</u>
Loss on disposal of Intangible assets	94	-			
Share-based payment expense	9,042	6,218	Cash flows from financing activities:		
Loss (gain) on disposal of investments	77,835	(531)	Increase (decrease) in short-term borrowings	3,688,638	(1,988,548)
Share of loss (gain) of associates and joint ventures accounted for using the equity method	9,128	(7,071)	Increase in long-term borrowings	112,900	9,000,000
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(400,165)	404,814	Decrease in long-term borrowings	(3,526,798)	(7,316,370)
Impairment of non-financial assets	-	4,991	Increase (decrease) in guarantee deposits	9,009	(3,516)
Changes in operating assets and liabilities:			Increase in other noncurrent liabilities	-	366
Notes receivable	1,407	(1,573)	Cash dividends	(1,759,415)	(1,563,925)
Trade receivables	339,950	8,688,495	Cash payment for the principal portion of lease liabilities	(267,106)	(328,525)
Trade receivables - related parties	(109)	5,312	Acquisition of subsidiaries' ownership.	(10,178)	-
Other receivables	377,421	(648,547)	Proceeds from disposal of subsidiaries' ownership (without a change of control)	123,591	398,598
Inventories	1,856,467	(1,155,824)	Change in non-controlling interests	368	79,456
Prepayments	(134,323)	59,809	Net cash used in financing activities	<u>(1,628,991)</u>	<u>(1,722,464)</u>
Other current assets	52,869	(55,876)			
Other operating assets	13,979	14,084	Effect of exchange rate changes on cash and cash equivalents	(352,074)	787,571
Contract liabilities	247,145	228,004			
Notes payable	(529)	215	Net increase in cash and cash equivalents	4,190,959	1,135,160
Accounts payable	283,186	(6,181,772)	Cash and cash equivalents at the beginning of the period	<u>12,364,999</u>	<u>11,229,839</u>
Accounts payable - related parties	(14,534)	19,186	Cash and cash equivalents at the end of the period	<u>\$ 16,555,958</u>	<u>\$ 12,364,999</u>
Other payables	(594,698)	(788,169)			
Provisions - current	(128,581)	73,021			
Other current liabilities	(82,445)	232,454			
Net defined benefit assets/liabilities	(46,713)	(11,938)			
Cash provided by operating activities	<u>4,945,666</u>	<u>5,591,715</u>			
Dividend received	66,994	70,475			
Interest received	500,525	354,051			
Interest paid	(455,658)	(385,476)			
Income tax paid	(608,512)	(725,212)			
Net cash provided by operating activities	<u>4,449,015</u>	<u>4,905,553</u>			

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, 2023 and 2022

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

1. HISTORY AND ORGANIZATION

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

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

The consolidated financial statements of CORE and its subsidiaries (“the Group”) were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on February 26, 2024.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IAS 1 Amendment	Classification of Liabilities as Current or Non-current	January 1, 2024
IFRS 16 Amendment	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1 Amendment	Non-current Liabilities with Covenants Transaction	January 1, 2024
IAS 7 and IFRS 7 Amendment	Supplier Finance Arrangements	January 1, 2024

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

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

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

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

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

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

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Standards or Interpretations Numbers	New, Revised or Amended Standards and Interpretations	Effective Dates
IFRS 10 and IAS 28	Amendments to Consolidated Financial Statements and Investments in Associates and Joint Ventures	To be determined by the IASB
IFRS 17	Insurance Contracts	January 1, 2023
IAS 21 Amendment	Lack of Exchangeability	January 1, 2025

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. IFRS 17 “Insurance Contracts”

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

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

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

C. 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 amendments apply for annual reporting periods beginning on or after January 1, 2025.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and standards, interpretations, and amendments issued, revised, or amended which are endorsed and became effective by the FSC (collectively, “the TIFRS”).

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(2) Basis of Preparation

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

(3) General Description of Reporting Entity

Principles of consolidation

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

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

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

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

If loses control of a subsidiary, it:

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

The consolidated entities are as follows:

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Entity name	Relationship	Business nature	Percentage of Ownership	
			December 31, 2023	December 31, 2022
Young Green Energy Co. (“YGE”) and its subsidiaries	Subsidiary	YGE is engaged in the production, wholesale and retail trade of electronic components, battery, computer and peripheral devices, and electronic material. YGE’s joint ventures are the R&D, production and marketing of transformers, inductors and power supply related products.	99.91%	99.91%
Young Optics Inc. (“TYO”) and its subsidiaries	Subsidiary	TYO is engaged in the production, marketing and R&D of electronic components and optical engines and key components. TYO’s joint ventures are the R&D, the production and after-sales services of electronic components, optical modules and components.	32.63%	33.86%

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, 2023	December 31, 2022
Young Lighting Limited (“YLL”) and its subsidiaries	Subsidiary	YLL is a holding company and invests in Mainland China. YLL’s joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL’s joint ventures also provide after-sales services.	100.00%	100.00%
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 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, 2023	December 31, 2022
Coretronic Venture Capital Co. (“CVC”)	Subsidiary	The investment activities of business expansion.	100.00%	100.00%
uCare Medical Electronics Co., Ltd. (“UCM”)	Subsidiary	UCM is engaged in R&D, design, production and marketing of intelligent exercise and medical care related software and hardware products.	60.69%	60.69%
Champ Vision Display Inc. (“CVD”)	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	79.36%	80.00%
Calibre UK Ltd. (“CAL”)	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%
InnoSpectra Corporation (“ISC”)	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	80.00%	80.00%
Coretronic Intelligent Robotics Corporation (“CIRC”)	Subsidiary	CIRC is engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	100.00%	100.00%

CORETRONIC 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, 2023	December 31, 2022
Coretronic MEMS Corporation (“CMC”)	Subsidiary	CMC is engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	100.00%	100.00%
Coretronic Reality Inc. (“CRI”)	Subsidiary	CRI is engaged in R&D, and marketing of AR (Augmented reality) and MR (Mixed reality) wearable display solutions.	100.00%	100.00%
Coretronic Vietnam Co., Ltd.	Subsidiary	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	100.00%	100.00%
Coretronic Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary	System integration and application service solutions for intelligent logistics and smart manufacturing.	100.00%	100.00%
Coretronic Investment Limited and its subsidiaries	Subsidiary	Coretronic Investment Limited is a holding company and invests in Europe. Coretronic Investment Limited’s joint ventures are engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

- (a) CORE's Board of Directors resolved to absorb Optoma Technology Corporation through simplified acquisition procedures on July 1, 2022. Ownership of Dynamic Time originally held by Optoma Technology Corporation was transferred to CORE as a result of the acquisition.
- (b) On December 1, 2023, Young Lighting Limited ("YLL") converted its existing other receivables from Coretronic Investment Limited to investment in Coretronic Investment Limited. After this transaction, 158,808 ordinary shares were issued to YLL, and YLL acquired 61.36% ownership of Coretronic Investment Limited; while CORE's ownership in Coretronic Investment Limited decreased to 38.64% with 100,000 ordinary shares. As of December 31, 2023, total investment in Coretronic Investment Limited was EUR 100 thousand and US\$ 46,776 thousand, with 258,808 ordinary shares in total. The percentage of ownership in Coretronic Investment Limited, directly and indirectly controlled by CORE, remained 100%.
- (c) 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. As of December 31, 2023, the related deregistration of Guangzhou Nano Display Co., Ltd. and YLG Optotech (Guangzhou) Limited are yet to be approved by the government authorities.

(4) Foreign Currency Transactions

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- 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.

(5) Translation of Foreign Currency Financial Statements

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(6) Current and Non-Current Distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

(7) Cash and Cash Equivalents

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

(8) Financial Instruments

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

A. Financial instruments: Recognition and Measurement

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

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

Financial assets measured at amortized cost

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

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

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

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

- (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Financial asset measured at fair value through profit or loss

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

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

B. Impairment of financial assets

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

The loss allowance is measures as follow:

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

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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:

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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(9) Derivative Instrument and Hedging Accounting

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

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

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

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

A. Fair value hedges

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

B. Cash flow hedges

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

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

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

C. Hedges of net investments in foreign operations

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

(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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

(11) Inventories

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

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

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

(12) Investments accounted for using the equity method

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

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

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

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

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

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

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

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

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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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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:

Name	Years
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

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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>Name</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.

(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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Group as a lessee

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

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

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

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

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

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

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

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

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.

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Group as a lessor

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

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

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

(16) Intangible Assets

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

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

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

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

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

Developing intangible assets - research and development costs

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

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

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

Patent rights and trademark rights

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

Computer software

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

Acquired Special Technology

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

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(17) Impairment of Non-Financial Assets

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

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

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

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

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(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.

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:

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Sale of goods

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

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

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

Rendering of services

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

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

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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.

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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.

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 approve the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Deferred tax

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

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

A. Fair value of financial instruments

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

B. Valuation of inventory

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

C. Maintenance warranties

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

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,	
	2023	2022
Cash on hand, savings and checking accounts	\$4,707,516	\$4,836,956
Time deposits	11,848,442	7,389,043
Cash equivalents - repurchase agreements	-	139,000
Total	<u>\$16,555,958</u>	<u>\$12,364,999</u>

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

	December 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	<u>\$452,577</u>	<u>\$155,286</u>
Current	\$452,577	\$155,286
Non-current	-	-
Total	<u>\$452,577</u>	<u>\$155,286</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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,	
	2023	2022
Equity instruments investments measured at fair value through other comprehensive income		
Unlisted companies stocks	\$5,308,046	\$3,895,009
Current	\$-	\$-
Non-current	5,308,046	3,895,009
Total	\$5,308,046	\$3,895,009

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,	
	2023	2022
Time deposits (with original maturities of more than six months)	\$1,258,522	\$4,722,945
Current	\$1,258,522	\$4,722,945
Non-current	-	-
Total	\$1,258,522	\$4,722,945

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,	
	2023	2022
Notes receivable - arose from operating activities	\$28,264	\$29,671

Notes receivable were not pledged.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

(6) Trade Receivables and Trade Receivables - Related Parties

	December 31,	
	2023	2022
Trade receivables	\$9,932,276	\$10,278,196
Less: allowance for doubtful accounts	(46,920)	(42,363)
Subtotal	9,885,356	10,235,833
Trade receivables from related parties	639	530
Total	<u>\$9,885,995</u>	<u>\$10,236,363</u>

Trade receivables were not pledged.

Trade receivables are generally on 30 to 150 day terms. The total carrying amounts as of December 31, 2023 and 2022, were NT\$9,932,915 thousand and NT\$10,278,726 thousand, respectively. Please refer to Note 6(21) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

The Group entered into factoring contracts without recourse with domestic banks. The bank pays the Group 100% of the accounts receivable factored as consideration. According to the arrangement, if the client of the trade receivables factored delays the payment, the Group shall pay interests to the bank. Upon assignment of the factoring to the bank, the bank undertakes the associated credit risk. However, the Group still issues a promissory note to the bank. If the trade receivables cannot be collected as a result of trade disputes due to factors attributable to the Group, the Group should pay the promissory note in compensation for the bank. As of December 31, 2023 and 2022, factored trade receivables of NT\$1,535,107 thousand and NT\$483,486 thousand were derecognized, and annual interest rates for advances from banks was 1.60%-1.64% and 5.05%, respectively. The credit lines of factoring contracts provided by banks were US\$110,000 thousand as of December 31, 2023 and December 31, 2022.

As of December 31, 2023 and 2022, trade receivables classified as financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT\$4,331,883 thousand and NT\$4,074,948 thousand, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(7) Inventories

	December 31,	
	2023	2022
Raw materials and supplies	\$6,567,592	\$6,916,832
Work in process	142,436	233,584
Finished goods	1,878,908	3,294,566
Total	<u>\$8,588,936</u>	<u>\$10,444,982</u>

The cost of inventories recognized in expenses amounted to NT\$31,620,007 thousand and NT\$40,328,961 thousand for the years ended December 31, 2023 and 2022, respectively, including the write-down of inventories and obsolescence loss of NT\$193,005 thousand and NT\$210,050 thousand, respectively.

The allowance of inventories write-down amounted to NT\$561,216 thousand and NT\$567,494 thousand as of December 31, 2023 and 2022, respectively.

No inventories were pledged.

(8) Investments Accounted for using the Equity Method

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

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

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

The Group recognized share of (loss) gain of associates and joint ventures accounted for using the equity method in the amount of NT\$(9,128) thousand and NT\$7,071 thousand for the years ended December 31, 2023 and December 31, 2022, respectively.

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

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

(9) Property, Plant and Equipment

Property, plant and equipment for own-use

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 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>
As of January 1, 2022	\$25,680	\$8,134,122	\$4,978,854	\$427,227	\$44,195	\$788,434	\$1,582,090	\$441,630	\$16,422,232
Additions	-	266,880	396,382	43,345	5,384	12,983	91,998	822,034	1,639,006
Disposals	-	(67,333)	(311,879)	(7,166)	(2,592)	(142,147)	(148,745)	(369)	(680,231)
Transfers	-	185,721	296,064	(3,283)	(40)	4,462	(16,198)	(585,710)	(118,984)
Exchange differences	(60)	68,276	72,022	6,828	1,571	28,123	23,476	11,213	211,449
As of December 31, 2022	<u>\$25,620</u>	<u>\$8,587,666</u>	<u>\$5,431,443</u>	<u>\$466,951</u>	<u>\$48,518</u>	<u>\$691,855</u>	<u>\$1,532,621</u>	<u>\$688,798</u>	<u>\$17,473,472</u>
Depreciation and Impairment:									
As of January 1, 2023	\$-	\$3,937,742	\$3,408,354	\$341,435	\$36,114	\$532,927	\$1,124,428	\$19	\$9,381,019
Depreciation	-	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>
As of January 1, 2022	\$-	\$3,566,409	\$3,269,963	\$304,536	\$33,424	\$594,020	\$1,140,074	\$-	\$8,908,426
Depreciation	-	398,166	460,616	44,056	3,014	51,536	142,781	-	1,100,169
Disposals	-	(55,831)	(295,672)	(7,120)	(1,278)	(134,905)	(147,619)	-	(642,425)
Transfers	-	(3,558)	(79,081)	(5,657)	(16)	837	(30,503)	19	(117,959)
Impairment	-	-	4,991	-	-	-	-	-	4,991
Exchange differences	-	32,556	47,537	5,620	970	21,439	19,695	-	127,817
As of December 31, 2022	<u>\$-</u>	<u>\$3,937,742</u>	<u>\$3,408,354</u>	<u>\$341,435</u>	<u>\$36,114</u>	<u>\$532,927</u>	<u>\$1,124,428</u>	<u>\$19</u>	<u>\$9,381,019</u>

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

	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Net carrying amounts as of:									
December 31, 2023	\$152,422	\$4,460,904	\$1,823,770	\$92,429	\$9,521	\$117,127	\$379,228	\$1,396,571	\$8,431,972
December 31, 2022	\$25,620	\$4,649,924	\$2,023,089	\$125,516	\$12,404	\$158,928	\$408,193	\$688,779	\$8,092,453

The Group evaluated the economic benefits for property, plant and equipment, and recognized impairment losses for NT\$4,991 thousand for the year ended December 31, 2022.

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, 2023	\$244,538
Additions from acquisitions	-
As of December 31, 2023	<u>\$244,538</u>
As of January 1, 2022	\$244,538
Additions from acquisitions	-
As of December 31, 2022	<u>\$244,538</u>
Depreciation and Impairment:	
As of January 1, 2023	\$100,307
Depreciation	8,070
As of December 31, 2023	<u>\$108,377</u>
As of January 1, 2022	\$92,237
Depreciation	8,070
As of December 31, 2022	<u>\$100,307</u>

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

	Buildings
Net carry amount as of:	
December 31, 2023	\$136,161
December 31, 2022	\$144,231

	Years ended December 31,	
	2023	2022
Rental income from investment property	\$12,567	\$12,783
Less: Direct operating expenses from investment property generating rental income	(8,070)	(8,070)
Total	\$4,497	\$4,713

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,	
	2023	2022
Fair value of the investment property	\$304,500	\$288,200
Discount rates	4.595%	4.345%
Growth rates	0.4%	0.4%

(11) Intangible Assets

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
Cost:							
As of January 1, 2023	\$-	\$242,775	\$280,361	\$94,942	\$5,940	\$46,707	\$670,725
Additions	-	-	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	\$-	\$242,745	\$264,670	\$94,942	\$5,940	\$64,268	\$672,565

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

	Trademarks	Patents	Software	IPs	Goodwill	Other	Total
As of January 1, 2022	\$103,621	\$179,451	\$284,391	\$87,123	\$5,940	\$225,050	\$885,576
Additions	-	73,716	25,231	7,819	-	7,172	113,938
Disposals	(103,621)	(10,376)	(29,917)	-	-	(181,867)	(325,781)
Transfers	-	-	1,200	-	-	-	1,200
Exchange differences	-	(16)	(544)	-	-	(3,648)	(4,208)
As of December 31, 2022	<u>\$-</u>	<u>\$242,775</u>	<u>\$280,361</u>	<u>\$94,942</u>	<u>\$5,940</u>	<u>\$46,707</u>	<u>\$670,725</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>\$-</u>	<u>\$72,110</u>	<u>\$162,244</u>	<u>\$77,066</u>	<u>\$5,940</u>	<u>\$44,253</u>	<u>\$361,613</u>

Amortization and Impairment:

As of January 1, 2022	\$103,621	\$41,846	\$140,738	\$60,929	\$5,940	\$201,868	\$554,942
Amortization	-	17,504	47,430	10,414	-	12,005	87,353
Disposals	(103,621)	(10,376)	(29,814)	-	-	(181,867)	(325,678)
Exchange differences	-	(11)	(705)	-	-	(3,685)	(4,401)
As of December 31, 2022	<u>\$-</u>	<u>\$48,963</u>	<u>\$157,649</u>	<u>\$71,343</u>	<u>\$5,940</u>	<u>\$28,321</u>	<u>\$312,216</u>

Net carrying amount as of:

December 31, 2023	<u>\$-</u>	<u>\$170,635</u>	<u>\$102,426</u>	<u>\$17,876</u>	<u>\$-</u>	<u>\$20,015</u>	<u>\$310,952</u>
December 31, 2022	<u>\$-</u>	<u>\$193,812</u>	<u>\$122,712</u>	<u>\$23,599</u>	<u>\$-</u>	<u>\$18,386</u>	<u>\$358,509</u>

Amortization expense of intangible assets:

	Years ended December 31,	
	2023	2022
Operating Cost	\$16,220	\$17,133
Selling expenses	9,397	8,895
General and administrative expenses	16,433	20,101
Research and development expenses	45,074	41,224
Total	<u>\$87,124</u>	<u>\$87,353</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(12) Short-Term Borrowings

	December 31,	
	2023	2022
Unsecured bank loans	\$13,512,487	\$9,823,849
Interest rates (%)	1.60%~2.55%	1.70%~5.07%

The Group's unused short-term lines of credits amounted to NT\$34,125,026 thousand and NT\$37,254,987 thousand as of December 31, 2023 and 2022, respectively.

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

	December 31,	
	2023	2022
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivative not designated as hedging instruments		
Forward exchange contracts	\$347,557	\$450,431
Current	\$347,557	\$450,431
Non-current	-	-
Total	\$347,557	\$450,431

(14) Hedging financial liabilities:

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(15) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	December 31, 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	\$114,838		

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
Secured long-term borrowings from First bank	\$599,900	1.73%	Principle is repaid in 8 quarterly payments from February 19, 2023.
Secured long-term borrowings from Hua Nan Commercial bank	68,571	1.55%	Principle is repaid in 14 quarterly payments from July 25, 2021.
Secured long-term borrowings from Hua Nan Commercial bank	142,857	1.53%	Principle is repaid in 14 quarterly payments from July 25, 2021.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

The Group's unused long-term lines of credits amounted to NT\$7,474,200 thousand and NT\$3,893,800 thousand as of December 31, 2023 and 2022, respectively. Please refer to Note 8 for property, plant, and equipment and investment properties pledged as collateral for long-term loans.

(16) Post-Employment Benefits

Defined contribution plan

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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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, 2023 and 2022 were NT\$361,529 thousand and NT\$421,014 thousand, respectively.

Defined benefits plan

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

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under 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\$2,905 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefits plan obligation was 10.87 to 14.28 years and 12.52 to 15.71 years as of December 31, 2023 and 2022, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Pension costs recognized in profit or loss are as follows:

	Years ended December 31,	
	2023	2022
Current service costs	\$66	\$68
Net interest on the net defined benefit liabilities (assets)	7,545	3,765
Expected return on plan assets	(6,989)	(2,744)
Gain on plan curtailment	(5,591)	-
Total	<u>\$ (4,969)</u>	<u>\$ 1,089</u>

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

	December 31,		January 1,
	2023	2022	2022
Present value of defined benefit obligation	\$352,523	\$433,963	\$513,258
Plan assets at fair value	(358,141)	(397,157)	(375,208)
Net defined benefit Liabilities (assets)	<u>\$ (5,618)</u>	<u>\$ 36,806</u>	<u>\$ 138,050</u>
Other non-current liabilities — Carrying amount on the net defined benefit liabilities	<u>\$ 50,273</u>	<u>\$ 70,509</u>	<u>\$ 156,435</u>
Other non-current assets — Carrying amount on the net defined benefit assets	<u>\$ (55,891)</u>	<u>\$ (33,703)</u>	<u>\$ (18,385)</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, 2022	\$513,258	\$375,208	\$138,050
Current service cost	68	-	68
Interest expense (revenue)	3,765	2,744	1,021
Subtotal	<u>517,091</u>	<u>377,952</u>	<u>139,139</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	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	392,197	361,143	31,054
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	5,751	1,462	4,289
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>

The principal assumptions used in determining the Group's defined benefit plan 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)

	December 31,	
	2023	2022
Discount rate	1.625%	1.75%
Expected rate of salary increases	3.00%~5.00%	3.00%~5.00%

Sensitivity analysis of significant assumptions is as follows:

	Years ended December 31,			
	2023		2022	
	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%	\$-	\$10,088	\$-	\$12,845
Discount rate decrease by 0.25%	10,470	-	13,389	-
Future salary increase by 0.25%	9,978	-	12,813	-
Future salary decrease by 0.25%	-	9,664	-	12,385

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

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

(17) Provisions

	Warranties
As of January 1, 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>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Warranties

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

(18) Equities

A. Common stock

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

B. Capital surplus

	December 31,	
	2023	2022
Additional paid-in capital	\$1,257,199	\$1,648,180
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	1,173,750	1,093,307
Changes in ownership interests in subsidiaries	74,904	64,888
Changes from investments in associates and joint ventures accounted for using the equity method	1,850	1,850
Total	\$2,507,703	\$2,808,225

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

C. Retained earnings and dividend policies:

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

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

The special reserve of the first adoption of the TIFRS as of December 31, 2023 and 2022 amounted to NT\$1,188,383 thousand and NT\$1,276,610 thousand, respectively.

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

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

D. Non-controlling interests:

	Years ended December 31,	
	2023	2022
Beginning balance	\$2,350,939	\$2,064,897
(Loss) profit attributable to non-controlling interests	(189,894)	54,499
Other comprehensive (loss) income attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	(28,451)	51,494
Remeasurements of defined benefit plans	24	1,037
Acquisition or disposal of the interest of subsidiaries	37,604	123,856
Changes in subsidiaries' ownership	(10,002)	49,377
Share-based payment plans	9,042	6,218
Cash dividends	(6,148)	(439)
Ending balance	<u>\$2,163,114</u>	<u>\$2,350,939</u>

(19) Share-based payment plans

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

Share-based payment plans of subsidiaries

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Each unit of employee stock options is eligible to subscribe for one common share of Optoma Holding Limited. New shares will be issued when employees exercise such options. Holders may exercise the stock options for a certain period of time and proportion two years after the employee stock options are granted. The total outstanding granted stock options were 2,405,450 units as of December 31, 2023. The fair value of options granted was EUR 1,034 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, 2023, total outstanding granted stock options were 1,118,308 shares with the fair value of EUR 34 thousand. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees have to pay back dividends obtained.

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

	<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, 2023 and 2022 were NT\$9,042 thousand and NT\$6,218 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(20) Sales

	Years ended December 31,	
	2023	2022
Contract revenue from customers		
Sale of goods	\$37,324,539	\$48,236,614
Revenue arising from rendering of services	1,529,228	1,214,059
Other operating revenues	637,941	332,484
Total	<u>\$39,491,708</u>	<u>\$49,783,157</u>

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

A. Revenue of Segments

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	<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>

For the year ended December 31, 2022

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

B. Contract balance

Contract liabilities - current

	December 31,		January 1,
	2023	2022	2022
Sale of goods	\$404,307	\$276,621	\$173,726
Revenue arising from rendering of services	2,502	7,451	112
Other operating revenues	369,401	245,174	127,404
Total	<u>\$776,210</u>	<u>\$529,246</u>	<u>\$301,242</u>

The contract liabilities balances resulted from the difference between the satisfaction of the performance obligation and the customers' payment. The Group recognized NT\$453,832 thousand and NT\$301,242 thousand, respectively, in revenues from the contract liabilities balance at the beginning of the period as performance obligations were satisfied for the years ended December 31, 2023 and 2022.

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2023 and 2022, there is no need to provide relevant information of the unsatisfied performance obligations as the contracts with customers about the sales of goods are all satisfied within one year.

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

None.

(21) Expected credit losses

	Years ended December 31,	
	2023	2022
Operating expenses – expected credit losses		
Trade receivables	<u>\$10,871</u>	<u>\$12,405</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, 2023 and 2022 is as follows:

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

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

As of December 31, 2023

Group A

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

	Past due						Total
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	
Gross carrying amount	\$8,765,132	\$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

As of December 31, 2022

Group A

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Group B

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

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

	<u>Trade receivables</u>
As of January 1, 2023	\$42,363
Addition for the current period	10,871
Write-offs	(5,970)
Exchange differences	(344)
As of December 31, 2023	<u>\$46,920</u>
	<u>Trade receivables</u>
As of January 1, 2022	\$29,563
Addition for the current period	12,405
Exchange differences	395
As of December 31, 2022	<u>\$42,363</u>

(22) Leases

A. Group as lessee

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

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

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

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

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

	December 31,	
	2023	2022
Land (including land use rights)	\$1,506,177	\$1,669,059
Buildings	272,066	504,286
Transportation equipment	23,177	30,971
Office fixtures	2,671	2,330
Total	\$1,804,091	\$2,206,646

During the years ended December 31, 2023 and 2022, the additions to right-of-use assets of the Group amounted to NT\$178,674 thousand and NT\$630,902 thousand, respectively.

ii. Lease liability

	December 31,	
	2023	2022
Lease liability		
Current	\$188,905	\$321,631
Non-current	1,045,656	1,291,459
Total	\$1,234,561	\$1,613,090

Please refer to Note 6(24)D. for the interest on lease liability recognized during the years ended December 31, 2023 and 2022, 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,	
	2023	2022
Land	\$59,448	\$62,526
Buildings	199,003	261,014
Transportation equipment	17,073	20,434
Office fixtures	1,379	1,328
Other equipment	372	6
Total	\$277,275	\$345,308

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

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

(c) Income and costs relating to leasing activities

	Years ended December 31,	
	2023	2022
The expense relating to short-term leases	\$28,528	\$60,496
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	11,471	13,743
Total	\$39,999	\$74,239

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounted to NT\$352,231 thousand and NT\$458,047 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.

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

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

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,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$40,268	\$42,782
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	\$40,268	\$42,782

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, 2023	December 31, 2022
Not later than one year	\$45,474	\$37,298
Later than one year but not later than two years	44,293	1,504
Later than two years but not later than three years	43,917	778
Later than three years but not later than four years	492	492
Later than four years but not later than five years	492	492
Over than five years	-	492
Total	\$134,668	\$41,056

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

Function Items	Years ended December 31					
	2023			2022		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$2,786,220	\$4,706,416	\$7,492,636	\$3,989,897	\$4,982,885	\$8,972,782
Salaries	2,248,194	4,030,075	6,278,269	3,294,758	4,302,029	7,596,787
Labor and health insurance	140,736	349,677	490,413	176,114	332,275	508,389
Pension	157,387	199,173	356,560	218,143	203,906	422,049
Other employee benefits expense	239,903	127,491	367,394	300,882	144,675	445,557
Depreciation	987,385	385,729	1,373,114	1,032,076	391,858	1,423,934
Amortization	14,884	71,477	86,361	12,717	68,876	81,593

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\$201,440 thousand and NT\$360,060 thousand for the years ended December 31, 2023 and 2022, 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.

A resolution was approved at a Board of Directors' meeting held on February 26, 2024 to distribute NT\$201,440 thousand in cash as employee compensation. No material differences exist between the resolution and the estimated amount for the year ended December 31, 2023.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

No material differences exist between the estimated amount and the actual distribution of the employee bonuses for the year ended December 31, 2022.

(24) Non-Operating Income and Expenses

A. Interest income

	Years ended December 31	
	2023	2022
Financial assets measured at amortized cost	\$407,553	\$342,036

B. Other income

	Years ended December 31	
	2023	2022
Government grants income	\$202,665	\$110,394
Dividend income	66,994	70,475
Rental income	40,268	42,782
Other	171,673	108,567
Total	\$481,600	\$332,218

C. Other gains and losses

	Years ended December 31	
	2023	2022
Net gain on financial assets at fair value through profit or loss (Note)	\$602,097	\$1,708,310
Foreign exchange loss, net	(239,672)	(899,361)
(Loss) gain on disposal of investments	(77,835)	531
(Loss) gain on disposal of property, plant and equipment	(17,265)	7,922
Gain on lease modification	12,059	726
Non-financial assets impairment losses	-	(4,991)
Other losses	(58,394)	(75,658)
Total	\$220,990	\$737,479

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. Finance cost

	Years ended December 31	
	2023	2022
Interest on borrowings from bank	\$411,113	\$341,163
Interest on lease liabilities	45,126	55,283
Hedge ineffectiveness recognized in profit or loss	(12,932)	-
Total	<u>\$443,307</u>	<u>\$396,446</u>

(25) Components of Other Comprehensive Income

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) income 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>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2022

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	\$89,306	\$(17,861)	\$71,445
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	(1,400,799)	(4,826)	(1,405,625)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	856,307	-	856,307
Share of the other comprehensive income of associates accounted for using the equity method	7,071	-	7,071
Total of other comprehensive income	<u>\$ (448,115)</u>	<u>\$ (22,687)</u>	<u>\$ (470,802)</u>

(26) Income Tax

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

Income tax expense (income) recognized in profit or loss

	<u>Years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current income tax expense	\$295,737	\$855,257
Deferred tax expense (income)	90,612	(95,711)
Total income tax expense	<u>\$386,349</u>	<u>\$759,546</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Income tax relating to components of other comprehensive income

	Years ended December 31	
	2023	2022
Deferred income tax expense (income):		
Remeasurements of defined benefit plans	\$(858)	\$17,861
Unrealized (gain) loss from equity instruments investments measured at fair value through other comprehensive income	(254)	4,826
Total	<u>\$(1,112)</u>	<u>\$22,687</u>

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

	Years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	<u>\$1,588,378</u>	<u>\$3,172,980</u>
Tax at the domestic rates applicable to profits in the country concerned	\$504,484	\$993,459
Tax effect of expenses not deductible for tax purposes	(148,640)	(294,783)
Tax effect of deferred tax assets/liabilities	(74,939)	(28,061)
Surtax on undistributed retained earnings	34,173	70,806
Operating loss carry forward	74,071	81,007
Investment tax credits	(14,023)	(62,882)
Others	11,223	-
Total income tax expense recognized in profit or loss	<u>\$386,349</u>	<u>\$759,546</u>

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Unrealized allowance for inventory obsolescence	\$47,362	\$(2,496)	\$-	\$106	\$44,972
Depreciation difference for tax purpose	3,891	(158)	-	(146)	3,587

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

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
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>\$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>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2022

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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>	

December 31, 2022

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

Unrecognized deferred tax assets

As of December 31, 2023 and 2022, deferred tax assets that have not been recognized amounted to NT\$444,276 thousand and NT\$870,070 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Unrecognized deferred tax 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, 2023 and 2022, the amounts of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT\$25,650,783 thousand and NT\$23,854,518 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

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

(27) Earnings Per Share

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$1,391,923	\$2,358,935
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Basic earnings per share (NT\$)	\$3.56	\$6.03
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$1,391,923	\$2,358,935
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)	3,501	7,180
Weighted average number of ordinary shares outstanding after dilution (in thousand)	394,482	398,161
Diluted earnings per share (NT\$)	\$3.53	\$5.92

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

(28) Subsidiaries that have Material Non-Controlling Interests

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Percentage of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation and operation	December 31,	
		2023	2022
Young Optics Inc.	Taiwan	67.37%	66.14%

	December 31,	
	2023	2022
Accumulated balance of material non-controlling interests		
Young Optics, Inc.	\$2,018,650	\$2,194,352

	Years ended December 31	
	2023	2022
(Loss) profit allocated to material non-controlling interest		
Young Optics, Inc.	\$(193,084)	\$42,030

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

Summarized 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)

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

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

7. Related Party Transactions

(1) Related Party Name and Categories

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(2) Significant transactions with related parties

A. Sales

	Years ended December 31	
	2023	2022
DONGTAI QIDIAN	\$1,479	\$630
CHI HUA	75	24
Total	<u>\$1,554</u>	<u>\$654</u>

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

B. Purchases

	Years ended December 31	
	2023	2022
EOE	\$72,588	\$253,596
HANNSTAR	165,957	148,896
DONGTAI QIDIAN	160	294
Total	<u>\$238,705</u>	<u>\$402,786</u>

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

C. Accounts Receivable from Related Parties

	December 31,	
	2023	2022
DONGTAI QIDIAN	<u>\$639</u>	<u>\$530</u>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. Other Receivable from Related Parties

	December 31,	
	2023	2022
HANNSTAR	\$969	\$-

E. Accounts Payable to Related Parties

	December 31,	
	2023	2022
HANNSTAR	\$34,476	\$35,437
EOE	-	13,573
Total	\$34,476	\$49,010

F. Other Payable to Related Parties

	December 31,	
	2023	2022
EOE	\$1,036	\$5,345
HANNSTAR	197	452
Total	\$1,233	\$5,797

G. Others

For years ended December 31, 2023 and 2022, the Group purchased molds from EOE, amounting to NT\$411 thousand and NT\$3,946 thousand.

H. Key Management Personnel Compensation

	Years ended December 31	
	2023	2022
Short-term employee benefits	\$308,719	\$544,930
Post-employment benefits	33,972	3,800
Share-based payment	1,451	2,929
Total	\$344,142	\$551,659

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

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

8. Assets Pledged as Collateral

The following assets of the Group pledged as collateral:

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2023	December 31, 2022	
Buildings (including investment property)	\$712,324	\$754,100	Collateral for long-term borrowings
Time deposits (presented as “Other receivables”)	36,885	36,885	Lease execution deposits
Time deposits (presented as “Other non-current assets”)	23,087	20,784	Lease execution deposits
Time deposits (presented as “Other receivables”)	48,133	4,057	Customs import guarantee
Time deposits (presented as “Other non-current assets”)	1,107	1,094	Customs import guarantee
Bank deposits (presented as “Other receivables”)	-	14	Export tax guarantee
Total	\$821,536	\$816,934	

9. Commitments and Contingencies

- A. Amount available under unused letters of credit as of December 31, 2023 was NT\$7,308 thousand.
- B. The Group entered into contracts to acquire two land use rights by two stages: as of December 31, 2023, in the first stage, the Group has acquired land use right in the amount of VND340,275,000 thousand (approximately NT\$453,177 thousand), recognizing it under right-of-use assets; in the second stage, the total contract amount is VND344,511,879 thousand (approximately NT\$454,966 thousand) with total prepayment of VND259,566,620 thousand (approximately NT\$318,283 thousand) recognized under non-current assets, while the outstanding payable was VND84,945,259 thousand (approximately NT\$107,534 thousand).
- C. The Group appointed contractors to build a new plant in Phu My 3 Specialized Industrial Park in Vietnam, and the total construction contract cost was VND1,423,057,975 thousand (approximately NT\$1,801,484 thousand). As of December 31, 2023, the Group has paid VND 979,633,407 thousand (approximately NT\$1,240,142 thousand) and recognized it under construction in progress and equipment awaiting inspection.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

D. One of the equipment suppliers filed a complaint in Taiwan Hsinchu District Court against Young Optics Inc. (“TYO”) for the dispute in a procurement contract, alleging that TYO should pay damage compensation in the amount of NT\$10,061 thousand. The first instance judgement decreased the claim to NT\$9,370 thousand. This case is currently in trial in Taiwan Hsinchu District Court. According to legal advice of the appointed attorney, this dispute needs further clarification for relevant evidence and investigation. At this point in time, the likely outcome of this complaint is inconclusive.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (Note 1)	\$4,784,460	\$4,230,234
Financial assets at fair value through other comprehensive income	5,308,046	3,895,009
Financial assets measured at amortized cost (Note 2)	24,305,295	24,655,305
Total	\$34,397,801	\$32,780,548
 <u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term borrowings	\$13,512,487	\$9,823,849
Accounts payable (including related parties)	7,602,162	7,334,039
Other payables	3,934,309	4,520,234
Lease liability (including current and noncurrent)	1,234,561	1,613,090
Long-term borrowings (including current portion)	416,717	3,826,977
Subtotal	26,700,236	27,118,189

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	347,557	450,431
Hedging financial liabilities-current	-	1,483
Total	<u>\$27,047,793</u>	<u>\$27,570,103</u>

Note 1: As of December 31, 2023 and 2022, the financial assets measured at fair value through profit or loss, including trade receivables, were NT\$4,331,883 thousand and NT\$4,074,948 thousand, respectively. Please refer to Note 6(6) for more details.

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

(2) Financial Risk Management Objectives and Policies

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

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

(3) Market Risk

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Foreign currency risk

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

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

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

When NTD appreciates or depreciates against USD by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by NT\$46,534 thousand and NT\$3,857 thousand, while equity is decreased/increased by NT\$303,859 thousand and NT\$291,256 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rate, and interest rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decreased/increased by NT\$147,906 thousand and NT\$141,120 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

For the years ended December 31, 2023 and 2022, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instruments at fair value through other comprehensive income could increase/decrease by NT\$53,080 thousand and NT\$38,950 thousand on the equity attributable to the Group, respectively.

(4) Credit Risk Management

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

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

As of December 31, 2023, and 2022, receivables from top ten customers represented 87% and 71% 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.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

(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, 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

	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of December 31, 2022					
Borrowings	\$10,316,720	\$3,815,001	\$-	\$-	\$14,131,721
Accounts payable					
(including related parties)	7,334,039	-	-	-	7,334,039
Other payables					
(including related parties)	4,520,234	-	-	-	4,520,234
Lease liability	352,468	422,985	153,541	1,099,545	2,028,539

Derivative financial liabilities

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

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

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

	Less than 1 year	1 to 3 years	Total
As of December 31, 2022			
Inflows	\$-	\$-	\$-
Outflows	451,914	-	451,914
Net	<u>\$451,914</u>	<u>\$-</u>	<u>\$451,914</u>

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, 2023:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other liabilities- noncurrent	Total liabilities from financing activities
As of January 1, 2023	\$9,823,849	\$3,826,977	\$1,613,090	\$19,775	\$3,707	\$15,287,398
Cash flows	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>

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

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

(7) Fair Value of Financial Instruments

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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.

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:

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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

Item (by contract)	Notional Amount	Contract Period
As of December 31, 2022		
Forward currency contract		
Selling forward currency contracts	USD 570,500 thousand	From January 2023 to March 2023
Buying forward currency contracts	USD 755,500 thousand	From January 2023 to April 2023
Selling forward currency contracts	CAD 1,500 thousand	From January 2023 to April 2023
Selling forward currency contracts	EUR 27,000 thousand	January 2023

Hedging forward currency contracts

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

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

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

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

Hedging instruments/ Hedged items	Changes in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness for the Current Period		Carrying Amount of Other Equity		Change in the Value of the Hedging Instrument Recognized in Other Comprehensive Income	
	Changes in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness for the Current Period	Changes in Fair Value of Hedged items Used for Calculating Hedge Ineffectiveness for the Current Period	Hedge Accounting Is Continuously Applicable	Hedge Accounting Is No Longer Applicable	Recognized in Other Comprehensive Income	Hedge Ineffectiveness Recognized in Profit or Loss
Hedges of net investments in foreign operations						
As of December 31, 2023	(\$22,558)	\$22,558	\$-	(\$77,742)	(\$36,669)	\$12,928
As of December 31, 2022	\$-	\$-	(\$1,483)	\$-	(\$41,032)	\$-

(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

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

	December 31, 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
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$155,286	\$-	\$155,286
Equity instrument measured at fair value through other comprehensive income				
	-	-	3,985,009	3,985,009
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	450,431	-	450,431
Hedging financial liabilities				
Forward currency contract	-	1,483	-	1,483

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	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	450,431	-	450,431
Hedging financial liabilities				
Forward currency contract	-	1,483	-	1,483

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

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

	Assets
	At fair value through other comprehensive income
	Stock
As of January 1, 2023:	\$3,895,009
Total gains and losses recognized for the 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	\$5,308,046

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

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

Total gains and (losses) recognized in profit or loss for the years ended December 31, 2023 and 2022 were in the amount of NT\$0 thousand and NT\$41,330 thousand, respectively.

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

Information on significant unobservable inputs to valuation

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

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value					
through other					
comprehensive					
income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.75	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

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

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value					
through other					
comprehensive					
income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1.81	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$5,297 thousand/ NT\$5,297 thousand.
	Market Approach	P/E ratio of similar companies	2.39	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$3,235 thousand/ NT\$3,235thousand

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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

	December 31, 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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$288,200	\$288,200

(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, 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
EUR	36	33.98	1,223
CNY	212	4.3263	917

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

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\$239,672 thousand and NT\$899,361 thousand for the years ended December 31, 2023 and 2022, respectively.

(11) Capital Management

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

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, 2023: Attachment 1-2.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: Please refer to Attachment 1, 1-1.
- C. Securities held as of December 31, 2023 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: 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, 2023: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 3, 3-1.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2023: Please refer to Attachment 4, 4-1.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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I. The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 5.

J. Financial instruments and derivative transactions: Please refer to Note 6(2), Note 6(14), Note 12(1), Note 12(5), Note 12(8) and Attachment 8.

(2) Information on Investees

A. Relevant information on investees when the investees have significant influence or direct or indirect control: Please refer to Attachments 6, 6-1, 6-2 and 6-3.

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

C. Financial instruments and derivative transactions: Please refer to Attachment 8.

(3) Investment in Mainland China

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

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

(4) Information on major shareholders

Please refer to Attachment 9.

14. Segment information

(1) General Information

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

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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

- (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, 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>

CORETRONIC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

	For the year ended December 31, 2022						
	Energy - saving products segment	Image products and brand segment	Optical components segment	Subtotal	Other segment (Note A)	Adjustment and elimination (Note B)	Total
Revenue							
Net revenue from							
external customers	\$22,589,976	\$21,261,851	\$2,974,781	\$46,826,608	\$2,956,549	\$-	\$49,783,157
Net revenue from sales							
among intersegments	91,866	657,177	1,708,722	2,457,765	1,137,901	(3,595,666)	-
Total revenue	\$22,681,842	\$21,919,028	\$4,683,503	\$49,284,373	\$4,094,450	(3,595,666)	\$49,783,157
Segment income (loss)	\$813,869	\$2,804,004	\$34,088	\$3,651,961	\$(735,231)	\$256,250	\$3,172,980
Segment Assets (Note C)	\$-	\$-	\$-	\$-	\$-	\$55,857,815	\$55,857,815

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the years ended December 31, 2023 and 2022, 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	
	2023	2022
Net income of reportable segments	\$2,232,240	\$3,651,961
Loss of other segments	(762,551)	(735,231)
Unallocated amount:		
Interest income	407,553	342,036
Interest expense	(443,307)	(396,446)
Financial assets (liabilities) at fair value through		
profit or loss	602,097	1,708,310
Exchange losses	(239,672)	(899,361)
Others	(207,982)	(498,289)
Income before income tax	\$1,588,378	\$3,172,980

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,	
	2023	2022
Mainland China (including Hong Kong)	\$11,964,469	\$18,391,556
Taiwan	11,518,138	10,741,794
South Korea	4,000,532	7,686,653
United Kingdom	3,761,245	4,235,774
United States	3,082,480	3,531,745
Japan	2,551,617	2,607,421
Malaysia	217,792	707,287
Others	2,395,435	1,880,927
Total	\$39,491,708	\$49,783,157

Sales are classified by customers' country.

B. Non-current assets

	December 31,	
	2023	2022
Taiwan	\$4,861,516	\$4,875,748
Mainland China (including Hong Kong)	3,468,850	4,388,670
Vietnam	2,240,678	1,273,867
Bangladesh	283,460	319,145
United States	104,391	92,012
Europe	93,715	95,769
Total	\$11,052,610	\$11,045,211

(4) Major customers information

For the years ended December 31, 2023 and 2022, major customers representing at least 10% of net revenue:

	Years ended December 31,	
	2023	2022
Customer A	Note	\$5,953,677
Customer B	\$4,689,182	Note

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

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsiary	\$ 11,980,073 (Note a)	\$ 1,780,890	\$ 1,780,890	\$ 116,977	\$ -	7.43%	\$ 23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	11,980,073 (Note a)	1,150,000	1,065,464	541,957	-	4.45%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	11,980,073 (Note a)	164,000	150,000	8,460	-	0.63%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsiary	11,980,073 (Note a)	350,000	300,000	17,621	-	1.25%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	11,980,073 (Note a)	275,000	175,000	-	-	0.73%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsiary	11,980,073 (Note a)	270,315	-	-	-	-%	23,960,147 (Note b)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsiary	11,980,073 (Note a)	15,018	-	-	-	-%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Optoma Corporation	Sub-subsiary	11,980,073 (Note a)	2,000	-	-	-	-%	23,960,147 (Note b)	Yes	No	No
	Total				\$ 4,007,223	\$ 3,471,354							

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

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

ATTACHMENT 1-1 (Endorsement/Guarantee provided to others for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsor/ guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
1	Coretronic Technology (BRVT)	Coretronic Vietnam	Associate	\$ 1,151,863 (Note a)	\$ 387,240	\$ -	\$ -	-	-%	\$ 2,303,727 (Note b)	No	No	No

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

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

ATTACHMENT 1-2 (Financing provided to others for the year ended December 31, 2023)
(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	Bighshie (HK)	Core-Flex	Trade receivables - related parties	Yes	\$ 137,858	\$ -	\$ -	-%	The need for short-term financing	-	Business turnover	-	None	-	\$20,874	\$20,874
1	Bighshie (HK)	Mat Limited	Trade receivables - related parties	Yes	140,303	132,861	132,861	-%	The need for short-term financing	-	Business turnover	-	None	-	552,185	552,185
1	Bighshie (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	206,645	195,683	195,683	-%	The need for short-term financing	-	Business turnover	-	None	-	552,185	552,185
2	Boon Power	Coretronic (BVI) Investment	Trade receivables - related parties	Yes	2,302	2,180	2,180	-%	The need for short-term financing	-	Business turnover	-	None	-	238,141	238,141
2	Boon Power	Coretronic Corporation	Trade receivables - related parties	Yes	123,475	116,925	116,925	-%	The need for short-term financing	-	Business turnover	-	None	-	238,141	238,141
3	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	129,991	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	968,988	968,988
3	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	810,945	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,422,470	2,422,470
3	Dynamic Time	Coretronic Corporation	Trade receivables - related parties	Yes	2,535,635	2,401,131	2,401,131	-%	The need for short-term financing	-	Business turnover	-	None	-	2,422,470	2,422,470
4	Great Pride (HK)	Coretronic Investment Limited	Trade receivables - related parties	Yes	913,064	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,732,651	2,732,651
4	Great Pride (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	119,973	113,609	113,609	-%	The need for short-term financing	-	Business turnover	-	None	-	2,732,651	2,732,651
5	Nano Display	Coretronic Corporation	Trade receivables - related parties	Yes	231,648	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	496,759	496,759
6	Venture Orient	Coretronic Investment Limited	Trade receivables - related parties	Yes	90,405	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	515,277	515,277
6	Venture Orient	Coretronic Corporation	Trade receivables - related parties	Yes	106,191	76,763	76,763	-%	The need for short-term financing	-	Business turnover	-	None	-	515,277	515,277
7	Wisdom Success (HK)	Coretronic Corporation	Trade receivables - related parties	Yes	599,863	568,043	568,043	-%	The need for short-term financing	-	Business turnover	-	None	-	6,856,991	6,856,991
8	Wisdom Success	Coretronic Corporation	Trade receivables - related parties	Yes	32,425	30,705	30,705	-%	The need for short-term financing	-	Business turnover	-	None	-	10,681,170	10,681,170
9	Young Lighting Limited	Coretronic Investment Limited	Trade receivables - related parties	Yes	1,459,125	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,363,923	3,363,923
9	Young Lighting Limited	Coretronic Corporation	Trade receivables - related parties	Yes	314,523	297,839	297,839	-%	The need for short-term financing	-	Business turnover	-	None	-	3,363,923	3,363,923
10	Chang Tsen Investment	Coretronic Realty Inc.	Trade receivables - related parties	Yes	60,000	60,000	60,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tsen Investment	Coretronic Intelligent Logistics Solutions Corporation	Trade receivables - related parties	Yes	120,000	87,000	87,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tsen Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	60,000	60,000	60,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tsen Investment	Coretronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	50,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tsen Investment	Coretronic Corporation	Trade receivables - related parties	Yes	366,000	305,000	305,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tsen Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	132,000	55,000	55,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
11	Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	903,471	865,260	865,260	0.5%	The need for short-term financing	-	Business turnover	-	None	-	6,662,056	6,662,056
11	Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,258,677	2,163,152	2,163,152	0.5%	The need for short-term financing	-	Business turnover	-	None	-	6,662,056	6,662,056
12	Nano Precision (Suzhou)	Coretronic Optoteck (Suzhou)	Trade receivables - related parties	Yes	426,984	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,568,758	2,568,758
12	Nano Precision (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,604,560	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,568,758	2,568,758
13	Young Bright Optical (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	257,681	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	382,899	382,899
14	Coretronic (Ningbo)	Coretronic Optoteck (Suzhou)	Trade receivables - related parties	Yes	1,797,826	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,620,696	3,620,696
14	Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,642,856	865,261	865,261	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,620,696	3,620,696
15	Tsen Ming Investment	Coretronic Realty Inc.	Trade receivables - related parties	Yes	50,000	50,000	50,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Coretronic MEMS Corporation	Trade receivables - related parties	Yes	136,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Coretronic Corporation	Trade receivables - related parties	Yes	96,000	96,000	96,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	122,000	72,000	72,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
16	Coretronic (Suzhou)	Coretronic Display (Suzhou)	Trade receivables - related parties	Yes	198,231	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,405,424	4,405,424
16	Coretronic (Suzhou)	Coretronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,986,598	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,405,424	4,405,424
17	Coretronic Display (Suzhou)	Coretronic Corporation	Trade receivables - related parties	Yes	198,231	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	539,241	539,241
18	Tecpoint	Coretronic Corporation	Trade receivables - related parties	Yes	528,203	500,184	500,184	-%	The need for short-term financing	-	Business turnover	-	None	-	3,476,025	3,476,025
19	Vimax (Kunshan)	Coretronic Optics (Kunshan)	Trade receivables - related parties	Yes	1,287,446	1,232,996	1,232,996	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,358,950	1,358,950
20	Coretronic (Guangzhou)	YLG Optoteck	Trade receivables - related parties	Yes	75,474	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,405,782	1,405,782
21	Optoma Europe	Optoma Holding Limited	Trade receivables - related parties	Yes	169,368	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	368,413	368,413
22	Young Green Energy	Coretronic Corporation	Trade receivables - related parties	Yes	80,000	80,000	80,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	84,277	84,277
23	Mat Limited	Coretronic Vietnam	Trade receivables - related parties	Yes	149,155	141,243	141,243	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,389,954	1,389,954
24	Young Optics	Young Optics (BD)	Other receivables - related parties	Yes	64,850	61,410	18,423	-%	The need for short-term financing	-	Business turnover	-	None	-	1,248,005	1,248,005
25	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	32,425	30,705	-	-%	The need for short-term financing	-	Business turnover	-	None	-	506,208	506,208

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 Bighshie (HK) Limited, Coretronic Projection (Kunshan), Coretronic (Ningbo), Vimax (Kunshan) and Mat Limited.

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

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

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

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

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

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

ATTACHMENT 2 (Securities held as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2023				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note a)	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	550,436	\$-	0.41%	\$-	(Note b)
Coretronic Corporation	Nanosys Inc.	-	Financial assets at fair value through profit or loss-noncurrent	9,007	-	0.00%	-	(Note b)
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661	-	16.80%	-	(Note b)
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	Coretronic Corporation was Yann Yuan Investment's director.	Financial assets at fair value through other comprehensive income-noncurrent	57,000,000	4,151,012	11.06%	4,151,012	
Coretronic Corporation	Eterge Opto-Electronics	Coretronic Corporation was Eterge Opto-Electronics' director.	Investments accounted for using the equity method	1,850,000	40,975	18.50%	-	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	9,912	3.06%	9,912	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	43,206	19.90%	43,206	

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

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

ATTACHMENT 2-1 (Securities held as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2023				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Coretronic Venture Capital	GeneJet Biotech	-	Financial assets at fair value through other comprehensive income-noncurrent	315,000	\$ -	5.85%	\$ -	(Note b)
Coretronic Intelligent Cloud Service Corp.	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	900,000	46,920	18.54%	46,920	
Venture Orient Limited	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,430,385	5.00%	USD 2,430,385	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	95,895,463	982,371	4.47%	982,371	

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

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

ATTACHMENT 3 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2023)

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

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma Corporation	Sub-subsidiary	Sales	\$ 3,133,204	13.09%	90 days	-	-	\$ 798,570	10.96%	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	860,709	1.86%	120 days	-	-	(343,337)	4.56%	
Coretronic Corporation	YLG Optotech	Sub-subsidiary	Purchases	141,619	0.31%	90 days	-	-	-	-%	
Coretronic Corporation	HANNSTAR	Entity with significant influence over the Company	Purchases	165,957	0.36%	90 days	-	-	(34,476)	0.46%	

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, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payables)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payables)	
Young Optics	Coretronic Projection (Kunshan)	Associate	Sales	\$375,468	13.66%	90 days	-	-	\$148,344	26.28%	
Young Optics	Rays Optics	Associate	Sales	339,596	12.35%	30 days	-	-	-	-	Note
Young Optics (Kunshan)	Young Optics	Associate	Sales	744,664	68.21%	90 days	-	-	384,306	87.78 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	299,513	27.46%	90 days	-	-	44,654	10.20 %	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	264,706	47.88%	60 days	-	-	-	-	
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	Sales	211,909	1.72%	90 days	-	-	235	0.01 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	422,091	3.43%	60 days	-	-	155,472	6.92 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	391,995	3.19%	60 days	-	-	84,981	3.78 %	
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	Sales	138,393	12.75%	60 days	-	-	13,169	3.42 %	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	195,756	5.11%	60 days	-	-	6,035	0.14 %	
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	Sales	6,024,664	99.92%	60 days	-	-	1,426,903	99.93 %	
Optoma Corporation	Optoma USA	Associate	Sales	757,826	19.16%	90 days	-	-	201,121	22.16 %	
Optoma Corporation	Optoma Europe	Associate	Sales	2,392,261	60.48%	90 days	-	-	568,108	62.59 %	
Young Optics (BD)	Young Optics	Associate	Sales	116,373	82.19%	30 days	-	-	-	-	

Note : Young Optics absorbed its subsidiary, Rays Optics, on September 8, 2023.

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, 2023)

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

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Corporation	Sub-subsiary	\$ 798,570	3.55	\$ -	-	\$ -	\$ -

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, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables :								
Coretronic Projection (Kunshan)	Young Optics	Associate	\$148,344 (Note a)	2.49	\$ -	-	\$ -	\$ -
Young Optics (Kunshan)	Young Optics	Associate	384,306	1.88	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	155,472	2.46	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,426,903	5.30	-	-	-	-
Grace China	Young Optics (BD)	Associate	289,393 (Note a)	-	-	-	-	-
Optoma Corporation	Optoma USA	Associate	201,121	2.89	-	-	-	-
Optoma Corporation	Optoma Europe	Associate	568,108	4.09	-	-	-	-
Other receivables :								
Young Optics	Masterview	Associate	162,737 (Note b)	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	2,401,131	-	-	-	-	-
Mat Limited	Coretronic Vietnam	Associate	141,486	-	-	-	-	-
Vimax (Kunshan)	Coretronic Optics (Kunshan)	Associate	1,237,534	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	305,697	-	-	-	-	-
Masterview	Grace China	Associate	162,737 (Note b)	-	-	-	-	-
Tecpoint	Coretronic Corporation	Parent	500,184	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	869,957	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Associate	2,165,345	-	-	-	-	-
Boom Power	Coretronic Corporation	Parent	116,925	-	-	-	-	-
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	865,669	-	-	-	-	-
Great Pride (HK)	Coretronic Corporation	Parent	113,609	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	568,043	-	-	-	-	-
Bigshine (HK)	Coretronic Corporation	Parent	195,683	-	-	-	-	-
Bigshine (HK)	Mat Limited	Associate	132,861	-	-	-	-	-
Young Lighting Limited	Coretronic Corporation	Parent	297,839	-	-	-	-	-

Note a : Includes Other receivables.

Note b : Receivables include capital reduction and 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	Optoma USA	1	Sales	31,341	—	0.08%
		Optoma Europe	1	Sales	42,494	—	0.11%
		Greendale	1	Accounts receivable	673,578	—	1.21%
			1	Sales	4,487,199	—	11.36%
		Coretronic Projection (Kunshan)	1	Sales	41,171	—	0.10%
		YLG Optotech	1	Sales	240,519	—	0.61%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	3,638,088	—	6.54%
			1	Sales	9,134,344	—	23.13%
		Coretronic Optics (Suzhou)	1	Accounts receivable	4,880,823	—	8.78%
			1	Sales	9,085,219	—	23.01%
		Coretronic Vietnam	1	Accounts receivable	1,675,598	—	3.01%
1	Sales		2,401,058	—	6.08%		
Coretronic Technology (BRVT)	1	Accounts receivable	156,016	—	0.28%		
	1	Sales	157,397	—	0.40%		
Optoma Corporation	1	Accounts receivable	798,570	—	1.44%		
	1	Sales	3,133,204	—	7.93%		
1	Young Optics	Masterview	3	Other receivables	162,737	—	0.29%
		Young Optics (Kunshan)	3	Accounts receivable	15,659	—	0.03%
			3	Sales	753	—	0.00%
		Coretronic Projection (Kunshan)	3	Other receivables	84,495	—	0.15%
			3	Accounts receivable	63,849	—	0.11%
		Rays Optics	3	Sales	375,468	—	0.95%
			3	Sales	339,596	—	0.86%
		Young Optics (BD)	3	Other receivables	18,423	—	0.03%
			3	Accounts receivable	57,306	—	0.10%
		Young Optics (Suzhou)	3	Sales	8	—	0.00%
3	Accounts receivable		1,937	—	0.00%		
Mejiro	3	Sales	9,819	—	0.02%		
	3	Accounts receivable	2,411	—	0.00%		
2	Grace China	Young Optics (BD)	3	Sales	5,266	—	0.01%
			3	Other receivables	135,010	—	0.24%
			3	Accounts receivable	154,383	—	0.28%

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	384,306	—	0.69%
			3	Sales	744,664	—	1.89%
		Young Optics (Suzhou)	3	Accounts receivable	7,576	—	0.01%
			3	Sales	31,577	—	0.08%
		Young Optics (BD)	3	Accounts receivable	89	—	0.00%
			3	Sales	697	—	0.00%
		Coretronic Optics (Kunshan)	3	Accounts receivable	44,654	—	0.08%
			3	Sales	299,513	—	0.76%
4	Dynamic Time	Coretronic Corporation	2	Other receivables	2,401,131	—	4.32%
5	Optoma USA	Optoma Europe	3	Sales	38,947	—	0.10%
6	Optoma Europe	Optoma USA	3	Sales	52,620	—	0.13%
7	Wisdom Success	Coretronic Corporation	2	Other receivables	30,705	—	0.06%
8	Mat Limited	Coretronic Vietnam	3	Other receivables	141,486	—	0.25%
9	Vimax (Kunshan)	Coretronic Optics (Kunshan)	3	Other receivables	1,237,534	—	2.23%
10	Chung Tsen Investment	Coretronic Corporation	2	Other receivables	305,697	—	0.55%
		Nano Precision Taiwan	3	Other receivables	55,184	—	0.10%
		Coretronic MEMS Corporation	3	Other receivables	60,169	—	0.11%
		Coretronic Reality Inc	3	Other receivables	60,193	—	0.11%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	87,112	—	0.16%
11	Venture Orient	Coretronic Corporation	2	Other receivables	76,763	—	0.14%
12	Masterview	Grace China	3	Other receivables	162,737	—	0.29%
13	Best Alpha	Young Optics (BD)	3	Other receivables	30,705	—	0.06%
14	Tecpoint	Coretronic Corporation	2	Other receivables	500,184	—	0.90%
15	Nano Precision (Suzhou)	Coretronic Corporation	2	Sales	29,047	—	0.07%
		Coretronic Projection (Kunshan)	3	Accounts receivable	12,896	—	0.02%
			3	Sales	41,300	—	0.10%
		Great Pride (HK)	3	Sales	35,240	—	0.09%
		Coretronic Display (Suzhou)	3	Sales	19,517	—	0.05%
		Coretronic Optotech (Suzhou)	3	Sales	264,706	—	0.67%
		Coretronic Optics (Suzhou)	3	Sales	74,958	—	0.19%
16	Greendale	Coretronic Corporation	2	Other receivables	1,469,474	—	2.64%
		Coretronic Optics (Kunshan)	3	Other receivables	666,105	—	1.20%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
17	Coretronic Projection (Kunshan)	Young Optics (Kunshan)	3	Other receivables	90,948	—	0.16%
			3	Sales	211,909	—	0.54%
		Optoma China	3	Accounts receivable	155,472	—	0.28%
			3	Sales	422,091	—	1.07%
		Vimax (Kunshan)	3	Accounts receivable	31,374	—	0.06%
			3	Sales	49,473	—	0.13%
		Greendale	3	Accounts receivable	1,468,587	—	2.64%
			3	Sales	8,958,341	—	22.68%
		Champ Vision Display	3	Accounts receivable	223,427	—	0.40%
			3	Sales	734,858	—	1.86%
		Coretronic Optics (Kunshan)	3	Other receivables	869,957	—	1.56%
			3	Accounts receivable	84,981	—	0.15%
3	Sales		391,995	—	0.99%		
		Coretronic Optics (Suzhou)	3	Other receivables	2,165,345	—	3.89%
18	Young Green Energy	Coretronic Corporation	2	Other receivables	80,225	—	0.14%
19	Boom Power	Coretronic Corporation	2	Other receivables	116,925	—	0.21%
20	Tsen Ming Investment	Coretronic Corporation	2	Other receivables	96,270	—	0.17%
		Nano Precision Taiwan	3	Other receivables	72,316	—	0.13%
		Coretronic Reality Inc.	3	Other receivables	50,034	—	0.09%
21	Coretronic (Ningbo)	Coretronic Corporation	2	Accounts receivable	343,337	—	0.62%
			2	Sales	860,709	—	2.18%
		Coretronic Optics (Suzhou)	3	Other receivables	865,669	—	1.56%
			3	Sales	138,393	—	0.35%
22	Great Pride (HK)	Coretronic Corporation	2	Other receivables	113,609	—	0.20%
23	Wisdom Success (HK)	Coretronic Corporation	2	Other receivables	568,043	—	1.02%
24	Bigshine (HK)	Coretronic Corporation	2	Other receivables	195,683	—	0.35%
		Mat Limited	3	Other receivables	132,861	—	0.24%
25	Coretronic Intelligent Cloud Service Corp.	Coretronic Corporation	2	Accounts receivable	87,648	—	0.16%
			2	Sales	228,783	—	0.58%
26	Young Lighting Limited	Coretronic Corporation	2	Other receivables	297,839	—	0.54%
27	YLG Optotech	Coretronic Corporation	2	Sales	141,619	—	0.36%
28	Coretronic Optotech (Suzhou)	Coretronic Corporation	2	Accounts receivable	4,420,129	—	7.95%
			2	Sales	3,636,513	—	9.21%
		Coretronic Display (Suzhou)	3	Sales	195,756	—	0.50%
29	Champ Vision Display	Coretronic Projection (Kunshan)	3	Accounts receivable	82,961	—	0.15%
			3	Sales	370,506	—	0.94%
30	Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	3	Accounts receivable	1,426,903	—	2.57%
			3	Sales	6,024,664	—	15.26%
31	Coretronic Optics (Suzhou)	Coretronic Corporation	2	Accounts receivable	5,151,736	—	9.27%
			2	Sales	5,024,088	—	12.72%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
32	Nano Precision Taiwan	Coretronic Corporation	2	Other receivables	31,045	—	0.06%
		Coretronic (Ningbo)	3	Sales	110,534	—	0.28%
33	Coretronic Vietnam	Coretronic Corporation	2	Accounts receivable	1,304,581	—	2.35%
			2	Sales	1,065,186	—	2.70%
34	Coretronic Intelligent Logistics Solutions Corporation	Coretronic Corporation	2	Sales	59,336	—	0.15%
35	Optoma Corporation	Optoma USA	3	Accounts receivable	201,121	—	0.36%
			3	Sales	757,826	—	1.92%
		Optoma Europe	3	Accounts receivable	568,108	—	1.02%
			3	Sales	2,392,261	—	6.06%
36	Young Optics (BD)	Young Optics	3	Advanced receipts	27,194	—	0.05%
			3	Sales	116,373	—	0.29%
		Young Optics (Kunshan)	3	Advanced receipts	2,596	—	0.00%
			3	Sales	25,063	—	0.06%
37	Young Optics (Suzhou)	Young Optics	3	Accounts receivable	4,501	—	0.01%
			3	Sales	4,600	—	0.01%
		Young Optics (Kunshan)	3	Other receivable	918	—	0.00%
			3	Accounts receivable	3	—	0.00%
			3	Sales	2,971	—	0.01%
38	Mejiro	Young Optics	3	Accounts receivable	1,621	—	0.00%
			3	Accounts receivable	3,298	—	0.01%
		Young Optics (BD)	3	Sales	171	—	0.00%
39	Best Alpha	Young Optics (BD)	3	Other receivable	30,705	—	0.06%
40	Masterview	Grace China	3	Other receivable	162,737	—	0.29%

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, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$1,563,709	\$1,563,709	38,220,000	100.00%	\$7,004,677	\$316,025	\$316,025	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	496,543	506,416	37,217,586	32.63%	978,596	(287,300)	(94,437)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,918,078	293,875	293,875	Subsidiary
Coretronic Corporation	Sinolink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,412,060	49,100	49,100	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	New Taipei City, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	2,609,321	(10,534)	(10,534)	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,617,383	(131,820)	(102,900)	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%	226,855	9,210	9,201	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,607,905	40,625	40,625	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%	326,483	41,867	41,867	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	New Taipei City, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	307,395	2,718	2,718	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	142,850	144,000	14,285,000	79.36%	157,530	6,595	5,160	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%	344	(16,280)	(9,880)	Subsidiary
Coretronic Corporation	Calibre UK Limited	U.K.	Engaged in R&D, design, production and marketing of image processing products.	238,841	238,841	52,701,042	100.00%	48,226	(27)	(27)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	758,067	506,263	18,000,000	100.00%	146,341	(195,424)	(195,424)	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%	13,099	2,904	2,323	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%	100,990	(42,533)	(42,533)	Subsidiary
Coretronic Corporation	Coretronic Reality Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	100,000	100,000	10,000,000	100.00%	(25,456)	(43,534)	(43,534)	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%	(103,348)	233,932	233,932	Subsidiary
Coretronic Corporation	Coretronic Intelligent Logistics Solutions Corporation	Hsinchu County, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	170,000	170,000	15,000,000	100.00%	13,378	(70,227)	(70,227)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	38.64%	824,075	182,259	197,885	Subsidiary
Coretronic Corporation	Dynamic Time Investment Limited	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00%	2,427,418	825	825	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.	Note	Note	Note	Note	Note	Note	Note	Subsidiary

Note : Though Coretronic Intelligent Cloud Service Corporation (JP) was incorporated in March, 2023, Coretronic Corporation has not contributed to its capital yet as of December 31, 2023 .

ATTACHMENT 6-1 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 228,626,684	USD 10,007,589	(Note)	Sub-subsiidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 353,284,896	USD 10,958,389	(Note)	Sub-subsiidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,502,715	(USD 248,047)	(Note)	Sub-subsiidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 31,056,703	USD 314,307	(Note)	Sub-subsiidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 16,629,710	(USD 1,117,035)	(Note)	Sub-subsiidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 13,221,828	(USD 4,204,917)	(Note)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 227,018,849	USD 12,271,299	(Note)	Sub-subsiidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 87,888,860	USD 1,203,781	(Note)	Sub-subsiidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 26,609,113	(USD 2,904,408)	(Note)	Sub-subsiidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 10,742,908	(USD 665,347)	(Note)	Sub-subsiidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 78,000,000	USD 78,000,000	78,000,000	100.00 %	RMB 533,770,851	RMB 1,336,508	(Note)	Sub-subsiidiary
Coretronic Technology (HK)	Coretronic Technology (BRVT) Company	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 78,000,000	USD 78,000,000	-	100.00 %	USD 75,204,968	USD 194,948	(Note)	Sub-subsiidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,445,745	(USD 665,347)	(Note)	Sub-subsiidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 31,056,681	USD 1,203,781	(Note)	Sub-subsiidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 16,629,614	(USD 2,904,408)	(Note)	Sub-subsiidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 45,987,554	USD 1,567,236	(Note)	Sub-subsiidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 85,515,791	(USD 1,862,457)	(Note)	Sub-subsiidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,381,687	(USD 2,429,735)	(Note)	Sub-subsiidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 16,013,981	(USD 55,856)	(Note)	Sub-subsiidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 85,477,205	(USD 1,862,707)	(Note)	Sub-subsiidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	(RMB 18,010,907)	(RMB 11,280,448)	(Note)	Sub-subsiidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	503,730	(36,527)	(Note)	Sub-subsiidiary
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	-	9,013	-	0.00%	-	(287,300)	(Note)	Subsidiary
Chung Tsen Investment	Tsen Ming Investment	New Taipei City, Taiwan	Investing company for strategic purposes	102,000	102,000	32,443,180	100.00 %	550,650	627	(Note)	Sub-subsiidiary

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

ATTACHMENT 6-2 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39%	\$3,449	(\$77,178)	(Note)	Sub-subsiadiary
Venture Orient	Tecpoint	B.V.I.	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83%	USD 10,736,197	(USD 4,204,917)	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61%	7,362	(77,178)	(Note)	Sub-subsiadiary
Young Green Energy	Boom Power	B.V.I.	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00%	119,071	USD 16	(Note)	Sub-subsiadiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00%	USD 3,534,352	USD 7,154	(Note)	Sub-subsiadiary
Young Lighting Limited	Coretronic Investment Limited	UK	Holding company	USD 46,776,000	-	158,808	61.36%	USD 42,621,607	USD 5,718,752	(Note)	Sub-subsiadiary
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	29,719	2,535	(Note)	Sub-subsiadiary
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	USD 967,887	USD 82,649	(Note)	Sub-subsiadiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 40,680,793	32,620,000	96.69%	USD 69,321,635	USD 7,335,716	(Note)	Sub-subsiadiary

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

ATTACHMENT 6 -3 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Modern Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 1,056,441	\$-	(Note a)	Sub-subsiary
Dynamic Time	Optoma (China & HK) Ltd.	HK	Marketing and after-sales service of Optoma in Hong Kong and the Asia-Pacific region	Note b	USD 309,546	-	-	-	USD 662	(Note a)	Sub-subsiary
Optoma Holding	Optoma USA	USA	Marketing and after-sales service of Optoma in Americas region	EUR 6,328,202	EUR 6,328,202	825,000	100.00 %	EUR 22,527,243	EUR 1,744,131	(Note a)	Sub-subsiary
Optoma Holding	Optoma Europe	U.K.	Marketing and after-sales service of Optoma in European region	EUR 24,911,549	EUR 24,911,549	1,200,000	100.00 %	EUR 30,851,228	EUR 3,709,647	(Note a)	Sub-subsiary
Optoma Holding	Optoma Corporation	New Taipei City, Taiwan	Marketing and after-sales service of Optoma in the Asia-Pacific region	EUR 931,677	EUR 931,677	3,000,000	100.00 %	EUR 1,895,607	EUR 2,166,978	(Note a)	Sub-subsiary
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after-sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	EUR 2,147,812	EUR 306,817	(Note a)	Sub-subsiary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 891,090	(EUR 243,699)	(Note a)	Sub-subsiary
Optoma Europe	Optoma Scandinavia, A.S.	Norway	Marketing and after-sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	EUR 95,808	(EUR 39,861)	(Note a)	Sub-subsiary
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after-sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	EUR 388,965	(EUR 97,845)	(Note a)	Sub-subsiary
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after-sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	EUR 585,987	(EUR 39,572)	(Note a)	Sub-subsiary
Optoma Corporation	Optoma Australia Pty Ltd	Australia	Marketing and after-sales service of Optoma in European region	Note c	Note c	Note c	Note c	Note c	Note c	Note c	Sub-subsiary
Young Optics	Masterview	B.V.I.	Holding company	USD 200,000	USD 6,000,000	200,000	100.00 %	1,141,894	(181,715)	(Note a and Note e)	Sub-subsiary
Young Optics	Rays Optics	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	Note d	298,140	-	-	-	-	(Note a)	Sub-subsiary
Young Optics	Mejiro Genossen	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	46,717	6,035	(Note a)	Sub-subsiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 15,814,587	(USD 731,095)	(Note a)	Sub-subsiary
Masterview	Grace China	Cayman Islands	Holding company	USD 2,356,458	USD 8,156,458	8,156,458	100.00 %	USD 24,895,828	(USD 2,428,198)	(Note a and Note e)	Sub-subsiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000	USD 12,000,000	10,089,436	80.00 %	(USD 3,548,970)	(USD 3,353,424)	(Note a)	Sub-subsiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	(USD 887,243)	(USD 3,353,424)	(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 : Optoma (China & HK) Ltd. Has disregistered in August 2023.

Note c : Though Optoma Australia Pty Ltd was incorporated in November, 2023, Optoma Corporation has not contributed to its capital yet as of December 31, 2023 .

Note d : Young Optics absorbed its subsidiary, Rays Optics, on September 8, 2023.

Note e : Both of Masterview and Grace China conducted capital reductions in amount of USD 5,800,000 in December, 2023.

ATTACHMENT 7 : (Investment in Mainland China as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Coretronic Projection (Kunshan)	Digital projectors, LCD monitors and related components of the research and development, processing, manufacturing and sales of the company's products and engaged in after-sales maintenance services	\$ 1,525,064 (USD 46,000,000)	Indirect investment from the third region (Greendale)	\$ 1,525,064 (USD 46,000,000)	-	-	\$ 1,525,064 (USD 46,000,000)	\$313,916	100.00%	\$313,916	\$6,987,943	\$ 428,855 (USD 14,065,436)
Technology Service (Kunshan)	LCD monitor maintenance and technical services	13,259 (USD 400,000)	Indirect investment from the third region (Greendale)	13,259 (USD 400,000)	-	-	13,259 (USD 400,000)	2,108	100.00%	2,108	32,144	-
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	2,293	100.00%	2,293	52,100	-
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))	-	-	-	-	44,515	100.00%	44,515	811,699	-
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)	48,652	100.00%	48,652	1,402,980	-
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)	20,423	100.00%	20,423	4,402,070	-
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)	-	-	-	-	140,035	100.00%	140,035	321,152	-
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)	-	-	-	-	228,057	100.00%	228,057	1,668,492	-
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)	(21,236)	100.00%	(21,236)	197,500	81,790 (USD 2,800,000)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (RMB 378,278,700)	Indirect investment from the Mainland China subsidiary (Coretronic Optics (Suzhou))	88,972 (RMB 2,967,283)	-	-	88,972 (USD 2,967,283)	(37,245)	100.00%	(37,245)	999,955	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	650,050 (USD 20,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD 4,700,000)	-	-	151,490 (USD 4,700,000)	36,909	100.00%	36,909	3,652,047	139,650 (USD 4,619,805)
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	Note l	Indirect investment from the third region (Core-Flex)	759,827 (USD 23,260,000)	-	-	759,827 (USD 23,260,000)	575	Note 1	575	Note 1	-
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)	(57,900)	100.00%	(57,900)	2,508,291	85,228 (USD 2,795,270)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	(89,744)	100.00%	(89,744)	1,327,629	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	Note m	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	(15,018)	Note m	(15,018)	Note m	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	Note m	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	USD 3,060,000	-	-	USD 3,060,000	15,661	Note m	15,661	Note m	-
Coretronic System Engineering (Shanghai)	Contractor in intelligent building engineering and provide related services to customers	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	-	USD 1,500,000	2,535	100.00%	2,535	29,719	-
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	12,009	96.69%	11,611	89,420	-
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))	-	-	-	-	(10,564)	100.00%	(10,564)	42,304	-

Accumulated investment in Mainland China as of December 31, 2023 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b, Note j)	Upper limit on investment
\$2,433,349 (USD 77,191,338)	\$2,149,269 (USD 77,191,338)	\$14,090,573

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

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

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

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

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

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

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

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

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

Note l : Young Bright Optical (Suzhou) has 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 : To use the currency rate 1 USD =30.705 NTD as of December 31, 2023.

ATTACHMENT 7-1 (Investment in Mainland China as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of December 31, 2023 (Note a)	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$440,619 (USD 12,200,000) (Note d, e and m)	Indirect investment from the third region (Best Alpha and Grace China)	\$164,450 (USD 5,000,000)	\$-	\$-	\$164,450 (USD 5,000,000)	\$(81,457) (-US\$ 2,621,906)	100.00%	\$(81,457) (-US\$ 2,621,906)	\$870,588 (USD 28,353,283)	\$74,505 (USD 2,457,289) (Note b and Note j-Note k)
Young Optics (Suzhou)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	33,951 (USD 1,000,000)	Indirect investment from the third region (Best Alpha)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	(2,510) (-US\$ 87,341)	100.00%	(2,510) (-US\$ 87,341)	239,334 (USD 7,794,610)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note f-Note i and Note l)

Accumulated investment in Mainland China as of December 31, 2023 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	Note c

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

Note b : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 8 (Financial instrument and derivative transaction as of December 31, 2023)

(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, 2024 to March, 2024	USD 662,500,000	363,340	363,340	Note b
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2024 to October, 2024	USD 676,000,000	(253,948)	(253,948)	Note b
Champ Vision Display Inc.	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	January, 2024	USD 2,000,000	1,228	1,228	Note c
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to February, 2024	USD 19,000,000	(1,843)	(1,843)	Note d
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to February, 2024	USD 26,000,000	884	884	Note f
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to February, 2024	USD 23,000,000	650	650	Note g
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2024 to February, 2024	USD 9,000,000	(4,118)	(4,118)	Note i
Optoma USA	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2024 to May, 2024	CAD 1,500,000	(1,173)	(1,173)	Note j

Note a : Coretronic Investment Limited entered into hedging forward currency contracts and hedge ineffectiveness recognized in profit amounting to NT\$12,928 thousands for the year ended December 31, 2023.

Note b : Coretronic Corporation entered into forward foreign exchange contracts and realized a profit amounting to NT\$334,832 thousands for the year ended December 31, 2023.

Note c : Champ Vision Display entered into forward foreign exchange contracts and realized a profit amounting to NT\$831 thousands for the year ended December 31, 2023.

Note d : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$12,190 thousands for the year ended December 31, 2023.

Note e : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and realized a profit amounting to NT\$6,514 thousands for the year ended December 31, 2023.

Note f : Coretronic Optotech (Suzhou) entered into forward foreign exchange contract and realized a loss amounting to NT\$40,490 thousands for the year ended December 31, 2023.

Note g : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$38,586 thousands for the year ended December 31, 2023.

Note h : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NT\$12,297 thousands for the year ended December 31, 2023.

Note i : Optoma Europe entered into forward foreign exchange contracts and realized a loss amounting to NT\$31,028 thousands for the year ended December 31, 2023.

Note j : Optoma USA entered into forward foreign exchange contracts and realized a loss amounting to NT\$728 thousands for the year ended December 31, 2023.

Note k : Nano Precision (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NT\$7,210 thousands for the year ended December 31, 2023.

ATTACHMENT 9 (The information of Major shareholder as of December 31, 2023)

Name	Number of shares (Units/shares)	Percentage of ownership (%)
Taiwei Advanced Technology Co., Ltd.	42,429,196	10.85%
Yann Yuan Investment Co., Ltd.	32,825,000	8.39%

ATTACHMENT 10 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$300 million or 20 percent of the capital stock for the year ended December 31, 2023.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal			December 31, 2023		
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note a)	Units / shares	Amount
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	\$ -	-	RMB 125,000,000	-	\$ -	RMB 125,000,000	RMB 793,258	-	\$ -
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 180,000,000	-	-	RMB 180,000,000	RMB 1,040,859	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	-	-	RMB 85,000,000	-	-	RMB 85,000,000	RMB 550,943	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 355,012	-	-

Note a : To be recognized in interest income.