

Coretronic Corporation

2023 Annual General Shareholder Meeting Minutes

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time : 9:00 a.m., June 14, 2023

Place : No. 2, Kebei 5th Rd., Zhunan Science Park, Miaoli County

Convening Method : Shareholders meeting will be held by means of physical shareholders meeting

Participated Directors : Wade Chang, Chairman ; Edward H. Chow, Independent Director, Chair of the Audit Committee ; Audrey Tseng, Independent Director ; Hung-Pin Ku, Independent Director

Participated : Shao-Pin Kuo, CPA of E&Y Taiwan ; James Y. Chang Attorney-at-Law, Chang and Associates Attorneys-at-Law ; Sarah Lin, President ; Franck Ho, CFO

Attendants: Total outstanding shares: 390,981,110 shares, total shares represented by shareholders present in person or by proxy: 278,008,492 shares (e-votes included). Percentage of shares held by shareholders present in person or by proxy: 71.10%.

I. Announcing the meeting : The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

II. Chairman's Address (omitted)

III. Report Items

1. 2022 Annual Business Report (see Attachment 1).
2. 2022 Audit Committee's Review Report (see Attachment 2).
3. The distribution of 2022 employees' compensation.
4. The distribution of 2022 Earnings in cash and additional paid-in capital in cash.

The above report items were acknowledged.

IV. Ratification Items

1. Ratification of 2022 Business Report and Financial Statements. (Proposed by the Board of Directors)

Description:

- (1) The 2022 financial statements of the Company had been audited by Ernst & Young.
- (2) Please refer to attachment 1 and 3 for 2022 Business Report and financial statements.
- (3) Please resolve.

Resolution: The proposal has been unanimously approved. There were 278,008,492 shares represented at the time of voting, which 264,232,402 shares voted for the proposal (e-votes included); 663,315 shares voted against the proposal (e-votes included); 13,112,775 shares voted abstained the proposal (e-votes included); 0 shares voted invalid the proposal.

2. Ratification of the Proposal for the Distribution of 2022 Earnings. (Proposed by the Board of Directors)

Description:

- (1) Please refer to attachment 4 for the Distribution of 2022 Earnings Table which was approved by the Board of Directors and reviewed by the Audit Committee.
- (2) Please resolve.

Resolution: The proposal has been unanimously approved. There were 278,008,492 shares represented at the time of voting, which 266,804,742 shares voted for the proposal (e-votes included); 97,647 shares voted against the proposal (e-votes included); 11,106,103 shares voted abstained the proposal (e-votes included); 0 shares voted invalid the proposal.

V. Discussion Items

1. Proposal to release the Directors from non-competition restrictions. (Proposed by the Board of Directors)

- (1) According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain at the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval.
- (2) It is proposed to request the shareholders' meeting to lift the restrictions on the non-competition of the directors as follows :

| Position | Name | Released restriction |
|----------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Independent Director | Audrey Tseng | Independent Director, ASUSTeK Computer Inc. Independent Director, Delta Electronics, Inc. Independent Director, Bionime Corporation. |

- (3) Please resolve.

Resolution: The proposal has been unanimously approved. There were 278,008,492 shares represented at the time of voting, which 265,660,143 shares voted for the proposal (e-votes included); 463,756 shares voted against the proposal (e-votes included) ; 11,884,593 shares voted abstained the proposal (e-votes included); 0 shares voted invalid the proposal.

2. Proposition for the Company's subsidiary, Optoma Holding Limited, will undertake an IPO on London Stock Exchange with the issuance of common shares. (Proposed by the Board of Directors)

- (1) The purpose of applying for listing and trading in an overseas securities market:
Optoma Holding Limited (hereinafter referred to as "Optoma Holding") intends to issue shares via an IPO on London Stock Exchange in considerations of the business expansion, local talent attraction and the opportunity of M&A.
- (2) Impacts on the finance and business of the Company, the proposed changes in the organizational structure and corresponding impacts to the Company:
- 1) Financial impact
- i. Optoma Holding remains a consolidated subsidiary of the Company after the IPO. Despite dilution of shares after the IPO, the revenue and profit of Optoma Holding are expected to be increased apparently due to the introduction of new business.

- ii. With the capital raised on the IPO, Optoma Holding expects to improve its business competitiveness, enhance its innovation capabilities and merge proential targets. All these shall have positive effects on the profit and equity contributed to the Company.
 - iii. The proposed IPO on London Stock Exchange will open an addition channel to raise capital, making the capital resources more diversified.
- 2) Impact on business
 - i. The IPO will enhance the Company's image, attract more local talents to explore the Company's growth.
 - ii. The raised capital will increase Optoma Holding's competitiveness to expand market. By scaling up the operation, improving R&D capabilities and potential M&A, Optoma Holding will enhance current advantages to bring more profits.
- 3) The proposed changes in the organizational structure and business and the corresponding impacts to the Company.
 - i. Changes in the organizational structure

The company indirectly holds 96.21% share interests of Optoma Holding through the wholly-owned subsidiary, Coretronic Investment Limited. There's no changes in the organizational structure and business on both Coretronic Investment Limited and Optoma Holding Limited.
 - ii. Changes in the business

Optoma Holding's business has not been adjusted due to the listing plan.
 - iii. Impact of the proposed changes in the organizational structure and business on the listed Company

There's no changes in the organizational structure and business on Optoma Limited for the IPO. The IPO of Optoma Limited has no significant impact on the Company.
- (3) Method of shareholding dispersal and proposed reduction of shareholding, basis of price determination and parties to whom equities are to be assigned or specified persons being contacted:
 - 1) Method of shareholding dispersal and proposed reduction of shareholding

Optoma Holding plans to apply for an IPO on London Stock Exchange with the issuance of new shares. The total number of new shares issued is approximately 25% to 35% (tentative) of the post basis. The final number of the issued shares and the issued price will be resolved by the shareholders' meeting of the Company to authorize the BOD and relevant person to negotiate with the underwriters in accordance with laws and regulations, capital needs, communication with regulators and market conditions.
 - 2) Basis of price determination

It will be determined in accordance with the Rules of London Stock Exchange.
 - 3) Parties to whom equities are to be assigned or specified persons being contacted

Sale to public investors under the Rules of London Stock Exchange.
- (4) Any concerns for the ongoing listing of the Company:

The IPO of Optoma Holding will comply with the laws and regulations of London Stock Exchange. Since Optoma Holding remains a significant subsidiary of the Company after its IPO, the information disclosure requirements still will be regulated by Taipei Exchange. The IPO of Optoma Holding will not affect the ongoing listing of the Company on Taipei Exchange.
- (5) Any other matters that need to be specified:
 - 1) Optoma Holding's IPO is considered for its future development, but it has not been filed yet.

There are uncertainties on the date for the submission of application and how much time the

London Stock Exchange will take to review the application.

- 2) To propose to the shareholders' meeting of the Company to authorize the BOD and relevant person on behalf of the Company to deal with all necessary affairs and any corresponding amendment of the IPO, which including but not limited to the issuance terms, the number of the issued shares, the assigned parties, the issued price, the Letter of Commitment, the Statement Letter, the Confirmation Letter and relevant others in accordance with the status of IPO, the laws, regulations, and suggestions from the competent authority and market conditions.

(6) Please resolve.

Resolution: The proposal has been unanimously approved. There were 278,008,492 shares represented at the time of voting, which 266,162,416 shares voted for the proposal (e-votes included); 109,981 shares voted against the proposal (e-votes included); 11,736,095 shares voted abstained the proposal (e-votes included); 0 shares voted invalid the proposal.

VI. Motions: None.

There were no shareholders' questions on the proposals of this shareholders' meeting.

VII. Adjournment: 9:14 am.

This minutes of the 2023 Annual General Shareholders' Meeting stated the meeting and only the outcomes of proposals. The content, the process and the shareholders' statements of the meeting shall be referred to audio and video conference records.

Chairman: Wade Chang

Recorder: Franck Ho

Coretronic Corporation

2022 Business Report

For the fiscal year of 2022, Coretronic reported a consolidated sales revenue of NT\$49,783 million, drop 0.1% YoY. Consolidated operating income totaled NT\$2,151 million with a pre-tax income of NT\$3,173 million. Net income was reported at NT\$2,413 million. Net income attributable to equity holders of the parent Company was NT\$2,359 million, up 16% YoY, and the EPS in 2022 was NT\$6.03.

Sales breakdowns by product lines in 2022 as below: (Consolidated)

| Product | 2021 | 2022 | Diff. |
|----------------------------------|------------|------------|-------|
| Energy Saving Products (unit/pc) | 60,844,065 | 40,008,434 | -34% |
| Visual Solutions Products (unit) | 870,491 | 1,357,622 | +56% |

Reflecting to 2022, in response to the ultra-thin, narrow bezel, high-resolution, high-contrast and energy-saving displays on the market, we continued to develop its core technology of light guide plates, display technology, and system integration technology to enhance product competency. In injection-molded light guide plates, Coretronic introduced the new IML & MML light guide plates, combined with special optical components to further enhance efficiency at least 40%~60% higher than traditional BLU. In hot embossing LGP, also continues Refined, optimized process and microstructure design developed new PC/PMMA RS-IML & CML, in addition to having the advantages of efficiency, low internal stress, resistance to material sticking, no need for molds, and high productivity, the thickness can be down to 0.3T, and can be used for ultra-narrow bezel thin displays. Looking forward to the energy-saving requirements of Energy star 9.0 in monitor displays, it has made active deployment in high energy-efficient LGPs of 27 " or below, which are 15-25% more efficient than existing products.

In the development of HDR, we started the mass production of Mini-LED area dimming and scanning backlight modules for use on narrow-bezel gaming laptops and FPDs. Alongside with company's specially developed optical alignment splicing light board, special diffusion plate/ sheet & printing technology has improved optics, picture quality and production stability. In response to the needs of future display technology ESG, we have recently invested in the development of small and medium-sized "front light panel" products, which will no longer need to rely solely on the backlight module to provide light sources, but can mostly use ambient light as the main light source, which is expected to contribute to energy saving.

In addition, we developed the fifth-generation switchable e-privacy display technology that supports lower power consumption and better privacy performance with core LGP, BLM, and special film technologies. It allows users to dynamically switch to the appropriate viewing angle in different scenarios to overcome the contrast reduction and inconveniences caused by using add-on privacy filters on traditional displays. At present, more and more models are in continuous mass production and development. In response to the sixth generation's demand for lighter and slimmer modules with better privacy protection, we have proactively engaged in development and won credits from many customers for our trial production stage product. By extending related concepts to automotive and industrial applications, such as the development of one-way and two-way privacy protection technology for automotive center information displays (CID) and passenger displays for drivers to dynamically switch the viewing angle in different scenarios to prevent driving safety caused by light interference. Currently, we have continually discussed collaborative development projects with potential customers. To cope with the trend towards large-size, high-brightness, and high-contrast automotive display, we have successfully developed a 2D dynamic dimming LCD display featuring

optics structure, diffusion layer & LED design, a 2.5~4mm OD with low Halo effect, and dynamic dimming function. Collaborative development with customers has also begun. In semi-system integration, it smoothly won orders from global customers with the integrated technology covering open cell, LGP, touch module, and assembly and production integration business model. Based on these advantages, the Company also integrated the open cell in privacy display technology to in-house splitting and polarizer to form an integrated process from front-end to LCM.

The professional display demand for content creator is rising up because of social media, media steaming, and metaverse. Compare to consumer grade display, content creator has higher demand for wide color gamut, color calibration, high sensitive brushstroke and stylus input, even to certificated grade requirement. It's the first time to adopt OLED panel for creators' professional monitor. The rapid-reaction, high-contrast of OLED, with our unique electric flips motor color sensor, and color calibration algorithm automatically performs color calibration to ensure the professional-grade color accuracy for user. After professional-grade color calibration, parameter setting will be input to display MCU IC display, rather than PC. Therefore, no recalibration is required when the user connect to a different device. The user can access the previous color parameter setting thru the hotkey on display. The display is equipped with light source, and motion sensor will detect the user's surrounding to automatically adjust the color temperature, luminance, and shut-off to create the best user experience.

For industrial display application, such as, medical imaging digital transformation, Coretronic upgrades dentistry screen interface. Such as, 21.5 inch display of digital intraoral scanner, and dental treatment chair monitor, 15.6 inch control tablet of full mouth CT will connect to internet, clinic devices, and sync data in the cloud, with AI-assisted to provide more personal dentist treatment experience with ARM SOC. For explosive growth of electric vehicle supply equipment, we also provides high brightness, anti-static, anti-magnetic, waterproof, dust-proof, rust-proof, anti-corrosion, wear-resistant and explosion-proof rugged outdoor display.

Coretronic adopts unique optical and product integration technology to develop special light guide decoration plate which can be custom made and controlled thru software for e-sports product. In 2022, this light guide decoration plate which is equipped in motherboard and graphics card has been in mass production stage. It's also in design-in stage for next product lines of gaming laptop, tablet, and cell phone. This technology is extended to in vehicle infotainment system, to provide a more energy-saving, affordable, customizable and intuitive ambient lighting effects and indication functions. Coretronic will continue to develop display related technology to supply fast, low-cost, high-quality and diverse components, semi-systems and system product to create greater achievement.

In terms of visual solution products, the trend of solid -state light sources replaced traditional high-pressure bulbs has become the mainstream of projection light sources. With patented laser optical technology and high-efficiency heat dissipation system, Coretronic continues to stabilize DLP#1 in the projector market. In 2022, a new generation of mainstream projectors with energy saving, miniaturization, and efficiency of reached 4000 lm has been announced. In the future, we invest more in pico-projectors segment. In addition to the small volume and high mobility, it also has a high convenience, and it also has a wide color gamut and high contrast to make it strong to the influence of the environmental light and make the application situation more diverse.

The epidemic changes the human/home display application needs and the demand for them arises; the home market will enter the first year of 8K projection display, combined with the new smart/audio/RGB solid laser technology to provide customers with a new audio and video visual experience; the enterprise and the education market take laser technology as the foundation to deepen projection unique value , using smart features to solve the pain points and to provide customers with the best large scale display solution; in terms of flagship image products, Coretronic is mainly using laser light source, and the next -generation light source technology will be

introduced to improve efficiency. Breakthrough progress and other breakthroughs in efficiency, size, and color, combined with software and hardware technology are used to reduce the difference of each units to ensure that quality consistency, and Coretronic continues to lead the industry.

From low brightness to high brightness, we use the minimum flow requirements required by the system as the design standard, and then uses quiet, small, lightweight, low temperature, and energy saving as the criterion to carry out the best heat dissipation management. The R&D team also conducts research on heat dissipation components to improve the active and passive heat dissipation counterpart effects. At the same time, through the construction of the vibration digital model, it further reduces the vibration noise of fluorescent wheels and the vibrator, and improves the noise quality of projection products. At the same time, digital simulation technology is used for systemic vibration and optical coupling simulation to improve the light thermal conversion efficiency of the system and improve design accuracy to shorten the project development schedule, extend the service life of the projector and product stability.

Under the consensus of the global advocacy environment, net zero emissions have become a clear goal, and it has been launched one by one in the law. This year's product development has incorporated this important issue into the product design concept; in addition to the performance of standby power consumption, it is lower than the requirements of more than 30%, and the efficiency density has been greatly improved, which has made the product's volume efficiency significantly improved. In addition, this year, in response to the issue of material shortage and reducing geographical risks, the selection of parts in the design stage has given priority to alternative materials and diverged to the risks of different places. In recent years it has been substantially beneficial to material management, and effectively improves the operating efficiency of resources.

Repeated global epidemics cause delays in field validation of emerging applications, however, NIR miniature spectrometers applications such as petrochemical online testing, crop quality, silage, pharmaceutical quality, and cloth fiber qualitative testing have clear needs and the field verification was restarted and expended the scope in the fourth quarter, 2021. The overall market is increasingly accepting the related applications of NIR miniature spectrometers, the trend of development is clearer and it is consistent with the direction of the company. The technical services provided from hardware to solutions can effectively cooperate with customers to accelerate the business development and strengthen the stickiness of the customers. In addition to continuing to generate through different business models, we will also invest in the development of new products to enhance market competitiveness.

With strongly affected by repeated epidemics in mainland China, freezing of the global economy, inflation and the war between Russia and Ukraine. Although the sales volume in 2022 decreased slightly compared with last year, due to revenue increase from high-margin new product introduction and modeling services, strict inventory management & expense control, stable precision agriculture and fabric fiber qualitative testing applications demand, and research & development needs of scientific research institutions, all contributed a sustained sales base. In coming 2023, the global economic uncertainties still remains but the overall market acceptance and demand for NIR miniature spectrometer-related applications have increased significantly. Therefore, in addition to continuing to stabilize the basic market, we will also strengthen website upgrades and regular social media to deliver new information, aggressively participating in related exhibitions, strengthening and expanding distribution channels, and improving the sales force of high-margin products to develop new customer sources and markets. It is expected to grow steadily and furtherly make profits in 2023.

For drone business, 2022 is the most important year to build solid foundation for revenue and technology. Teledyne FLIR, one of the leading thermal imaging technology companies in the world, has officially announced the inspection drone ODM product at the Commercial UAV Show in the United States on September 2022, while mass-produced and sold at the end of the year, by aiming

the market opportunity of Non-DJI policy in the United State.

In the meanwhile, dual optical payload have also begun mass production and shipments for military application, which is performing the integration of gimbal & AI technology in both hardware and software. Moreover, with the strength of innovative technology and MIT production capability, we has been selected as leading company for two types of drones for military commercial project, which is expected to mass production in volume by 2024.

For Smart Autonomous Vehicle/Robot application, the team delivered outdoor last mile delivery robot samples to European customer was completed on schedule, and the 3D LiDAR JDM case applied to outdoor logistics distribution robots and self-driving cars was obtained, all of which are expected to be mass-produced in 2023. In terms of smart logistic application, given the team owns rich AMR chassis design and electric-mechanical integration capability, we also acquired the robot chassis JDM project from US customer, and the robot is targeted at smart truck loading/unloading, and will also enter mass production in 4Q23.

In addition, we successfully conducted digital transformation solutions in DOOH and retail industry and cooperate digital transformation, by integrating our innovative visual solutions and products with core technologies including AI, deep learning, computer vision, data science, IoT, and cloud computing. Over 26,500 AIoT solutions and services have been deployed in Taiwan, including cloud signage, virtual shelf, repeat customer system, skin analysis, and e-label. Apart from earning the favor of leading retailers in Taiwan, these solutions have been implemented in their channels. In addition, we will collect, analyze, use and add value to the offline data and maintain close cooperation with customers, industries, and the academia to develop exclusive field-specific data analysis technology to realize the data-based service platform as well as conduct enterprise digital transformation and cloudification services and unique offline programmatic DOOH.

Moving forward, we will adhere to the mission to be the leader of the digital display system technology, continue to develop innovative display solutions, and aim at cloud services, AI, and complete solutions for various smart fields. The specific development strategies are as follows:

- (I)Intensely develop optical core technology to extend the cross-sector application of optical components, system products and semi-system products to increase product add value and price competitiveness and secure global competitiveness in the display and visual technology fields.
- (II) In BLM technology, apart from constantly developing various new type LGPs, direct type LGLs, special optical control films, and Mini-LED BLMs and its related optical diffusion film/plate and printing technology; we will continue to reduce the thickness, bezel width, optical films and LEDs and enhance the optical efficiency of BLMs to develop slim, small, lightweight, energy-efficient, HDR, and high-value added displays with privacy protection, for game consoles, tablets, notebooks, industrial monitors, automotive HUDs and touch screens, advanced monitors for medical and gaming, AIO monitors, slim and smart high-end TVs and smart home display modules. In terms of front light module technology, in response to the needs of different products, combined with our experience in optical design and light guide plate manufacturing, we continue to develop and send samples to potential customers.
- (III)In response to the changes in market business models and customer demands, product development has turned from BLMs to semi-system and integrated system products designed and manufactured in combination with tablets/notebooks/ automotive HUDs and displays, and TV outer parts. This move aims to provide the best possible design, production, and global after-sales services for Brand Name/SI, and panel customers through a highly flexible business model.
- (IV)Mainstream product strategy will be focusing on three objectives : (1)Expediting the transition from lamp to SSI. (2)Expanding 4K/FHD display solutions and incorporating smart and streaming features tailored for home market. (3)Improving the products' cost structure to

survive and prosper in the economic downturn. The strategy of next-gen light source based on laser technology has in 2022 helped achieve a tremendous success in both B2C and B2B market. Going forward in 2023, the competitive advantages will be further strengthened to accelerate the growth in sales and revenue by focusing on three paths, deepening the partnership with strategic suppliers and enhancing technological advantages and patent portfolio surrounding laser technology, proactively increasing the presence in the smart pico-market, and tapping into new sectors (Consumer/TV/Gaming) by acquiring new customers.

- (V) To continue the technical advantage of DLP, completed the product line and optimized the advantage in between product, technology and customer. a. To develop the HEP product with TI latest DMD technology, build up and speed up the full 4K product line. b. To build up 3DLP technology with laser phosphor combiner development and also DCI projector EMS business. c. To continue the smart projector and camera sensing development, build up the barrier and enhance the product value.
- (VI) Diversifying product and technology development, focus on specific applications to enlarge the advantage of projection technology. a. Extending the simulation product to commercial application and also immersive projection applications. b. Investing the automotive projection application, to catch up the EV car technology trend and build up future momentum.
- (VII) Enter the smart retail, DOOH and enterprise digital transformation and cloudification consultant markets with the service-based business model by integrating AI, deep learning, computer vision, IoT and cloud computing. Focus on computer vision, AI deep learning and digital twin technology for developing SLAM navigation solutions based on multi-sensing device fusion technology, as well as core capabilities such as image recognition and motion control algorithms. Provide complete solutions for drones and outdoor self-driving vehicles in the application fields of smart inspection and logistics, and actively expand the ODM business with international brand name company.
- (VIII) Plan and implement group resources allocation and ensure the information security with Digital optimization technology to enhance overall organizational performance; define information processes and system resource utilization required for business operations and quickly provide integrated information management platforms; design, plan, and implement cloud computing architecture, digital platforms and IoT environments and applications to promote the new business development within the group.
- (IX) In response to the group's operations and growth, raise low-cost funding to support organizational development and develop strength for long-term development.

Goals include building consensus through engagement to enable teamwork, innovation and execution, materializing the vision to build a technologies foundation for sustainable business and pursuing the ultimate interest of shareholders and employees.

Sincerely,

Chairman: Wade Chang President: Sarah Lin, SY Chen, Ann Wu Accounting Officer: Franck Ho

Audit Committee's Review Report

To: 2023 General Annual Shareholders' Meeting of Coretronic Corporation

The Board of Directors of the Company has delivered the 2022 business report, the financial statements and the proposed 2022 earnings distribution. The aforesaid 2022 financial statements of the Company and the consolidated financial statements had been audited by Ernst & Young. The Audit Committee has examined the above statements and found nothing out of order and thus prepared this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your ratification.

Coretronic Corporation

Chairman of the Audit Committee : Edward H. Chow

March 13, 2023



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Independent Auditors' Report

To Coretronic Corporation

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only 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 Company recognized the allowance write-down of inventories amounted to NT\$34,210 thousand for the year ended December 31, 2022, due to the rapid technological changes and innovation for projectors, backlight, and FPD-related products. Considering the amount of inventories was significant and the assessment of the amount of inventories write-downs requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the parent company only financial statements.

Revenue recognition

The Company recognized the revenue amounted to NT\$30,567,680 thousand for the year ended December 31, 2022. Main source of revenue comes from projectors, backlight, and FPD-related sales of products and related services. As revenue is the main operating activity of the company, the company 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 parent company only financial statements.

Other Matter – Making Reference to the Audits of Component 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 other auditors. These associates and joint ventures under equity method amounted to NT\$50,117 thousand and NT\$68,613 thousand, representing 0.10% and 0.14% of total assets as of December 31, 2022 and 2021, respectively. The related shares of gains (losses) from the associates and joint ventures under the equity method amounted to NT\$7,071 thousand and NT\$(97,283) thousand, representing 0.28% and (4.82)% of the net income before tax for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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



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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company.
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 Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

February 13, 2023

Notice to Readers

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

| ASSETS | Notes | December 31, 2022 | % | December 31, 2021 | % |
|------------------------------------------------------------------------------|----------------|----------------------|---------------|----------------------|---------------|
| Current assets | | | | | |
| Cash and cash equivalents | 4, 6(1) | \$ 240,074 | 0.48 | \$ 534,920 | 1.07 |
| Financial assets at fair value through profit or loss-current | 4, 6(2) | 134,752 | 0.27 | 154,386 | 0.31 |
| Trade receivables, net | 4, 6(4), 16 | 5,912,317 | 11.71 | 11,261,678 | 22.49 |
| Trade receivables - related parties, net | 4, 6(4), 7 | 1,019,690 | 2.02 | 1,664,779 | 3.33 |
| Other receivables | 4, 8 | 116,350 | 0.23 | 100,136 | 0.20 |
| Other receivables - related parties | 4, 7 | 273,256 | 0.54 | 34,032 | 0.07 |
| Inventories, net | 4, 5, 6(5) | 3,784,421 | 7.50 | 1,433,447 | 2.86 |
| Prepayments | | 169,272 | 0.33 | 312,408 | 0.62 |
| Other current assets | | 27,159 | 0.05 | 30,061 | 0.06 |
| Total current assets | | 11,677,291 | 23.13 | 15,525,847 | 31.01 |
| Non-current assets | | | | | |
| Financial assets at fair value through other comprehensive income-noncurrent | 4, 6(3) | 3,067,948 | 6.08 | 2,752,957 | 5.50 |
| Investments accounted for using the equity method | 4, 6(6), 6(20) | 32,970,938 | 65.30 | 29,152,845 | 58.22 |
| Property, plant and equipment, net | 4, 6(7) | 1,614,882 | 3.20 | 1,621,118 | 3.24 |
| Right-of-use assets | 4, 6(17) | 701,071 | 1.39 | 713,562 | 1.42 |
| Intangible assets | 4, 6(8) | 213,268 | 0.42 | 163,001 | 0.32 |
| Deferred tax assets | 4, 6(21) | 168,880 | 0.33 | 114,799 | 0.23 |
| Net defined benefit assets - noncurrent, net | 4, 6(12) | 13,254 | 0.03 | - | - |
| Other noncurrent assets | | 62,279 | 0.12 | 29,928 | 0.06 |
| Total non-current assets | | 38,812,520 | 76.87 | 34,548,210 | 68.99 |
| Total assets | | \$ 50,489,811 | 100.00 | \$ 50,074,057 | 100.00 |

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

| LIABILITIES AND EQUITY | Notes | December 31, 2022 | % | December 31, 2021 | % |
|----------------------------------------------------------------------|--------------|-------------------|--------|-------------------|--------|
| Current liabilities | | | | | |
| Short-term borrowings | 6(9) | \$ 8,145,511 | 16.13 | \$ 10,289,763 | 20.55 |
| Financial liabilities at fair value through profit or loss - current | 4, 6(10) | 427,105 | 0.85 | 56,019 | 0.11 |
| Contract liabilities-current | 6(15) | 282,330 | 0.56 | 107,028 | 0.21 |
| Accounts payable | | 2,561,416 | 5.07 | 4,232,717 | 8.45 |
| Accounts payable - related parties | 7 | 4,657,290 | 9.23 | 7,219,889 | 14.42 |
| Other payables | | 1,731,815 | 3.43 | 1,766,348 | 3.53 |
| Other payables - related parties | 7 | 4,762,327 | 9.43 | 1,561,289 | 3.12 |
| Current tax liabilities | 4, 6(21) | 636,885 | 1.26 | 401,573 | 0.80 |
| Provisions - current | 4, 5, 6(13) | 197,660 | 0.39 | 143,183 | 0.29 |
| Lease liabilities - current | 4, 6(17) | 55,567 | 0.11 | 61,560 | 0.12 |
| Other current liabilities | | 272,216 | 0.54 | 230,716 | 0.46 |
| Total current liabilities | | 23,730,122 | 47.00 | 26,070,085 | 52.06 |
| Non-current liabilities | | | | | |
| Long-term borrowing | 6(11) | 2,995,163 | 5.93 | 991,970 | 1.98 |
| Deferred tax liabilities | 4, 6(21) | 29,097 | 0.06 | 35,538 | 0.07 |
| Lease liabilities - noncurrent | 4, 6(17) | 667,403 | 1.32 | 668,755 | 1.34 |
| Net defined benefit liabilities - noncurrent | 6(12) | - | - | 57,718 | 0.12 |
| Other noncurrent liabilities | 6(6) | 338,481 | 0.67 | 97,887 | 0.19 |
| Total non-current liabilities | | 4,030,144 | 7.98 | 1,851,868 | 3.70 |
| Total liabilities | | 27,760,266 | 54.98 | 27,921,953 | 55.76 |
| Equity | | | | | |
| Share capital | | | | | |
| Common stock | 6(14) | 3,909,811 | 7.74 | 3,909,811 | 7.81 |
| Capital surplus | 6(14) | 2,808,225 | 5.56 | 2,893,442 | 5.78 |
| Retained earnings | 6(14), 6(20) | | | | |
| Legal reserve | | 4,121,627 | 8.16 | 4,046,623 | 8.08 |
| Special reserve | | 1,276,610 | 2.53 | 2,469,437 | 4.93 |
| Unappropriated retained earning | | 12,024,401 | 23.82 | 9,650,179 | 19.27 |
| Total retained earnings | | 17,422,638 | 34.51 | 16,166,239 | 32.28 |
| Other equity | | (1,411,129) | (2.79) | (817,388) | (1.63) |
| Total equity | | 22,729,545 | 45.02 | 22,152,104 | 44.24 |
| Total liabilities and equity | | \$ 50,489,811 | 100.00 | \$ 50,074,057 | 100.00 |

The accompanying notes are an integral part of parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

| Description | Notes | For the year ended December 31 | | For the year ended December 31 | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------|--------------------------------|--------|
| | | 2022 | % | 2021 | % |
| Net sales | 4, 5, 6(15), 7 | \$ 30,567,680 | 100.00 | \$ 24,567,786 | 100.00 |
| Operating costs | 4, 6(5), 6(8), 6(12), 6(18), 7 | 27,175,501 | 88.90 | 21,988,606 | 89.50 |
| Gross profit | | 3,392,179 | 11.10 | 2,579,180 | 10.50 |
| Unrealized gross profit on sales | 6(6) | 263,735 | 0.86 | 126,019 | 0.51 |
| Realized gross profit on sales | | 126,019 | 0.41 | 128,637 | 0.52 |
| Gross profit, net | | 3,254,463 | 10.65 | 2,581,798 | 10.51 |
| Operating expenses | 6(8), 6(12), 6(16), 6(18) | | | | |
| Selling expenses | | 284,176 | 0.93 | 277,412 | 1.13 |
| General and administrative expenses | | 1,137,729 | 3.72 | 1,120,472 | 4.56 |
| Research and development expenses | | 1,454,873 | 4.76 | 1,549,214 | 6.31 |
| Reversal of expected credit loss | | (1,156) | - | (1,606) | (0.01) |
| Total operating expenses | | 2,875,622 | 9.41 | 2,945,492 | 11.99 |
| Operating loss | | 378,841 | 1.24 | (363,694) | (1.48) |
| Non-operating income and expenses | | | | | |
| Interest income | 6(19) | 2,379 | 0.01 | 343 | - |
| Other income | 4, 6(19) | 169,228 | 0.56 | 213,056 | 0.87 |
| Other gains and losses | 6(19) | 590,813 | 1.93 | 465,430 | 1.89 |
| Finance costs | 6(19) | (266,155) | (0.87) | (76,510) | (0.31) |
| Share of gain of subsidiaries, associates and joint ventures for using the equity method | 4, 6(6) | 1,645,311 | 5.38 | 1,780,930 | 7.25 |
| Total non-operating income and expenses | | 2,141,576 | 7.01 | 2,383,249 | 9.70 |
| Income before income tax | | 2,520,417 | 8.25 | 2,019,555 | 8.22 |
| Income tax (expense) benefit | 4, 6(21) | (161,482) | (0.53) | 12,070 | 0.05 |
| Net income | | 2,358,935 | 7.72 | 2,031,625 | 8.27 |
| Other comprehensive income | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Remeasurements of defined benefit pension plans | 6(20) | 53,568 | 0.18 | (10,101) | (0.04) |
| Unrealized loss from equity instrument investments measured at fair value through other comprehensive income | 6(20) | (997,657) | (3.27) | 698,846 | 2.84 |
| Remeasurements of defined benefit pension plans of subsidiaries, associates and joint ventures accounted for using the equity method | 6(20) | 27,554 | 0.09 | 7,466 | 0.03 |
| Unrealized (loss) gain from equity instrument investments measured at fair value through other comprehensive income from share of subsidiaries, associates and joint ventures accounted for using the equity method | 6(20) | (406,786) | (1.33) | 326,914 | 1.33 |
| Income tax related to items that will not be reclassified | 6(20), 6(21) | (11,896) | (0.04) | 2,020 | 0.01 |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Exchange differences on translation of foreign operations | 6(20) | 811,873 | 2.66 | (255,767) | (1.04) |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | 6(20) | 11 | - | (2) | - |
| Other comprehensive income, net of tax | | (523,333) | (1.71) | 769,376 | 3.13 |
| Total comprehensive income | | \$ 1,835,602 | 6.01 | \$ 2,801,001 | 11.40 |
| Basic Earnings Per Share (in New Taiwan Dollars) | 6(22) | \$ 6.03 | | \$ 5.12 | |
| Diluted Earnings Per Share (in New Taiwan Dollars) | 6(22) | \$ 5.92 | | \$ 5.06 | |

The accompanying notes are an integral part of parent company only financial statements.

CORETRONIC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

| Description | Common stock | Capital surplus | Retained earnings | | | Other equity | | | Total equity |
|------------------------------------------------------------------------------------------------|--------------|-----------------|-------------------|-----------------|----------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|---------------|
| | | | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign operations | Unrealized gains or losses on financial assets at fair value through other comprehensive income (loss) | Treasury stock | |
| Balance as of January 1, 2021 | \$ 4,344,231 | \$ 3,548,559 | \$ 3,889,871 | \$ 2,469,437 | \$ 10,229,840 | \$ (2,020,488) | \$ 434,034 | \$ - | \$ 22,895,484 |
| Share of changes in net of associates and joint ventures accounted for using the equity method | - | 293 | - | - | - | - | - | - | 293 |
| Acquisition or disposal of the interest of subsidiaries | - | 127,012 | - | - | - | - | - | - | 127,012 |
| Changes in subsidiaries' ownership | - | (4,815) | - | - | (169) | - | - | - | (4,984) |
| Appropriation and distribution of 2020 earnings: (Note) | | | | | | | | | |
| Legal reserve | - | - | 156,752 | - | (156,752) | - | - | - | - |
| Cash dividends | - | - | - | - | (1,172,944) | - | - | - | (1,172,944) |
| Cash dividends distributed from capital surplus | - | (390,981) | - | - | - | - | - | - | (390,981) |
| Net income for the year ended December 31, 2021 | - | - | - | - | 2,031,625 | - | - | - | 2,031,625 |
| Other comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | 310 | (255,769) | 1,024,835 | - | 769,376 |
| Total comprehensive income (loss) | - | - | - | - | 2,031,935 | (255,769) | 1,024,835 | - | 2,801,001 |
| Treasury stock acquired | - | - | - | - | - | - | - | (2,102,777) | (2,102,777) |
| Treasury stock retired | (434,420) | (386,626) | - | - | (1,281,731) | - | - | 2,102,777 | - |
| Balance as of December 31, 2021 | 3,909,811 | 2,893,442 | 4,046,623 | 2,469,437 | 9,650,179 | (2,276,257) | 1,458,869 | - | 22,152,104 |
| Acquisition or disposal of the interest of subsidiaries | - | 334,824 | - | - | - | - | - | - | 334,824 |
| Changes in subsidiaries' ownership | - | (29,060) | - | - | - | - | - | - | (29,060) |
| Appropriation and distribution of 2021 earnings: (Note) | | | | | | | | | |
| Legal reserve | - | - | 75,004 | - | (75,004) | - | - | - | - |
| Cash dividends | - | - | - | - | (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) |
| Net income for the year ended December 31, 2022 | - | - | - | - | 2,358,935 | - | - | - | 2,358,935 |
| Other comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | 70,408 | 811,884 | (1,405,625) | - | (523,333) |
| Total comprehensive income (loss) | - | - | - | - | 2,429,343 | 811,884 | (1,405,625) | - | 1,835,602 |
| 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 |

The accompanying notes are an integral part of parent company only financial statements.

Note : The amounts of employees' compensation was NT\$360,060 thousand and NT\$228,508 thousand for the years ended December 31, 2022 and 2021, respectively.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

| Description | For the years ended December 31 | | Description | For the years ended December 31 | |
|----------------------------------------------------------------------------------------------------|---------------------------------|--------------|---------------------------------------------------------------------------------------------|---------------------------------|-------------|
| | 2022 | 2021 | | 2022 | 2021 |
| Cash flows from operating activities : | | | Cash flows from investing activities : | | |
| Net income before tax | \$ 2,520,417 | \$ 2,019,555 | Acquisition of financial assets at fair value through profit or loss | \$ (41,610) | \$ - |
| Adjustments for: | | | Acquisition of investments accounted for using the equity method | (328,277) | (593,400) |
| The profit or loss items which did not affect cash flows: | | | Proceeds from disposal of investments accounted for using the equity method | 139,971 | 55,141 |
| Reversal of expected credit loss | (1,156) | (1,606) | Capital reduction from associates and joint ventures accounted for using the equity method | 2,766 | - |
| Depreciation (including right-of-use-assets) | 181,801 | 178,692 | Acquisition of financial assets at fair value through other comprehensive income | (1,211,610) | (2,054,000) |
| Amortization (including other noncurrent assets) | 29,318 | 23,039 | Proceeds from disposal of financial assets at fair value through other comprehensive income | - | 1,219 |
| Net loss on financial assets and liabilities at fair value through profit or loss | 376,690 | 156,683 | Acquisition of property, plant and equipment | (146,920) | (74,656) |
| Interest expenses | 266,155 | 76,510 | Proceeds from disposal of property, plant and equipment | 1,745 | 3,981 |
| Interest income | (2,379) | (343) | Acquisition of intangible assets | (79,578) | (33,986) |
| Dividend income | (26,000) | - | Proceeds from disposal of intangible assets | 103 | 15 |
| Gain on disposal of Intangible assets | - | (2) | Acquisition through business combination | 1,193 | - |
| Share of gain of subsidiaries, associates and joint ventures accounted for using the equity method | (1,645,311) | (1,780,930) | Decrease (increase) in other noncurrent assets | 307 | (1,586) |
| Gain on disposal of property, plant and equipment | - | (18) | Net cash used in investing activities | (1,661,910) | (2,697,272) |
| Gain on lease modification | (23) | (1) | | | |
| Gain on disposal of other assets (recognized in other income) | (12,067) | (15,500) | Cash flows from financing activities : | | |
| Unrealized gain from sales | 263,735 | 126,019 | (Decrease) increase in short-term borrowings | (3,025,252) | 5,658,630 |
| Realized gain from sales | (126,019) | (128,637) | Increase (decrease) in other payables - related parties | 2,844,965 | (437,517) |
| Changes in operating assets and liabilities: | | | Cash payment for the principle portion of lease liabilities | (51,271) | (48,580) |
| Trade receivables | 5,350,517 | (6,213,569) | Decrease in other noncurrent liabilities | (242) | (12,686) |
| Trade receivables - related parties | 645,089 | 394,331 | Increase in long-term borrowings (including current portion of long-term borrowings) | 2,003,193 | 991,970 |
| Other receivables | (16,260) | 20,821 | Cash dividends | (1,563,925) | (1,563,925) |
| Other receivables - related parties | (237,224) | 79,740 | Treasury stock acquired | - | (2,102,777) |
| Inventories | (2,350,974) | (856,286) | Net cash provided by financing activities | 207,468 | 2,485,115 |
| Prepayments | 143,136 | (113,984) | | | |
| Other current assets | 2,902 | (11,215) | Net (decrease) increase in cash and cash equivalents | (294,846) | 475,590 |
| Contract liabilities - current | 175,302 | 70,489 | Cash and cash equivalents at the beginning of the period | 534,920 | 59,330 |
| Accounts payable | (1,671,301) | 2,276,714 | Cash and cash equivalents at the end of the period | \$ 240,074 | \$ 534,920 |
| Accounts payable - related parties | (2,562,599) | 3,873,773 | | | |
| Other payables | (52,365) | 379,202 | | | |
| Other payables - related parties | (399,747) | 15,225 | | | |
| Provisions - current | 54,477 | (32,681) | | | |
| Other current liabilities | 41,500 | 18,531 | | | |
| Net defined benefit liabilities | (17,404) | (5,662) | | | |
| Cash generated from operating activities | 930,210 | 548,890 | | | |
| Interest received | 2,427 | 346 | | | |
| Dividend received | 497,001 | 233,990 | | | |
| Interest paid | (255,643) | (74,991) | | | |
| Income tax paid | (14,399) | (20,488) | | | |
| Net cash provided by operating activities | 1,159,596 | 687,747 | | | |

The accompanying notes are an integral part of parent company only financial statements.

Independent Auditors' Report

To Coretronic Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Valuation for inventories

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

Revenue recognition

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

Other Matter – Making Reference to the Audits of Component Auditors

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

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

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

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

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

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

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



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

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

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

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



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

Others

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

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

February 13, 2023

Notice to Readers

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

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

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

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

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

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

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

| Description | Equity attributable to owners of the parent | | | | | | | | | Non-controlling interests | Total equity |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------|-------------------|-----------------|----------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------------------|---------------|
| | Common stock | Capital surplus | Retained earnings | | | Other equity | | | Total | | |
| | | | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign operations | Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss) | Treasury stock | | | |
| Balance as of January 1, 2021 | \$ 4,344,231 | \$ 3,548,559 | \$ 3,889,871 | \$ 2,469,437 | \$ 10,229,840 | \$ (2,020,488) | \$ 434,034 | \$ - | \$ 22,895,484 | \$ 2,043,951 | \$ 24,939,435 |
| Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method | - | 293 | - | - | - | - | - | - | 293 | - | 293 |
| Acquisition or disposal of the interest of subsidiaries | - | 127,012 | - | - | - | - | - | - | 127,012 | 36,117 | 163,129 |
| Changes in subsidiaries' ownership | - | (4,815) | - | - | (169) | - | - | - | (4,984) | - | (4,984) |
| Appropriation and distribution of 2020 earnings: | | | | | | | | | | | |
| Legal reserve | - | - | 156,752 | - | (156,752) | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (1,172,944) | - | - | - | (1,172,944) | - | (1,172,944) |
| Cash dividends distributed from capital surplus | - | (390,981) | - | - | - | - | - | - | (390,981) | - | (390,981) |
| Net income for the year ended December 31, 2021 | - | - | - | - | 2,031,625 | - | - | - | 2,031,625 | 7,655 | 2,039,280 |
| Other comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | 310 | (255,769) | 1,024,835 | - | 769,376 | (15,746) | 753,630 |
| Total comprehensive income (loss) | - | - | - | - | 2,031,935 | (255,769) | 1,024,835 | - | 2,801,001 | (8,091) | 2,792,910 |
| Treasury stock acquired | - | - | - | - | - | - | - | (2,102,777) | (2,102,777) | - | (2,102,777) |
| Treasury stock retired | (434,420) | (386,626) | - | - | (1,281,731) | - | - | 2,102,777 | - | - | - |
| Decrease of non-controlling interests | - | - | - | - | - | - | - | - | - | (7,080) | (7,080) |
| Balance as of December 31, 2021 | 3,909,811 | 2,893,442 | 4,046,623 | 2,469,437 | 9,650,179 | (2,276,257) | 1,458,869 | - | 22,152,104 | 2,064,897 | 24,217,001 |
| Acquisition or disposal of the interest of subsidiaries | - | 334,824 | - | - | - | - | - | - | 334,824 | 123,856 | 458,680 |
| Changes in subsidiaries' ownership | - | (29,060) | - | - | - | - | - | - | (29,060) | (24,300) | (53,360) |
| Appropriation and distribution of 2021 earnings: | | | | | | | | | | | |
| Legal reserve | - | - | 75,004 | - | (75,004) | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (1,172,944) | - | - | - | (1,172,944) | - | (1,172,944) |
| Reversal of special reserve | - | - | - | (1,192,827) | 1,192,827 | - | - | - | - | - | - |
| Cash dividends distributed from capital surplus | - | (390,981) | - | - | - | - | - | - | (390,981) | - | (390,981) |
| Net income for the year ended December 31, 2022 | - | - | - | - | 2,358,935 | - | - | - | 2,358,935 | 54,499 | 2,413,434 |
| Other comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | 70,408 | 811,884 | (1,405,625) | - | (523,333) | 52,531 | (470,802) |
| Total comprehensive income (loss) | - | - | - | - | 2,429,343 | 811,884 | (1,405,625) | - | 1,835,602 | 107,030 | 1,942,632 |
| Increase of non-controlling interests | - | - | - | - | - | - | - | - | - | 79,456 | 79,456 |
| Balance as of December 31, 2022 | \$ 3,909,811 | \$ 2,808,225 | \$ 4,121,627 | \$ 1,276,610 | \$ 12,024,401 | \$ (1,464,373) | \$ 53,244 | \$ - | \$ 22,729,545 | \$ 2,350,939 | \$ 25,080,484 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

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

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

Coretronic Corporation
2022's Earnings Distribution Table

Unit : NTD

| Item | Amount | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|
| | Subtotal | Total |
| Beginning of Unappropriated Retained Earnings | | 9,595,057,675 |
| Plus: Remeasurements of defined benefit pension plans | 70,408,253 | |
| Cumulative of Unappropriated Earnings | | 9,665,465,928 |
| Net income of 2022 | 2,358,934,956 | |
| Minus: Appropriated For 10% Legal Reserve | (242,934,321) | |
| Minus: : Appropriated For Reversal of special reserve | (134,518,841) | |
| 2022's Earnings Available For Distribution | | 1,981,481,794 |
| Earnings Available For Distribution (Cumulative) | | 11,646,947,722 |
| Cash Dividends To Shareholders (NTD 3.5 per share) | | (1,368,433,885) |
| End of Unappropriated Retained Earnings | | 10,278,513,837 |
| <p>Note 1 : According to the ruling issued by MOF on April 30, 1998 (Ref. 871941343), when distributing earnings it should be taxed as per the year that the earnings were gained. Coretronic adopts last in first out method when distributing earnings, which is to say, first distribute earnings from the most current year and then the previous year's when not sufficient.</p> <p>Note 2 : Cash dividend distribution ratio is calculated on the basis of whole NT dollar, rounded down to whole NT dollar, for total fractional dollars less than whole NT dollar, arrogant by decimal digit to low and account number from the front to rear adjustment order to meet the total cash dividend.</p> | | |

Chairman: Wade Chang President : Sarah Lin, SY Chen, Ann Wu Accounting Officer: Franck Ho