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2023

Annual Report

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One. Letter to the Shareholders

Dear Shareholders,

I. Introduction

For the fiscal year of 2023, Coretronic reported a consolidated sales revenue of NT\$39,492 million, drop 21% YoY. The consolidated operating income totaled NT\$931 million with a pre-tax income of NT\$1,588 million. Net income was reported at NT\$1,202 million. Net income attributable to equity holders of the parent company was NT\$1,392 million, and the EPS in 2023 was NT\$3.56.

II. Business Report for 2023

(I) The sales volume of each major product of the Company in FY 2023 is as follows:

Product	2022	2023	Diff.
Energy Saving Products (unit/pc)	40,008,434	30,466,227	-23.85%
Visual Solutions Products (unit)	1,357,622	974,847	-28.19%

(II) Budget Execution: The Company was not required to publish financial forecasts for FY2023.

(III) The results of financial income and expenditure and profitability analysis are tabulated below:

Item \ Fiscal Year		2022	2023
Financial structure	Liabilities to assets ratio (%)	55.10	53.87
	Long-term capital to property, plant and equipment ratio (%)	340.92	293.81
Solvency	Liquidity ratio (%)	155.63	135.23
	Current ratio (%)	112.27	102.06
	Interest coverage ratio	10.30	4.86
Profitability	Return on assets (%)	4.49	3.09
	Return on equity (%)	10.51	6.02
	Net income before tax to paid-up capital ratio (%)	81.15	40.63
	Net margin (%)	4.85	3.04
	Earnings per share (dollar) / average weighted number of outstanding shares	6.03	3.56

(IV) Research and Development Status

1. Energy Saving Products :

Reflecting to 2023, 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, the Company introduced the new IML light guide plates, combined with special optical components to further enhance efficiency at least 50%~70% higher than traditional BLU. In hot embossing LGP, also continues refined, optimized process and microstructure design developed new PC/PMMA RS-IML, in addition to having the advantages of efficiency, low internal stress, resistance to material sticking, no need for molds, similar optical performance to injection type 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 mass produced 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, small and medium-sized "front light" products have been developed to meet the high transparency and high contrast requirements of reflective LCD. Its special microstructure design can further improve the luminous efficiency and will make a certain contribution to the trend of energy saving and carbon reduction.

Furthermore, leveraging core technologies in light guide panels, backlight modules, special LCD cell and film processing, we have developed the sixth-generation switchable NB privacy module, which is lighter, thinner, and offers enhanced privacy and has been recognized by many customers and plans are under way. Additionally, for the privacy needs of the next generation OLED display, working sample and testing have been ongoing discussed with potential customers. 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, the first generation product has entered the trial production stage. In the face of the improvement of vehicle anti-peeping performance, a variety of new designs and trials have been completed and are being promoted with many 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 2.0~4mm OD with low Halo effect, and dynamic dimming function. Its outline can be traditional rectangle or even free form type (ex. circle

outline). 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.

2. Visual Solutions Products :

Development of solid state illumination based on triple pure laser (RGB laser) and hybrid laser (Multi-Color Light Architecture, MCLA™) has been a key strategy for the Company in the field of image products. With the patented multi-source light combining technology and high efficiency thermal system, we continue to be the DLP #1 leader in the projector market. In 2023 we launched a series of 5000lm mainstream products that are industry leading in terms of energy saving, miniaturization and efficiency and use standard power suppliers. In addition to being compatible with a variety of light sources, they also adopted ESG concept in the product design. We also launched a smart Pico RGB laser product that is the smallest in its class. It's portable, easy to install and has smart and streaming features bringing great convenience in use, also is has wide color gamut and high contrast making it unaffected by ambient light. All of which combined allow it to provide ultimate color and brightness performance in any personal or business use scenarios.

In response to the urgent demand for AI applications and the evolution of technology, we are actively developing the smart projectors. By integrating advanced smart features such as voice control, personal projection mapping, and personalized smart desktop, we aim to provide intelligent and convenient product experiences. We will also incorporate smart projectors into smart home to achieve a seamless interconnection of the smart home ecosystem, meeting the expectations of consumers for smart living.

Projectors, from low brightness to high brightness, are first designed based on system's minimum requirements of air flow. The thermal management is then optimized following the principles of quiet, compact, light and energy-efficient. The R&D team conducted research on heat dissipation components and thermal interface materials to improve the efficiency of active and passive cooling measures. Also, by building a vibration digital model, the noise of the actuator and phosphor wheel were further reduced, thereby reducing the overall noise of the projector products. Also, digital simulation technology is used to simulate the system vibration and photo thermal coupling, which improved the systems' photo thermal conversion efficiency and the design accuracy, expedited the projector development, extended the service life of the projector, and improved the product stability.

Under the global consensus on environmental sustainability and the Company's carbon reduction strategy, the commitment to ESG is not just limited to organizational and product level, but also deeply ingrained in the Company's core objectives covering from supply chains' compliance with ESG regulation, energy saving and carbon reduction at the manufacturing end and the overall planning of

green projectors. Specifically, this includes the use of recycled materials in cardboard, adopting PCR in material selection standards, continuously improving the energy efficiency of projectors, striving to reduce the size, and effectively improving the carbon emission efficiency of the factory through modular design. In 2023, three models obtained the Carbon Footprint of Product ISO 14067:2018 certification for the complete life cycle (raw material acquisition, manufacturing, distribution, sales, consumer use, and waste disposal). By implementing these projects and conducting actual audits, we have demonstrated our commitment to ESG initiatives and fulfilled corporate's social responsibility through concrete actions.

III. Summary of Business Plan in 2024

- (I) Looking forward to 2024, the Company's operations will be directed towards the following management principles and policy.
 - 1. Continue with the transformation of business profit model and product competitiveness, and promote lean and smart manufacturing to enhance efficiency, improve product quality, and create profit.
 - 2. Build a sustainable supply chain, cultivating localization while expanding globally to secure competitiveness and enhance global market share.
 - 3. Cultivating core technologies and key components to provide innovative display systems and total solutions through integration and application of optical/ mechanical/ electrical/ thermal/ software/ material solutions and system design.
 - 4. Focus on high value-added products and multiple visual solutions, cultivate and develop intelligent service platforms for AI, big data, cloud technology, and intelligent interaction to expand growth momentum as well as lead future growth trends.
- (II) Furnish a sales volume forecast and the basis thereof.

According to the supply and demand situation, business strategy, and the Company's production capacity, market share, etc., it is expected that the sales volume of Energy Saving products and Visual Solutions products under the Display Business Group in 2024 is expected to grow by 10% to 15% compared to the previous year and by 20% to 25% respectively.

IV. Future Development Strategies

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 products will focus on three strategic directions: (1) To develop SSI based on triple pure laser (RGB laser) and hybrid laser (Multi-Color Light Architecture, MCLA™) and drive for light source transition for lamp-based products; (2) To accelerate the development and adoption of AI and incorporate advanced smart technologies to strengthen the connection between smart features and user experience to provide an even more friendly user interface; (3) To consolidate the projector industry with business strategy cooperation and expansion, and strengthen the connection with the industry ecosystem. Looking forward, we will continue to focus on laser light source technology and patent acquisition as the foundation, develop smart technologies for applications, expand the influence of mainstream products in the commercial and consumer market by strategic alliances with key suppliers and aggressive customer acquisition to achieve a smarter, more convenience and more superior product experience.
- (V) Leveraging the advantages of DLP technology, further expanding the DLP technology, products, and business models to ensure competitive and seek revenue growth. (1) Deployment of HEP & 4K/2K platforms, expanding the product line and applications in the 1-DLP segment. (2) Keep 3-DLP business development, buildup the EMS/OEM manufacturing capabilities to ensure full deployment by 2025. Keep development of 3-DLP technology and product platform expansion.
- (VI) Extending projection technology and applications, focus & explore the opportunities of specific fields and automotive projection applications, to make sure the momentum of future growth. (1) Focusing on automotive Augmented Reality Head-Up Display (AR HUD) and in-car/out-car projection applications, engaging with automotive manufacturers for implementation by 2024 and ensuring revenue momentum by 2026. (2) Continuing the strategic layout of simulation, dome, and specific industrial application technologies and products, targeting key customers to explore opportunities for solution implementation.
- (VII) Will develop new 2K, 4K, and 8K smart laser ultra-short-throw projection TVs to complete the full range of products for our customers. Provide customized optical engine or complete projector services for a variety of applications for the growing pico-projector market. While continue to refine the R&D and manufacturing

capabilities of AR optical engines and develop international brands and vertical markets, to establish a long-term competitive advantage in the AR glasses market.

- (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.

V. Influences of External Competitions, Regulatory Environment and Macro Environment

(I) Influences of External Competitions :

The statistics of a market survey indicated that the estimated shipments of the large-size LCD panel were 681 million in 2023. The Company's overall shipment of Energy Saving products in 2023 was 30 million units, with a global market share of about 4.41%. Looking ahead to 2024, the consecutive launches of three major sports events—the European Cup, the America's Cup, and the Paris Olympics—will stimulate the demand for TV panels as viewers seek to upgrade their viewing experiences. This surge in demand is expected to contribute to a moderate growth trend in the TV panel market. In 2024, global LCD display panel shipments are projected to reach 149 million units, indicating a marginal increase of 0.8% compared to the previous year. As we approach the next rotation cycle spanning from 2025 to 2026, the market is anticipated to experience concurrent growth. With the easing of global inventory pressures, the laptop product market is poised to return to a healthy supply and demand cycle. Optimism prevails as the primary driver of growth is expected to stem from the terminal business market gradually releasing replacement demand for AI PCs, as well as from segments such as Chromebooks and electronics. Despite facing competition from the continued expansion of notebooks (NB), global NB shipments are forecasted to reach 172 million units in 2024, marking a yearly increase of 3.2%. In recent years, escalating trade tensions between China and the United States, coupled with increasing geopolitical risks, have prompted brand company and panel makers to relocate their production sites outside of China. Destinations such as Taiwan, Southeast Asia, and Mexico have become favored locations for this strategic shift, aimed at both production site diversification and supply chain optimization. Over the long term, this restructuring results in a shorter and potentially more resilient supply chain. In contrast to its competitors, The Company has not only made investments in China but has also established factories in Vietnam, distinguishing itself as the most rapidly expanding among Taiwan's leading backlight module manufacturers in the southward direction. Additionally, The Company demonstrates a commitment to energy-saving design and embodies the principles of ESG through its swift adoption of green design technology in backlight modules, outpacing competitors. This advantage enables The Company to assist customers in implementing tailored

product carbon reduction strategies and maintain a competitive edge through factors such as swift adaptability and economies of scale. In response to the dynamic competitive landscape and prevailing economic conditions, the Company not only expanded its product business in original application fields and introduced intelligent manufacturing to enhance efficiency and cost competitiveness, it also focused on products with growing market demand, such as automotive integration privacy products and PID, large automotive displays, ATMs, and products with a small volume, diverse, and high customization. In terms of technology development, it focuses on responding to the market trends of ultra-thin, narrow bezel, touch, high-resolution and high-dynamic contrast energy-saving displays, and provides a flexible business model in line with market changes and customer needs, providing touch modules and mechanism design, electronic solutions, etc., to provide customers with complete and diversified integrated customized display solutions, with the goal of pursuing higher profits and value, and growing steadily.

According to market survey data, although lockdowns are gradually being lifted in various places in 2023, the highly unstable political and economic situation will still lead to a continued downturn in the global overall economy. Enterprises and consumers are cutting back on spending. The global projector market shipments will be approximately 6 million units. A slight decline of 1~2% YoY. The Company's Visual Solutions products shipments in 2023 was 975 K units, with a global market share of about 16.25%. Looking forward to 2024, due to factors such as inventory reduction, stabilization of the supply chain, and the boost from sporting events, the possibility of interest rate cuts, it is expected that the home entertainment projectors, including 4K/1080p and smart projectors, will have significant growth. Demand for commercial and educational models may remain steady due to the influence of political and economic situations. However, the engineering projection market is expected to gradually stabilize as a result of developments in the cultural and tourism industry and the deployment of large public space projections. Due to the abundance of competitors in the projector market and the slowing annual growth rate of the industry, some manufacturers have exited the market due to failure to achieve economies of scale. Smaller companies are also reducing the proportion of in-house production and increasing competitiveness through outsourcing. Currently, the industry exhibits a trend of "the big get bigger" in competition. The Company will continue to utilize and integrate core technologies such as Optics, Mechanics, Electronics, Thermal Management, Cloud Service, and materials. The Company committed to expanding the customer base and applications in various fields by focusing on comprehensive solutions for large-screen splicing, interactive touch control, digital signage, large venue displays, and smart connections. Furthermore, the Company will actively address climate change issues and incorporate environmentally friendly green projector products into the Company's important goals.

At the same time, in order to meet the needs and habits of users, it integrates advanced AI/smart technology, strengthens the close connection between smart applications and fields, and continues to provide users with more stunning visual

life experience. The overall operations are aimed at pursuing high profits, high value and steady growth.

(II) Regulatory Environment :

We will integrate and implement related measures based on IFRSs, Securities and Exchange Act, and other relevant corporate governance regulations to achieve the ultimate goal of compliance.

(III) Macro Environment :

The IMF estimates in its fastest "World Economic Outlook" report that the global economic growth rate will remain at 3.2% in both 2024 and 2025, unchanged from 2023. However, the IMF also warns that "High borrowing costs and the withdrawal of fiscal support are putting pressure on short-term growth, while subdued producting and global trade tensions continue to make the medium-term outlook the weakest in decades. "

With "Brighten the Future" as the visual & goal of the Company for sustainable development, we spare no efforts realizing "Developing Technology-oriented and Sustainable Business Operations" to give everyone a prospective and sustainable future. In addition to consistently ranking among the top 5% of listed companies in the Corporate Governance Evaluation by the TWSE for nine consecutive years, we have also received the Excellence in Corporate Social Responsibility Award by CommonWealth Magazine for twelve consecutive years, Taiwan Corporate Sustainability Awards and National Enterprise Environmental Protection Award for seven consecutive years. We also achieved its first international sustainability recognition by winning the "Social Empowerment Award" and "Corporate Governance Award" in the AREA (Asia Responsible Enterprise Awards), along with receiving the "SDG4 Quality Education-Silver Award" in the APSAA (Asia-Pacific Sustainable Action Award) for the year 2023. In the future, the Company will continue to align with the global sustainable development initiative framework, collaborating with stakeholders to collectively achieve the UN SDGs. We will leverage our positive influence to steadily advance towards becoming a benchmark sustainable enterprise.

Looking ahead to 2024, in the face of the continued impact of global economic slowdown, inflation, geopolitical tensions, and other pressures on the international economy, the management team will not only dedicate itself to continuous transformation and innovation, but also will deepen its focus on key components and cutting-edge technologies, rallying the entire workforce to achieve the highest consensus in implementing medium- and long-term strategies. We will achieve our mission of "Developing Technology-oriented and Sustainable Business Operations" through professional management and outstanding execution, while actively promoting global expansion. We will also strive to enhance company value through proactive innovation, and pursue the best interests for shareholders and employees. Thank you for your trust over the years, and we are looking forward to your continual support and kind feedbacks.

I wish you all the best.

Sincerely yours,

Chairman: Wade Chang

Two. Company overview

I. Date of establishment: June 30, 1992

II. History

- 06.1992 Established in Hsinchu Science Park with capital of NT\$ 100 million.
- 10.1992 Completed the development of the LCD backlight module technology and started its production.
- 04.1993 Completed the development of the LCD display technology and started its production.
- 03.1995 Established Nano Precision Corporation in Hukou Industrial Park, which produces the light guide plates for LCD backlight modules.
- 10.1995 Our single-panel LCD projector was launched in the market.
- 04.1996 Our LCD projector EzPro500 was awarded the Taiwan Excellence logo by Bureau of Foreign Trade, Ministry of Economic Affairs.
- 04.1997 Securities and Futures Bureau, FSC approved IPO.
- 12.1998 Our self-built factories were completed at Lixing Rd. in Hsinchu Science Park.
- 01.1999 We are listed in Taipei Exchange (TPEX).
- 06.1999 Started mass production of the first DLP projector in the world.
- 07.2000 Established Optoma Display(Kunshan)Co., Ltd., in Kunshan, which is engaged in the manufacturing and production of products related to flat-panel displays.
- 01.2002 Established Optoma Technology Corporation, which is in charge of our own brand marketing.
- 02.2002 Established Young Optics Inc in Hsinchu Science Park, which is in charge of the manufacturing of optical components and parts.
- 09.2002 Established Coretronic(Suzhou) in Suzhou, which is engaged in the manufacturing and production of LCD backlight modules.
- 07.2003 Our self-built factories were completed in Zhunan branch of Hsinchu Science Park.
- 03.2004 Established Nano Precision (Suzhou) Co., Ltd in Suzhou, which produces the light guide plates for LCD backlight modules.
- 06.2004 Established Young Lighting Technology Inc., in Hukou Industrial Park, which is in charge of the manufacturing of optical components and parts.
- 07.2004 Our self-built factories were completed in Southern Taiwan Science Park.
- 05.2005 Established Suzhou Young Ray Optical Company, Limited, Coretronic (Shanghai) Co., Ltd, Coretronic (Nanjing) Co., Ltd., and Coretronic (Ningbo) Co., Ltd in Mainland China, which are in charge of the manufacturing and production of LCD backlight modules, and related optical components and parts.
- 06.2005 Established Coretronic Projection (Kunshan) Co., Ltd., in Kunshan, which is engaged in charge of the manufacturing and production of projectors and related optical components and parts.
- 10.2005 Reinvested in MatriTek, Inc., which is engaged in the manufacturing and production of electronic components and parts, and was renamed Young Green Energy Co., Ltd in May 2009.
- 04.2006 The office was moved to No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City.
- 05.2006 Established Core-Flex Optical (Suzhou) Co., Ltd in Suzhou which is engaged in the R&D, processing, and manufacturing of LCD backlight modules and optical components and parts, and was renamed Young Bright (Suzhou) Co., Ltd in

November 2011.

- 01.2007 Reinvested in Young Optics Inc, which is listed in the Taiwan Stock Exchange.
- 07.2007 Established Suzhou Nano Display Co., Ltd., in Suzhou, which is engaged in the R&D, manufacturing, and sales of LCD backlight modules.
- 11.2007 Established Coretronic (Guangzhou) Co., LTD., in Guangzhou, which is engaged in the R&D, manufacturing, and sales of LCD backlight modules.
- 06.2008 Established Guangzhou Nano Display Co., Ltd., and Nano Precision (Nanjing) Co., Ltd., in Mainland China, which are engaged in the R&D, manufacturing, and sales of LCD backlight modules.
- 06.2008 Coretronic Display Solution was established in Hsinchu Science-based Industrial Park for manufacturing of digital information display products and niche and medical displays.
- 03.2010 Coretronic has won CSR award as "Grand Survey - OTC Enterprise" from Global Views.
- 04.2010 Established Coretronic System Engineering Corporation, which is engaged in multimedia integration services.
- 12.2010 Established Coretronic Culture and Arts Foundation, which promotes research on lights and shades as well as artistic creations.
- 12.2010 Reinvested in Young Lighting Technology Inc. and YLG Optotech (Guangzhou) Limited, a joint venture invested by Gunze Limited, which is engaged in capacitive touch panel products.
- 03.2011 Established Coretronic Venture Capital Corp., which is engaged in the investment business of the Group.
- 11.2011 Awarded the 1st Golden Cassia Award "Excellence in Market Capitalization & Revenue" and "Excellence in Sustainable Business" by Taipei Exchange.
- 01.2012 To integrate resources of the Group, and improve the operational efficiency, Nano Precision Corporation and Coretronic Display Solution Corporation were merged into Young Lighting Technology, Inc.
- 06.2012 Obtained Rank A+ in the 9th Information Disclosure and Transparency Ranking Evaluation among listed and OTC companies.
- 08.2012 Awarded Excellence in Corporate Social Responsibility Award among large businesses by CommonWealth Magazine.
- 09.2012 Awarded Silver Medal of Taiwan Training Quality System (TTQS) by Workforce Development Agency, Executive Yuan.
- 06.2013 Obtained Rank A++ in the 10th Information Disclosure and Transparency Ranking Evaluation among listed and OTC companies.
- 08.2013 Awarded Excellence in Corporate Social Responsibility Award among large businesses by CommonWealth Magazine.
- 09.2013 Awarded by "Best Companies to Work For in Taipei Award" by Department of Labor, Taipei City Government.
- 07.2014 Obtained Rank A++ in the 11th Information Disclosure and Transparency Ranking Evaluation among listed and OTC companies.
- 08.2014 Obtained the Excellence in Corporate Social Responsibility Award for consecutive three times.
- 11.2014 Awarded the 2nd Golden Cassia Award "Employment Promotion" and "Market Capitalization Contribution" by Taipei Exchange.
- 04.2015 Obtained Rank A++ in the 12th Information Disclosure and Transparency Ranking

	Evaluation among listed and OTC companies.
04.2015	Ranked the top 5% of listed and OTC companies in the 1st Corporate Governance Evaluation.
06.2015	Established Coretronic Optotech (Suzhou) Co. Ltd., which is engaged in the R&D, manufacturing, and sales of LCD backlight modules.
08.2015	Obtained the Excellence in Corporate Social Responsibility Award for consecutive four times.
09.2015	Awarded the 12th Arts & Business Award “Most Creative” by Ministry of Culture.
12.2015	Awarded the “Innovative Product Award” of good tenants in Hsinchu Science Park.
04.2016	Ranked the top 5% of listed and OTC companies in the 2nd Corporate Governance Evaluation.
08.2016	Obtained the Excellence in Corporate Social Responsibility Award for consecutive five times.
11.2016	Awarded TCSA’s Corporate Sustainability Report Awards-Gold Award.
12.2016	Awarded the “Innovative Product Award” of good tenants in Hsinchu Science Park.
04.2017	Ranked the top 5% of listed and OTC companies in the 3rd Corporate Governance Evaluation.
06.2017	Established Coretronic Optics (Kunshan) Corporation, which is engaged in the manufacturing and sales of projector module products.
06.2017	Established uCare Medical Electronics Co., Ltd., which is committed to development of motion monitoring, physical fitness, and smart sports technologies, and provision of the system integration for hardware and software.
07.2017	Established Champ Vision Display Inc., which is committed to the development of innovative smart display solutions.
07.2017	Acquire the leading high-end image processing company - Calibre UK Limited.
08.2017	Obtained the Excellence in Corporate Social Responsibility Award for consecutive six times.
10.2017	Coretronic System Engineering Corporation was renamed Coretronic Intelligent Cloud Service Corporation, which is committed to the development of smart cloud services.
10.2017	Awarded “2017 Sports Corporate Certification” by Sports Administration, MOE.
10.2017	Awarded the Bronze Medal of “26th ROC Enterprise Environmental Protection Award” by Environmental Protection Administration, Executive Yuan.
11.2017	Awarded TCSA’s Corporate Sustainability Report Awards-Gold Award.
11.2017	Established Coretronic Intelligent Robotics Corporation, which focuses on the R&D, manufacturing, and sales of the commercial Unmanned Aircraft Systems and smart robots.
11.2017	Established Coretronic Optics(Suzhou) Co., Ltd, which is engaged in the R&D, manufacturing, and sales of LCD backlight modules and related components as well as parts.
12.2017	Awarded first prize of “Buying Power-The New Product and Service of Social Innovation Purchase Reward Program” by Small and Medium Enterprise Administration, Ministry of Economic Affairs.
12.2017	Established InnoSpectra Corporation, which is engaged in the development, design, and sales of spectrometers and related solutions.
12.2017	Awarded the “Innovative Product Award” of good tenants in Hsinchu Science Park.
04.2018	Ranked the top 5% of listed and OTC companies in the 4th Corporate Governance

- Evaluation.
- 08.2018 Obtained the Excellence in Corporate Social Responsibility Award for consecutive seven times.
- 10.2018 Merged Young Lighting Technology Inc., a subsidiary.
Awarded “2018 Sports Corporate Certification - Field Visit” by Sports Administration, MOE.
Established Nano Precision Taiwan Limited, which is committed to the R&D and manufacturing of precision optical components and optical films.
- 11.2018 Awarded No. 1 of TCSA’s Corporate Sustainability Report Awards-”Transparency and Integrity Award” in 2018.
Awarded TCSA’s Corporate Sustainability Award-Corporate Sustainability Report Awards (Gold Award) for consecutive two years.
- 12.2018 Awarded first prize of “Buying Power-The New Product and Service of Social Innovation Purchase Reward Program” by Small and Medium Enterprise Administration, Ministry of Economic Affairs.
- 12.2018 Awarded the Silver Medal and Bronze Medal of “27th ROC Enterprise Environmental Protection Award” by Environmental Protection Administration, Executive Yuan.
- 04.2019 Ranked the top 5% of listed and OTC companies in the 5th Corporate Governance Evaluation, and ranked the top 10% of listed and OTC companies with market capitalization of NT\$ 10 billion.
- 07.2019 Established Coretronic MEMS Corporation, which focuses on the R&D, manufacturing, and sales of the MEMS technology, components, modules, and solutions.
- 08.2019 Obtained the Excellence in Corporate Social Responsibility Award for consecutive eight times.
Awarded “1st Corporate Health Responsibility Award” of Healthy Food Category-Excellence Award.
- 11.2019 Coretronic Reality Incorporation (CRI) was established.
Awarded the Silver Medal and Bronze Medal of “1st National Enterprise Environmental Protection Award” by Environmental Protection Administration, Executive Yuan.
Awarded the Silver Medal of “TTQS (Talent Quality-management System).”
Awarded SGS’s “CSR 2019 Sustainability Elite Award.”
Awarded “Golden Prize” of the 14th Arts & Business Awards by Ministry of Culture.
Awarded TCSA’s Corporate Sustainability Award-Corporate Sustainability Report Awards (Gold Award) for consecutive three years.
Awarded No. 1 of TCSA’s Corporate Sustainability Report Awards-”Transparency and Integrity Award” for consecutive two years.
Awarded TCSA’s Corporate Sustainability Award-”Social Inclusion Award.”
Awarded TCSA’s Corporate Sustainability Awards-”Corporate Sustainability Awards.”
- 12.2019 Awarded second prize of “Buying Power-The New Product and Service of Social Innovation Purchase Reward Program” by Small and Medium Enterprise Administration, Ministry of Economic Affairs.
- 04.2020 Ranked in the top 5% of OTC companies in Corporate Governance Evaluation for

- six consecutive years and ranked in the top 10% of listed and OTC companies with a market capitalization of NT\$ 10 billion for two consecutive years.
- 08.2020 Obtained the Excellence in Corporate Social Responsibility Award for nine consecutive times.
- Awarded “2020 Sports Corporate Certification” by Sports Administration, MOE.
- 11.2020 Awarded TCSA’s Corporate Sustainability Award-Corporate Sustainability Report Awards (Gold Award) for consecutive four times.
- Awarded TCSA’s Corporate Sustainability Report Awards-”Transparency and Integrity Award” for three consecutive years.
- Awarded TCSA’s Corporate Sustainability Awards-”Corporate Sustainability Awards” for two consecutive years.
- Awarded the Silver Medal and Bronze Medal of “2nd National Enterprise Environmental Protection Award” by Environmental Protection Administration, Executive Yuan for four consecutive years.
- Awarded the Honorary Environmental Protection Enterprise Award of “2nd National Enterprise Environmental Protection Award” by Environmental Protection Administration, Executive Yuan.
- Awarded the Green Action Award of “2nd National Enterprise Environmental Protection Award” by Environmental Protection Administration, Executive Yuan.
- 12.2020 Awarded the second prize of “Buying Power-The New Product and Service of Social Innovation Purchase Reward Program” by Small and Medium Enterprise Administration, Ministry of Economic Affairs for two consecutive years.
- Established Coretronic (Vietnam) Co., Ltd., which is engaged in the R&D, manufacturing, and sales of LCD backlight modules and LCD modules.
- 03.2021 Coretronic Intelligent Logistics Solutions Corporation (CiLS) was established.
- 04.2021 Coretronic has been honorably ranked in the top 5% in the Corporate Governance Evaluation from Taiwan Stock Exchange (TWSE) for the 7th consecutive year, and also ranked in the top 10% in the electronics industry corporations (market value is over NTD 10 billion) for the 3rd consecutive year.
- 09.2021 Coretronic was honored 2021 Excellence in Corporate Social Responsibility Award by Taiwan’s Commonwealth Magazine for the 10th consecutive year.
- 11.2021 Coretronic Robotek (Kunshan) Corporation was established to provide intelligent solutions for warehousing and manufacturing.
- Coretronic has honorably earned 2021 TCSA “Corporate Sustainability Report Awards-Gold Award” for 5th consecutive year.
- Coretronic has honorably earned 2021 TCSA “Transparency and Integrity Leadership Award” for 4th consecutive year.
- Coretronic has honorably earned 2021 TCSA “Social Inclusion Leadership Award.”
- Coretronic has honorably earned 2021 TCSA “Sustainability Comprehensive Performance Award” for 3rd consecutive year.
- Coretronic was honored 2021 National Enterprise Environmental Protection Award-Silver Award.
- 12.2021 Coretronic Technology (BRVT) Company Limited was established to manufacture, R&D and sales of backlight and LCD modules for LCD screens, LCD TVs and new flat-panel displays sector in Vietnam.
- Coretronic earned 2021 Arts & Business Awards-Gold Award from Ministry of Culture for two consecutive terms.

- Coretronic has awarded "Buying Power-The New Product and Service of Social Innovation Purchase Reward Program" Third Prize by Small and Medium Enterprise Administration, Ministry of Economic Affairs.
- 04.2022 Coretronic has been honorably ranked in the top 5% in the Corporate Governance Evaluation from Taiwan Stock Exchange (TWSE) for the 8th consecutive year, and also ranked in the top 10% in the electronics industry corporations (market value is over NTD 10 billion) for the 4th consecutive year.
- 06.2022 Coretronic was honored Net Zero Label by TAISE.
- 08.2022 Coretronic awarded HR Asia "Best Companies to Work for in Asia 2022."
- 09.2022 Coretronic was honored 2022 Excellence in Corporate Social Responsibility Award by Taiwan's CommonWealth Magazine for 11 consecutive years.
- 11.2022 Coretronic was honored 2022 Corporate Health Responsibility Award-Silver Award by Common Health Magazine.
Coretronic has honorably earned TCSA "Corporate Sustainability Report Awards-Gold Award" for 6th consecutive year.
Coretronic has honorably earned TCSA "Transparency and Integrity Leadership Award" for 5th consecutive year.
Coretronic has honorably earned TCSA "Social Inclusion Leadership Award" for a third time.
Coretronic has honorably earned TCSA "Top 100 Sustainability Corporation" for 4th consecutive year.
Coretronic was honored 2022 National Enterprise Environmental Protection Award-Silver Award.
- 12.2022 Coretronic has awarded "Buying Power-The New Product and Service of Social Innovation Purchase Reward Program" Second Prize by Small and Medium Enterprise Administration, Ministry of Economic Affairs.
- 04.2023 Coretronic has been honorably ranked in the top 5% in the Corporate Governance Evaluation from Taiwan Stock Exchange (TWSE) for the 9th consecutive year, and also ranked in the top 11~20% in the electronics industry corporations (market value is over NTD 10 billion).
- 06.2023 Coretronic has honorably earned 2023 AREA (Asia Responsible Enterprise Awards) "Social Empowerment Award" and "Corporate Governance Award."
- 07.2023 Coretronic has honorably earned 2023 APSAA (Asia-Pacific Sustainable Action Award)-"SDG4 Quality Education-Silver Award."
- 09.2023 Coretronic won the Corporate Social Responsibility Award from CommonWealth for 12 consecutive years.
- 10.2023 Coretronic has honorably become the certificated corporation of "2023 Taiwan i Sports."
Coretronic was honored Net-Zero Label by TAISE for 2nd consecutive years.
- 11.2023 Coretronic was honored 2023 National Enterprise Environmental Protection Award-Silver Award.
Coretronic earned 2023 Arts & Business Awards-Long-Term Sponsorship Award from Ministry of Culture.
Coretronic earned Arts & Business Awards-Gold Award from Ministry of Culture for the third time.
Coretronic has honorably earned TCSA "Top 100 Sustainability Corporation" for 5th consecutive year.
Coretronic has honorably earned TCSA "Corporate Sustainability Report

Awards-Gold Award" for 7th consecutive year.

Coretronic has honorably earned TCSA "Social Inclusion Leadership Award" for the fourth time.

Coretronic has honorably earned TCSA "Transparency and Integrity Leadership Award" for 6th consecutive year.

Coretronic has honorably earned 2023 TCSA "Talent Development Leadership Award."

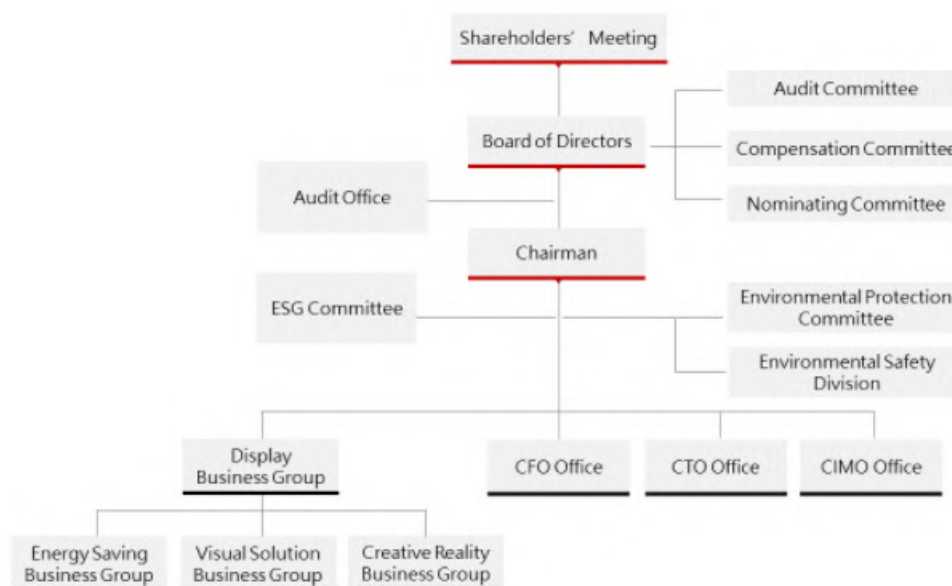
Coretronic was honored SGS "2023 ESG Awards -Sustainability Report."

12.2023 Coretronic has awarded "Buying Power-The New Product and Service of Social Innovation Purchase Reward Program" Second Prize by Small and Medium Enterprise Administration, Ministry of Economic Affairs.

Three. Corporate Governance Report

I. Organization

(I) Organizational structure (as of December 31, 2023)



(II) Responsibilities of main departments

Department	Responsibilities
Chairman's Office	Establish operational strategies and goals.
Internal Audit	The management of internal audit and operating procedures.
Environmental Safety Division	The management of the environment and safety.
Display Business Group	The management of R&D, manufacturing, sales, and customer service of Projection system and Optical module.
	The management of R&D, manufacturing, sales, and customer service of backlight module and panel module.
	The management of R&D, manufacturing, sales, and customer service of AR/MR and embedded application products.
CFO Office	The management of finance, accounting, investor relations, human development, legal, intellectual property rights, etc.
CTO Office	Critical Technology Road-mapping and Plan the Development and Investment of New Technology
CIMO Office	Intelligent Manufacturing, Intelligent Factory Planning and Co-ordination of Automated Equipment, Mechatronics Systems and Advanced Manufacturing Integration Projects.

II. Background information of directors, the President, vice presidents, associate vice presidents, and heads of departments and branch offices

(I) Directors

1. Directors' profile

April 16, 2024

Title	Nationality or place of registration	Name	Gender Age	Date elected /appointed	Service term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies (Note 1)	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Remarks (Note 9)
							No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares			Title	Name	Relationship	
Chairman	R.O.C.	Wade Chang	Male 71~80	2022.06.10	3 years	1998.06.12	9,345,953	2.39%	9,345,953	2.39%	0	0.00%	0	0.00%	Master of NTU-Fudan EMBA , National Taiwan University; Chairman, Coretronic Corporation	Note 2	None	None	None	None
Director	R.O.C.	Hsun Chieh Investment Ltd.	N/A	2022.06.10	3 years	2001.06.18	15,495,551	3.96%	15,495,551	3.96%	0	0.00%	0	0.00%	N/A	Note 3	None	None	None	None
		Representative: Tai-Shung Ho	Male 61~70			2007.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Electrical Engineering, National Tsing Hua University; Chairman, Novatek Microelectronics Corporation	Note 4	None	None	None	None
Director	R.O.C.	Hanns Prosper Investment Corporation	N/A	2022.06.10	3 years	2022.06.10	4,920,000	1.26%	4,920,000	1.26%	0	0.00%	0	0.00%	N/A	None	None	None	None	None
		Representative: Yu-Chi Chiao	Male 61~70				0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor of Business Administration, City University of Hong Kong Doctor of Business Administration, Fudan University, Chairman and President, HannStar Display Corp.	Note 5	None	None	None	None
Director	R.O.C.	Han-Ping D. Shieh	Male 71~80	2022.06.10	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Electrical and Computer Engineering, Carnegie Mellon Univ. Life Chair Professor, National Yang Ming Chiao Tung Univ.(NYCU)	Note 6	None	None	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected /appointed	Service term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies (Note 1)	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Remarks (Note 9)
							No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares			Title	Name	Relationship	
Independent Director	R.O.C.	Hsing-Yi Chow	Male 61~70	2022.06.10	3 years	2019.06.13	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Business,Indiana University-Bloomington, US Emeritus Professor, Department of Finance, National Chengchi University	Note 7	None	None	None	None
Independent Director	R.O.C.	Audrey Tseng	Female 61~70	2022.06.10	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Executive MBA of National Taiwan University and Fudan University Advisory member, Bio Taiwan Committee	Note 8	None	None	None	None
Independent Director	R.O.C.	Hung-Pin Ku	Male 41~50	2022.06.10	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	BS in Law, National Taipei University Lawer, KU, HUNG PIN Law Firm	None	None	None	None	None

Note 1: Office(s) concurrently held in the Company and other companies as of December 31, 2023.

Note 2: Concurrently served as a director in affiliated enterprises including Tecpoint, Great Pride, Great Pride Hong Kong, Visicorp, Wisdom Success, Wisdom Success Hong Kong, Coretronic (BVI)Investment, Greendale Investments, Optoma Europe, Sinolink Global, Coretronic Investment, Chung Tsen Investment Corp., Coretronic Venture Capital Co., Ltd. and Coretronic Intelligent Cloud Service(JP); Principal of Coretronic Hukou Branch.

Note 3: Concurrently served as director of Harvatek, UMC, PixArt Imaging, Unimicron and Silicon Integrated Systems.

Note 4: Concurrently served as chairman of Novatek Microelectronics, NTK International, Novatek Japan Kabushiki-Kaisha, Novatek International (BVI), Novatek International (Samoa) and Cheertek International.

Note 5: Concurrently serving as chairman and president of HannStar Display Corporation; chairman (corporate rerepresentative) of Hua Li Investment Corporation, Hannshine Investment Corporation, Hanns Prosper Investment Corporation ; director (corporate representative) of HannsTouch Holdings Company, Bradford, HannSpirit (BVI) Holding, Brightpro Resources Limited, and Hannspree International Holdings.

Note 6: Concurrently served as director of Silicon Motion, Inc., Ta Liang Technology Co., Ltd. ; legal Person Director and Representative of FocalTech Systems Co., Ltd., and Independent Director of Dynapack International Technology Corp. and Key Ware Electronics Co., Ltd..

Note 7: Concurrently served as independent director of Yuanta Financial Holding Co., Ltd. and Yuanta Securities Co., Ltd. ; director of ESG World Citizens & Digital Governance Foundation., Taipei City Vision and World Cultural Education Foundation, Koo Foundation Sun Yat-Sen Cancer Center and Andrew T. Huang Medical Education Promotion Fund ; member of Remuneration Committee of Yuanta Financial Holding Co., Ltd., Yuanta Securities Co., Ltd. and Lien Hwa Industrial Holdings Corp..

Note 8: Concurrently served as a director of BRIM Biotechnology, Inc., T-E Pharma Holding (Cayman), HanchorBio Inc. (Cayman), Contemporary Legend Theatre Art Foundation, and Chi Po-Lin Foundation; representative of corporate director of AP Biosciences ,Bonraybio Co., Ltd. and H2U Corporation; independent director of Onward Therapeutics SA (Switzerland), ASUSTeK Computer Inc., Delta Electronics, Inc., and Bionime Corporation; and supervisor of Medical and Pharmaceutical Industry Technology and Development Center, Food Industry Research and Development Institute, Buffalo Machinery Co., LTD. and Taiwan Bio-Manufacturing Corporation.

Note 9: In the event that the company's chairperson and president (CEO) or role of equivalent duties (highest-level officer) are the same person, spouses of each other, or relatives within the first degree of kinship, state the reasons, fairness, necessity, and counteractions: None.

2. Major shareholders of corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders (shareholding percentage)
Hsun Chieh Investment Co., Ltd.	United Microelectronics Corporation (36.49%) Hsie Yung Investment Co., Ltd. (63.51%)

3. Major shareholders that are corporate shareholders of the company's corporate shareholders

Major shareholders of corporate shareholders	Major shareholders of corporate shareholders (shareholding percentage)
United Microelectronics Corporation (Shareholding record date April 2, 2023)	JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs (5.37%) Hsun Chieh Investment Co., Ltd. (3.53%) Fubon Life Insurance Co, Ltd. (3.01%) Silicon Integrated Systems Corp. (2.13%) Taiwan Life Insurance Co, Ltd. (1.79%) Yann Yuan Investment Co., Ltd. (1.54%) New Labor Pension Fund (1.52%) China Life Insurance Co, Ltd. (1.29%) Citibank in custody for Norges Bank (1.28%) Citibank Taiwan in custody for Government of Singapore (1.20%)
Hsie Yung Investment Co., Ltd. (Shareholding record date December 31, 2023) (Note)	Unimicron Corporation (16.67%) Novatek Microelectronics Corp. (15.15%) Faraday Technology Corporation (12.12%) King Yuan Electronics Co., Ltd. (7.58%) Yan Yuan Investment Co., Ltd. (28.86%)

Note: The company in question is not listed on TWSE or TPEX; no further shareholder information was available other than those presented above.

4. Disclosure of information on the professional qualifications of directors and the independence of independent directors

Criteria Name	Professional qualifications and experience (Note 1)	Status of independence	Number of positions as independent director in other public companies
Wade Chang	Since taking up office in June 1998, now serving as the Chairman of the Company. Has extensive professional experience in the Company's operations and development, such as board leadership, operating & management, leading decisions and industry trend forecasting.	Not a spouse or relative within the second degree of kinship to any other directors.	0
Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho	Currently serving as chairman of Novatek Microelectronics. Specialize in IC design, operation and management of the semiconductor industry, leading decision, and industry knowledge.		0
Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao	Currently serving as chairman of Hannstar Display Corporation. With rich experience in board leadership, operating & management, leading decision, and industrial knowledge.		0
Han-Ping D. Shieh	Currently serving as Lifetime Chair Professor of National Yang Ming Chiao Tung University specializing in display technology and micro optoelectronic systems and engaging with board operation and decision-making, functional committees, and semiconductor industry-academia collaboration.		2
Hsing-Yi Chow	Currently serving as Emeritus Professor, Department of Finance, National Cheng Chi University; formerly president of National Cheng Chi University, dean of College of Commerce, National Cheng Chi University, and faculty of the Department of Finance, National Cheng Chi University; supervisor of TPEX, and member of the Financial Restructuring Fund Administration Committee. Currently convener to the Audit Committee, Remuneration Committee, and Nomination Committee. With rich experience in the industry, government, and academia and expertise in operations and management, leading decision, risk management, international finance, investment and venture financial management to help improve the Company's corporate governance and the plan of future business strategies. Professional financial capability that meets the qualifications for committee members.	All independent directors comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Please refer to Note 2 for details.	1
Audrey Tseng	Currently serving as a consultative member of Bio Taiwan Committee, Executive Yuan. Formerly deputy chairperson of PwC Taiwan and PwC Greater China Synergies Leader. Also a certified public accountant. Currently a member of the Audit Committee, Remuneration Committee, and Nomination Committee. With professional experience in financial accounting, international finance, financial planning, industry development, and business strategy planning. Her professional financial and accounting capabilities meet the qualifications for committee members.		3
Hung-Pin Ku	Currently attorney-at-law of Ku Hung-Bin & Law Firm and formerly an independent director of IDEAL BIKE CORPORATION. Currently a member of the Audit Committee, Remuneration Committee, and Nomination Committee. With special experience in legal affairs.		0

Note 1: The Company has seven directors, and none of them is in the conditions as stated in Article 30 of the Company Act.

Note 2: Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

(1) Not an employee of the company or any of its affiliates.

- (2) Not a director, supervisor of the company or any of its affiliates.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top ten in shareholding..
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks in the top five in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act..
- (6) Not a director, supervisor, or employee of the other company holding the majority of the company's directorial seats or voting shares and those of any other company are controlled by the same person.
- (7) Not a director, supervisor, or employee of the other company or institution that the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses.
- (8) Not a director, supervisor, officer, or shareholder holding over five percent of the shares of a specific company or institution having financial or business transactions with the company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the most recent two years has received cumulative compensation exceeding NT\$500,000, or a spouse of them; except for members of the remuneration committee, public tender offer evaluation committee, or special committee for merger and acquisition, who exercises their powers under the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange or to the Business Mergers and Acquisitions Act or the relevant laws or regulations.

5. Diversity and independence of the Board of Directors

(1) Board of Directors diversity:

According to the Company's "Corporate Governance Code of Conduct," the President must not assume directorship and board members should be diversified in a manner that supports the Company's operations, business activities and growth. The diversification should be based on, but is not limited to, the following two principles:

- I. Background and value: Gender, age, nationality, culture etc.
- II. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing or technology), professional skill and industry experience.

Diversity, including gender, age, expertise, and experience, is emphasized for the 11th Board. All seven directors are ROC nationals, and one of the four new directors is female, accounting 14%. Independent directors account for 43% of all directors. Two independent directors have a seniority under three years, and one between 3-9 years. In terms of age, one director is aged 41-50 years, four aged 61-70 years, and two aged 71-80 years.

The members of the board of directors have diversified professional backgrounds in academic and industrial experience. The experience of the board members includes the president of the National Chengchi University and the tenured professor of the National Yangming Chiao Tung University; the professional background includes experts in the fields of financial accounting and legal affairs, as well as IC design, semiconductor, Professionals in the operation and management of electronics-related industries and financial industries.

Specific management objectives and accomplishments of the Company's diversified policies:

Management Objective	Accomplishment
It is advisable that directors concurrently serving as company's officers should not exceed one third of the total number of directorial seats.	Accomplished.
Addition of one female director.	Accomplished.
The maximum term of office of independent directors should not exceed nine years.	Accomplished.

The accomplishments of board diversity in 2023 are tabulated below:

Core Diversity Item Name of director	Basic Composition						Status of Diversity							
	Gender	Age			Independent Director Seniority		Operations judgment	Financial and accounting analysis	Operating & Management	Crisis management	Industrial knowledge	International market view	Leading decision	Legal
		41~50	61~70	71~80	Under 3 years	3-9 years								
Wade Chang	Male			V			V		V	V	V	V	V	
Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho	Male		V				V		V	V	V	V	V	
Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao	Male		V				V		V	V	V	V	V	
Han-Ping D. Shieh	Male			V			V		V	V	V	V	V	
Hsing-Yi Chow	Male		V			V	V	V		V		V		
Audrey Tseng	Female		V		V		V	V		V		V		
Hung-Pin Ku	Male	V			V		V			V		V		V

(2) Independence of the Board of Directors:

This company has a total of 3 independent directors, accounting for 43% of the board. Upon examination of the basic information of each director, out of 7 seats, 6 are held by external directors, representing 86% of the board. Additionally, among the 7 directors, there are no instances of spouses or relatives within the second degree of kinship, meeting the requirements of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(II) Background information of the president, vice presidents, associate vice presidents, and heads of departments and branches

April 16, 2024

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Spouse and minor children Shareholding		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies (Note 1)	Spouse or relatives of the second degree or closer acting as managers			Remarks (Note 13)
					No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relationship	
President	R.O.C.	Sarah Lin	Female	2010.12.06	1,314,311	0.34%	0	0.00%	0	0.00%	Bachelor in International Business of National Chengchi University President, Young Lighting Technology, Inc.	Note 2	None	None	None	None
President	R.O.C.	Ann Wu	Female	2020.02.03	1,033,520	0.26%	0	0.00%	0	0.00%	MBA of Fu Jen Catholic University CSO, Coretronic Corporation	Note 3	None	None	None	None
CFO	R.O.C.	Franck Ho	Male	2010.10.21	267,674	0.07%	45,000	0.01%	0	0.00%	MBA of Baruch College/City University of New York Vice President, Coretronic Corporation	Note 4	None	None	None	None
CTO	R.O.C.	Robert Hsueh	Male	2017.09.01	100,406	0.03%	0	0.00%	0	0.00%	Master in Electronic Engineering of Chung Yuan Christian University Vice President, Coretronic Corporation	Note 5	None	None	None	None
CIMO	R.O.C.	CY Lin	Male	2021.03.01	156,947	0.04%	0	0.00%	0	0.00%	Bachelor in Electrical Engineering Department of The University of National Sun Yat-sen Vice President, Coretronic Corporation	Note 6	None	None	None	None
CSO	R.O.C.	Wilson Hsu	Male	2016.11.01	264,134	0.07%	0	0.00%	0	0.00%	EMBA of National Cheng Chi University Vice President, Coretronic Corporation	Note 7	None	None	None	None
Executive Vice President	R.O.C.	Sara Lin	Female	2016.04.01	200,000	0.05%	800	0.00%	0	0.00%	MBA of Johnson & Wales University Associate Vice President, Young Lighting Technology, Inc.	Note 8	None	None	None	None
Vice President	R.O.C.	Ken Wang	Male	2022.05.11	550,000	0.14%	0	0.00%	0	0.00%	Master in Electronic and Computer Engineering of National Taiwan University of Science and Technology Chairman, Nano Precision Taiwan Limited	Note 9	None	None	None	None
Vice President	R.O.C.	Miranda Wang	Female	2023.01.01	884	0.00%	0	0.00%	0	0.00%	Bachelor in Business Administration Department of National Cheng Kung University Vice President, Optoma Corporation	Note 10	None	None	None	None
Vice President	R.O.C.	Mark Yang	Male	2019.11.01	2	0.00%	0	0.00%	0	0.00%	Master in Industrial Design of Tatung University Associate Vice President, Coretronic Corporation	Note 11	None	None	None	None
Vice President	R.O.C.	Willy Tsai	Male	2021.06.01	0	0.00%	0	0.00%	0	0.00%	Bachelor in Power Mechanical Engineering Department of National Tsing Hua University Associate Vice President, Coretronic Corporation	Note 12	None	None	None	None
Associate Vice President	R.O.C.	Evan Ye	Female	2021.11.08	64	0.00%	0	0.00%	0	0.00%	Master in Management of Technology of NYCU University, Associate Vice President, Coretronic Corporation	None	None	None	None	None
Senior Director	R.O.C.	Daniel Hsiao	Male	2023.01.01	907	0.00%	0	0.00%	0	0.00%	Master in Mechanical Engineering of National Taiwan University Senior Director, Coretronic Corporation	None	None	None	None	None

Note 1: Office(s) concurrently held in the Company and in other companies as of December 31, 2023.

Note 2: Concurrently served as a chairman of Young Optics Inc., CHAMP VISION DISPLAY INC. and uCare Medical Electronics Co., Ltd.; a director in affiliated enterprises including Nano Display Hong Kong, Bigshine International, Bigshine International Hong Kong, Lead Bright International, Lead Bright Hong Kong, Elite View, Elite View Hong Kong, Young Lighting, Masterview Enterprises, Best Alpha, Grace China, Nano Precision Taiwan Limited and Tsen Ming Investment Corp.; person-in-charge of Coretronic Nanke Branch and Korea Office.

Note 3: Serving as chairman of InnoSpectra Corporation.

Note 4: Concurrently serving as supervisor to affiliates, including Nano Precision (Suzhou) Co., Ltd., Coretronic (Shanghai) Co., Ltd., Coretronic Optotech (Suzhou) Co., Ltd., Coretronic (Ningbo) Co., Ltd., Coretronic (Guangzhou) Co., Ltd., Coretronic Venture Capital Co., Ltd., Optoma Display (Kunshan) Co., Ltd., Coretronic Projection (Kunshan) Co., Ltd., Coretronic Optics (Kunshan) Corporation, Vimax (Kunshan) Co., Ltd., Boom Power Electronics (Suzhou) Co., Ltd, Coretronic System Engineering (Shanghai) Co., Ltd., Coretronic Display (Suzhou) Co., Ltd., Coretronic (Suzhou), Young Green Energy Co., Ltd., Chung Tsen Investment Corp. , Tsen Ming Investment Corp. , Coretronic Optics(Suzhou) Co.,Ltd, Coretronic Robotek (Kunshan) Corporation ; director to affiliates including Optoma Holding ,Champ Vision Display Inc, Coretronic Intelligent Cloud Service Corp., Coretronic Intelligent Robotics Corp., InnoSpectra Corporation, Venture Orient, Optoma Technology, Inc., Mordern Smart Technology Ltd., Dynamic Time Investments Ltd., Nano Precision Taiwan, Coretronic Reality Inc., Coretronic Intelligent Logistics Solutions Corporation and director toYann Yuan Investment Co., Ltd.

Note 5: Concurrently serving as chairman to Coretronic Intelligent Robotics Corporation and Coretronic Reality Incorporation; director to Coretronic MEMS Corporation, Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd., and Coretronic Intelligent Cloud Service; president to Coretronic Reality Incorporation; and person-in-charge of Tainan Branch of Coretronic Intelligent Robotics Corporation.

Note 6: Concurrently serving as chairman of Coretronic Intelligent Logistics Solutions.

Note 7: Concurrently serving as chairman of Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd., and Coretronic MEMS Corporation ;director of BoomPower; director and president to Young Green Energy Co., Ltd. ; president of Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd..

Note 8: Concurrently served as director of affiliated enterprises including Coretronic (Shanghai) Co., Ltd, YLG Limited, and Young Optics Inc.; president of Coretronic (Shanghai) Co., Ltd..

Note 9: Concurrently serving as director of Young Optics Inc.

Note 10:Concurrently serving as chairman of Nano Precision Taiwan; director to Core-Flex and Nano Precision (Suzhou) Co., Ltd. ; president of Nano Precision (Suzhou) Co., Ltd..

Note 11:Concurrently serving as director (corporate representative) of Eterge Opto-Electronics Co., LTD..

Note 12:Concurrently serving as director of Calibre UK.

Note 13:In situations where the Company's President or Chairman of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, please explain the reasons, rationality and necessity of such an arrangement and any response measures taken; furthermore, disclose whether more than half of directors are involved in concurrent duty as employees or managers:None.

III. Remuneration paid to directors, supervisors, the President, and vice presidents in the last year (2023)

(1) Compensations for non-independent and independent directors

Unit: NTD thousands/thousand shares

Title		Name	Director compensation								Sum of A, B, C, and D as a percentage of income after tax		Compensation received as employee								Sum of A, B, C, D, E, F and G as a percentage of income after tax		Compensations from investees other than subsidiaries or the parent.
			Compensation (A)		Pension (B)		Director remuneration (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc (E)		Pension (F)		Employee compensation(G)(Note 1)						
			The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company		All companies included in consolidated statements		
Amount paid in cash	Amount paid in shares	Amount paid in cash																	Amount paid in shares				
Director	Chairman and Manager	Wade Chang	2,160	2,160	0	0	0	0	0	2,160 0.16%	2,160 0.16%	14,125	16,872	204	204	7,500	0	7,500	0	23,989 1.72%	26,736 1.92%	None	
	Director	Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho (Note 2)																					
	Director	Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao (Note 2)																					
	Director	Han-Ping D. Shieh																					
Independent Director	Independent Director	Hsing-Yi Chow	2,430	2,430	0	0	0	0	30	30	2,460 0.18%	2,460 0.18%	0	0	0	0	0	0	2,460 0.18%	2,460 0.18%	None		
		Audrey Tseng																					
		Hung-Pin Ku																					

- Please explain the policy, system, standards and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:
According to the Company's Articles of Incorporation, independent directors are not entitled to director remuneration and are only paid fixed amounts of meeting attendance fee. The amount of compensation is determined based on attendance rate and contribution of individual independent directors and the peer level.
- Other than the content revealed in the table above, remuneration received by directors of the Company for their services in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company): None.

Note 1: Allocation of employee remuneration was approved during the board of directors meeting held in February 2024; this amount has yet to be paid as of the publication date of the annual report. Hence, the figure shown in the above chart represents the proposed amount.

Note 2: Remuneration for director was only paid to the corporate representatives of Hsun Chieh Investment Co., Ltd. and Hanns Prosper Investment Corporation.

Note 3: Directors and employees provide small passenger vehicles were provided for business-related use.

Directors' compensation range	Name of director			
	Sum of first 4 compensations (A+B+C+D)		Sum of first 7 compensations (A+B+C+D+E+F+G)	
	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements
Below NT\$ 1,000,000	Wade Chang, Hsun Chieh Investment Corporation(Note), Hanns Prosper Investment Corporation(Note), Han-Ping D. Shieh, Hsing-Yi Chow , Audrey Tseng, Hung-Pin Ku	Wade Chang, Hsun Chieh Investment Corporation(Note), Hanns Prosper Investment Corporation(Note), Han-Ping D. Shieh, Hsing-Yi Chow, Audrey Tseng, Hung-Pin Ku	Hsun Chieh Investment Corporation(Note), Hanns Prosper Investment Corporation(Note), Han-Ping D. Shieh, Hsing-Yi Chow, Audrey Tseng, Hung-Pin Ku	Hsun Chieh Investment Corporation(Note), Hanns Prosper Investment Corporation(Note), Han-Ping D. Shieh, Hsing-Yi Chow, Audrey Tseng, Hung-Pin Ku
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	-	-	-	-
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (non-inclusive)	-	-	-	-
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (non-inclusive)	-	-	-	-
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (non-inclusive)	-	-	-	-
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (non-inclusive)	-	-	-	-
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (non-inclusive)	-	-	Wade Chang	Wade Chang
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (non-inclusive)	-	-	-	-
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (non-inclusive)	-	-	-	-
NT\$ 100,000,000 and above	-	-	-	-
Total	7	7	7	7

Note: The Board only remunerated corporate shareholders, including Hsun Chieh Investment Corporation and Hanns Prosper Investment Corporation.

(II) Compensation for the presidents and vice presidents

Unit: NTD thousands/thousand shares

Title	Name	Salary (A)		Pension (B)(Note 1)		Bonuses and allowances (C)		Employee remuneration (D) (Note 2)				Sum of A, B, C, and D as a percentage of income after tax (%)		Compensation from parent company or invested businesses other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Sarah Lin (Note 3)	43,812	47,938	1,248	1,248	20,786	20,786	57,300	0	57,300	0	123,146 8.85%	127,272 9.14%	None
President	Ann Wu (Note 3)													
CFO	Franck Ho													
CTO	Robert Hsueh													
CIMO	CY Lin													
CSO	Wilson Hsu													
Executive Vice President	Sara Lin													
Vice President	Ken Wang													
Vice President	Miranda Wang(Note 4)													
Vice President	Mark Yang(Note 5)													
Vice President	Willy Tsai (Note 5)													

Increment of pay for the Company's presidents and vice presidents.	Names of President and vice presidents	
	The Company	All companies included in the financial statements All companies included in the consolidated financial statements
Below NT\$ 1,000,000	-	-
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	-	-
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (non-inclusive)	-	-
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (non-inclusive)	CY Lin	CY Lin
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (non-inclusive)	Robert Hsueh, Sara Lin, Ken Wang, Miranda Wang, Mark Yang, Willy Tsai	Robert Hsueh, Sara Lin, Ken Wang, Miranda Wang, Mark Yang, Willy Tsa
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (non-inclusive)	Ann Wu, Franck Ho, Wilson Hsu	Ann Wu, Franck Ho, Wilson Hsu
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (non-inclusive)	-	-
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (non-inclusive)	Sarah Lin	Sarah Lin
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (non-inclusive)	-	-
NT\$ 100,000,000 and above	-	-
Total	11	11

Note 1: In 2023, the amount of pension contributed by the Company and the amount of pension contributed by all companies in the consolidated companies was NT\$1,248,000 in total.

Note 2: The Board passed the proposal for the distribution of rewards for employees in February 2024, and no reward has been distributed by the date of the annual report publication. Hence, the figures in the above table are the proposed amount for distribution.

Note 3: Small passenger vehicles were provided for business-related use.

Note 4: On board since January 1, 2023.

Note 5: Promoted to Vice President since May 1, 2023.

(III) Names of officers entitled to reward for employees and amount entitled

December 31, 2023
Unit: NTD thousands

Title		Name	Amount paid in shares	Amount paid in cash (Note 1)	Total	Total as a percentage of net income (%)
Manager	Chairman and Manager	Wade Chang	0	66,450	66,450	4.77%
	President	Sarah Lin				
	President	Ann Wu				
	CFO	Franck Ho				
	CTO	Robert Hsueh				
	CIMO	CY Lin				
	CSO	Wilson Hsu				
	Executive Vice President	Sara Lin				
	Vice President	Ken Wang				
	Vice President	Miranda Wang(Note 2)				
	Vice President	Mark Yang(Note 3)				
	Vice President	Willy Tsai(Note 3)				
	Associate Vice President	Evan Ye				
	Senior Director	Daniel Hsiao (Note 2)				

Note 1: The Board passed the proposal for distribution of reward for employees was in February 2024, and no reward has been distributed by the date of annual report publication. Hence, figures in the above table are the proposed amount for distribution.

Note 2: On board since January 1, 2023.

Note 3: Promoted to Vice President since May 1, 2023.

(IV) Ratios of remuneration paid to directors, supervisors, the President and vice presidents of the Company, and all companies in the consolidated financial statements to net profit after tax in the company only or individual financial statements in the last two years. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance are also illustrated in this section.

- Analysis table for the proportion to net profits after tax in parent company only and individual financial statements of the total of the remuneration paid to directors, President, and vice presidents by the Company and all companies in the consolidated financial statements in the most recent two years:

Unit: NT\$ thousand

Item Title	Fiscal Year 2022				Fiscal Year 2023			
	The Company		Consolidated statements for all companies		The Company		Consolidated statements for all companies	
	Total amount	Proportion after tax ratio to net profit	Total amount	Proportion after tax ratio to net profit	Total amount	Proportion after tax ratio to net profit	Total amount	Proportion after tax ratio to net profit
Director compensation	78,474	3.33%	81,330	3.45%	26,449	1.90%	29,196	2.10%
Remuneration of President	245,587	10.41%	282,945	11.99%	123,146	8.85%	127,272	9.14%

Item Title	Fiscal Year 2022				Fiscal Year 2023			
	The Company		Consolidated statements for all companies		The Company		Consolidated statements for all companies	
	Total amount	Proportion after tax ratio to net profit	Total amount	Proportion after tax ratio to net profit	Total amount	Proportion after tax ratio to net profit	Total amount	Proportion after tax ratio to net profit
and vice presidents								
Net profit after tax	2,358,935	-	2,358,935	-	1,391,923	-	1,391,923	-

2. Correlation between the policies, standards and combinations of payment, procedures for determination of remuneration, business performance and future risks:

According to the Company's Articles of Incorporation, directors are not entitled to director remuneration and are only paid fixed amounts of meeting attendance fees. The amount of compensation is determined based on attendance rate and contribution of individual directors and the peer level.

The policy for remunerating the president, vice presidents, and officers is determined in accordance with the Company's "Regulations for Salary, Remuneration, and Performance Evaluation of Directors and Officers" and with reference to the pay standard of companies in the industry, the responsibility and authority their posts in the company, and their contribution to the company's business targets. The aforementioned remuneration includes salaries and bonuses. Bonuses are highly linked to key performance indicators, including medium- and long-term goals covering financial indicators (such as the achievement in revenue and net profit before tax), non-financial indicators (such as product development and patent layout, legal compliance, risk assessment and prevention, etc.), and actions addressing climate change (such as reducing carbon emissions and increasing the ratio of green electricity use). They are evaluated and reviewed by the Remuneration Committee and the Board regularly. Additionally, the remuneration system is reviewed at any time with respect to the actual operating conditions and the relevant laws and regulations in order to balance the Company's sustainable operations and risk control. The actual amount of remunerations for directors and officers in 2023 was reviewed by the Remuneration Committee and reported to Board for deliberation.

IV. Corporate governance

- (I) Board performance: A total of five (A) board meetings were held in 2023, and the meeting attendance of directors is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks (Note 1)
Chairman	Wade Chang	5	0	100%	The Company held a total of 5 meetings in 2023, with at least two independent directors
Director	Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho	5	0	100%	
Director	Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao	4	1	80%	

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks (Note 1)
Director	Han-Ping D. Shieh	5	0	100%	personally attending each board meeting.
Independent Director	Hsing-Yi Chow	5	0	100%	
Independent Director	Audrey Tseng	4	1	80%	
Independent Director	Hung-Pin Ku	5	0	100%	

Attendance of independent directors at each Board meeting in 2023: ◎Attendance in person; ☆Attendance by proxy; △Absence.

Fiscal Year 2023	1st	2nd	3rd	4th	5th
Hsing-Yi Chow	◎	◎	◎	◎	◎
Audrey Tseng	◎	◎	◎	☆	◎
Hung-Pin Ku	◎	◎	◎	◎	◎

Other mandatory disclosures:

- I. When any one of the following conditions occurs in a Board meeting, the date and session of the meeting, the content of the proposal, the opinion of independent directors, and the Company's response to the opinion of independent directors:
 - (I) Matters as stated in Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has established the Audit Committee, and Article 14-5 of the Securities and Exchange Act does apply.
 - (II) In addition to the aforementioned matters, other Board resolutions objected by or with qualified opinions from independent directors with records or a written statement: There was neither objection nor qualified opinion from independent directors in 2023.
- II. If there were proposals involving the avoidance of conflicts of interests of directors, state the name of that directors, the content of that proposal, the reasons for avoidance of conflicts of interest, and the director's participation in voting:
 1. During the resolution of the proposal to lift the director's non-competition restriction in 2023 discussed at the 5th meeting of the 11th Board, independent director Audrey Tseng concurrently serves as an independent director of ASUSTeK Computer Inc., Delta Electronics Inc. and Bionime Corporation. In her own interests, independent director Audrey Tseng avoided the interest and did not participate in the voting.
 2. During the resolution of the proposal on the compensation director Hsun Chieh Investment Co., Ltd., Hanns Prosper Investment, Han-Ping D. Shieh and independent director Audrey Tseng in 2023 discussed at the 6th meeting of the 11th Board, director Hsun Chieh Investment Co., Ltd. and its representative Tai-Shung Ho, Hanns Prosper Investment and its representative Yu-Chi Chiao(attendance by Wade Chang proxy), Han-Ping D. Shieh and independent

director Audrey Tseng voided themselves from the voting due to the involvement with his own interest, Director Wade Chang did not exercise the voting rights on behalf of Hanns Prosper Investment Co., Ltd. in this case.

3. During the resolution of the proposal on the compensation for independent directors Hsing-Yi Chow and Hung-Pin Ku in 2023 discussed at the 6th meeting of the 11th Board, independent directors Hsing-Yi Chow and Hung-Pin Ku avoided voting due to his involvement with his own interest.
4. During the resolution of the proposal on the remuneration for officers in 2023 discussed at the 6th meeting of the 11th Board, Director Wade Chang avoided voting due to his involvement with his own interest.
5. During the resolution of the proposal on rewards for employees for 2022 at the 7th meeting of the 11th Board, Director Wade Chang avoided voting due to his involvement with his own interest.

III. Board performance evaluation

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
One board performance evaluation is implemented each year.	2023/1/1-2023/12/31	The evaluation includes the performance assessment of the Board, individual directors, Audit Committee, Remuneration Committee, and Nomination Committee.	The evaluation items include the internal self-assessment of the Board, director self-assessment, and the internal self-assessment of the Audit Committee, Remuneration Committee, and Nomination Committee.	<p>(I) The items of the Board performance evaluation cover the following five aspects: Participation in the corporate operations; improvement of the Board's decision-making quality; composition and structure of the Board; election and continuing education of directors; and internal control.</p> <p>(II) The items of performance evaluation of individual directors cover the following six aspects: Alignment with the corporate goals and missions; awareness of the directorial duties; participation in corporate operations; management of internal relationship and communication; the expertise and continuing education of directors; and internal control.</p> <p>(III) The self-assessment items of the audit committee cover the following five aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; committee composition and member selection; and internal control.</p> <p>(IV) The self-assessment items of the remuneration committee cover the following five aspects: Participation in</p>

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
				<p>the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; committee composition and member selection; and internal control.</p> <p>(V) The self-assessment items of the Nominating committee cover the following four aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; and committee composition and member selection.</p>

IV. Targets of and performance in Board competence improvement in the year and the most recent year:

1. The Company has an Audit Committee, Remuneration Committee, and Nomination Committee in place to assist the Board of Directors in its duties. The aforementioned functional committees each comprises three independent directors, and may engage outside experts for opinions if necessary.
2. The Company has established a board performance evaluation mechanism, where the board conducts internal self-assessment annually and external performance assessment every three years. On October 2023, the Company engaged Ernst & Young Corporate Advisory Services (Taiwan) to conduct an external performance evaluation of the board. The evaluation period was from January 1, 2023 to December 31, 2023, and the assessment criteria included three main aspects: board structure, members and processes, and information. The evaluation process involved reviewing relevant documents, assessing director communications and interactions, and analyzing board performance evaluation questionnaires. The comprehensive performance of the Company in these three aspects was rated as 'Advanced' based on the evaluation results. The findings of the external evaluation have been reported in the February board meeting report for the year 2024.
3. The Company has a Corporate Governance Officer responsible for governance-related matters to enhance the effectiveness of the board and provide the necessary support for directors in carrying out their duties. Each year, the Company organizes diverse training courses for board members to enhance the quality of their decision-making.
4. To strengthen corporate governance and establish a robust risk management framework, the Company has actively implemented risk management mechanisms since 2017. We provide regular annual reports to the Board of Directors on the functioning of the risk management system since 2020, and this reporting has been shifted to both the Audit Committee and the Board of Directors

on an annual basis since July 2023. Simultaneously, internal audit is entrusted with submitting risk assessments as part of the annual audit plan and presenting reports on the operational status of the company's risk management to the Audit Committee and the Board of Directors.

(II) Performance of Audit Committee:

1. Annual focus of the Audit Committee:

The Company assembled its Audit Committee in 2010 as a means to enhance corporate governance. The Audit Committee comprises three independent directors, and Independent Director Hsing-Yi Chow has been appointed as convener for the current board. The Audit Committee convenes meetings at least once every quarter, and may do so at any time deemed necessary. Responsibilities of the Audit Committee include: reviewing the fairness of financial statement presentation, reviewing the effectiveness of the internal control system, assessing appointment/dismissal/independence of financial statement auditor, supervising compliance and monitoring existing or potential risks. The committee exercises authority over the following matters:

- Establishment or amendment to the internal control system.
- Evaluation over the effectiveness of internal control system.
- Establishment of procedures for major financial and business conducts.
- Matters concerning directors' personal interests.
- Major transaction of assets or derivatives.
- Major lending, endorsement or guarantee to an external party.
- Offering, issuance, or private placement of securities with equity characteristics.
- Appointment, dismissal, or compensation of financial statement auditors.
- Independence of CPA.
- Appointment or discharge of financial, accounting, or internal auditing officers.
- Financial reports that are duly signed or sealed by the chairperson, managerial officer, and accounting officer.
- Other material matters determined by the Company or competent authorities.

2. Performance of Audit Committee in 2023

A total of five (A) Audit Committee meetings were held in 2023, and the attendance of independent directors is as follows:

Title	Name	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Independent Director	Hsing-Yi Chow	5	0	100%	None
Independent Director	Audrey Tseng	4	1	80%	
Independent Director	Hung-Pin Ku	5	0	100%	

Other mandatory disclosures:

I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of independent directors should be stated, as well as contents of reserved opinions or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
2023.02.13	3rd meeting of the 5th Committee	<ol style="list-style-type: none"> 1. Assess the independence and suitability of the certified public accountant. 2. Ernst & Young Certified Public Accountants and its affiliated entities providing Non-Assurance services. 3. Individual and consolidated financial statements of 2022 4. Business Report of 2022 5. Declaration of Internal Control System 2022. 	Passed as proposed without objection from independent directors	Proposed by the board of directors and passed unanimously by all attending members
2023.03.13	4th meeting of the 5th Committee	<ol style="list-style-type: none"> 1. Proposal of earnings distribution for 2022. 2. Proposal to lift the director's non-competition restriction. 3. Establish procedures for the preparation and verification of the ESG report. 	Independent director Audrey Tseng concurrently serves as an independent director of ASUSTeK Computer Inc., Delta Electronics Inc. and Bionime Corporation. In her own interests, independent	Reported to the Board meeting and approved by all directors attending the meeting, except for directors avoided voting for conflicts of interest

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
			director Audrey Tseng avoided the interest and did not participate in the voting	
2023.04.24	5th meeting of the 5th Committee	1.Consolidated financial statement of 2023Q1. 2.Revise the Company's 'Internal Control System' and 'Internal Audit Implementation Guidelines'. 3.The Company resolved that the subsidiary, Optoma Holding Limited, will undertake an IPO on London Stock Exchange with the issuance of common shares.	Passed as proposed without objection from independent directors	Proposed by the board of directors and passed unanimously by all attending members
2023.07.31	6th meeting of the 5th Committee	Consolidated financial statement of 2023Q2.	Passed as proposed without objection from independent directors	Proposed by the board of directors and passed unanimously by all attending members
2023.10.30	7th meeting of the 5th Committee	1.Consolidated financial statement of 2023Q3. 2.Establishment of the Company's 2024 Audit Plan. 3.Revise the Company's ' Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public	Passed as proposed without objection from independent directors	Proposed by the board of directors and passed unanimously by all attending members

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
		<p>Companies'.</p> <p>4. Establish the 'Regulations on Financial Transactions Among Related Parties' for the Company.</p> <p>5. Investment cases of subsidiaries Coretronic (Suzhou) Co., Ltd., Nano Precision (Suzhou) Co., Ltd and Coretronic Technology (HK) Limited.</p> <p>6. Young Lighting Limited, the subsidiary to subscribe shares of Coretronic Investment through "debt-to-equity swap".</p>		

(II) In addition to the above matters, any resolutions unapproved by the Audit Committee but passed by more than two thirds of all directors: None. No objection or qualified opinion was expressed by independent directors this year.

II. Avoidance of involvements in interest-conflicting discussions by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process: None.

III. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

1. The chief internal auditor communicates with independent directors through conferences and Audit Committee meetings. The chief internal auditor reports to independent directors at least once a quarter regarding progress of internal audits performed, and prepares monthly reports for review by independent directors. Meetings can be convened at any time deemed necessary in the occurrence of major event.
2. Independent directors communicate with CPAs through conference. The CPAs report to independent directors twice a year on the following matters: financial statement audit, accounting estimates and material issues, changes in Statements of Financial Accounting Standards and securities or tax laws etc., and may contact independent directors at any time deemed necessary.
3. Independent directors communicate with the chief internal auditor and CPAs regularly. Please visit Investor Relations/Corporate Governance/Internal Audit/Independent Directors of our corporate website for details.

(III) Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company prepared and disclosed Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies?	✓		The Company has established a set of “Corporate Governance Code of Conduct” with board of directors’ approval based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” to serve as guidelines toward developing sound corporate governance practice. This code of conduct is disclosed over the Company’s website and at Market Observation Post System.	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
II. Shareholding structure and shareholders’ equity				
(I) Has the company implemented a set of internal procedures to handle shareholders’ suggestions, queries, disputes and litigations?	✓		(I) The Company has implemented “Shareholder Suggestion, Query, Dispute and Litigation Handling Procedures” and appointed spokesperson and acting spokesperson to ensure that material information is disclosed in a timely and fair manner to the best of shareholders’ interest. The Shareholder Affairs Office and Corporate Relations Office are responsible for engaging shareholders on the above issues. The Company has dedicated mailbox (ir@coretronic.com) and hotlines available to gather shareholders’ suggestions, queries and disputes, whereas shareholders’ litigations against the Company are handled by the Legal Affairs Department.	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
(II) Is the company constantly informed of the identities of its major shareholders and the ultimate controller?	✓		(II) Based on the list of shareholders provided by the stock transfer agent on the Company’s date for suspension of share transfer, and the information regarding shareholders holding over five percent of the shares provided by Taiwan Depository & Clearing Corporation after settlement, each year the Company captures a list of the major shareholders actually controlling the Company and the list of major shareholders with ultimate control and discloses the relevant information regularly.	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?	✓		(III) The Company has a “Subsidiary Supervision Policy,” internal control and internal audit policies in place to outline boundaries of management duty and authority with affiliated enterprises. All business dealings or transactions with subsidiaries are subject to compliance with laws and procedures for risk management purposes.	
(IV) Has the company established internal policies that prevent insiders from trading securities against non-public information?	✓		(IV) The Company has established the “Insider Trading Prevention Policy” to prevent insiders from exploiting information not readily available on the market for inappropriate gains, whether for themselves or others. The Company promotes internal awareness on a yearly basis and discloses information on its website that managers and employees may access at any time. Insiders are constantly reminded of issues concerning material information. On October 13, 2023, the Company has conducted education and promotion for officers and employees through digital education and training courses. The course contents included topics covering the matters constituting insider trading, the exact time of material information, method and time of disclosure, the penalty of committing insider trading, the prevention of unintended insider training, and enforce the awareness education of preventing insider training. Additionally, provide insider trading laws and regulations to insiders on a monthly basis. In 2023, a total of 1,662 officers and employees took the course.	
III. Assembly and obligations of the board of directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives, and	✓		(I) For the diversity policy of the Board of Directors, specific management objectives, and implementation status, please refer to the annual report for details under “II.Information on	Conforms with the Corporate Governance Best-Practice Principles

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
implemented them?			directors, the President, vice presidents, associate vice presidents, and supervisors of each department and branch” / “(A) Directors” / “5. Diversity and independence of the Board of Directors.”	and no deviation is found
(II) Apart from the Remuneration Committee and Audit Committee, has the company assembled other functional committees at its own discretion?	✓		(II) On October 26, 2020, the Company voluntarily established the “Nomination Committee” with three independent directors. Its duties and functions are subject to the “Charter of Nomination Committee”. Please refer to (IV) if the company has established a remuneration committee or nomination committee, disclose its composition, responsibility and authority, and operations/2. Members and performance of the nomination committee.	
(III) Has the company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration and nomination decisions?	✓		(III) The Board established the Company’s “Board Performance Assessment Policy” in April 2018 and amended it in October 2019. Each year the Company evaluates the performance of the Board, directors, and functional committees once and reports the results to the Nomination Committee and Board. Additionally, an external evaluation of Board performance is implemented by an independent, professional institution at least once every three years. The evaluation involved reviewing relevant documents, assessing director communications and interactions, and analyzing the director board performance assessment questionnaire. After a comprehensive evaluation, the Company demonstrated an "Advanced" performance across the three dimensions. Ernst & Young provided improvement recommendations for our board of directors. We will use the assessment results as a reference to continually enhance the	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>board's functions. The Company also reported the results to the Nomination Committee and the Board and disclosed them on the corporate website in February 2024.</p> <p>The Board conducts performance self-assessment once a year using a questionnaire. These assessments are arranged by the meeting organizer, and the most recent assessment covered the period January 1 to December 31, 2023. For more details on performance evaluation of the board, board members and functional committees, please refer to section 4. Corporate governance/Board performance evaluation.</p> <p>Outcome and implication of 2023 internal Board performance self-assessment:</p> <ol style="list-style-type: none"> 1. Overall, board performance was rated “Exceptional” and is indicative of the efforts the Company has committed to enhancing the board’s capacity. 2. Directors’ (self) performance assessment outcome: Directors’ overall performance was rated “Exceptional.” 3. Performance of the Remuneration Committee was rated “Exceptional” and is indicative of the efforts the Company has committed to enhancing Remuneration Committee’s capacity. 4. Performance of the Audit Committee was rated “Exceptional” and is indicative of the efforts the Company has committed to enhancing Audit Committee’s capacity. 5. The performance of the Nomination Committee was rated “Distinguished” to sufficiently show results in enhancing 	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Are external auditors' independence assessed on a regular basis?	✓		<p>the performance of the Nomination Committee. The Company reported the said evaluation results to the Nomination Committee and Board meetings in February 2024 and used them as the reference for making continual competence improvement of the Board and functional committees and the salary, remuneration, and nomination of individual directors.</p> <p>(IV) The Audit Committee duly evaluates the independence and competence of the financial statement auditor once a year, and presents assessment results to the board of directors. The financial statement auditor's independence is assessed using the following criteria: After referring to the Audit Quality Indicators (AQIs) announced by the Financial Supervisory Commission (FSC), the Audit Committee and the Board evaluated CPA's Independence in February 2024 with procedures covering the 13 indicators in five aspects: expertise, quality control, independence, supervision, and innovation capability. The Company also obtained the statement of independence issued by CPAs.</p> <p>Except for certifying the Company's finance and tax matters, CPAs have no conflict of interest or business transaction with the Company. Through education and training, internal quality review, periodic e-news and digital audit promotion, CPAs strengthen their innovation capability and improve audit quality. Hence, both CPAs Shao-Pin Kuo and Chih-Chung Chen comply with the independence and suitability criteria. Additionally, the Company also observes the relevant regulations for CPA rotation.</p>	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
IV. Is the Company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing the information needed by directors to carry out business, assisting directors and complying with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>The board of directors appointed the CFO to assume the role of Corporate Governance Officer during the meeting held in April 2019. Backed by more than 10 years of accounting, finance, shareholder service and meeting arrangement experience in a public company, the CFO works with the CFO's Office to oversee corporate governance-related matters, and their main duties are to arrange board meetings and shareholder meeting affairs, provide directors with the information needed to perform duties, and gather the latest regulatory changes that are relevant to the Company to assist directors with compliance, duties and ongoing education. The education of the Corporate Governance Officer in 2023 has been disclosed on the Company's website.</p> <p>The performance in corporate governance in 2023 is as follows:</p> <ol style="list-style-type: none"> 1. Assist directors in carrying out their duties, provide the required data, and arrange continuing education courses for directors. <ul style="list-style-type: none"> ● Informed board members of the latest regulations concerning the Company's operations and corporate governance. ● Provided directors with the requested information and maintained communication between directors and senior managers. ● Independent directors regularly communicated with the chief internal auditor or financial statement auditor to learn the Company's financial and business performance. ● Training courses were arranged for directors based on their highest education & other significant position and changes in existing regulations. 	Conforms with the Corporate Governance Best Practice Principles and no deviation is found

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<ul style="list-style-type: none"> ● Evaluated and took out appropriate director and manager liability insurance. <p>2. Assisted functional committees, board of directors and shareholders with meeting procedures and compliance issues</p> <ul style="list-style-type: none"> ● Prepared meeting agenda and notified directors at least 7 days before meeting, and provided participants with relevant materials pertaining to the issues discussed. Reminders were sent in advance for motions that involved conflict of interest, and minutes were produced within 20 days after each meeting. 5 board meetings and 5 audit committee meetings and 2 remuneration committee meetings and 1 nominating committee were held in the year 2023. ● Assisted and reminded directors of the regulations to comply when performing duties or forming resolutions at board meetings. ● Report to the board of directors the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations. ● Processes such as registration of shareholder meeting date, preparation of meeting advice, conference manual, minutes, annual report etc. were completed and made available to investors within th required timeframe. ● Performed the 2023 performance evaluation of the internal and external Board, directors, and all functional committees, and reported the evaluation results to the 	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>Nomination Committee and the Board meetings held in February 2024.</p> <p>3. Maintenance of investor relations Through quarterly investor seminars, annual general meetings and timely website updates, investors are given insight to the Company's financial, business and corporate governance performance, which also protects shareholders' interest.</p>	
V. Has the company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has an employee mailbox, employee service hotline, spokesperson mailbox and general inquiry hotline available to communicate with customers, suppliers and the general public. Stakeholders may contact specific departments within the Company at any time deemed necessary. The Company has created a dedicated section on its website to disclose information that is relevant to stakeholders. The Company uses a broad range of channels to maintain communication with stakeholders and learn their expectations; these findings provide a useful reference to the Company's corporate social responsibility policies and plans in the future.	Conforms with the Corporate Governance Best Practice Principles and no deviation is found
VI. Does the Company engage a share administration agency to handle shareholder meeting affairs?	✓		The Company has engaged the Shareholder Service Department of Taishin Securities Co., Limited to handle matters relating to shareholder meetings.	Conforms with the Corporate Governance Best Practice Principles and no deviation is found
VII. Information disclosure (I) Has the company established a website that discloses financial, business, and corporate governance-related information?	✓		(I) The Company maintains a website for disclosing information. Financial/business performance and corporate governance-related information can also be found on Market Observation Post System.	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>(II) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?</p> <p>(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?</p>	<p>✓</p> <p>✓</p>		<p>(II) The Company has set up an English website and assigned dedicated personnel to gather and disclose information about the Company, enforced the spokesperson system, posted the links of live broadcasts and replays of the investor conferences over the corporate website, and carried out the duty and obligation for information disclosure by law in accordance with the laws and regulations of the competent authorities. The dates and venues of investor conferences can be found on the corporate website: Investor Relations/Investor Conferences, Investor Relations/Events” or News/Events section.</p> <p>(III) The company has announced its financial reports for the fourth quarter of 2023 and the first quarter of 2024 after the Investor Conference held on February 26, 2024, and April 29, 2024, respectively. It is anticipated that the financial reports for the second and third quarters of 2024 will be submitted in July and October, respectively. The disclosure of operational status for each month will be completed and announced by the 10th of the following month.</p>	
VIII. Does the company have other information that enables a better understanding of the company’s corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders’ interests, continuing education of directors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of company	✓		<p>(I) Employee rights and care</p> <p>The Company strives to maintain harmonic employment relationship and caters for employees’ interest by taking a mutually beneficial approach. All management practices and systems are carried out according to labor regulations. The Company has an Employee Welfare Committee to plan welfare measures and recreation activities including golden week vacations, employee sport meetings, health seminars, and festive events, thereby promoting interaction among colleagues</p>	Conforms with the Corporate Governance Best Practice Principles and no deviation is found

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
directors)?			<p>and family members. The Company also invites employees and family members to art and cultural events from time to time, where they are exposed to inspirations that may help enrich their lifestyle or improve their characters. The Company has been enforcing an employee assistance program that provides employees and family members with complimentary consultation on issues concerning mental health, legal affairs, healthcare and finance, so that employees may perform their duties with a peace of mind. The Company values employees' mental and physical health, and arranges regular health checkups and health promotion activities to create a satisfying and healthy workplace.</p> <p>(II) Investor relations The Company has spokesperson and acting spokesperson in place to maintain investor relations. The Company also hosts domestic investor seminars regularly and participates in global investor seminars from time to time.</p> <p>(III) Supplier relations and stakeholders' interests The Company adheres strictly to commercial ethics for all business dealings with suppliers and customers. Key suppliers are regularly evaluated for price, quality, technology, delivery and service, and all suppliers are required to sign a letter of commitment to integrity. The Company fully understands customers' needs, helps them resolve problems and strives to deliver more satisfactory products and services. Financial and business dealings with affiliated enterprises are carried out according to rules such as "Lending, Guarantee and</p>	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>Endorsement Procedures,” “Asset Acquisition and Disposal Procedures” and “Subsidiary Supervision Policy.”</p> <p>(IV) Director’ education The Company actively encourages directors to participate in courses organized by the authority. Please refer to the chart titled Directors’ and Managers’ Education for details on corporate governance-related training undertaken by directors and managers.</p> <p>(V) Risk management policies and risk assessment standards With respect to the “Risk Management Policy” passed by the Board in 2020, the Company continuously engages with the detection, analysis, and identification of risks within the scope of risk management to strengthen the capability to handle risk prevention and crisis resolution and implement quick recovery for effective risk control. For risk management information, please visit the “Sustainability/Risk Management” section on the Company’s website.</p> <p>(VI) Implementation of customer policy The Company has implemented appropriate customer policy given the nature of its business activities. To ensure customers’ satisfaction, the Company not only directs attention to the quality, safety and innovation of products delivered, but also addresses complaints in a timely manner and provides customers with complete product information.</p> <p>(VII) Insurance against directors’ liabilities The Company has purchased liability insurance to insure itself against liabilities of its directors; insurance policies are</p>	

Assess criteria	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			reported to the board of directors on a yearly basis.	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified:</p> <p>The Company has been consistently ranked in the top 5% in corporate governance assessments for nine consecutive years. The Company will continue to cooperate with regulatory authorities to promote various corporate governance policies to enhance corporate governance. The Company actively contributes to sustainable development in three major aspects: economic/governance, environmental, and social/human rights. For the first time, we have been honored with three international ESG awards, including the 2023 AREA Asia Corporate Social Responsibility Award - "Social Welfare Development Award" and "Corporate Governance Award," as well as the 2023 APSAA Asia Pacific Sustainable Action Award - Silver Award for "SDG 4 Quality Education." Additionally, the Company won the "CommonWealth Sustainability Citizen Award" for twelve consecutive years and received multiple TCSA Taiwan Corporate Sustainability Awards: the inaugural "Talent Development Leadership Award," seven consecutive years of the "Sustainability Report Gold Award," six consecutive years of the "Transparency and Integrity Leadership Award," four times the "Social Inclusion Leadership Award," and five consecutive years as one of the "Taiwan Top 100 Sustainable Exemplary Enterprises." Furthermore, the Company has received the Executive Yuan Environmental Protection Administration's "National Corporate Environmental Protection Silver Award" for six consecutive years and the SGS "2023 ESG Awards - Sustainability Report Award" twice. In the future, the Company will continue to uphold the core values of integrity and honesty, bearing the long-term sustainable responsibility to all stakeholders and society.</p>				

Directors' and managers' ongoing education						
Title	Name	Course date		Organizer	Course name	Training Hours
		Start	End			
Chairman	Wade Chang	2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6
Representative of corporate director	Tai-Shung Ho	2023.07.28	2023.07.28	Taiwan Corporate Governance Association	Enterprise Risk Management Framework and Practical Insights, Sustainable Development Performance, and Executive Compensation	6
		2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6
Representative of corporate director	Yu-Chi Chiao	2023.06.17	2023.06.17	Foundation Of Finance	Corporate Governance - ESG Sustainability Project Workshop - Supply Chain Integration	6
		2023.09.04	2023.09.04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6
		2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6

Directors' and managers' ongoing education						
Title	Name	Course date		Organizer	Course name	Training Hours
		Start	End			
Director	Han-Ping D. Shieh	2023.04.28	2023.04.28	Taiwan Corporate Governance Association	Practical Responses of Board Members to the Wave of Information Technology	3
		2023.07.04	2023.07.04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	3
Independent Director	Hsing-Yi Chow	2023.03.16	2023.03.16	Institute of Financial Law and Crime Prevention	Anti-Money Laundering and Counter-Terrorist Financing Awareness of Legal Obligations and Responsibilities for Directors	3
		2023.05.18	2023.05.18	Taiwan Securities Association	The Financial Consumer Protection Law and Fair Treatment of Customers	3
		2023.06.07	2023.06.07	Taiwan Institute of Directors	The Future of Enterprises in a Changing Landscape: Strategic Repositioning & Strategic Transformation	3
		2023.09.07	2023.09.07	Taiwan Securities Association	The Help and Impact of Emerging Cybersecurity Technologies on Financial Digital Innovation	3
		2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6
Independent Director	Audrey Tseng	2023.04.27	2023.04.27	Taiwan Corporate Governance Association	Company Strategic Development Direction	3
		2023.05.12	2023.05.12	Taiwan Corporate Governance Association	Sustainable Governance Practices in Enterprise Succession and Transformation	3
		2023.06.15	2023.06.15	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2023.07.19	2023.07.19	Taiwan Corporate Governance Association	Impact and Opportunities of AI on Industries	3
		2023.07.31	2023.07.31	Taiwan Corporate Governance Association	The Technology, Applications, and Socio-Economic Impact of Artificial Intelligence	3
		2023.08.08	2023.08.08	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2023.10.13	2023.10.13	SECURITIES & FUTURES INSTITUTE	2023 Insider Trading Prevention Advocacy Conference	3
		2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6
Independent Director	Hung-Pin Ku	2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6
CFO/ CAO/ Corporate Governance Officer	Franck Ho	2023.04.14	2023.04.14	Taiwan Corporate Governance Association	Legal Risks and Responses in Corporate Investment and Financing: A Discussion from the Perspective of Corporate Directors' Responsibilities	3
		2023.05.05	2023.05.05	THE ALLIED ASSOCIATION FOR SCIENCE PARK INDUSTRIES	How Directors and Supervisors Supervise the Establishment and Promotion of a Sound Risk Management System within the Company	3
		2023.10.30	2023.10.30	Taiwan Corporate Governance Association	ESG Practice Analysis, Emerging Trends in Sustainability, and Board Governance	6
		2023.11.23	2023.11.24	ACCOUNTING RESEARCH AND DEVELOPMENT FOUNDATION	Continuing Education Program for Accounting Managers of Issuers, Securities Firms, and Securities Exchanges	12

(IV) Disclose the composition, duties and functions, and operations of the Remuneration Committee or Nomination Committee, if available.

I. Information on members of the Remuneration Committee and information on its operations

1. Information of Remuneration Committee Members:

December 31, 2023

Criteria Name Identity		Professional qualifications and experience	Status of independence	Number of positions as Remuneration Committee member in other public companies
Independent Director (Convener)	Hsing-Yi Chow	(1) Please refer to “II. Information on directors, the president, vice presidents, associate vice president, and heads of departments and branches” / “4. Disclosure of information on the professional qualifications of directors and the independence of independent directors” in the annual report for information regarding professional qualifications and experience and independence. (2) Compliance with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of members two years before the election and during their office. (3) The Company has three independent directors, and none of them is in the conditions as stated in Article 30 of the Company Act.		3
Independent Director	Audrey Tseng			2
Independent Director	Hung-Pin Ku			0

2. Duties and functions of the Remuneration Committee: To professionally and objectively evaluate the policies and systems for compensation of the Company’s directors and officers, including (1) Periodically reviewing the “Charter of Remuneration Committee” and making recommendations for amendments. (2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure of the compensations for the Company’s directors and officers. (3) Periodically evaluating the performance in goal accomplishment of the Company’s directors and officers and setting the types and amounts of compensation of individual directors and officers. The Remuneration Committee convenes meetings at least twice a year and may do so at any time deemed necessary to provide the board with useful suggestions for decision-making.
3. Functionality of Remuneration Committee: The Company’s Remuneration Committee comprises 3 members; service of the current board begins June 10, 2022 and ends June 9, 2025. In 2023 the Remuneration Committee held two (A)

committee meetings, and the qualifications and attendance of committee members are as follows:

Title	Name	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Convener	Hsing-Yi Chow	2	0	100%	None
Committee member	Audrey Tseng	2	0	100%	
Committee member	Hung-Pin Ku	2	0	100%	

4. Other matters to be recorded:

- (I) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): None.
- (II) Should any committee member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the motion, the entire members' opinions, and how their opinions were addressed: None.
- (III) Discussions and resolutions of the Remuneration Committee, and the Company's response to committee members' opinions

Date	Session	Motion	Resolution of the Remuneration Committee	Company's response to Remuneration Committee's opinions
2023.4.24	2th meeting of the 5th Committee	<p>1. Proposal on the remuneration of directors Hsun Chieh Investment Co., Ltd., Hanns Prosper Investment Corporation, Han-Ping D. Shieh and independent director Audrey Tseng for 2023.</p> <p>2. Proposal on the remuneration of independent directors Hsing-Yi Chow, Hung-Pin Ku for 2023.</p> <p>3. Proposal on the remuneration of officers for 2023.</p>	<p>1. Independent director Audrey Tseng abstained from participating in the resolution due to personal compensation concerns. The resolution was passed as agreed by independent directors Hsing-Yi Chow and Hung-Pin Ku.</p> <p>2. Independent director Hsing-Yi Chow and Hung-Pin Ku abstained from participating in the</p>	Reported to the Board meeting and approved by the all directors attending the meeting, except for directors avoided themselves from the voting for conflicts of interest.

Date	Session	Motion	Resolution of the Remuneration Committee	Company's response to Remuneration Committee's opinions
			resolution due to personal compensation concerns. The resolution was passed as agreed by independent directors Audrey Tseng. 3. Passed as proposed without objection from independent directors.	
2023.7.31	3st meeting of the 5th Committee	Proposal of officer employee reward for 2022.	Passed as proposed without objection from independent directors.	

II. Information on members of the Nomination Committee and committee operations

1. Qualifications for appointment and responsibilities of members of the Nomination Committee :

The Company established a Nomination Committee in October 2020. The Committee consists of three independent directors. Committee member Hsing-Yi Chow, an independent director, specializes in finance and corporate governance, meeting professional competencies required by the committee.

The Nomination Committee has been established for the purpose of enhancing the effectiveness of the Company's Board of Directors. Its duties and functions include (1)Set the diversified backgrounds covering professional knowledge, skills, experience, and gender and standard of independence for directors and senior officers as the reference for sourcing, reviewing, and nominating candidates for directors and senior officers. (2)Evaluate the performance of the Board, functional committees, and individual directors and the independence of independent directors. (3)Handle other matters assigned by Board resolutions.

2. Professional qualifications and experience of members and operations of the Nomination Committee:

The Nomination Committee is formed with three members with a term commencing on June 10, 2022 and ending on June 9, 2025. In 2023, the Nominating Committee held one (A) meeting, and the professional qualifications, experience, and attendance of members are as follows:

Title	Name	Professional qualifications and experience	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Convener	Hsing-Yi Chow	Please refer to “II. Information on directors, the president, vice presidents, associate vice president, and heads of departments and branches” / “4. Disclosure of information on the professional qualifications of directors and the independence of independent directors” in the annual report.	1	0	100%	None
Committee member	Audrey Tseng		1	0	100%	
Committee member	Hung-Pin Ku		1	0	100%	

3. Other matters to be recorded:

Discussions and resolutions of the Nomination Committee, and the Company’s response to Nomination Committee members’ opinions

Date	Session	Motion	Content of recommendations or objections of Nomination Committee members	Nomination Committee Resolution	Company’s response to Nomination Committee’s opinions
2023.2.13	1st meeting of the 2nd Committee	Report on the Company’s 2022 performance evaluation of the Board and functional committees.	None	Acknowledged, no other suggestion.	Report at the Board meeting.

(V) Implementation of sustainable development promotions and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
I. Does the company establish a governance structure and set up a full-time (or part-time) unit to promote sustainable development? Does the Board of Directors authorize senior management to handle relevant matters and supervise the implementation by itself?	✓		<p>1. Governance structure for sustainable development: The “Corporate Social Responsibility Committee” (CSR Committee) set up in 2008 was renamed “ESG Committee” in 2020. The Company’s Chairman serves as the “chairperson,” with the President and CFO being the “members” and the spokesperson being the “management representative”. The Committee also delegates its powers to the “executive representatives” of departments relating to economy/governance, society, and environment to assist in promoting sustainable development.</p> <p>2. Implementation status of each organization: The Board of Directors approved the “Sustainable Development Best Practice Principles” and agreed to authorize the ESG Committee to promote ESG-related issues. Executive representatives subordinate to the President and CFO have been designated, whose responsibilities are to oversee the promotion of major issues and projects. Its mode of operations is as follows: (1) Committee members and executive representatives review the status and results of sustainability implementation with quarterly briefings and hold quarterly meetings with the ESG team. Such meets are attended by executive representatives and ESG team members to discuss the ESG Report published in the current year and major sustainability awards so as to formulate sustainability plans and goals for the following year. (2) The management representative reports the implementation of the annual plan to the chairperson, committee members, and executive representatives on a quarterly basis; and further reports the annual sustainable performance and the key sustainability policy and plan for the following year at the annual group meeting. (3) A committee member and an executive representative - the CFO makes a report to the Board once each year. The report</p>	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of greenhouse gas (GHG) inventory to the Board on a quarterly basis.</p> <p>(4) The members of the ESG team has formulated a sustainability policy in accordance with international and government regulations, and strengthened the implementation of sustainability strategies through internal and external training courses.</p> <p>(5) The ESG team identifies annual material topics once every two years according to the material topic identification process, and submits the annual material topics to the Board for approval.</p> <p>(6) The ESG Report is compiled by the ESG team from information provided by departments, submitted to the management representative, executive representatives, and committee members in sequence for revision, presented to the Chairman for review, and then finalized and released.</p> <p>3. Supervision of sustainable development by the Board of Directors:</p> <p>The Company's Board of Directors has approved the "Sustainable Development Best Practice Principles," "Material Topics Disclosed in the Annual ESG Report," and "Operating Procedure for ESG Report Preparation and Verification." The management team makes regular reports (on the implementation of ESG) to the Board of Directors every year, makes plans and set goals for ESG, and regularly reviews their implementation. The Board of Directors also regularly reviews and supervises the implementation of sustainable development, and urges the management team to make adjustments when it is necessary.</p>	
II. Does the company follow the principle of materiality,	✓		The Company conducts a material topic identification process	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof						
	Yes	No	Summary description							
conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?			<p>once every two years. The “level of impact” is used as the principle for assessing the materiality of a topic. The Company also identifies the level, scope, and possibility of the positive and negative impact of each issue. The annual ESG Report discloses the Company's identification, prevention, mitigation, and handling of its actual and potential negative impacts on the economy, the environment, and people (including their human rights).</p> <p>The Company divides material topics into three major categories: environmental, economic, and people (human rights). The boundaries of the aforementioned risk assessment cover Coretronic, Champ Vision Display, Coretronic Intelligent Cloud Service, and Coretronic Intelligent Robotics. The risk assessment items and risk management policies for the aforementioned material topics are as follows:</p> <table><tr><th>Aspect</th><th>Risk assessment</th><th>Risk management policy or strategy</th></tr><tr><td>Environment</td><td>Climate change</td><td><p>Support and introduce TCFD, and investigate the financial risks of climate change through the climate change risk questionnaire, and then set and plan annual targets, budgets and plans by the environmental safety and plant management units. After submitting to the Environmental Protection Committee for review, the corresponding plan will be implemented in accordance with ISO 14001 environmental management system, ISO 14064-1 GHG inventory standard, and ISO 50001 energy management system.</p><p>For net zero transformation, in addition to joining the Taiwan Climate Partnership and the Taiwan Alliance for Net Zero Emission, publicly announcing the Company's net zero targets of “25% carbon reduction by 2025, 50% by 2032, and net zero by 2050,” and voluntarily responding to the CDP (Carbon Disclosure Questionnaire), we have even submitted a carbon reduction commitment to the SBTi, and set and present our science-based carbon reduction targets of “50%</p></td></tr></table>	Aspect	Risk assessment	Risk management policy or strategy	Environment	Climate change	<p>Support and introduce TCFD, and investigate the financial risks of climate change through the climate change risk questionnaire, and then set and plan annual targets, budgets and plans by the environmental safety and plant management units. After submitting to the Environmental Protection Committee for review, the corresponding plan will be implemented in accordance with ISO 14001 environmental management system, ISO 14064-1 GHG inventory standard, and ISO 50001 energy management system.</p> <p>For net zero transformation, in addition to joining the Taiwan Climate Partnership and the Taiwan Alliance for Net Zero Emission, publicly announcing the Company's net zero targets of “25% carbon reduction by 2025, 50% by 2032, and net zero by 2050,” and voluntarily responding to the CDP (Carbon Disclosure Questionnaire), we have even submitted a carbon reduction commitment to the SBTi, and set and present our science-based carbon reduction targets of “50%</p>	
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Promotion item	Implementation				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof	
	Yes	No	Summary description			
					absolute reduction in GHG (Scope 1 and 2) emissions and 30% absolute reduction in Scope 3-6 emissions by 2032 from the 2021 base year”under the SBT 1.5°C scenario to the SBTi for review.	
				Green process and product management	The “Eco-friendly Projector Development Team” and “Green Product R&D Team” plan and formulate annual goals, budgets, and plans, submit them for approval, carry out research and development, periodically review the effectiveness of implementation, and promote relevant plans. We have also introduced the inventory of the carbon footprint of products in ISO 14067, passed the certification, and used this standard as a basis for developing green products and setting up a product carbon footprint inventory platform in the future.	
			People (human rights)	Friendly workplace	The Company has created multiple and unfettered two-way communication channels (quarterly labor-management meetings, annual business officer communication meetings) and labor/human rights grievance channels dedicated to building a friendly workplace.	
				Information security	The Company has established an Information Security Committee and introduced ISO 27001 to formulate information security policies according to the actual management needs of the Company. In response to actual needs and development trends, we draw up corresponding information security strategies and visions to improve the information security protection system. A safe and trustworthy information security environment is thus established through a risk-oriented security protection mechanism, supplemented by continuous training and the enhancement of employees’ information security awareness. We have also obtained an ISO 27001 certificate.	
				Occupational health and safety	For occupational safety, the Industrial Safety Unit has developed the annual objectives, budgets, and plans, and submitted them to the Occupational Health and Safety Committee for review and approval to verify the implementation of related strategies for the occupational health and safety system based according to ISO 45001 and CNS	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof									
	Yes	No	Summary description										
			<table><tr><td></td><td></td><td>45001. For occupational health, the Health Management Department analyzes employees' health problems based on regular physical examination results and plan appropriate health promotion activities.</td></tr><tr><td></td><td>Labor relations</td><td>The Company notifies employees four weeks in advance of significant changes to operations that may cause serious impacts on their rights.</td></tr><tr><td>Economy</td><td>Socioeconomic and legal compliance</td><td>By building the governance organization and implementing internal control mechanisms, the legal compliance of all personnel and operations can be ensured.</td></tr></table> <p>For the risk assessment of our environmental, economic, and people (human rights) issues and related risk management policies, please refer to the Company website for details under “ESG/Risk Management.”</p>			45001. For occupational health, the Health Management Department analyzes employees' health problems based on regular physical examination results and plan appropriate health promotion activities.		Labor relations	The Company notifies employees four weeks in advance of significant changes to operations that may cause serious impacts on their rights.	Economy	Socioeconomic and legal compliance	By building the governance organization and implementing internal control mechanisms, the legal compliance of all personnel and operations can be ensured.	
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Economy	Socioeconomic and legal compliance	By building the governance organization and implementing internal control mechanisms, the legal compliance of all personnel and operations can be ensured.											
III. Environmental issues (I) Has the Company developed an appropriate environmental management system, given the characteristics of its industry?	✓		<p>The Company’s plants in Taiwan and five subsidiaries in Mainland China have followed ISO 14001 in establishing their environmental management systems, and they continue to pass third-party verifications. Furthermore, GHG inventory is conducted every year in accordance with the ISO 14064-1 standard, and the resulting emissions reductions are tracked and disclosed in the ESG Report and on the Company website. The Company’s plants in Taiwan include the Headquarters, Zhunan Office, Tainan Plant 1, and Tainan Plant 2, covering Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, InnoSpectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistics Solutions; the Company’s subsidiaries in Mainland China include Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).</p>	No material deviation is found.									

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(II) Has the Company committed itself to improving energy efficiency and using recycled materials with low impact on the environment?	✓		<p>(1)Energy management Electricity accounts for the bulk of Coretronic’s energy consumption, which represents more than 90% of the overall energy consumption. To effectively enhance energy efficiency, Zhunan Office has taken the lead to implement the ISO 50001 Energy Management System (EnMS) and continued to apply for third-party certification for the effective control of energy use. In 2023, we expanded the scope of EnMS certification, and the plants in Taiwan, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have implemented the ISO 50001 EnMS and passed the certification. On the premise of maintaining the environment and enhancing the market competitiveness of products, the Company adopts energy-saving designs and 3R (Reduce, Recycle and Reuse) ideas at the product development stage. We have also actively promoted green design and production technologies throughout design and production stages, including: 1. design for environment, 2. green supply chain management, 3. RoHS testing for components/semi-finished goods/finished goods, 4. adoption of green process technology, 5. education and training, and 6. voluntary product carbon footprint inventory to reduce environmental impact.</p> <p>In green manufacturing, to reduce unnecessary resource waste and seek waste reduction and recycling channels, we actively implement measures for hazardous substance control and build the GMPS platform for supplier management. We also request all new suppliers to conform to the hazardous substance free (HSF) safety standard, answer the environmental-hazardous substance questionnaire, sign a green product commitment, provide a safety data sheet (SDS), and engage in the collaborative recycling and reuse of packaging materials to reduce waste production and production costs so as to achieve economy and environmental protection at the same time.</p>	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																									
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			<p><u>Energy conservation targets</u> Power consumption intensity of the Company's plants in Taiwan and Mainland China: A 7% decrease from the 2021 base year in the short term (2023~2025), a 10% decrease from the 2021 base year in the medium term (2026~2028) , and a 13% decrease from the 2021 base year in the long term (2029~2031).</p> <p><u>Energy conservation measures and achievement status</u> Coretronic energy conservation and carbon reduction measures cover air conditioning systems, electric lighting, and other electricity consumption. Coretronic have been actively implementing various energy conservation measures, including using a highly energy-efficient active magnetic bearing chiller and compressor, to reduce the energy consumption of both the Company and products. We have also expanded the use of renewables to optimize energy efficiency. The electricity savings in 2022 and 2023 were 15,300 and 2,066 mwh, respectively, equivalent to a reduction of 8,588 and 1,123 metric tons of CO₂e emissions. The electricity savings were mainly attributed to the energy-efficient active magnetic bearing chiller and compressor and new LED lighting. The Company has introduced energy-saving equipment, and adjusted power consumption through an intelligent flow control system and the addition of frequency converters to achieve energy conservation. The power consumption intensity of the Company's plants in Taiwan and Mainland China was reduced by 14% and 11% in 2023 compared to 2021, meeting the short-term target.</p> <table border="1"> <thead> <tr> <th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr> <tr> <th>Item/Year</th><th>2022</th><th>2023</th><th>2022</th><th>2023</th></tr> </thead> <tbody> <tr> <td>Electricity consumption (mwh)</td><td>15,201</td><td>13,726</td><td>40,912</td><td>35,510</td></tr> <tr> <td>Electricity savings (mwh)</td><td>1,827</td><td>741</td><td>13,473</td><td>1,325</td></tr> <tr> <td>Carbon reduction (tCO₂e) (Note)</td><td>904</td><td>367</td><td>7,684</td><td>756</td></tr> </tbody> </table> <p>Note: Carbon emissions per kWh of electricity are calculated based on the</p>	Region	Taiwan		Mainland China		Item/Year	2022	2023	2022	2023	Electricity consumption (mwh)	15,201	13,726	40,912	35,510	Electricity savings (mwh)	1,827	741	13,473	1,325	Carbon reduction (tCO ₂ e) (Note)	904	367	7,684	756	
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			<p>carbon emission coefficients announced by Taiwan’s Energy Administration and from Mainland China’s GHG inventory checks.</p> <p>(2)Renewable energy use Coretronic actively promote various energy reduction measures to optimize energy efficiency and reduce the energy consumption of the Company and products. In the mean time, we expand the use of renewable energy. Since 2021, each of ther plants has installed solar PV equipment for its own use to replace the electricity with renewables. This has caused the demand for electricity to slow down and decreased the overall energy consumption.</p> <p><u>Renewable energy usage targets</u> Proportion of renewable energy usage in annual electricity consumption: 5% in Taiwan and 13% in Mainland China in the short term (2023-2025), 6% in Taiwan and 15% in Mainland China in the medium term (2026-2028), and 8% in Taiwan and 17% in Mainland China in the long term (2029 - 2031).</p> <p><u>Achievements for renewable energy use</u> 89% of the Company’s plants in Taiwan and Mainland China have installed solar PV equipment. The Headquarters is expected to install such equipment in 2024, and the percentage will reach 100% by then. In addition to installing solar PV systems, our strategies for renewable energy use include having Zhunan Office and Tainan Plant 1 obtain clean energy through green power wheeling, expanding the proportion of renewable energy use. The proportion of renewable energy use in the Company’s plants in Taiwan and Mainland China in 2023 was 7% and 20%, respectively, meeting the short-term target.</p> <table><tr><th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr><tr><th>Item/Year</th><th>2022</th><th>2023</th><th>2022</th><th>2023</th></tr><tr><td>Renewable energy usage (mwh)</td><td>171</td><td>950</td><td>5,171</td><td>5,809</td></tr><tr><td>Proportion of renewable energy usage in annual electricity consumption</td><td>1%</td><td>7%</td><td>14%</td><td>20%</td></tr></table>		Region	Taiwan		Mainland China		Item/Year	2022	2023	2022	2023	Renewable energy usage (mwh)	171	950	5,171	5,809	Proportion of renewable energy usage in annual electricity consumption	1%	7%	14%	20%	
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Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and has it taken relevant countermeasures?	✓		<p>To effectively mitigate the impact of extreme climate change on the economy, society, and environment, the Company adopted the TCFD framework for the first time in 2021 to identify climate change risks and opportunities and analyze potential financial impacts. In 2023, the Company re-identified and updated the risks and opportunities concerned. In 2023, a total of 6 transition risks, 1 physical risk, and 7 opportunities were identified. We conduct a quantitative assessment for each risk and opportunity to assess potential impact types, potential impact intensity, and the possibility of occurrence, classify and rank the risks and opportunities according to the assessment results, and formulate response strategies accordingly to reduce negative impacts and enhance the organization's climate resilience, creating future business opportunities. In addition to the identification of climate change risks and opportunities, the potential financial impact of each project is analyzed to facilitate the development of relevant programs and strategies. Please refer to Table 1 for the TCFD-recommended framework.</p> <p>In addition, in line with the Paris Agreement, we have set absolute science-based carbon reduction targets (SBTs) based on the "1.5°C warming" scenario. In 2022, the Company made a net zero declaration publicly to be committed to achieving "25% absolute reduction in GHG (Scope 1 and 2) emissions by 2025, 50% absolute reduction in GHG (Scope 1 and 2) emissions by 2032, and net zero emissions by 2050," and we also submitted a carbon reduction commitment to the SBTi. In 2023, we presented our own science-based carbon reduction targets of "50% absolute reduction in GHG (Scope 1 and 2) emissions and 30% absolute reduction in Scope 3-6 emissions by 2032 from the 2021 base year" to the SBTi for review. Besides actively reducing the use of fossil fuels, increasing the use of renewable energy, and engaging in innovative low-carbon technology transformation, we will also establish internal carbon pricing in consideration of the environmental cost of business carbon emissions to accomplish the vision of net zero emissions.</p>	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
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(IV) Does the company count GHG emissions, water consumption, and total waste volume in the past two years, and formulate policies for GHG reduction, water reduction, or other waste management?	✓		<p>The measures, performance, and data disclosed regarding the management of GHGs, water consumption, and waste in 2022 and 2023 have been verified by a third party (SGS).</p> <p>(1) GHG management</p> <p>Since 2022, the Company's plants in Taiwan and Mainland China have completed inventory and third-party verification (SGS) for Scope 1 to 6 according to the ISO 14064-1:2018 standard to ensure the control and management of GHG emissions.</p> <p><u>GHG reduction targets</u></p> <p>GHG (Scope 1 and 2) emission intensity of the Company's plants in Taiwan and Mainland China: 6% reduction from the 2021 base year in the short term (2023 - 2025), 10% reduction from the 2021 base year in the medium term (2026 - 2028), and 13% reduction from the 2021 base year in the long term (2029 - 2031).</p> <p><u>GHG reduction promotion measures</u></p> <p>Coretronic set GHG reduction targets in stages and review them every year for continuous improvement. In the mean time, by checking energy consumption, improving equipment efficiency, managing energy consumption, and installing renewable energy equipment, we maximize energy utilization and manage data as scientifically as possible to move towards low-carbon goals.</p> <p>1. The GHG (Scope 1 and 2) emissions of the Company's plants in Taiwan in 2023 decreased by 18% compared to 2022 and by 20% compared to 2021, thanks to each plant's implementation of multiple energy-saving measures, such as installing solar PV systems, introducing active magnetic bearing chillers, monitoring equipment power consumption, reducing energy consumption, managing nighttime energy use, and improving lighting efficiency to save energy. At the same time, renewable energy is used to reduce the use of purchased electricity and achieve GHG reduction benefits. The decrease in the Scope 3-6 emission intensity compared to 2022 was mainly due to the reduction in Scope 4 emissions from "purchased goods, the</p>	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof												
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			<p>disposal of solid and liquid waste, and property use.”</p> <p>2. The GHG (Scope 1 and 2) emissions of the Company’s plants in Mainland China in 2023 decreased by 15% compared to 2022 and by 53% compared to 2021, thanks to each plant’s setting of carbon reduction targets to cope with climate change, development of renewable energy, and implementation of energy conservation measures to enhance energy consumption control. The plants have also installed solar PV systems to reduce the amount of purchased electricity to achieve GHG reduction benefits. The increase in Scope 3 - 6 emissions compared to 2022 was due to the promotion of industry carbon reduction by including all purchased materials and materials supplied by customers in the inventory, resulting in a larger increase in Scope 4 emissions from “purchased goods, the disposal of solid and liquid waste, and property use.”</p> <p><u>Achievements for GHG reduction</u></p> <p>As analyzed, electricity is the main source of our GHG emissions. To mitigate the impact of climate change and move towards the net zero goal, each of our plants actively promotes and implements energy conservation and carbon reduction measures to strengthen the control of energy consumption. The GHG (Scope 1 and 2) emission intensity of the Company’s plants in Taiwan and Mainland China in 2023 decreased by 0% and increased by 14% compared to 2022 and decreased by 23% and 41% compared to 2021, respectively, meeting the short-term target.</p> <p><u>Statistics on GHG emissions in the most recent two years</u></p> <table><tr><th>Region</th><th colspan="2">Taiwan</th></tr><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>Scope 1 (metric tons)</td><td>246.1</td><td>238.3</td></tr><tr><td>Scope 2 (metric tons)</td><td>7,726.6</td><td>6,324.3</td></tr></table>	Region	Taiwan		Year	2022	2023	Scope 1 (metric tons)	246.1	238.3	Scope 2 (metric tons)	7,726.6	6,324.3	
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Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof			
	Yes	No	Summary description						
			Scope 3 - 6 (metric tons)		42,818.8	13,508.0			
			Total (metric tons)		50,791.5	20,070.6			
			GHG (Scope 1 and 2) emission intensity (tCO ₂ e/NTD million of turnover)		0.24	0.24			
			GHG (Scope 1 - 6) emission intensity (tCO ₂ e/NTD million of turnover)		1.52	0.74			
			Region		Mainland China				
			Year		2022	2023			
			Scope 1 (metric tons)		1,655.5	1,824.7			
			Scope 2 (metric tons)		20,382.9	16,938.6			
			Scope 3 - 6 (metric tons)		623,822.8	1,676,712.0			
			Total (metric tons)		645,861.1	1,695,475.3			
			GHG (Scope 1 and 2) emission intensity (tCO ₂ e/NTD million of turnover)		0.51	0.58			
			GHG (Scope 1 - 6) emission intensity (tCO ₂ e/NTD million of turnover)		14.80	52.37			
			(2) Water consumption management						
			Coretronic’s water resource management strategies: 1.Maximize water efficiency. 2. Raise awareness of and promote water conservation to the top-down value chain. 3. Set and periodically review water conservation targets to ensure their accomplishment. 4. Continuously promote various water conservation programs to ensure effective water conservation. 5. Discover feasible water conservation measures through routine management and patrol. 6. Promote water resource education to boost the water consumption awareness of stakeholders.						
			<u>Water conservation targets</u>						
			Water consumption of the Company’s plants in Taiwan and						

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																									
	Yes	No	Summary description																										
			<p>Mainland China: A 6% decrease from the 2021 base year in the short term (2023~2025), a 9% decrease from the 2021 base year in the medium term (2026~2028) , and a 10.5% decrease from the 2021 base year in the long term (2029~2031).</p> <p><u>Water conservation measures and achievement status</u></p> <p>To conserve water, we have progressively implemented various water management measures. All the Company's plants are equipped with a water reclamation system to mainly reclaim surface runoff, aircon condensate, rainwater, and raft foundation water for irrigating landscaping plants and secondary domestic water consumption. Additionally, water conservation was achieved by regulating aircon water exchange concentration, adding tap water-efficient devices, monitoring the water consumption of catering service, and reducing cleaning water consumption. In 2022 and 2023, 42,203 and 47,877 metric tons of water were saved, respectively, which was equivalent to a reduction of 197.1 and 7.9 metric tons of CO₂e emissions. The water consumption of the Company's plants in Taiwan and Mainland China in 2023 was reduced by 6% and 33% compared to 2021, respectively, achieving the short-term target.</p> <table border="1"> <thead> <tr> <th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr> <tr> <th>Item/Year</th><th>2022</th><th>2023</th><th>2022</th><th>2023</th></tr> </thead> <tbody> <tr> <td>Water consumption (metric tons)</td><td>75,562</td><td>69,405</td><td>427,073</td><td>347,083</td></tr> <tr> <td>Recycled and saved water (metric tons)</td><td>26,538</td><td>27,799</td><td>15,665</td><td>20,078</td></tr> <tr> <td>Carbon reduction (metric tons of CO₂e) (Note)</td><td>4.1</td><td>4.3</td><td>193.0</td><td>3.6</td></tr> </tbody> </table> <p>Note: Carbon emissions per m³ of water are calculated based on the carbon emission coefficients announced by Taiwan Water Corporation and from Mainland China's GHG inventory checks.</p> <p>(3) Waste management (plants in Taiwan do not include Champ Vision Display)</p>	Region	Taiwan		Mainland China		Item/Year	2022	2023	2022	2023	Water consumption (metric tons)	75,562	69,405	427,073	347,083	Recycled and saved water (metric tons)	26,538	27,799	15,665	20,078	Carbon reduction (metric tons of CO ₂ e) (Note)	4.1	4.3	193.0	3.6	
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Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>Coretronic has formulated and implemented waste management strategies to reduce environmental impact. Coretronic classifies waste into five categories based on its environmental impact: domestic waste, recyclable and reusable waste, general waste, hazardous waste, and electronic industrial waste for management.</p> <p><u>Waste reduction targets</u> Waste generation intensity of the Company's plants in Taiwan and Mainland China: A 5% decrease from the 2021 base year in the short term (2023~2025), a 8% decrease from the 2021 base year in the medium term (2026~2028), and a 11% decrease from the 2021 base year in the long term (2029~2031).</p> <p><u>Waste reduction measures and achievement status</u> When it comes to waste clearance and treatment, we follow the three major principles of reduction, reuse, and recycling. By integrating a circular economy into product manufacturing, and strengthening waste reduction at the source and pollution prevention, we continue to optimize our waste management performance. During 2015-2023, we implemented process waste reduction, divided the treatment of scrap into several stages, enhanced process waste reduction, reused packaging materials, formed a circular economy alliance, and promoted the reduction of office paper consumption. Since 2022, the Company's plants in Mainland China have managed all types of waste and implemented reduction plans. Through systematic statistics, we focus on waste classification and recycling, and actively promote waste reduction measures. The waste generation intensity of the Company's plants in Taiwan and China was reduced by 12% and 9% compared to 2021, respectively, meeting the short-term target.</p>	

Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof		
	Yes	No	Summary description					
			Region	Taiwan		Mainland China		
			Year	2022	2023	2022	2023	
			Non-hazardous waste (metric tons)	491.5	376.3	6,342.9	4,060.3	
			Hazardous waste (metric tons)	4.2	4.3	24.2	39.5	
			Total waste generated (metric tons)	495.7	380.6	6,367.1	4,099.8	
			Waste generation intensity (Total waste generated (metric tons)/NTD million of turnover)	0.016	0.015	0.146	0.127	
IV. Social issues								
(I) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		Being a corporate citizen of the electronics industry, the Company abides by the RBA commitment, fulfills corporate social responsibilities, and protects the human rights of all its employees. The Company recognizes and complies with international human rights conventions including “The Universal Declaration of Human Rights,” “The Global Compact,” “The UN Guiding Principles on Business and Human Rights” and “International Labour Organization,” and has established a set of “Human Rights Policy” that explicitly prohibits any act of human rights violation and requires all employees to be treated fairly and respected. This policy represents the Company's commitment to enforcing human rights and protecting employees’ rightful interests. In 2023, the Company organized an online awareness education course on human rights policies and asked employees to answer a code of human rights questionnaire after the class. A total of 1,662 people took the course. For human rights policy please refer to the Company website for details under “Career/Human Rights Policy.”					No material deviation is found.
(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees’ compensations?	✓		<u>Employee remuneration</u> Employee remuneration includes the monthly salary, bonuses for three major folk festivals, operational performance bonuses, and employee rewards. Bonuses are calculated based on Company’s operational performance and personal performance evaluation,					No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>and employees who reach their KPIs will receive a minimum of 14 months of their monthly salary each year.</p> <p><u>Employee welfare measures</u> Employee benefits include special leave, golden week travel leave, and various allowances. The total length of leave each year is superior to that stipulated by the Labor Standards Act. The Company is dedicated to creating an inspirational, fair and satisfying work environment where talents may thrive.</p> <p><u>Workplace diversity and equality</u> The policy promotes systematic management throughout the organization and raises employees' awareness toward rules and discipline. The Company also attaches great importance to workplace diversity and equality. We strive to eliminate all forms of forced labor and employment discrimination, ban harassment, and respect privacy rights in order to build a workplace environment with equal opportunity, dignity, safety, equality, and freedom from discrimination and harassment. In 2023, the overall proportion of female employees and female senior management in the Company's plants in Taiwan and Mainland China (Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)) was 43% and 32%, respectively.</p> <p><u>Business performance reflected in employee remuneration</u> According to Article 25 of the Company's Articles of Incorporation, profits concluded by the Company in a given year shall be subject to employee remuneration of 10%~20%. Amounts are allocated to individual employees based on personal performance and outcome of the performance management system.</p> <p>The Company ensures the competitiveness of its salary and compensation policy by taking into consideration its business performance, peer levels, and fairness within the organization. In 2023, we gave employees a raise averaging 3-5%.</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health at regular intervals?	✓		<p>The Company has formulated the “Environmental Sustainability and Occupational Safety and Health Policy” and established a dedicated occupational safety management unit and an Occupational Safety and Health Committee to ensure the safety of workers. Furthermore, occupational safety and health personnel are responsible for implementing and obtaining ISO 45001 and CNS 45001 standard certifications, hoping to thoroughly carry out each work plan through the management cycle in order to achieve continuous improvement and reduce the occurrence of occupational incidents. The Company’s health and safety labor code clearly specifies rights and obligations related to labor safety, hygiene, and health. The Company has also sets 2023-2026 targets for the prevention of occupational incidents: the Company’s plants in Taiwan have passed the ISO 45001 certification, with fewer than 3 work-related injuries in all the Company’s plants and zero work-related contractor injuries. The Company’s plants in Taiwan conduct regular fire drills and ESH training in cooperation with competent authorities. In 2023, the Company organized a total of 13 annual disaster response and fire drills, with a total of 641 people participating and a total training hours of 3,812 man-hours. There were no fires or related casualties in 2023. The number of casualties in fires accounted for 0% of the total employees. For the Company’s plants in Taiwan, one person suffered from an occupational accident in 2023 , accounting for 0.06% of the total number of employees. The investigation and analysis of the occupational accident indicated that the employee tripped and fell while walking through the workplace, and got injured. Preventive measures such as environmental and safety inspections and personnel education have been carried out. In 2023, there was one employee incurring a work-related injury and zero contractor work-related injury, achieving short-term targets. For details on other workplace and employee safety protection measures, please refer to chapter Five. Operational Overview -</p>	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			“V. Labor-management relations/(IV) Work environment, employee safety and protection measures.”	
(IV) Has the Company implemented an effective training program that helps employees develop skills over their careers?	✓		Based on the Company’s vision and operational goals, we have formulated training policies and established comprehensive training programs to help enhance the competitiveness of employees in personal career development. Relevant education and training courses include (1) corporate culture building, (2) professional talent training, (3) international talent development training courses, and (4) new employee orientation. The Company organized training courses in 2023 with a total of 10,249 participants. The total number of training hours was 36,161, costing over NTD 4,270 thousand in total.	No material deviation is found.
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?	✓		All specifications and labeling applied to product exteriors are compliant with laws and international standards, and are backed by valid test reports. The Company values customers' opinions and has product return/repair procedures, customer complaint procedures and relevant policies in place to protect consumers' interest. Through customer service mailbox (ser@coretronic.com), complaint channels, visits, phone interviews, customer service units and satisfaction surveys, the Company communicates with its customers extensively not only to raise satisfaction, but also to learn their expectations in regards to innovative R&D, product procurement, production quality and operating environment, so that effective responses can be taken immediately.	No material deviation is found.
(VI) Has the Company implemented a supplier management policy that regulates suppliers’ conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers’ performance on a regular basis?	✓		In order to pursue common growth and sustainable operation with suppliers, the company has formulated a complete sustainable supply chain management specification, including following the guidelines (signing a sustainable commitment letter, and following the RBA, green product commitment, conflict minerals policy, integrity commitment, Environmental sustainability and occupational safety and health policy requirements), risk assessment (supplier RBA self-assessment	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			questionnaire, supplier financial risk assessment), audit system (RBA online/field audit, annual audit, quarterly review), training and counseling (through the GPMS platform and the sustainability theme lectures of the annual supplier conference conduct sustainability training, and award outstanding suppliers for sustainable development), Green Alliance (jointly implement the circular economy plan with suppliers). In addition, we have formulated the “Responsible Business Alliance Code of Conduct Management Manual” in accordance with the Responsible Business Alliance Code of Conduct (RBA) to manage suppliers, and strive to urge suppliers to pay attention to issues such as ethics, labor rights, environmental protection, health and safety, and thoroughly implement risk management. and business continuity plan in order to become a green supply chain with sustainable value. The Company has committed to corporate social responsibilities as a part of a global supply chain; for this reason, any supplier that exhibits major adverse conduct in regard to the environment, work conditions, human rights, or social aspect will be immediately removed from the qualified suppliers list. For suppliers of non-substitutable goods, the Company will assist the offender in the elimination of adverse conduct in order to keep the supply chain operational. For relevant implementation please refer to the Company website for details under “Sustainability” / “Supply Chain Management.”	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of ESG reports and other reports that disclose the Company's non-financial information? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?	✓		The Company has regularly issued an ESG Report every year since 2008. The content and structure of the 2023 ESG Report follow the GRI Standards 2021 of the Global Reporting Initiative (GRI) and adopt the sustainability indicators of the Sustainability Accounting Standards Board (SASB). We provide an index table at the end of the report comparing the report content with GRI and SASB standards. In 2016, the Company began to voluntarily engage SGS, a third-party certification body, to verify and assure the reports	No material deviation is found.

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			with respect to the GRI and SASB standards. The reports for 2016 and 2017 passed the AA1000AS Type 1 Moderate Level Assurance, and the reports for 2018-2023 passed the AA1000AS Type 2 High Level Assurance, which have successfully improved the reliability of the Company's ESG Report.	
<p>VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles:</p> <p>The Company has established the "Sustainable Development Best Practice Principles", which have been approved by the Board of Directors. Each year, the Company prepares an "ESG Report" and publishes it on the Company website and the Market Observation Post System (MOPS). As both the report contents and the relevant operation have followed the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," there have been no significant deviations.</p>				
<p>VII. Other important information helpful to understand the implementation of the promotion of sustainable development:</p> <p>(I) Sustainability awards: 1. Ranked in the top 5% of enterprises in the Corporate Governance Evaluation for nine consecutive years (2015-2023) 2. Ranked in the top 11-20% of listed electronics companies with a market cap of NTD 10 billion or more in the Corporate Governance Evaluation 3. Selected as a constituent of the "TPEX 50 Index" for 14 consecutive years (2010-2023) 4. Selected as a constituent of the "TPEX High Dividend Yield Index" and the "TPEX Labor Employment 88 Index" for ten consecutive years (2014-2023) 5. Selected as a constituent of the "TPEX Corporate Governance Index" and the "TPEX Compensation Index" for nine consecutive years (2015-2023) 6. Selected as a constituent of the "TPEX 200 Index" for five consecutive years (2019~2023) 7. Selected as a constituent of the "TIP Customized TPEX ESG High Dividend Total Return Index" and the "TIP Customized TPEX ESG 30 Index" for two consecutive years (2021-2023). 8. Selected as a constituent of the "TPEX FactSet Climate Resilience Index" and the "TIP Customized TPEX ESG Market Leader Total Return Index" 9. Received a "Social Empowerment Award" and a "Corporate Governance Award" in the Asia Responsible Enterprise Awards (AREA) 10. Presented with the Silver Award for "SDG 4 Quality Education" in the Asia-Pacific Sustainability Action Awards (APSAA) 11. Selected in the "Excellence in Corporate Social Responsibility Award" for 12 consecutive years (2012-2023) 12. Received various awards from TCSA: the "Gold Award for Sustainability Reporting" for seven consecutive years (2017-2023), "Transparency and Integrity Leadership Award" for six consecutive years (2018-2023), "Social Inclusion Leadership Award" four times, "Top 100 Sustainability Exemplary Awards" for five consecutive years (2019-2023), and "Talent Development Leadership Award" 13. Won a Silver Award in the "National Enterprise Environmental Protection Award" from the Environmental Protection Administration, Executive Yuan for six consecutive years (2018-2023) 14. Awarded a Net Zero Mark from the Taiwan Institute for Sustainable Energy for two consecutive years (2022-2023) 15. Recognized as a "Taiwan iSports Enterprise" by the Sports Administration, Ministry of Education four times 16. Won the SGS "Sustainability Report Award in the 2023 ESG Awards" two times 17. Received the "Long-term Sponsorship Award" from the Ministry of Culture and won the "Gold Award" for three consecutive years 18. Won the second prize in the "Buying Power - Social Innovative Product and Service Procurement Reward Mechanism" from the Small and Medium Enterprises Office, Ministry of Economic Affairs for two consecutive years (2022-2023) 19. Selected as an "Excellent Private Enterprise and Organization in Green Procurement" by the Hsinchu City Government for five consecutive years (2019-2023) 20. Tainan Plant 1 and Tainan Plant 2 were recognized as an "Excellent Enterprise for Green Procurement" by the Tainan City Government 21. The Headquarters received a High Distinction Award in the "Friendly Breastfeeding Room Certification 2023" 22. The Headquarters, Zhunan Office, and Tainan Plant 1 were awarded a "Badge of Accredited Healthy Workplace" by the Ministry of Health and Welfare.</p> <p>(II) Social engagement: 1. The social contribution expense in 2023 was approximately NTD 20.94 million, with 554 people participated in the volunteer service for 7,241 hours, helping 57,180 disadvantaged people. 26 remote schools, and 112 public welfare groups. 2. Two "High-tech Adventure" sessions: 65 teachers and students from two elementary</p>				

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
schools in remote townships of Miaoli were invited to visit the Company to use technology products, eliminating the digital gap between urban and rural areas. 3. Two “Future Light Camps 1.0” sessions: We organized an one-day technology camp with the information volunteer team of National United University to provide 57 students from two elementary schools in remote townships of Miaoli with self-propelled vehicle programming, DIY rainbow generators, and green classroom courses. 4. Six “Future Light Camps 2.0” sessions: We worked with students from the Department of Electronics and Electrical Engineering of National Yang Ming Chiao Tung University to use the “Coding Ocean” and “CO·DECODE” board games for programming education, Scratch, and multiple innovative lesson plans to provide fourth-sixth graders from two elementary school in non-mountainous and non-urban areas in Miaoli with six programming courses, inspiring their interest in programming and improving their logical thinking and reasoning abilities. At the end of the camp, the students received a problem-oriented practical programming learning course where they worked together to make two gaming programs, giving them early exposure to programming lessons for the first and second semesters of junior high school. The number of total participants was 145. 5. 20-hour training courses for volunteers for the “Future Light Camps 2.0”: Courses were arranged to teach volunteers from the Firefly Volunteer Service Team and students from the Department of Electronics and Electrical Engineering of National Yang Ming Chiao Tung University how to use the “Coding Ocean” and “CO·DECODE” board games for programming education as well as Scratch in teaching in the camp and to assist students in operation and understanding. There were 177 trainees in total, with a total of 562 training man-hours. 6. “Heart-warming Technology”: We donated 18 high-end projectors to National Taiwan University Hospital's Hsinchu Branch. 7. “Fulfill Kids’ Dreams on Children’s Day”: We held five X-ray workshops and presented popcorn to 243 schoolchildren in remote townships in Hsinchu. 8. “Exchange Love and Warm on X'mas”: For ten consecutive years, our employees have voluntarily made donations to purchase practical backpacks, blankets and popcorn for 10 elementary schools in rural areas in Miaoli, Hualien, and Taitung. The Company has also sponsored the World Peace Association’s breakfast project for starving children and the Zenan Homeless Social Welfare Foundation’s New Year’s red envelope collection project, benefiting 695 disadvantaged children and homeless persons. 9. “Rice Donation”: We donated more than 27 tons of Yuanli rice from Miaoli for 12 consecutive years. 10. “Warm Delivery”: The Company sponsored the Huashan Social Welfare Foundation's New Year’s meal purchase event for disadvantaged seniors for five consecutive years and had 11 volunteers personally deliver customized supply boxes, New Year’s meals, and warm quilts to 40 elderly persons living alone in Hengshan Township, Xionglin Township, and Beipu Township of Hsinchu County. We also gave raised red envelopes from volunteers through charity sales to the extremely disadvantaged elderly. 11. “Love from Remote, Health without Barriers”: We collaborated with a social enterprise, Digital Humanely Association, to sponsor 178 health promotion courses and telemedicine consultation services organized at 10 cultural health centers in Miaoli County, as well as 26 online public health promotion courses. 12. “Heart-warming Diner”: We worked with social enterprises, Silvergate Delivery, Buy Nearby, and FISH BAR, to give away 10,499 lunch boxes to disadvantaged seniors living alone, trained and hired 17 unemployed workers as meal deliverymen, and donated 1,590kg of white rice and brown rice, 102kg of organic vegetables, 8.25kg of humanely caught fish, and 241 elder-friendly food to 21 elderly diners in Hsinchu and Miaoli. 13. “Volunteer Day”: We collaborated with a social enterprise, “Give Circle,” to hold the “Love in Boxes for Carbon Reduction” event for the sixth consecutive year, during which 89 employees donated 41 boxes of second-hand items to 31,160 people, benefiting 14 medium and small public welfare groups and schools and reducing 754kg of carbon. 14. “4th Run for Love” welfare road run: A total of 414 existing and retired employees and their family members supported the event, and four charity groups, the Huashan Social Welfare Foundation, World Peace Association, Yu An Retarded Children’s Home, and Hsinchu City Intellectual Disability Welfare Association, were invited to the event for a charity sale. We engaged UrEyes Studio to provide massage services and invited Miaoli County FU Shing Martial Arts Elementary and Junior High School to give a martial arts performance. After the event, all registration fees were donated to the Huashan Social Welfare Foundation to sponsor the 21st New Year’s meal purchase event. 15. “Grab Your Bat”: We sponsored a total of 21 students from the baseball team of Xiulin Elementary School in Minxiong Township, Chiayi County for six consecutive years. 16. “Earn Your Future”: We worked with Cheng Shiu University for five consecutive years to provide six juniors and seniors with scholarships, living allowances, internship opportunities (salary and free accommodation). 17. “Show Your Voice”: We sponsored a total of 25 students from the choir of JingPing Elementary School in Jianshi Township, Hsinchu County. 18. “Farm the Hopes”: We purchased more than 20 tons of organic vegetables from social enterprises “Buy Nearby” and “Earth Friend” for employee meals to support organic agriculture in Miaoli and Tainan and bought				

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15 tons of Yuanli rice from “Buy Nearby” as shareholders’ meeting gifts to support the small and old farmers in Miaoli. A total of 20 mentally challenged people from Jixian and Ciyu Sheltered Workshops in New Taipei City were hired to package products, providing them with employment opportunities. We purchased 1,049kg of Fairtrade coffee beans from a social enterprise, “Okogreen,” to make a contribution to fair trade. 19. “Charity Sale”: The Miaoli Yu An Retarded Children’s Home was invited to charity sales in the Company’s plants. 20. Every year, the Company makes donations to the Coretronic Culture and Arts Foundation to organize various cultural and art activities.					
Achievements in 2023:					
Culture and art events	Event contents			Fee (NTD)	Event participants
“The Taiwan Environment Lighting Award” Project	With the concept of building a “light and cultural art platform,” the Coretronic Culture and Arts Foundation is committed to exploring the humanistic connotation and depth of “light”. Over the years, the foundation has collaborated with professionals from all walks of life to shine a light on the unique history and culture of each region with the participation of people ranging from the general public to community residents as well as the involvement of parties ranging from school teachers and students to civil society organizations. The project fully reflects that the public has been looking forward to seeing the improvement of Taiwan’s public environment. This project hopes to encourage the government and private units to create an excellent lighting environment. We look forward to diversified and meaningful lighting and lighting designs, so that the public can live in a comfortable and healthy environment. By promoting a balanced expression of technology and art, the public can understand the importance of a lighting environment, thereby driving the improvement and advance of the macro environment. The lighting environment works are open to the public, which is in line with the public spirit and the public interest. This project covers all public places for the public to visit, appreciate, communicate, learn, experience, interact, and participate in, including: museums, libraries, art galleries, concert halls, theaters, playhouses, performance centers, arts and cultural centers, cultural venues, and other public facilities operated by government departments or private units or groups.			\$ 4,714,134	200 persons
“Taipei Botanical Garden Light Planting Project”	The foundation and the Taiwan Forestry Experimental Institute collaborated on the “Taipei Botanical Garden Light Planting Project” to optimize the lighting environment of the 435-meter-long trail from the intersection of the garden and Heping West Rd. to Boai Rd. In addition to improvement works, a series of activities such as volunteer training, VIP guided tours, and public promotion were also planned to invite people from different fields, such as environmental works/educators, arts and cultural venues/public sector units, and parents/children, to experience the atmosphere in the renovated lighting environment, shifting their focus to lighting environment issues.			\$1,412,715	1,000 persons
“Public Sector Environment Lighting Advocacy Seminar”	To continue expanding the discussion of lighting environment issues, this year’s “Public Sector Lighting Advocacy Seminar” was held in Hualien and Taitung for the first time to collaborate with			\$71,501	30 persons

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			Hualien Creative and Cultural Industries Park in exchanging information on lighting environment creation. In this seminar, the Taiwan Environment Lighting Award's jury member, Mari Wu, and the manager of House of TAKAO GINZA, Cheng-Han Chiu, were invited to share their views and experience in lighting environment creation.	
"Night Visit to Old Town: Taiwan Environment Lighting Award-winning Artwork Tour in Hsinchu"			For the first time, the ESG activities of Coretronic Group are combined with the Taiwan Environment Lighting Award. In the Hsinchu Lighting Environment Improvement Plan, an award-winning work in 2022, the main route is planned as follows: Image Museum, Fire Museum, Hsinchu Municipal Government Hall, Hsinchu State Library, and Moat Water Park. A tour of award-winning lighting environment works, combined with the culture, history and delicious food of the old town allows people to appreciate the unique outline of old buildings created by lighting designs from a brand-new angle and take a stroll through the beauty of the lighting environment in the city!	\$142,088 92 persons

(III) Consumer interests: All of the Company's products have conformed with international restrictions on hazardous substances and environmental protection requirements. By adopting green design, production, procurement and management practices, the Company strives to prevent and minimize the negative effects its business activities have on the environment and reduce the environmental impact of electronic products.

(IV) Human rights: 1. The Company holds labor-management meetings in accordance with the "Labor-management Conference Policy." 2. The Company has implemented workplace sexual harassment prevention, grievance and disciplinary measures to protect the rights and privacy of parties involved. 3. The Company has employee opinion mailbox, employee care hotline and discussion forums in place, and assigns accountable units to respond to queries and offer solutions. 4. We have organized online awareness-raising courses and asked employees to fill out a code of human rights questionnaire after the class.

(V) Safety and health: 1. To effectively improve employees' awareness of the environment, safety, and health, four major courses have been planned: "Pre-employment Training", "On-the-job Training", "General Training", and "Environmental Safety and Health Management System Training."

2. We have an e-learning website in place, through which employees can access the system to inquire about and sign up to complete environmental safety and health e-training courses. 3. Environmental safety and health policies are summarized, printed on small cards and distributed to employees to promote and enforce the environmental safety and health management system. 4. We implement regular automated inspections, patrol inspections, accident correction reviews, and preventive measures.

(VI) Environmental protection

1. A responsible unit with goals set and systematic management has been established to periodically check and follow up on the effectiveness of environmental protection promotion.

(1) The Environmental Protection Committee was established in 2015. Apart from supporting the Company's philosophies for sustainable operations, it also plans strategies for sustainable environmental development, sets short-, medium-, and long-term goals, and periodically reviews their effectiveness.

(2) In 2018, we announced an "Environmental Sustainability and Occupational Safety and Health Policy." In 2020, we implemented the TCFD Recommendations to analyze and make preparations for climate-related risks. In 2021, we drew up a carbon reduction management strategy. In 2022, we committed ourselves to achieving net-zero emissions by 2050.

(3) All our plants in Taiwan have passed the ISO 14064-1 GHG inventory, ISO 14001 environmental management system (EMS), ISO 45001 occupational health and safety (OH&S) management system, CNS 45001 Taiwan Occupational Safety and Health Management System (TOSHMS), and ISO 50001 energy management system (EnMS) certifications.

(4) We have installed air quality monitoring equipment, implemented improvement measures, and regularly monitored the results to create a friendly work environment.

(5) Since the establishment of the Headquarters, Zhunan Office, and Nanke Plant 1 for 12 consecutive years, and the Nanke Plant 2 for three consecutive years, there has been no major

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
environmental protection violation.				
2. In support of the government's advocacy of green, low-carbon energy development, the Company's plants in Taiwan invested a total of NTD 13.08 million in reducing 246 tCO ₂ e of carbon emissions in 2023.				
(1) In 2023, Tainan Plant 1 invested a total of NTD 12.5 million in installing a 317.46 kWh PV system. The system is expected to generate a total of 397,504 kWh of electricity annually, equivalent to reducing 197 tCO ₂ e of emissions.				
(2) Zhunan Office and Tainan Plant 1 invested NTD 580 thousand in 2023 to obtain 99,000 kWh of green electricity through green power wheeling, equivalent to reducing 49 tCO ₂ e of emissions.				
3. The Company's plants in Taiwan are committed to environmental education and expanding the influence of green practices				
(1) We have gathered environmental protection volunteers to offer guided tours and green classroom courses for teachers and students participating in the High-Tech Adventure and Future Light Camps. In 2023, three sessions of these events were held to offer 781 hours of education to 122 participants.				
(2) The Company has also promoted a green point accumulation event for environmental protection to encourage employees to take green actions so as to jointly build a green enterprise. In 2023, a total of 4,697 green points (actions) were accumulated.				
(3) We have established online environmental education courses to promote green education. In 2023, the total course hours amounted to 1,139.5.				
(4) In 2023, we also organized 12 environmental education and green events, including Earth Hour, environmental education video prized quizzes, eco-friendly product redemption, painted pot plant creation, Loongfeng Fishing Harbor clean-up, and visits to environmental education venues such as Green World Ecological Farm and Tree Valley Farm. A total of NTD 193 thousand was invested in these twelve events participated by 17,272 persons to provide 4,743 hours of environmental education.				
4. Contribution to local communities and support for environmental protection units to implement sustainable development projects				
(1) In 2023, through the Environmental Protection Bureau, the Headquarters spent NTD 470 thousand to provide 2,000 flasks of straw decomposing bacteria for use by farmers in Hsinchu County on 200 hectares of paddy fields (5% of the paddy field area in Hsinchu County) for the third consecutive year, reducing a total of 1,800 tCO ₂ e of emissions.				
(2) Zhunan Office and Tainan Plant 1 have supported the government's public toilet adoption program for four consecutive years. They adopted five public toilets in the regions where they are located. In 2023, about NTD 180 thousand was spent on supplying water-soluble toilet paper with waste reduction efficiency, benefiting a total of 430 thousand people and reducing waste equivalent to 3.7 tCO ₂ e.				
(3) For seven consecutive years, Zhunan Office has adopted the coast of Longfeng Fishing Harbor with the Environmental Protection Bureau of Miaoli County. In 2023, about NTD 17 thousand was spent on coastal clean-ups where a total of 352kg of waste was picked up, reducing 0.7 tCO ₂ e of emissions.				
(4) The Headquarters, Zhunan Office, Tainan Plant 1, and Tainan Plant 2 have implemented a green accounting system and prioritized green product procurement. In 2023, a total of NTD 40.84 million was spent on purchasing products with lower environmental impact to encourage green product production and boost the trend of green product consumption to as to achieve environmental protection.				
(VII) Happy workplace: 1. In 2023, we gave employees a raise averaging 3-5%. 2. A total of 136 opportunities for internship and industry-academia collaboration were offered to employees' children and the students of National Yang Ming Chiao Tung University, Yuan Ze University, Cheng Shiu University, Chung Shan Industrial & Commercial School in Kaohsiung, and Private Dong Wu Senior Industrial Home Economics Vocational High School in Chiayi, allowing them to have a clearer understanding of their future career directions. We also continue the Cheng Shiu University Internship Program for Students from Low-Income Families.				
(VIII) Other social responsibility events: The Company has developed a system for online reporting of public information and assigned dedicated personnel to gather and disclose information relating to the Company to ensure the timely and fairly disclosure of any information that can affect the decision of shareholders and stakeholders.				

(Table 1) Climate Change Management Framework (TCFD)

Core Elements	Management Strategy and Action	2023 Performance
Governance	<ul style="list-style-type: none"> • The Board reviews climate change risks and opportunities periodically • The ESG Committee reports climate change strategies and their implementation results to the Board periodically • The Environmental Protection Committee and Sustainable Energy Committee draw up targets and plans, and implement relevant strategies with the TCFD Team • Participation in domestic and overseas initiatives 	<ul style="list-style-type: none"> • <u>The ESG Committee</u> is led by the Chairman. A committee member and an executive representative - the CFO makes a report to the Board once each year. The report includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of GHG inventory to the Board on a quarterly basis. • The head of the Business Resource Center serves as the convener of the <u>Environmental Protection Committee</u>, which together with its <u>Sustainable Energy Committee</u> and <u>EPC Promotion Team</u> is responsible for setting short-, medium- and long-term environmental goals and reinforcing strategy implementation. • The head of the Business Resource Center serves as the convener of the <u>TCFD team</u>. The team identifies climate-related risks and opportunities every two years, and formulates response strategies and solutions based on the risk and opportunity identification results in order to reduce negative impacts and enhance organizational climate resilience. • We have signed to support the TCFD, joined the Taiwan Climate Partnership and the Taiwan Alliance for Net Zero Emission, answered to the CDP climate change and water safety questionnaire, and set and submitted science-based reduction targets based on the SBT 1.5°C scenario.
Strategy	<ul style="list-style-type: none"> • Discuss and identify short-, medium-, and long-term climate change risks and opportunities across departments • Assess potential operational and financial impacts brought by significant climate-related risks and opportunities • Perform scenario analysis and assess science-based emissions reduction targets 	<ul style="list-style-type: none"> • After discussing with each unit, the Environmental Protection Committee set short-, medium- and long-term environmental sustainability goals and identified short-, medium- and long-term climate-related risks and opportunities. Finally, based on the identification results, the committee presented the potential impacts of climate change on the Company's operations and finance. • The Company has developed low-carbon technology and designed low-power and energy-efficient green products. • In response to the goal of "limiting global warming below 2°C" set in the Paris Agreement, we set science-based absolute reduction targets (SBTs) based on the "1.5°C warming" scenario. • The Company sets net-zero targets, strategies, and trajectories.
Risk Management	<ul style="list-style-type: none"> • Identify the Company's climate-related risk identification process based on the TCFD framework • Plan counteractions based on climate-related risk identification and prioritization results. • Include climate-related risk identification and assessment in the business risk management process 	<ul style="list-style-type: none"> • The Company has assessed the types of potential operational and financial impacts brought by climate-related risks and opportunities. • The Company has included climate change risk issues in the risk management process and the material sustainability topics for the year
Metrics and Targets	<ul style="list-style-type: none"> • Set management metrics related to climate change • Inventory GHG emissions periodically based on ISO 14064-1. • Regularly review and manage energy 	<ul style="list-style-type: none"> • The Company has set reduction targets for GHG emission intensity, electricity consumption intensity, waste production intensity, water consumption, and renewable energy usage, and other climate-related performance targets, and reviewed the status of target accomplishment annually and quarterly to lower environmental impact. • Since 2016, we have passed GHG inventory verification continuously. In 2020, we expanded the scope of

Core Elements	Management Strategy and Action	2023 Performance
	<p>performance based on ISO 50001</p> <ul style="list-style-type: none"> Set climate change management targets and periodically review their progress and actual performance 	<p>GHG inventory to include Scope 3-6 emissions in accordance with ISO 14064-1:2018 and adopted carbon reduction measures based on inventory results.</p> <ul style="list-style-type: none"> The Company's plants in Taiwan, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have implemented the ISO 50001 EnMS and effectively lowered the intensity of GHG emissions with energy-efficient equipment replacement projects and various energy conservation measures. In September, we submitted our own science-based targets of "50% reduction in GHG (Scope 1 and 2) emissions and 30% reduction in Scope 3-6 emissions by 2032 from the 2021 base year" to the SBTi for review. By installing solar PV systems, improving process energy efficiency, expanding renewable energy use, upgrading energy-efficient equipment, and promoting the production of low-carbon products, we progressively achieve the SBT reduction and net-zero emission targets. Zhunan Office, Tainan Plant 1, and Tainan Plant 2 have activated solar PV systems with a total installed capacity of 763 kWh to generate 850 thousand kWh of electricity annually. With green power wheeling, the total renewable energy consumption has reached 950 thousand kWh. The solar PV systems with a total installed capacity of 6,475 kWh in our plants in Mainland China generate 6.24 million kWh of electricity annually. Renewable energy consumption accounted for 7% and 21% of the annual electricity consumption in our plants in Taiwan and Mainland China, respectively, exceeding the short-term target. We will keep moving towards our renewable energy development targets. Three models of laser projectors and two models of LCD monitors have passed ISO 14067 certification and will serve as the basis for the Company's development of sustainable products in the future. The Company has formulated a green product development strategy and established a product carbon footprint inventory platform. In the future, newly developed products will be prioritized for carbon footprint inventory. The goal is to understand their carbon emission hotspots during the product development and design stage, reducing their environmental impact through technological innovation, material substitution, and performance optimization. The modified products are then used as a benchmark for new-generation product development, allowing us to provide more eco-friendly and energy-efficient green products to meet customer needs. Please refer to Section 4.4(Green Solutions) of the Company's 2023 ESG Report for details.

(VI) Climate-related information of TWSE/TPEX-listed companies

Climate-related information and implementation

Item	Implementation
1. Supervision and governance of climate-related risks and opportunities by the Board of Directors and management	<ul style="list-style-type: none"> The ESG Committee is led by the Chairman. A committee member and an executive representative - the CFO makes a report to the Board once each year. The report includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of GHG inventory to the Board on a quarterly basis. The head of the Business Resource Center serves as the convener of the Environmental Protection Committee,

Item	Implementation
	<p>which together with its <u>Sustainable Energy Committee</u> and <u>EPC Promotion Team</u> is responsible for setting short-, medium- and long-term environmental goals and reinforcing strategy implementation.</p> <ul style="list-style-type: none"> • The head of the Business Resource Center serves as the convener of the <u>TCFD team</u>. The team identifies climate-related risks and opportunities every two years, and formulates response strategies and solutions based on the risk and opportunity identification results in order to reduce negative impacts and enhance organizational climate resilience.
<p>2. How the identified climate-related risks and opportunities affect the Company's business, strategy, and finance (in the short, medium, and long-term)</p>	<ul style="list-style-type: none"> • In 2023, we identified 6 transition risks, 1 physical risk, and 7 opportunities. We conduct a quantitative assessment for each risk and opportunity to assess potential impact types, potential impact intensity, and the possibility of occurrence, classify and rank the risks and opportunities according to the assessment results, and formulate response strategies accordingly to reduce negative impacts and enhance the organization's climate resilience, creating future business opportunities. For details, please refer to Section 4.1(Climate and Energy) of the Company's 2023 ESG Report. • Short-, medium-, and long-term climate change risks and opportunities were identified through cross-departmental discussions. • We have assessed the potential operational and financial impacts of significant climate-related risks and opportunities on the Company. • We have performed scenario analysis and assessed science-based emissions reduction targets.
<p>3. Financial impacts of extreme climate events and transitional actions</p>	<p>After discussing with each unit, the Environmental Protection Committee set short-, medium- and long-term environmental sustainability goals and identified short-, medium- and long-term climate-related risks and opportunities. Finally, based on the identification results, the committee presented the potential impacts of climate change on the Company's operations and finance. For details, please refer to Section 4.1(Climate and Energy) of the Company's 2023 ESG Report.</p>
<p>4. How climate-related risk identification, assessment, and management processes are integrated into the overall risk management system</p>	<ul style="list-style-type: none"> • We use the TCFD framework to identify the Company's climate risk identification process. • We plan counteractions based on climate-related risk identification and prioritization results. • We have included climate-related risk identification and assessment in the business risk management process.
<p>5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial</p>	<ul style="list-style-type: none"> • Transition scenario: Committed to 2050 net-zero emissions. • Physical climate scenario: RCP2.6 emission scenario. • The Company conducted the scenario analysis assuming that the globe can implement carbon reduction actions under the Paris Agreement by 2050. The reference materials include the 6th IPCC Report, Coretronic's targets set based on the SBT principle, and the climate transition scenario analysis based on a scenario where the

Item	Implementation
impacts used	<p>temperature rise is controlled at 1.5°C.</p> <p>As we set our net-zero targets as follows: 50% reduction by 2032 and net-zero by 2050, the scope of consideration for the scenario analysis also includes 2032 and 2050. We considered all sales departments and conducted qualitative analysis for costs, operating revenue, and capital expenditure based on climate-related scenarios.</p>
6. If there is a transition plan for managing climate-related risks, describe the plan, and the metrics and targets used to identify and manage physical and transition risks	<ul style="list-style-type: none"> • We have set climate change management metrics. • We conduct regular GHG emissions inventory according to ISO 14064-1. • We regularly review and manage energy performance according to ISO 50001. • The Company sets climate change management targets and regularly reviews their progress and actual performance • For details, please refer to Section 4.1(Climate and Energy) of the Company's 2023 ESG Report.
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price	<p>Based on the risk scenario analysis result of each plant, we convert possible carbon emissions into potential decarbonization costs to promote internal carbon pricing (internal carbon fees). The carbon price is adjusted every three years based on accounting gains and losses to reflect the Company's decarbonization costs, thereby enhancing internal units' awareness of the impact of climate change on the Company's operations and proposing or implementing more proactive GHG reduction plans. The internal carbon price for 2021-2023 was NTD 942/tonCO₂e.</p>
8. If climate-related targets are set, explain the activities covered, the scope of GHG emissions, the planned schedule, and the progress each year. If carbon offset credits or renewable energy certificates (RECs) are used to achieve relevant targets, explain the source and number of the carbon credits offset or the quantity of RECs.	<ul style="list-style-type: none"> • The Company has set reduction targets for GHG emission intensity, electricity consumption intensity, waste production intensity, water consumption, and renewable energy usage, and other climate-related performance targets, and reviewed the status of target accomplishment annually and quarterly to lower environmental impact. • Since 2016, we have passed GHG inventory verification continuously. In 2020, we expanded the scope of GHG inventory to include Scope 3-6 emissions in accordance with ISO 14064-1:2018 and adopted carbon reduction measures based on inventory results. • The Company's plants in Taiwan, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have implemented the ISO 50001 EnMS and effectively lowered the intensity of GHG emissions with energy-efficient equipment replacement projects and various energy conservation measures. • In September, we submitted our own science-based targets of "50% reduction in GHG (Scope 1 and 2) emissions and 30% reduction in Scope 3-6 emissions by 2032 from the 2021 base year" to the SBTi for review. By installing solar PV systems, improving process energy efficiency, expanding renewable energy use, upgrading energy-efficient equipment, and promoting the production of low-carbon products, we progressively achieve the SBT reduction and net-zero emission targets.

Item	Implementation
	<ul style="list-style-type: none"> • Zhunan Office, Tainan Plant 1, and Tainan Plant 2 have activated solar PV systems with a total installed capacity of 763 kWh to generate 850 thousand kWh of electricity annually. With green power wheeling, the total renewable energy consumption has reached 950 thousand kWh. The solar PV systems with a total installed capacity of 6,475 kWh in the Company's plants in Mainland China generate 5.81 million kWh of electricity annually. Renewable energy consumption accounted for 7% and 20% of the annual electricity consumption in the Company's plants in Taiwan and Mainland China, respectively, exceeding the short-term target. We will keep moving towards our renewable energy development targets.

9. GHG inventory and assurance, reduction targets, strategies, and specific action plans

1. The Company's GHG inventory and assurance in the most recent two years

1.1 GHG inventory information(GHG emissions (tCO₂e), intensity (tCO₂e/NTD million), and data coverage in the most recent two years)

Region	Taiwan		Mainland China	
Year	2022	2023	2022	2023
Scope 1 (metric tons)	246.1	238.3	1,655.5	1,824.7
Scope 2 (metric tons)	7,726.6	6,324.3	20,382.9	16,938.6
Scope 3 - 6 (metric tons)	42,818.8	13,508.0	623,822.8	1,676,712.0
Total (metric tons)	50,791.5	20,070.6	645,861.1	1,695,475.3
GHG (Scope 1 and 2) emission intensity (tCO ₂ e/NTD million of turnover)	0.24	0.24	0.51	0.58
GHG (Scope 1 - 6) emission intensity (tCO ₂ e/NTD million of turnover)	1.52	0.74	14.80	52.37

1.2 GHG assurance information(Assurance in the most recent two years and up to the publication date of the annual report)

Coretronic's Taiwan and Mainland China plants, along with five subsidiary companies, conduct annual greenhouse gas inventories and third-party verification in accordance with ISO 14064-1 standards. The disclosed greenhouse gas emissions information accounts for 100% of the total emissions. The verified greenhouse gas data for the past two years are as follows:

Item	Year	2022		2023	
	Plant	The verifying organization	The verification status	The verifying organization	The verification status
Scope 1	Taiwan	SGS Taiwan Ltd.	GHG emissions amount to 246.1 metric tons CO ₂ e, accounting for 0.5% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is reasonable assurance.	SGS Taiwan Ltd.	GHG emissions amount to 238.3 metric tons CO ₂ e, representing 1.2% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is reasonable assurance.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 1,655.5 metric tons CO ₂ e, representing 0.3% of	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 1,824.7 metric tons CO ₂ e, representing 0.1% of

Item			Implementation		
			the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.		the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.
Scope 2	Taiwan	SGS Taiwan Ltd.	GHG emissions amount to 7,726.6 metric tons CO ₂ e, accounting for 15.2% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is reasonable assurance.	SGS Taiwan Ltd.	GHG emissions amount to 6,324.3 metric tons CO ₂ e, accounting for 31.5% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is reasonable assurance.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 20,382.9 metric tons CO ₂ e, representing 3.2% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 16,938.6 metric tons CO ₂ e, representing 1.0% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.
Scope 3~6	Taiwan	SGS Taiwan Ltd.	GHG emissions amount to 42,818.8 metric tons CO ₂ e, representing 84.3% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is limited assurance.	SGS Taiwan Ltd.	GHG emissions amount to 13,508.0 metric tons CO ₂ e, representing 67.3% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is limited assurance.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 623,822.8 metric tons CO ₂ e, accounting for 96.5% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 1,676,712.0 metric tons CO ₂ e, accounting for 98.9% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.

2.GHG reduction targets, strategies, and specific action plans(Base year and data for GHG reduction, reduction targets, strategies, and specific action plans, and the achievement of the reduction targets)

According to Article 10, Paragraph 2 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies,” companies with capital less than NTD 5 billion shall complete inventory for their consolidated financial statements for 2026 by 2027 (with 2026 as the base year). However, this is not applicable since we have not completed inventory for the boundary of our consolidated financial statements.

(VII) Performance in ethical corporate management and deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

Assessment criteria	Actual governance			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Establishment of integrity policies and solutions				No material deviation is found.
(I) Has the company established ethical corporate management policies approved by the board and stated the policies and practices of ethical corporate management in the regulations and external documents? Are the board of directors and senior management committed to fulfilling the commitment of ethical corporate management?	✓		(I) The Company has implemented the “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” with the board of directors’ approval. These policies require all directors, managers and employees to adhere to integrity principles and standards in all business interactions, and develop sound corporate governance as well as robust risk control measures based on which. The Company has disclosed in its annual report and website the various steps that the board of directors and the management have taken toward enforcing the business integrity policy, which are reported at board meetings on a yearly basis.	
(II) Has the company developed systematic practices for assessing integrity risks? Does the company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”	✓		(II) The Company has a set of “Business Integrity Procedures and Behavioral Guidelines” that prohibits directors, managers and employees from offering, committing, requesting or accepting any illegitimate benefits, or involving in any conduct that would be construed as dishonest, illegal or in breach of trust, whether directly or indirectly, while carrying out their duties. The policy also outlines disciplinary and grievance measures. All related policies have been published on the Company’s Intranet and made available for inquiry by employees at any time.	
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conduct, and are the above measures reviewed and revised on a regular basis?	✓		(III) The Company engages in commercial activities out of the utmost fairness, honesty, faithfulness and transparency. It has “Business Integrity Procedures and Behavioral Guidelines” in place to fully enforce integrity management, prevent unethical conducts, and outline areas that require employees’ attention when performing duties. For example: The Company specifically prohibits	

Assessment criteria	Actual governance			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			insiders from offering or accepting bribes and other illegitimate gains, requires all business transactions to be completed in the utmost transparency and correctly reflected in ledgers and records, and enforces monitoring and enhancement procedures to ensure that integrity requirements are fulfilled.	
II. Enforcing ethical management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) Prior to commencing business relationship, the Company would check its counterparty for history of dishonest conduct, and demand suppliers to sign letter of commitment to integrity in order to ensure fairness and transparency of business dealings between two parties. Suppliers that violate anti-bribery or anti-corruption rules and cause losses to the Company will be subjected to damage claims according to the letter of commitment, and legal actions where necessary.	No material deviation is found.
(II) Does the company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis?	✓		(II) According to board-approved “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines,” the human resource unit is responsible for the establishment and execution of business integrity policy as well as preventive measures. The Company reports to the Board on the performance in ethical corporate management once each year. The performance in 2023 is as follows: <ul style="list-style-type: none"> • Digital training courses were introduced to help promote business integrity within the Company. Besides new recruits, indirect employees were given an online course on “Corporate Integrity and Integrity Principles.” In 2023, a total of 1,662 persons took the courses and signed the “Ethical Corporate Management Best Practice Principle” statement. • Communication channel: Employees are able to express 	

Assessment criteria	Actual governance			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?	✓		<p>opinions to the management and human resource department through a multitude of channels. The Company has announced its Business Integrity Policy and disclosed integrity progress over its website, annual report and external documents.</p> <ul style="list-style-type: none"> • Regular examination: All operations management units of all sales locations conduct a self-assessment of the internal control system and performance in legal compliance to manage and prevent unethical behavior. Through regular internal audit tasks, internal audit units prevent and detect potential fraud or inappropriate conduct. In 2023, no grievance was reported from any plants in Taiwan, while only one grievance was reported from plants in mainland China. Investigation shows that there was no non-compliance with the Company's regulations. In the future, the Company will continue to implement the anti-corruption policy to create a corporate culture featuring ethical corporate management. <p>(III) The Company's "Board of Directors Conference Policy" contains a conflicting interest clause that requires directors to disassociate from all discussion and voting of any motion that poses a conflict of interest between the Company and themselves or the entities they represent. The Company has a set of "Supplier Conflicting Interest Management Policy" and "RBA Code of Conduct Handbook" in place, and has misconduct reporting hotline (ext.: 8215) and mailbox (8215@coretronic.com) set up to receive misconduct reports from employees and the public. Apart from making note cards publicizing ethical corporate management to employees, the Company has also produced e-learning courses to enhance the publicity</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Has the company implemented effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?	✓		and implementation of ethical corporate management. (IV) The Company has developed its accounting system and internal control system based on the authority's rules, and prepares financial reports using International Accounting Standards. These systems do not allow secret accounts other than those reported in the financial statements, and their effectiveness is constantly reviewed. Internal audit of the Company Units adhere to the "Internal Control System" to regularly assess risks and develop audit plans, regularly checking compliance with the system in the preceding paragraph while also performing ad hoc audits as needed. Furthermore, an audit report is to be prepared and submitted to the Audit Committee and the Board of Directors. The CPAs, too, review the execution of the Company's accounting system and internal control system on a yearly basis.	
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		(V) The Company promoted business integrity among its employees. All employees were given an online course on "Corporate Integrity and Integrity Principles." and signs the "honest management code statement" at the same time. In 2023, a total of 1,662 persons participated in the above courses. Speakers from external institutions are invited to share insight on integrity developments locally and abroad during regular manager training courses organized by the Company. Their contributions help build a corporate culture of integrity and support business growth as well as sound commercial practice.	
III. Whistleblowing system (I) Does the company provide incentives and means for employees to report misconducts? Does the company assign dedicated personnel to investigate the reported misconducts?	✓		(I) The Company has implemented channels that employees and outsiders may use to report any improper conduct in violation of integrity standards. A misconduct reporting	No material deviation is found.

Assessment criteria	Actual governance			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Has the company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	✓		hotline (ext. 8215) and mailbox (8215@coretronic.com) have been set up while dedicated personnel have been assigned to accept and process reports. (II) The Company have established the “Procedures for Ethical Management and Guidelines for Conduct” to specify the standard operating procedures (SOP) for investigating a reported case and the relevant confidentiality protection mechanisms. After receiving a report of unethical behavior, the Company will investigate the report according to the said SOP and Procedures and keep all information confidential.	
(III) Has the company provided proper whistleblower protection?	✓		(III) The Company keeps confidential the identity of informants and the content of the report to protect informants against unfair treatment due to reporting.	
IV. Enhanced information disclosure Has the company disclosed its integrity principles and progress onto its website and MOP?	✓		(I) Details and implementation progress of the Company’s “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” have been disclosed on website and Market Observation Post System. The Company enforces integrity principles as part of its corporate governance, and in doing so protects shareholders’ interest while fulfilling its goal of becoming a sustainable business.	No material deviation is found.
V. If the company has established business integrity policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles: The Company has “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” in place, and uses “Integrity Cards” and digital training courses to help employees comply. The Company have also established and implemented the “ Sustainable Development Best Practice Principles”, “Corporate Governance Best Practice Principles”, and “Codes of Ethical Conduct” that are related to ethical corporate management. Please refer to the Company’s annual report and (VI) Performance in ethical corporate management and deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies of the corporate governance report for the details regarding our performance in ethical corporate management.				
VI. Other information relevant to understanding the company’s business integrity (e.g. review of business integrity principles) The Company has been introducing new policies such as “Business Integrity Code of Conduct,” “Ethical Behavior Guidelines” and “Business Integrity Procedures and				

Assessment criteria	Actual governance			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>Behavioral Guidelines” since 2014 that specifically require all employees to uphold high level of integrity when conducting business-related activities, and to refrain from exploiting company assets or their vested authority for personal gains or engaging in any conduct that competes with the Company or undermines interests of the Company or its customers. In order to establish the integrity spirit deep within employees, all new recruits are required to undergo training courses on ethical conducts, during which they are taught the best practices to be expected in the given industry.</p> <p>To promote the Company's integrity management philosophy among colleagues, we have set up a "Code of Conduct Zone" on the internal website. The content of this zone includes relevant regulations on integrity, reporting channels, and case studies. Additionally, to assist all colleagues in the Taiwan factory to access the company's integrity management philosophy at any time, we distribute "Integrity Cards," have them sign a "Declaration of Integrity Management Code," and include integrity digital courses as a mandatory training for all employees annually. Through these various means, we advocate the spirit of integrity management within the Company.</p>				

(VIII) If the company has established the corporate governance best practice principles and the relevant regulations, state their access: The relevant information is accessible from “Investor Relations/Governance” on the corporate website.

(IX) Other important information material to the understanding of corporate governance within the company:

1. The Company continues to enhance corporate governance practices. Policies on corporate governance and major resolutions of the board of directors have been disclosed in the Investor Relations section of the Company’s website.
2. The Company ranks in the top 5% among TWSE and TPEX listed companies in corporate governance evaluation for 9 consecutive years, which strongly recognizes the progress the Company has made.
3. The Company actively informs directors of training programs that are relevant to improving corporate governance. All 7 directors of the Company have completed training courses in accordance with “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.”

(X) Disclosures relating to the execution of internal control system

1. If the internal control system was reviewed by an external CPA at the request of the Securities and Futures Bureau, the result of such review must be disclosed: None
2. Declaration of Internal Control System

Coretronic Corporation
Declaration of Internal Control System

Date: February 26, 2024

The following declaration has been made in respect of the 2023 self-assessment of the Company's internal control system:

1. The Company acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc), reliable, timely and transparent financial reporting, and regulatory compliance.
2. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably assure achievement of the three goals mentioned above. Furthermore, changes in the environment and circumstances may all affect the effectiveness of the internal control system. However, the internal control system of the Company features a self-monitoring mechanism that rectifies any deficiencies immediately upon discovery.
3. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Governing Principles") to determine whether the existing system continues to be effective. Assessment criteria introduced by "The Governing Principles" consisted of five main elements, each representing a different stage of internal control: 1. Control environment; 2. Risk evaluation and response; 3. Procedural control; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "The Governing Principles" for more details.
4. The Company has adopted the abovementioned criteria to validate the effectiveness of its system design and execution.
5. With respect to the results of the above assessments, the Company considers the control (including the supervision and management of subsidiaries) of internal control system by December 31, 2023 has been effectively designed and implemented to ensure the accomplishment of the following goals: understanding the effectiveness and efficiency of operations; the level of target achievement; and the reliability, timeliness, transparency, and legal compliance of reports as required by the control.
6. This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This declaration was passed unanimously without objection by all seven directors present at the Board meeting on February 26, 2024.

Coretronic Corporation

Chairman: Wade Chang signature/seal

President: Sarah Lin signature/seal

Ann Wu signature/seal

- (XI) Penalties imposed against the Company for regulatory violation, or penalties against employees for violation of internal control system, in the most recent year up till the publication date of annual report that may significantly impact shareholders' interest or security price; describe details of the penalty, areas of weakness and any corrective actions taken: None.
- (XII) Major resolutions passed in shareholder meetings and board of directors meetings held in the last year up till the publication date of annual report: Please refer to announcements and material information published on Market Observation Post System and disclosures made over the Company's website.
- (XIII) Documented opinions or declarations made by directors against board resolutions in the most recent year and by the date of report publication: None.
- (XIV) Resignation or dismissal of the Chairman, President, head of accounting, head of finance, chief internal auditor, corporate governance officer or head of R&D in the most recent year up till the publication date of the annual report:

Title	Name	Appointment date	Date of dismissal	Reason for dismissal
President	SY Chen	2012.06.01	2023.07.31	In alignment with the group's operational plan, Mr. SY Chen will assume the role of CEO at Optoma Holding Limited, a brand subsidiary, with a focus on spearheading its business development initiatives. Consequently, he will no longer hold the position of President within the company.

- (XV) Internal procedures for handling significant information: To establish an insider trading prevention mechanism within the company, prevent improper information leakage, and ensure the consistency and accuracy of information disclosed to the public, the company has formulated the "Insider Trading Prevention Management Measures" and "Procedures for Handling Material Inside Information." These measures have been approved by the board of directors and announced on the company's website to ensure compliance by managers and employees. Additionally, the company conducts regular internal training and notifies company insiders of important information precautions from time to time. On October 13, 2023, the company conducted educational outreach to managers and employees through digital training courses, covering topics such as the elements constituting insider trading, the clear timing of significant news, methods and timing of

disclosure, penalties for insider trading violations, how to avoid accidental insider trading, and specific implementation of insider trading prevention. Furthermore, provide insider trading laws and regulations to insiders on a monthly basis.

V. Information about CPA professional fees

1. The amount of audit fees and non-audit fees paid to CPAs and their affiliated firms and affiliates and the content of non-audit services:

Monetary unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fee	Total	Remarks
Ernst & Young Global Limited	Shao-Pin Kuo	2023.1.1-2023.12.31	3,703	885	4,588	Non-audit fees included NT\$775,000 for tax certification, NT\$50,000 for stock take of impaired inventory, NT\$40,000 for bonded inventory, and NT\$20,000 for auditing of business tax
	Chih-Chung Chen	2023.1.1-2023.12.31				

2. Change of accounting firm that resulted in the reduction of audit remuneration from the previous year; disclose audit remuneration before and after the change and the cause of such change: None.
3. Any reduction in audit remuneration by more than 10% compared to the previous year; state the amount, the percentage and reason of such variation: None.

VI. Change of CPA:

(I) On the predecessor CPAs

Date of replacement	2024.01.10		
Reasons and description of replacement	Internal job rotation of Ernst & Young		
The commissioner or CPA terminates or declines the commission	Participants	Auditors	Appointed person
	Situation		
	Terminate the appointment	—	—
	No further acceptance (continuation) of appointment	The Company originally retained CPA Shao-Pin Kuo and Chih-Chung Chen of Ernst & Young Global Limited to audit the Company's financial reports. In response to the internal job rotation of the accounting firm, the CPAs will be changed to Shao-Pin Kuo and Ming-Ju Huang to audit (review) the Company's financial report starting from Q1 2024.	—

Opinions and reasons for audit reports issued during the most recent two years, excluding those issued without reservations		None
Is there any disagreement with the issuer	Yes	Accounting principle or practice
		Financial statement disclosures
		Audit scope or step
		Other
	None	✓
Explanation		None
Other matters for disclosure (Matters covered in items 1-4 to 1-7, subparagraph 6, Article 10 of the regulations should be disclosed)		None

(II) Information of succeeding CPAs

Name of accounting firm	Ernst & Young Global Limited
Name of CPA	Ming-Ju Huang
Date of commissioning	2024.01.10
Matters regarding which the successor CPAs were consulted, and which were related to the accounting treatment or accounting principles of specific transactions; matters regarding which the successor CPAs were consulted, and which were related to the opinions that might be issued on financial reports; results of these matters.	None
Written opinions of CPA in succession different from the opinions of previous CPA	None

(III) Reply letter from the predecessor CPAs regarding item1, and 2-3, subparagraph 6, article 10 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies”: Not applicable

- VII. The company’s Chairman, President, or any managers involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company in the last year; including their names, job titles, and the periods during which they were employed by the auditor’s firm or any of its affiliated company. An affiliated company refers to one that the auditor’s accounting firm holds more than 50% ownership or more than 50% directorship, or any company or institution that the accounting firm has publicly referred to as being affiliated: Not applicable.
- VIII. Details of shares transferred or pledged by directors, managers and shareholders with more than 10% ownership interest in the last year, up till the publication date of annual report

(I) Changes in shareholding of directors, managers and major shareholders

Unit: shares

Title	Name	2023 and		by April 16 in 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Wade Chang	0	0	0	0
Director	Hsun Chieh Investment Co., Ltd.	0	0	0	0
	Representative: Tai-Shung Ho	0	0	0	0
Director	Hanns Prosper Investment Corporation	0	0	0	0
	Representative: Yu-Chi Chiao	0	0	0	0
Director	Han-Ping D. Shieh	0	0	0	0
Independent Director	Hsing-Yi Chow	0	0	0	0
Independent Director	Audrey Tseng	0	0	0	0
Independent Director	Hung-Pin Ku	0	0	0	0
President	Sarah Lin	(629,000)	(600,000)	0	0
President	Ann Wu	0	0	0	0
CFO	Franck Ho	(99,000)	0	0	0
CTO	Robert Hsueh	(180,000)	0	0	0
CIMO	CY Lin	(20,000)	0	(29,000)	0
CSO	Wilson Hsu	0	0	0	0
Executive Vice President	Sara Lin	(31,122)	0	0	0
Vice President	Ken Wang	(100,000)	(100,000)	0	(40,000)
Vice President	Miranda Wang	0	0	0	0
Vice President	Mark Yang	0	0	0	0
Vice President	Willy Tsai	0	0	0	0
Associate Vice President	Evan Ye	0	0	0	0
Senior Director	Daniel Hsiao	0	0	0	0
Major Shareholders	Taiwei Advanced Technology Corporation	(2,380,000)	(2,500,000)	(630,000)	0

(II) Shares transferred to related parties:

Name	Reasons for Equity Transfer	Transaction Date	Counterparty	The relationship between the counterparty and the Company, Directors, Managers, and shareholders holding more than ten percent of the shares	Shares	Transaction Price
Franck Ho	Gift	2023.06.15	Li- Ling Li	Couple	66,000	73.5
			Yu-Ting Ho	Father and Daughter	33,000	73.5

(III) Shares pledged to related parties: None.

IX. Top ten shareholders by shareholding who are related parties or spouses, relatives within the second degree of kinship.

April 16, 2024

Name	Self Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Relationship Characterized As Spouse or Relative of Second Degree or Closer Among the Top-10 Shareholders.		Remarks
	shares	Shareholding percentage	shares	Shareholding percentage	shares	Shareholding percentage	Name	Relationship	
Taiwei Advanced Technology Co., Ltd.	41,779,196	10.69%	0	0.00%	0	0.00%	None	None	None
Taiwei Advanced Technology Co., Ltd. Representative: Tai-Wei Chang	0	0.00%	0	0.00%	0	0.00%	Wade Chang	Father and son	None
Yann Yuan Investment Co., Ltd	32,825,000	8.40%	0	0.00%	0	0.00%	None	None	None
Yann Yuan Investment Co., Ltd Representative: Chun Kuan	0	0.00%	0	0.00%	0	0.00%	Hsun Chieh Investment Co., Ltd. Representative: Chun Kuan	Representative the same	None
Fuh Hwa Taiwan Technology Dividend Highlight ETF	17,108,000	4.38%	0	0.00%	0	0.00%	None	None	None
HannStar Display Corporation	16,395,000	4.19%	0	0.00%	0	0.00%	Hauli Investment Corporation	Hauli Investment Corporation is subsidiaries of HannStar Display Corporation	None
HannStar Display Corporation Representative: Yu-Chi Chiao	0	0.00%	0	0.00%	0	0.00%	Hauli Investment Corporation Representative: Yu-Chi Chiao	Representative the same	None
Hsun Chieh Investment Co., Ltd.	15,495,551	3.96%	0	0.00%	0	0.00%	Yann Yuan Investment Co., Ltd	Hsun Chieh Investment Co., Ltd. is the Director of the Yann Yuan Investment Co., Ltd	None
Hsun Chieh Investment Co., Ltd. Representative: Chun Kuan	0	0.00%	0	0.00%	0	0.00%	Yann Yuan Investment Co., Ltd Representative: Chun Kuan	Representative the same	None
Hauli Investment Corporation	11,900,000	3.04%	0	0.00%	0	0.00%	HannStar Display Corporation	Subsidiaries of HannStar Display Corporation	None

Name	Self Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Relationship Characterized As Spouse or Relative of Second Degree or Closer Among the Top-10 Shareholders.		Remarks
	shares	Shareholding percentage	shares	Shareholding percentage	shares	Shareholding percentage	Name	Relationship	
Hauli Investment Corporation Representative: Yu-Chi Chiao	0	0.00%	0	0.00%	0	0.00%	HannStar Display Corporation Representative: Yu-Chi Chiao	Representative the same	None
Wade Chang	9,345,953	2.39%	0	0.00%	0	0.00%	Taiwei Advanced Technology Co., Ltd. Representative: Tai-Wei Chang	Father and son	None
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	8,912,000	2.28%	0	0.00%	0	0.00%	None	None	None
Chunghwa Post Co., Ltd.	8,642,800	2.21%	0	0.00%	0	0.00%	None	None	None
Chunghwa Post Co., Ltd. Representative: Hong-Mo Wu	Note	Note	Note	Note	Note	Note	Note	Note	None
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,604,710	1.95%	0	0.00%	0	0.00%	None	None	None

Note: As of the publication date of this annual report, relevant information has not been obtained.

- X. The number of shares and the consolidated shareholding of the same investee invested by the company, directors and/or officers of the company, and the businesses directly or indirectly controlled by the company.

December 31, 2023 Unit: shares; %

Invested businesses (Note)	Held by the Company		Held by directors, managers, and directly or indirectly controlled enterprises		Aggregate ownership	
	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage
Eterge Opto-Electronics Co., Ltd.	1,850,000	18.50%	—	—	1,850,000	18.50%

Note: Long-term investment accounted by the Company using the equity method.

Four. Capital Overview

I. Source of capital

Unit: NTD; shares

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2004.11	10	650,000,000	6,500,000,000	437,796,953	4,377,969,530	Conversion of convertible bonds into common shares - \$28,840,460	None	Note 1
2005.08	10	810,000,000	8,100,000,000	520,205,466	5,202,054,660	Capitalization of earnings \$ 700,475,130, and capitalization of employee profit sharing \$ 123,610,000.	None	Note 2
2005.12	10	810,000,000	8,100,000,000	520,895,389	5,208,953,890	Conversion of convertible bonds into common shares - \$6,899,230	None	Note 3
2006.03	10	810,000,000	8,100,000,000	547,830,363	5,478,303,630	Conversion of convertible bonds into common shares - \$269,349,740	None	Note 4
2006.04	10	810,000,000	8,100,000,000	564,348,375	5,643,483,750	Conversion of convertible bonds into common shares - \$165,180,120	None	Note 5
2006.08	10	1,000,000,000	10,000,000,000	667,375,738	6,673,757,380	Capitalization of earnings \$ 829,915,470; conversion of convertible bonds into common shares \$ 200,358,160	None	Note 6
2007.08	10	1,000,000,000	10,000,000,000	694,463,253	6,944,632,530	Capitalization of earnings at NT\$133,475,150, and capitalization of employee profit sharing at NT\$ 137,400,000	None	Note 7
2008.08	10	1,000,000,000	10,000,000,000	724,038,518	7,240,385,180	Capitalization of earnings \$ 138,892,650, and capitalization of employee profit sharing \$ 156,860,000	None	Note 8
2014.07	10	1,000,000,000	10,000,000,000	543,028,888	5,430,288,880	Capital reduction for cash \$ 1,810,096,300	None	Note 9
2016.07	10	1,000,000,000	10,000,000,000	434,423,110	4,344,231,100	Capital reduction for cash \$ 1,086,057,780	None	Note 10
2021.03	10	1,000,000,000	10,000,000,000	390,981,110	3,909,811,100	Retirement of treasury stock NT\$434,420,000	None	Note 11

Note 1: Letter Yuan-Shang-Zi No. 0930031524 issued by Science Park Administration on November 10, 2004.

Note 2: Letter Yuan-Shang-Zi No. 0940022936 issued by Science Park Administration on August 26 2005.

Note 3: Letter Yuan-Shang-Zi No. 0940033054 issued by Science Park Administration on December 2, 2005.

Note 4: Letter Yuan-Shang-Zi No. 0950006079 issued by Science Park Administration on March 10, 2006.

Note 5: Letter Yuan-Shang-Zi No. 0950010529 issued by Science Park Administration on April 28 2006.

Note 6: Letter Yuan-Shang-Zi No. 0950021383 issued by Science Park Administration on August 11 2006.

Note 7: Letter Yuan-Shang-Zi No. 0960022923 issued by Science Park Administration on August 29 2007.

Note 8: Letter Yuan-Shang-Zi No. 0970024243 issued by Science Park Administration on August 29 2008.

Note 9: Letter Yuan-Shang-Zi No. 1030020264 issued by Science Park Administration on July 11, 2014.

Note 10: Letter Yuan-Shang-Zi No. 1050019331 issued by Science Park Administration on July 14, 2016.

Note 11: Letter Yuan-Shang-Zi No. 1100007190 issued by Science Park Administration on March 17, 2021.

April 16, 2024

Class of shares	Authorized capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common share (shares)	390,981,110	609,018,890	1,000,000,000	None

Note: The Company's shares are listed for trading on TPEX.

II. Shareholder structure

April 16, 2024

Shareholder structure Count	Government agencies	Financial institutions	Other corporate entities	Natural persons	Foreign institutions and foreigners	Total
Count	4	39	219	52,225	243	52,730
Shares held	944,420	68,354,319	132,793,318	126,187,034	62,702,019	390,981,110
Shareholding percentage	0.24%	17.48%	33.96%	32.28%	16.04%	100.00%

III. Diversity of ownership

(I) Information on common shares

April 16, 2024

Shareholding range	Shareholder count	Shares held	Shareholding percentage
1~999	32,050	3,110,693	0.80%
1,000 ~5,000	17,195	32,624,977	8.34%
5,001~10,000	1,796	13,773,966	3.52%
10,001~15,000	525	6,587,568	1.68%
15,001~20,000	312	5,728,357	1.47%
20,001~30,000	267	6,838,381	1.75%
30,001~40,000	128	4,557,244	1.17%
40,001~50,000	100	4,624,718	1.18%
50,001~100,000	136	9,675,444	2.47%
100,001~200,000	75	10,678,728	2.73%
200,001~400,000	54	15,457,622	3.95%
400,001~600,000	33	16,598,398	4.25%
600,001~800,000	9	6,153,700	1.57%
800,001~1,000,000	10	8,858,291	2.27%
1,000,001 and above	40	245,713,023	62.85%
Total	52,730	390,981,110	100.00%

(II) Information of preferred shares: Not applicable.

IV. Major shareholders:

If less than ten shareholders holding over 5% of ownership interest, disclose the names, the number of shares held, and shareholding percentage of the top ten shareholders

April 16, 2024

Share	Shares held	Shareholding percentage
Name of major shareholder		
Taiwei Advanced Technology Co., Ltd.	41,779,196	10.69%

Name of major shareholder	Share	Shares held	Shareholding percentage
Yann Yuan Investment Co., Ltd		32,825,000	8.40%
Fuh Hwa Taiwan Technology Dividend Highlight ETF		17,108,000	4.38%
HannStar Display Corporation		16,395,000	4.19%
Hsun Chieh Investment Co., Ltd.		15,495,551	3.96%
Hauli Investment Corporation		11,900,000	3.04%
Wade Chang		9,345,953	2.39%
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank		8,912,000	2.28%
Chunghwa Post Co., Ltd.		8,642,800	2.21%
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank		7,604,710	1.95%

V. Information relating to market price, net worth, earnings, and dividends per share for the last 2 years

Item \ Year		2022	2023	Year-to-date March 31, 2024 (Note 7)	
Market price per share (Note 1)	High	93	85.7	82.5	
	Low	46.55	55.6	69.2	
	Average	62.62	74.07	91.04	
Net worth per share	Before dividend	58.13	60.07	60.08	
	After dividend	53.63 (Note 2)	57.07 (Note 3)	—	
Earnings per share	Weighted average outstanding shares	390,981,110	390,981,110	390,981,110	
	Earnings per share	6.03	3.56	0.37	
Dividends per share (Note 3)	Cash dividend		4.5	3.0	—
	Stock dividends	From	—	—	—
		From capital reserves	—	—	—
	Cumulative unpaid dividends		—	—	—
Analysis of investment returns	P/E ratio (Note 4)		10.38	20.81	—
	Price to dividend ratio (Note 5)		13.92	24.69	—
	Cash dividend yield (Note 6)		7.19%	4.05%	—

Note 1: Average market price is taken from <http://www.otc.org.tw/ch/index.php>.

Note 2: Cash dividend from 2022 earnings was resolved and passed during the board of directors meeting dated March 13, 2023.

Note 3: Cash dividend from 2023 earnings was resolved and passed during the board of directors meeting dated March 18, 2024.

Note 4: P/E ratio = average closing price per share for the year / earnings per share.

Note 5: Price to dividend ratio = average closing price per share for the year / cash dividends per share.

Note 6: Cash dividend yield = Cash dividend per share / average closing price per share for the current year.

Note 7: Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of annual report. For all other fields, calculations are based on data as at the end of their respective years.

VI. Dividend policy and implementation

(I) The Company's dividend policy

The Company has developed its dividend policy based on a number of factors including capital structure, financial position, business performance, earnings, industry nature and business cycle. Dividends can be paid in shares or in cash, but given the growth stage the industry is currently in, the Company may determine its dividends by taking into consideration financial, business and operational factors and the amount of dividends paid in previous years. As a principle, the Company shall distribute no less than 30% of net income reported in a financial year, with no less than 50% of total dividends being paid in cash.

The Company may distribute dividends wholly or partially from reserves in years when there is no earning available for distribution, or out of financial, business and operational concerns, or in situations permitted by the authority.

(II) Implementation: At the 2024 AGM, the Board reported that the cash dividend for 2023 was NT\$3.0 in total. The sum included the earnings distribution for 2023 at NT\$899,256,553, or NT\$2.3 per share, plus the additional paid-in capital (APIC) amounting to NT\$273,686,777, or NT\$0.7 per share, from issuing the Company's common shares at premium. Hence, the cash distributed to shareholders was NT\$1,172,943,330 in total.

(III) Expected change in dividend policy: None.

VII. Impacts of proposed stock dividends on the Company's business performance and earnings per share: Not applicable.

VIII. Employee and director remuneration

(I) Percentage or scope of remuneration for employees and directors as stated in the articles of incorporation:

Profits concluded from a financial year are subject to employee remuneration of 10% to 20%. However, profits must first be taken to offset against cumulative losses if any. Remunerations intended for the Company's employees, including employees of affiliates meeting the relevant requirements, can be made in stock or in cash.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserve. However, no further provision is needed when statutory reserve has accumulated to an

amount equal to the Company's paid-up capital. Any surpluses remaining shall then be subject to provision or reversal of special reserve, as laws or the authority may require. The residual balance is then added to undistributed earnings carried from previous years and distributed at board of directors' proposal subject to resolution at a shareholder meeting.

The Company has authorized the board of directors to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

The Company has authorized the board of directors to distribute statutory reserve and capital reserve wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

- (II) Basis for calculation of employee/director remunerations and share-based compensations; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

During the Board of Directors meeting held on February 26, 2024, a resolution was passed on distributing the 2023 employee remuneration at NT\$201,440,394. This amount is the same as the amount in expenses previously recognized in the 2023 financial statements.

- (III) Remuneration distribution approved by the Board of Directors

Unit: NTD

Item	Amount
Employee remuneration - in cash	201,440,394
Employee remuneration - in shares	0
Percentage of employee remuneration paid in shares, relative to current net income and total employee remuneration	0.00%
Director remuneration	0

- (IV) Actual payment of previous year's (2022) employee and director remuneration

Unit: NTD

Item	Amount
Employee remuneration - in cash	360,059,656
Employee remuneration - in shares	0
Director remuneration	0
The amount of 2022 earnings distribution resolved and proposed by the Board of Directors was identical to the amount approved during the shareholders' meeting	

- IX. Buyback of company shares: None.
- X. Disclosure relating to corporate bonds: None.
- XI. Preferred shares, global depository receipts, employee warrants, restricted employee shares, or merger/acquisition/divestment through the exchange of shares: None.
- XII. Progress on planned uses of capital: None.

Five. Overview of operation

I. Business Activities

(I) Business scope

1. Principal business activities

- (1) CC01110 Computer and Peripheral Equipment Manufacturing.
- (2) CC01080 Electronics Components Manufacturing.
- (3) CD01060 Aircraft and Parts Manufacturing
- (4) CE01030 Optical Instruments Manufacturing.
- (5) CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
- (6) F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
- (7) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing. (can only be manufactured outside Hsinchu Science Park).
- (8) Research, develop, produce, manufacture, and market the following products:
 - A. Various LCDs/TVs, projections and the backlight modules.
 - B. Multimedia presentation system equipments and software.
 - C. LCD internet personal computer, LCD Windows base terminal, digital transmission, LCD monitors.
 - D. LED displays and their modules.
 - E. Projection systems for wearable devices.
 - F. Commercial Unmanned Aircraft Systems.
 - G. All kinds of consigned design and develop and examination and consulting services regarding above products.
 - H. Import and export trading business related to the above businesses (except the businesses requiring permit).
- (9) Design, manufacturing and sales of Acrylic Sheet and relating consigned design, develop, consulting and import and export trading business of the products (can only be conducted outside Hsinchu Science Park)
- (10) Design, manufacturing and sales of the power supply, and its Components (can only be manufactured outside Hsinchu Science Park)

2. Revenue distribution

Unit: NT\$ thousand

Year Item	2022		2023	
	Amount	%	Amount	%
Energy Saving products	22,589,976	45.38%	17,514,344	44.35%
Visual Solutions products	19,319,984	38.81%	13,563,646	34.35%
Others	7,873,197	15.81%	8,413,718	21.30%
Total	49,783,157	100.00%	39,491,708	100.00%

3. Current product (service) items

(1) Energy Saving products:

Backlight modules for automotive displays, tablets, NBs, LCD displays, and LCD TVs; and assembly of panel modules, electronic white board modules, customized NBs, LCD displays, and LCD TV semi-system; system solutions for medical, educational, ATM, POS and public digital splicing displays. In response to the market trend, green design concepts have been implemented in product parts and components in recent years to provide customers with energy-efficient and low-emission products.

(2) Visual Solutions products:

Including various digital projectors, Laser TV, pico projectors, and various application projectors that project large screens via various video signals, and interactive modules, smart connectors, edge blending and image warping processors, and image signal processing boxes; the system is integrated with software to provide user-friendly complete visual solutions via smart service platform for diverse applications.

4. New products (services) planned for development:

(1) Energy Saving products:

We've continuously developed various new light guide plates and Mini-LED technologies without light guide plates. We also want to decrease the thickness of the backlight module, reduce the bezel width, increase the optical efficiency, and reduce the usage of optical as well as LED to develop slim, high-contrast, and high-value application displays for video consoles, tablets, notebooks, industrial monitors, medical monitors, AiO monitors, and high-end smart TVs. In addition to the improved functionality and specifications of traditional panel modules, we actively conduct the differentiation design of a wide variety of displays to enter the high value-added markets of commercial displays, NBs, automotive displays, and gaming displays by applying switchable privacy LCD and reflective LCD will front light design. Product recovery service based on the circular economy has been initiated synchronously on BLM products to practice the ESG spirit emphasizing energy conservation and carbon reduction.

(2) Visual Solutions products:

Through the core technologies in the fields of optics, machinery, electricity, thermal, and software integration provided by our Visual Solutions Business Group, we are committed to the large tiled screen wall, interactive touch, digital signage, large public space displays and smart link solutions; in order to meet the demand and satisfy the needs and habits of users, integrate advanced AI/intelligent technologies are adopted to strengthen the close connection between intelligent applications and fields, thereby continuously providing more amazing image lifestyle experience for users.

(II) Industry Overview

1. Current industry situation and development

We position ourselves as the innovative display solution provider, and our product lineup includes two main product categories under the Display Business Group: Energy Saving products and Visual Solutions products. The following shows the current status and development of each main product category:

(1) Energy Saving products

Although the demand for large-size TVs in 2023 was weak due to the general environment, the three major sports events in 2024 will help increase demand for TV panels. In Q2 of 2024, major sports events such as the UEFA Euro, Copa América, and Paris 2024 are expected to boost TV sales, and the panel business will show a moderate growth trend. The demand for NBs in 2023 was affected by unfavorable economic conditions. After inventory adjustments in the first half of the year, shipments in Q3 have increased to 51.2 million units. Although it is still down 7% from last year, it is evident that the NB market is recovering, and sales exhibited an increasing trend in Q4 of 2023. Consequently, research institutions estimate that global NB shipments will reach 167 million units in 2023, an annual decrease of 10.2%. As inventory pressure eases, the global NB market is expected to return to a healthy supply and demand cycle in 2024. The research institutions remains optimistic that growth will mainly be driven by the terminal business market due to the demand for the gradual replacement of AI PCs, and the continued expansion of some market segments such as Chromebooks and e-sports NBs. It also updates that global NB shipments are expected to reach 172 million units in 2024, an annual increase of 3.2%. According to the market research center, the average annual compound growth rate of global NB shipments is estimated to be 3% during 2023-2028. In 2024, market growth is anticipated to rebound by 4.7%, spurred by a combination of easing inflation and new product launches, effectively ending a two-year decline. Subsequently, in 2025, the economy is poised for a significant expansion, with an expected growth rate of 6%. This would mark the highest growth.. A mild contraction is expected in 2027, during which South Korean TV panel manufacturers will gradually increase soft OLED production capacity, which will be adopted by Apple. Apple adopting TSMC's 3nm process for processors will introduce higher performance, which, coupled with the fact that Qualcomm's Oryon processors with custom CPUs will be launched on the market, are expected to increase the market share. In 2026, Arm NB shipments are expected to increase to over 27 million units. The macroscopic prospect of the future TV demand shows that there are various unfavorable factors in the market in the next 1-2 years, bringing much uncertainty in the long run.

Fluctuations in the external environment impact regional markets and consumption structures directly. However, TV is a highly mature product and consumer inertia has always existed. It is expected that overall demand will stabilize at 200 to 220 million units in the next several years. The proportion in the total TV displays of advanced-level TV displays will increase from 7% in 2021 to 17% in 2027. The demand for mini LED backlight TV panels will increase from two million units in 2021 to 27 million units in 2027, including low-cost mini LED backlight panels. In the long run, the demand for QLED TV and Mini LED backlight will be higher than that of WOLED TV. The demand for QD LED TV will increase due to supply dynamics.

Facing the changing trend of industry development and the unfavorable macroeconomic condition, apart from expanding the scale of operations of the current product ranges and introducing smart manufacturing to boost performance and enhance cost competitiveness, the Energy Saving products Business Group also focuses on integrated automotive privacy display products with ongoing demands and low-volume high-variety products with high customization, such as digital signage for public displays, large automotive panels, and ATMs. The technology development focuses on the market trend for ultra-slim, narrow-bezel, touchscreen, high-resolution, high-contrast, and energy-saving displays, to provide a flexible business mode in response to the market changes and customer needs. For our product development, in addition to the shipments of the backlight modules, product design of the tablet/NB, as well as TV, and manufacturing of the system/barebone product, not only do we provide key components and parts for ultra-fine display technology HDR, LCD module, transfective frantlight LCD module, free shape backlight module, spliced video wall, and privacy display applications, but also provide the combination platform of the touch module, mechanism design, and electronic solutions to provide a comprehensive, diverse, integrated, and customized display solution. In 2023, the Company will disperse the risk of single-range LCD operations with the EMS model of emerging panel technologies such as OLED, Mini LED, and QLED to increase revenue with more higher value-added products in the ODM business, as well as apply core technologies more extensively. For instance, customizing and applying the privacy display technology to the passenger information display system (PID) to develop the ODM business for privacy display products, as well as the automotive back light products with curved and round surfaces to increase revenue, and provide customers with value-added services.

(2) Visual Solutions products

The main application market of the projectors is divided into

corporate and governmental agencies, educational, personal, home, large public space displays, industrial applications, and digital signage. In addition to presentations in the business meetings, schools have expanded from simple multimedia and electronic blackboards to digital classrooms with multi-experience equipment. In recent years, the trend for a large screen, high resolution, and high contrast images at home has emerged, in turn driving the demand for home entertainment projectors.

As the technology advances rapidly and there is a demand for high quality and brightness, the use of projectors for large public exhibition venues and various digital signage has become increasingly popular. As a result, there is a rapid-rising trend for the use of high-brightness projector products in large venues.

Currently, the projector technologies are mainly divided into LCD and DLP. The advantages of LCDs include softer and richer colors, while DLP is known for its smaller size, better projection brightness, clear contrast, long-life projection chip, and its advantages in 4K/1080P high resolution.

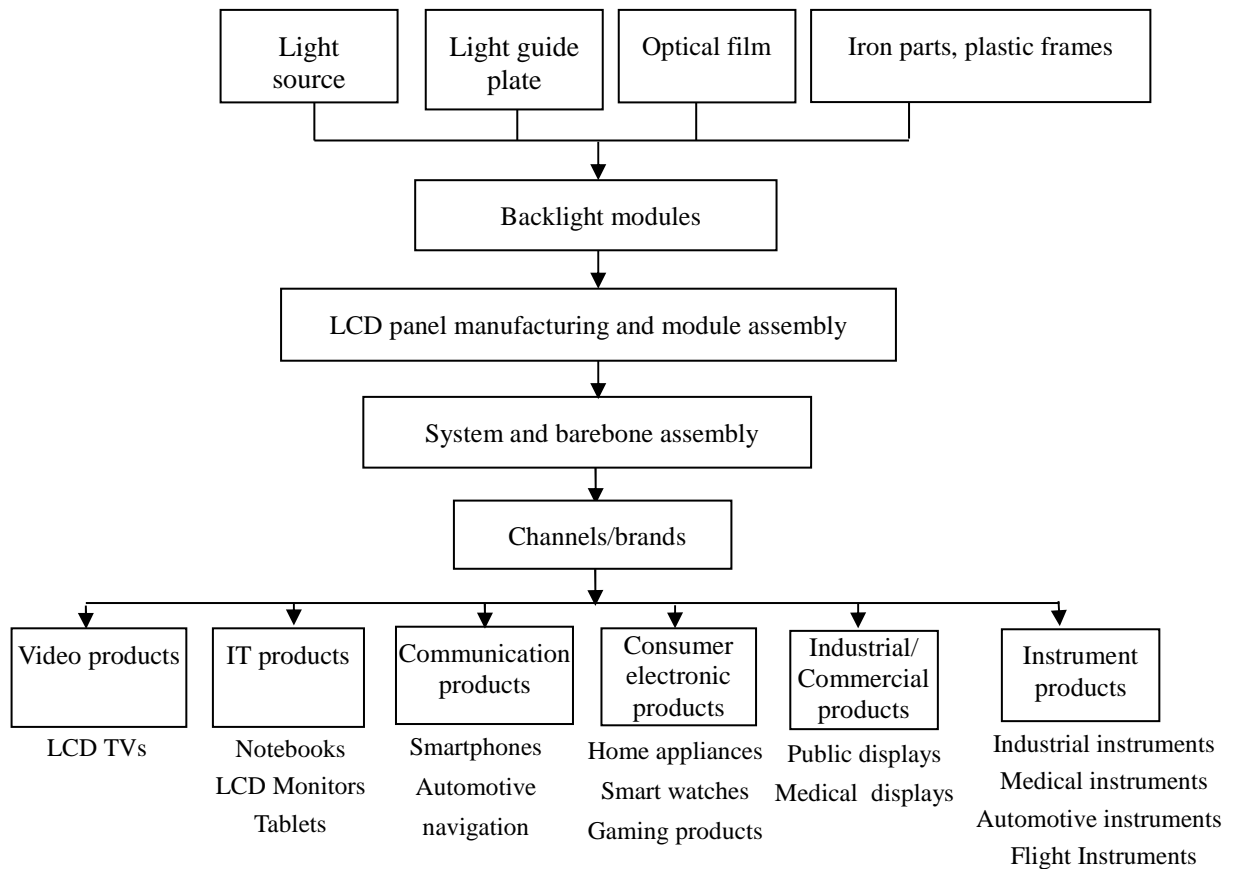
The Company is a leading manufacturer of DLP projectors. We have established a strategic alliance with US-based Texas Instruments, and taken the lead in developing and applying the solid state light source and 4K/1080P high resolution and portable projectors.

2. Relevance between the upstream, middle stream, and downstream industries

(1) Energy Saving products:

The backlight module is part of the LCD industry. Figure 1 shows the relevance between the upstream, middle stream, and downstream industries. The upstream industries involve products such as the light source, light guide plate, optical film, iron pieces, and rubber frame; the downstream industries involves manufacturing and assembly of LCD panels, and their applications in numerous electronic products.

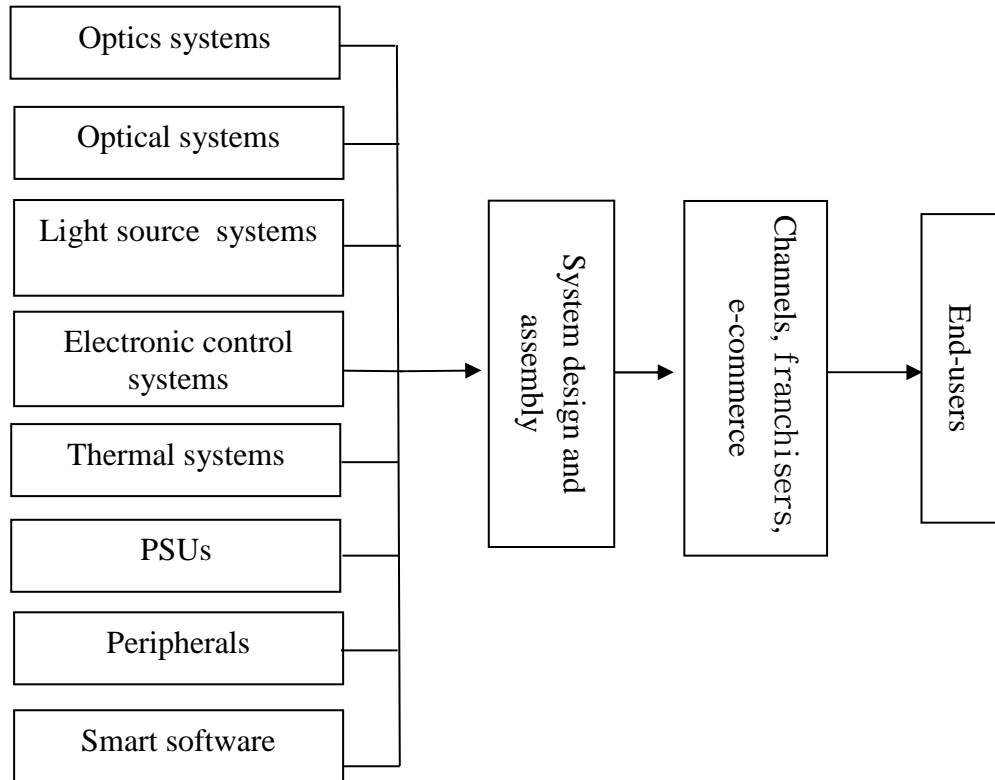
Figure 1: Relevance between the upstream, middle stream, and downstream of the backlight module



(2) Visual Solutions products:

The upstream components and parts of projectors include the optical system, lighting system, electronic control system, and thermal system. Refer to Figure 2. We mainly rely on the import of the components and parts such as the LCD panel or DMD chip and light source. After the overall optical, mechanism, electronic control design as well as thermal conductivity tweak, and assembly, testing, as well as packaging, they are distributed to various users via PC vendors, professional A/V equipment shops, and PC shops. These channels have expended to e-commerce ones, such as online shops, TV shopping channels, etc. and system integrators.

Figure 2. Relevance between the upstream, middle stream, and downstream of the projector



3. Various development trends of products and their industry trends

(1) Energy Saving products:

As the Internet applications are expanding and the Internet infrastructure as well as display applications are developing, it is foreseeable that “One Cloud to Multi-Screens” will be the future, i.e., by connecting to the cloud, you can acquire necessary information on multi-purpose displays in different forms, and different applications and services will be derived. As China's panel ecosystem rises, the two main manufacturers dominate, we will optimize our business model to meet the transformation of the business model in the market as well as consumer demand, and customized solutions that integrate panels, systems, applications and software will bring the flat-panel display industry to a new era.

For application-specific demands, we will focus on the demand for panels such as TVs, game consoles, and IT devices. In addition to the LCD TV, we will focus on the development trend of the high-end OLED, Mini LED, and automotive products. We will also work with customers to improve product gross margin for development and production. In the PC market, the demand for education models is expected to rebound when the market recovers after the pandemic that has declined for a while. The commercial models and models for emerging applications will develop toward higher specifications

directed by branded and panel manufacturers. Expecting overall market demand to normalize in the second half of 2023, with growth reviving in 2024. The gaming consoles and IT devices benefit from the development of 5G and the rise of metaverse applications integrating virtual and real. The demand for display interactive interfaces in smart and electric vehicles (EVs) has increased, and semiconductor product technology has bolstered the innovative and thriving development of the AI industry, thereby endowing smaller products with higher performance. It is expected that the product applications will continue to exhibit a high growth over the next decade.

(2) Visual Solutions products:

Business and education applications have always been the mainstream for projectors. In response to the demand for large screens and high resolution in the home market, 1080P/4K home projectors have also gradually become an important product line. Meanwhile, AI intelligence and Internet functions have become a new trend, and with the mature technologies of LED, laser light sources and new projection components, unique multi-color mixing technology has been developed to enhance color saturation considerably and expand the application scope of projectors, whether in terms of portable, screenless TVs, digital signage, large venue, and cultural tourism industry applications, the products are imbued with boundless possibilities.

The Company's projector products have received numerous international awards over the years. The RGB three-color laser portable projector launched in 2023 won the 2023 Infocomm Best of Show Award, 2023 IF Design Award, 2023 Red Dot Design Award, 2023 Green Good Design Award, and 2023 Good Design Award. The LED ultra-short throw projector launched in the same year won the 2023 Good Design Award.

Moreover, vigorously responding to the issue of climate change and incorporating eco-friendly projector products has become an important goal of the Company.

4. Competition

(1) Energy Saving products

Due to the rising geopolitical risk as a result of the US-China trade conflicts in recent years, branded manufacturers and panel manufacturers began to move their production lines out of China for risk considerations. Production line transfer and supply chain restructuring from long to short chain took place in Taiwan, Southeast Asia, and Mexico. The backlight industry is a labor-intensive one that provides services to nearby manufacturers. Compared to other competitors, apart from investment and deployment in mainland China, we began to supply backlight to production lines in Vietnam through plant rental in

2021. We also purchased land and built our Vietnam plant 2 in 2022. The plant started mass production in Q1 2024 to become a faster mover in southbound deployment among Taiwan's leading backlight suppliers. In energy-efficient product design and ESG practice, we are also ahead of competitors in BLM green design technology to help customers implement specific product carbon reduction plans. With quick response capability and the efficiency from the scale of economics, we maintain competitiveness. The main manufacturers in Taiwan include Coretronic, Radiant Opto-Electronics Corp. and Darwin Precisions Corp. In addition to the service and technological competition, the scale and integrity of the Group's supply chain integration are important factors affecting the operation. As a whole, the flat panel display backlight industry has gradually evolved into a "winner takes it all" situation.

(2) Visual Solutions products

Due to the slowdown in the growth rate of competitors in the projector market as well as the industry scale, some manufacturers have withdrawn from the market because they have not reached the economies of scale. Smaller manufacturers have also reduced the ratio of self-made products and increased competitiveness through outsourcing. The current industry is a "winner takes it all" situation. In terms of branded projector manufacturers, there is Epson, Sharp/NEC, Sony, Panasonic, Ricoh, and JVC of Japan; InFocus and Viewsonic of the USA and Europe; LG and Samsung of Korea; XGIMI, JmGO, Hisense, Appotronics, Xiaomi, and Formovie of China; Optoma, BenQ, Acer, and Vivitek of Taiwan. In addition, Chinese manufacturers have gradually emerged in the projection market due to expansion in the application market and the introduction of new light sources, such as Efun, Appotronics, and Anhua. Taiwan's main projector makers include Coretronic, Delta Electronics Corporation and Qisda Corporation.

(III) Technology and R&D Overview

1. R&D expenses invested in the most recent year and by March 31, 2024

Unit: NT\$ thousand

Item \ Year	2023	As of March 31 st , 2024
Research and development expenses	2,901,998	648,879
Operating revenue	39,491,708	9,119,593
Ratio of R&D expenses to revenue (%)	7.35%	7.12%

2. Technologies or products successfully developed in the most recent year and as of March 31st, 2024

Backlight plate	(1) Successful mass production of the barebone for ultra-thin notebooks (Hinge Up, H/U).
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	<ul style="list-style-type: none"> (2) Successful assembly of mass produced panel modules for 7"-12" tablet models. (3) Successful one-stop assembly of mass produced panel modules for 11"-17" tablet models. (4) Successful assembly of mass produced panel modules for 24"-79" LCD TVs. (5) Successful mass production of curved MT and TV backlight plates. (6) Successful mass production of the bezel-free MT LCM module. (7) Successful mass production of the wide color gamut PAD, NB, MT, and TV backlight plate. (8) Development of a special precision machining process for ultra-thin flat light guide plates for NB backlight plates. (9) Successful mass production of microstructured high brightness light guide plates (IML). (10) Successful mass production of glass light guide plates for ultra-thin TVs. (11) Successful development of ultra-thin direct-lit backlight module (OD=2.5mm). (12) Successful development of backlight plates for ultra-thin TVs (3.7mm in thickness). (13) Continue to develop high-gain optical parts and put them into mass production. (14) Successful development and mass production of automotive head-up display PGU modules. (15) Successful development of the LCM module for automotive and NB privacy displays. (16) Successful development of the LCM module for the ultra-narrow-bezel HDR display of NB. (17) Successful development of the automotive BKL direct-lit type module. (18) Successful development of the Local Dimming integrated system module. (19) Successful developed small and medium-sized frontlight transfective LCM modules.
Projector	<p>New technologies:</p> <ul style="list-style-type: none"> (1) Equip the mainstreamed laser and the ultra-short throw educational and business models with the new-generation laser module and gamut RGB laser combiner technology to enhance system efficiency and color performance to achieve low-cost but high-performance product competitiveness. (2) Develop dual-color laser mainstream projectors based on the Multi-Color Light Architecture (MCLA™) to achieve optimal balance between brightness, color and cost, providing consumers with more cost-effective projector selections (3) Optimize the performance and cost of LED micro-projection. (4) Continue to engage in R&D of intelligent technologies, optimize various automatic adjustment technologies to assist users in installing projectors, and integrate AI functions such as voice control, personalized projection mapping, and personal smart desktops in a bid to provide an intelligent and convenient product interactive experience. (5) Continuously pursue smaller and quieter projector designs, improve the efficiency of thermal modules, water-cooling modules and cooling fans, and optimize the vibration and noise reduction designs. (6) Develop new generation AR HUD solutions. (7) Successfully develop the new passive 3D laser projection solutions for large venue applications. (8) Successfully developed camera imaging, multi-camera automatic sphere stitching software and black-level automatic correction algorithm. <p>New products:</p> <ul style="list-style-type: none"> (1) Unveiled an RGB three-color laser portable projector to offer users an exceptional color and brightness experience. The product is very portable and can be used in various fields anytime, anywhere. (2) Develop business and educational projectors with high cost-performance

	<p>ratios using the new-generation blue laser diode modules to provide users with smaller, more energy efficient products, as well as green projectors with PCR materials.</p> <p>(3) Develop RGB three-color laser 8K home projection TV to provide users with an immersive visual experience that with large screens, high resolution and exquisite colors.</p> <p>(4) Mass produce 20,000-lumen high-brightness 4K large-scale laser projectors to provide users with a high-quality and immersive experience, thereby opening up opportunities for ultra-bright and outdoor projection application products in the future.</p> <p>(5) The first-generation in-vehicle micro projector was successfully delivered in small quantities and installed in British luxury brand cars, laying the foundation for subsequent large-scale delivery of products designed for general car models.</p>
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(IV) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans

- (1) Marketing: The Company will increase product market share, expand product portfolio and flexible production planning to provide existing customers with comprehensive product lines and more flexible and efficient services to continuously expand new markets. The Company will also provide customized product design options to customers and create value-added services for high-end and niche products as well as providing one-stop solution from design to production.
- (2) Research and development: Strengthening the training of R&D personnel, developing a common R&D platform, and establishing a design platform for key component designs for R&D personnel in China and Taiwan. Reducing the number of components and standardizing components to increase the price competitiveness of products while reducing production costs. Improving the mass production and maintainability of the product to cater to a small variety of product combinations. We extend and expand forward technology and cooperate with international technology partners in R&D in order to establish a long-term technology leadership in the global market!
- (3) Operational management: Continuously improving the ERP system and supply chain management. Apart from optimizing the domestic-overseas collaborative production model and enhancing the flexibility in component procurement and manufacturing, we also integrate group resources to engage with the smart factory practice, as production line assembly automation, automation adjustment and test, and intelligent inspection to reduce labor demand and production costs and enhance competitiveness to pursue better operational performance. The start of operations of our Vietnam plant 1 in 2021, coupled with the first factory building of Vietnam plant 2 officially mass-producing TV LCM-related products in early 2024, has diverted the supply chain risks from the US-China trade war. With respect to the framework of the medium- and long-term capital demand plans, the Company will

make financial planning based on the principles of safety and stability, establish trust and reciprocity with the trading banks, grasp the trend of the financial market, and improve the performance of financial operations.

2. Long-term Business Development Plans

- (1) Marketing: Cultivating customer relations and establishing a long-term cooperative marketing model for proprietary technologies. The Company works with internationally renowned brand customers and regional leading brands as strategic alliance partners to provide a full range of display product solutions, collect the latest market and technology trends, provide customers with the best product solutions and after-sales service, continue to strengthen the global after-sales service capabilities and quality.
- (2) Research and development: Focusing on research and development of high-profit and forward-looking products, integrating resource investment to develop new technologies and new products, continuously integrating upstream and downstream supply chains to develop key components to enhance the value of proprietary products and reduce costs, as well as improving production autonomy. Actively cooperating with procurement, quality assurance, engineering, manufacturing and other departments to develop new product platforms, continuing to introduce modular design, production and production automation, and developing smart manufacturing to reduce production and service costs and increasing competitiveness. The demand for energy conservation will become more important to cope with the industrial development driven by AI PC, and in the future, more emphasis will be placed on the introduction of green design technology.
- (3) Operational management: Integrating the Group's resource allocation and application efficiency, promoting the performance of joint venture businesses, structuring an international operation plan system, strengthening the functions and preparation of overseas organizations, improving overall performance, and taking advantage of capital market and money market instruments to raise low-cost working capital to build long-term strength.
- (4) Strategic alliance: With the rapid development of technology and the promotion of high-tech and complex industries and markets, the Group actively develops strategic alliances or mergers and acquisitions of potential startups to reduce the development costs and achieve the consolidation of internal and external resources, while achieving economies of scale in the short term. The Company aims to accelerate R&D capabilities, expand the business landscape, and create synergy for different corporate cultures to enhance long-term competitiveness.

II. Market and Production Overview

(I) Market Analysis

1. Major regions for product (service) sales (provision)

Unit: NT\$ thousand

Year/Amount Item		2022		2023	
		Amount	%	Amount	%
Domestic Sales		10,741,794	21.58%	11,518,138	29.17%
Overseas sales	America	3,746,966	7.53%	3,201,316	8.11%
	Europe	5,622,675	11.29%	5,168,258	13.09%
	Asia	29,392,916	59.04%	19,294,161	48.85%
	Other	278,806	0.56%	309,835	0.78%
	Subtotal	39,041,363	78.42%	27,973,570	70.83%
Total		49,783,157	100.00%	39,491,708	100.00%

2. Market Share

The main products of the Company are Energy Saving and Visual Solutions products. According to market survey statistics, the estimated global shipping volume of large-sized LCD panels (NB, TV, and PID) in 2023 was 681 million piece. The Company's overall shipping volume of Energy Saving products in 2023 was 30 million pieces, with a global market share of about 4.41%.

Although lockdowns were gradually lifted in various regions in 2023, the volatile political and economic situation stillled to a continued downturn in the global economy, while businesses and consumers also cut back on spending. The global projector market shipments amounted to approximately six million units, a slight decline of 1~2%. The Company's Visual Solutions products shipments in 2023 were 975,000 units, equivalent to a global market share of about 16.25%.

3. Future supply and demand of the market and its growth

(1) Energy Saving products

In terms of the NB market, which accounts for a large proportion of Coretronic's business, unfavorable macroeconomic factors were ubiquitous on the demand side in 2023, resulting in a slight decline in the laptop shipping volume. A upward momentum was regained in 2H after the sluggish demand in 1H. In 2024, the economy is expected to recover and the launch of the AI PC processor platform will help improve NB's cost performance ratio, and the market is expected to resume slight growth. The support discontinuation of Windows 10 during 2025-2026 and the popularization of OLED and AI-related

applications are expected to kick off an upgrade trend to keep NB growth on the right track.

According to research data, global personal computer growth rates in 2024 and 2025 will reach 7% and 5%, respectively, while shipments will reach 194 million units and 205 million units, respectively. Furthermore, positive growth will be gradually achieved from Q1 of 2024. Although the AI PC is still in its infancy, the PC industry has always remained positive about AI PC. Major PC brands have also successively released the first wave of AI PC laptops. Besides launching ultra-thin laptops that support ESG, NB designed for gaming and creators are also favored by the public. Moreover, various functional applications of generative AI, such as the edge computing deployment of large language models (up to 20B parameters), AI image generation, video conferencing enhancement, video/audio/photo editing, and AI PC performance monitoring were also introduced with the constant upgrading of hardware specifications. AI PC is expected to expand the ecosystem in the future and potentially introduce innovative functions such as customized personal assistants, digital twins, AI companions, role playing, and creative generation. The first AI PCs are equipped with Intel's latest Core Ultra and Qualcomm's Snapdragon 8 Gen 3 AI processors, which can achieve efficient AI computing processing and lower consumption through the interactive use of CPU, GPU, and new NPU (neural network processors).

In terms of TV, the mature LCD TV panel market with a higher supply sustained a more severe economic impact and the global TV market shipments have declined. According to statistics from research units, the global TV market shipments declined to 215 million units in 2023 with an annual decrease of 2.5%, a historical low in the decade. With moderate economic recovery of the economy and the promotion of major sports events, TV shipments and shipment area are expected to resume growth in 2024. According to the research unit, global high inflation affects consumption power. In 1H of 2023, global demand for TV products will exhibit a significantly lower-end trend. Lower-than-expected shipments of OLED/Mini LED backlight TVs are placing pressure on brand management. Furthermore, rising prices have led TV brands into losses, prompting them to adopt more conservative strategies in 2H of the year.

Looking at the strategies of several major brands, Samsung Electronics' has diversified its products, and it is expected to adopt a multi-pronged strategy. High-end LCD TVs will continue to be equipped with Mini LED backlight, while the OLED product lineup will be expanded gradually. Samsung is expected to ship 1.8 million

4K-Mini LED backlit TVs this year, accounting for 5% of its market share in LCD TVs. LG Electronics, which specializes in OLED TVs, has been impacted by weakening global consumption and diminishing demand in the European market, thus the demand for OLED TVs has declined. LG Electronics' OLED TV shipment is expected to return to over three million units in 2024 to maintain its No. 1 position in the world. Affected by weak purchasing power, Sony has much adjustments to its high-end product lines. No new OLED products have been unveiled, and its high-end product line will shift to Mini LED back lighting. Hisense sells its products under the Hisense brand in the Chinese market and under Toshiba brands ioverseas. The manufacturer has demonstrated growth this year thanks to its flexible product and pricing strategy. TCL focuses on Mini LED backlight and large-size product lines. It is estimated that global shipments of super-large TVs above 65 inches will exceed three million units in 2023, with the internal share increasing to 13%. In particular, TCL's shipment of 85-inch TVs ranks among the top three in the world.

Looking ahead to 2024, the global economy will show a moderate recovery trend. Coupled with major international sports events such as the Summer Olympics and the UEFA Euro, the global TV market demand is expected to resume growth in 2024, and the demand for large-size and high-end products will also increase. Research data indicates that global TV shipments in 2024 will be 217 million units, a slight improvement of 1.1% compared to this year, and the shipment area is expected to rise by 3.1%. The shipments of OLED TVs and Mini LED backlit TVs are also expected to rebound, and shipments will increase compared with this year.

Energy Saving products were affected by unfavorable factors such as sluggish demand, slow inventory depletion, and inflation in 2023. The overall shipments of Energy Saving products throughout the year was decrease by roughly 20% compared with last year. Operations in 2024 will benefit from the economic recovery that will in turn restore the demand for TV, PID and NB, and the benefits from the new OLED tablet business will continue to take effect, with annual shipments growing by 10%-20%. Vietnam's plant 2 will officially commence mass production in early 2024 and contribute to the overall annual production. Since panel manufacturers have urgent demand for China+1, Energy Saving products of Vietnam plants will exhibit significant growth.

(2) Visual Solutions products

Although pandemic lockdowns are expected to gradually ease in 2024, political and economic situations in various countries remain volatile. These factors include wars, inflation, real estate crises,

exchange rate fluctuations, upcoming elections in many countries, and conservative GDP growth expectations across various regions. Consequently, the demand outlook for 1H of 2024 remain uncertain.

Generally speaking, market research data indicates that in 2024, due to inventory reduction, supply chain stabilization, demand for sports events, and potential interest rate cuts, are expected to drive in the home projectors, including 4K/1080P and smart projectors. Due to the impact of various political and economic factors, the growth demand for commercial and educational projectors has remained stable; the engineering projector market has also gradually stabilized due to the development of the cultural tourism industry and large venue displays.

4. Competitive Niches

(1) Solid R&D capabilities

The Company is committed to the research and development of technology. In addition to designing and developing products that meet customer needs, the Company will also continuously develop key components for vertical integration to enhance competitiveness in the industry. As of late March 2024, the Company has a total of 993 pending patents at home and abroad. The Company has over 600 R&D personnel, demonstrating its emphasis on R&D.

(2) Close supply chain management and high-efficiency production

Mutual growth with the display panel industry and the projector industry is the Company's main operational strategy. Hence, the new product development schedule, the implementation of flexible production planning strategies, and the production scheduling for emergency orders are the focus of our production strategy. Strengthening the operation mechanism of the supply chain platform and establishing the standardization of procedures maximize production efficiency and reduce production costs.

(3) Flexible marketing methods

The Company mainly adopts the ODM and EMS dual-development strategy to obtain orders by participating in customer design. In addition to collecting the latest market and technology trends, the Company can respond to market and technology trends in a timely manner, and understanding the local market as well as customer needs to provide the best products and after-sales services around the world.

5. Favorable and unfavorable factors for future development and counteractions

Item	Favorable Factors	Unfavorable Factors and Countermeasures
Industry Development and Outlook	<p>1. The applications of LCD products continue to develop such as notebook computers, tablets, flat panel displays, mobile phones, LCD TVs, etc., driving the industry to grow and creating a huge demand for key component LCD backlight modules.</p> <p>2. The production capacity of various panel manufacturers has been gradually expanded, and Taiwan's downstream products such as notebook computers and LCD monitors have a global market share of more than 60%, which gives Taiwanese manufacturers an advantage in panels. This also makes the industrial prospect of the upstream backlight module promising.</p> <p>3. In response to the popularity of the mobile phone market, consumers now demand high-quality display. All product applications (including NB/MNT/TV) are moving towards higher resolution. After working on backlight modules for years, the Company has a good grasp of the core technologies include high brightness, high efficiency and high resolution. Therefore, the prospects for subsequent market demand are promising.</p> <p>4. As the 4K resolution becomes more popular, the wide color gamut technology has been widely used, and the refresh rate increases to 120fps or even higher. Only the model with the high contrast "HDR" specifications can provide the true high definition experience for the user. Therefore, the market demand for displays with new specifications shows a positive outlook.</p> <p>5. With the advancement of LED/laser solid-state light source technology, brightness is increased and market applications are expanded. Due to the pandemic, the demand for home entertainment products has significantly increased.</p> <p>6. With the active development of new applications such as laser TV, digital signage and large-size signage solutions, the prospects are promising.</p> <p>7. With rapid developments in AI/intelligent application technology, the Company will strive to integrate advanced smart technologies and reinforce the connection between smart applications and fields to create more competitive smart projectors.</p> <p>8. With the gradual implementation of China's national strategic emerging industry planning, the extensive development of information technology, high-end manufacturing, digital creativity, tourism and the cultural tourism industry take form. Hence, the demand for display or projection equipment will increase significantly, bringing new business opportunities to the professional audiovisual industry.</p> <p>9. As AI-related applications are applied to various edge computing carriers, different edge devices such as PCs, NBs, smartphones, TVs, vehicles, and display interactive interfaces require the introduction of processors with AI functions. In turn, they will spur a wave of new equipment purchases.</p>	<p>1. The addition of new flat-panel display manufacturers will lead to increased competition and lower profits.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Utilize the proprietary backlight plate design to maintain technical leadership. • Expand the customer base and upgrade from a panel plant to a system integrator (SI) and Brand Name to acquire orders by participation in the design. • Expand the customer base and application market. Become a leading manufacturer of comprehensive Visual Solutions products. In addition to providing professional design advice and stable high-quality product development, and production to Brand Names, the Company offers a high degree of customization to accommodate user needs more closely in order to quickly enter the market and acquire market share. In the dynamic process of discovering demand and meeting the needs, we are able to grow together with our business partners and expand the application market. • Continue to improve the enterprise resource system and supply chain management, expand production capacity and disperse deployment in Vietnam, as well as integrate the Group's resources to build smart factories. The aim is to decrease labor demand and production costs, and enhance the Company's competitiveness. <p>2. Projectors are facing stronger competitions from large LCD displays and LED video walls.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • The use of technology leadership continues to bring value to customers. Advantages can be continuously created by integrating R&D capabilities and experience in light, mechanical, electricity, thermal, and software, thereby continue to increase the proportion of solid state light sources and 4K/1080P high-resolution products, as well as enhance the product cost performance ratio to generate advantages. • Continue to develop user-friendly and easy-to-use intelligent software complemented by the cloud and AI value-added services to increase customer satisfaction and adhesion. • Establish a strategic procurement platform and promote strategic procurement plans to achieve optimal costs and increase product competitiveness. • Vigorously introduce innovative technologies such as multi-screen splicing and immersive curved surface splicing to resolve the problems of large space display, uneven and arbitrary surface projection, and transportation, providing holistic solutions to enhance customer satisfaction and loyalty, as well as expanding market applications. • Develop a cloud-based smart public broadcasting system to provide a digital content management platform with AI image recognition and interactive features to endow Visual Solutions products with diverse applications.
Operating	1. The Company entered the market ahead of the industry,	1. The high proportion of outsourcing and export makes the

Item	Favorable Factors	Unfavorable Factors and Countermeasures
Environment	<p>has therefore accumulated enough technologies and experience to understand important customers and the market.</p> <p>2. The Company has a stable source of supply and support from key component suppliers.</p>	<p>Company more vulnerable to the impact of exchange rates.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Collect relevant information on exchange rate fluctuations at all times to effectively minimize its impact on revenue and profit. • Judge exchange rate fluctuations based on the Company's capital needs and information provided by banks and financial institutions in order to decide on the timing for forex hedge and avoid exchange risks. <p>2. Continuous increase in China's manufacturing costs.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Introduce production automation as soon as possible to effectively reduce manufacturing and labor costs. <p>3. The increase in the proportion of overseas investment has gradually disqualified the Company for domestic tax incentives, and the overall tax advantage has gradually decreased.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • The focus of R&D remains in Taiwan to take advantage of various R&D tax incentives. • Consider the Group's overall tax planning to achieve the lowest overall tax burden. <p>4. The scale of operations of Chinese investment companies is increasing, and the financial planning of daily operations is vulnerable to the effect of tightening local monetary policies.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Increase the number of financial institutions and lines of credit outside China. • Adjust the transaction model to reduce the capital movement needs of Chinese reinvestment companies. <p>5. The US-China trade war has led to an increase in the risk of operational costs.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Gradual migration of high-value products exported to the USA back to Taiwan or other overseas production bases to build a non-Chinese supply chain.
Internal Conditions of the Company	<p>1. Technical advantages and mass production scale.</p> <p>2. The Company shortens the production cycle and changes the process time with lean management, and continuously introduces the automation process, which can meet the customers' small-amount demands as well as fulfilling the multi-line production at the same time to meet a large number of orders.</p> <p>3. The Company possesses technological advantages, a comprehensive patent layout and economies of scale for mass production.</p>	<p>The scale of operation of the company has grown rapidly and the logistics integration capability needs to be further strengthened.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Recruit seasoned professionals to participate in the Company's operational planning. • Establish a comprehensive talent training and incentive system. • Engage in cooperative education with schools to attract outstanding talents. • Automation and smart operation of internal operations with well-established digital systems.
Product and Technology Development	<p>1. The product line is complete and competitive on the market.</p> <p>2. The R&D team is strong enough to master key technologies as well as critical components, and makes the Company a market leader.</p> <p>3. The Company has the technology to design and manufacture large-size LCD backlight modules.</p> <p>4. The Company has the advanced technology and products</p>	<p>Industry sales change rapidly, and customer cost control has become increasingly stringent.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> • Maintain close relationships with key parts suppliers to understand their production capacity and load, as well as flexibly adjust procurement lead times accordingly. • Optimize the performance of products by developing innovation technology, enhancing self-manufacturing

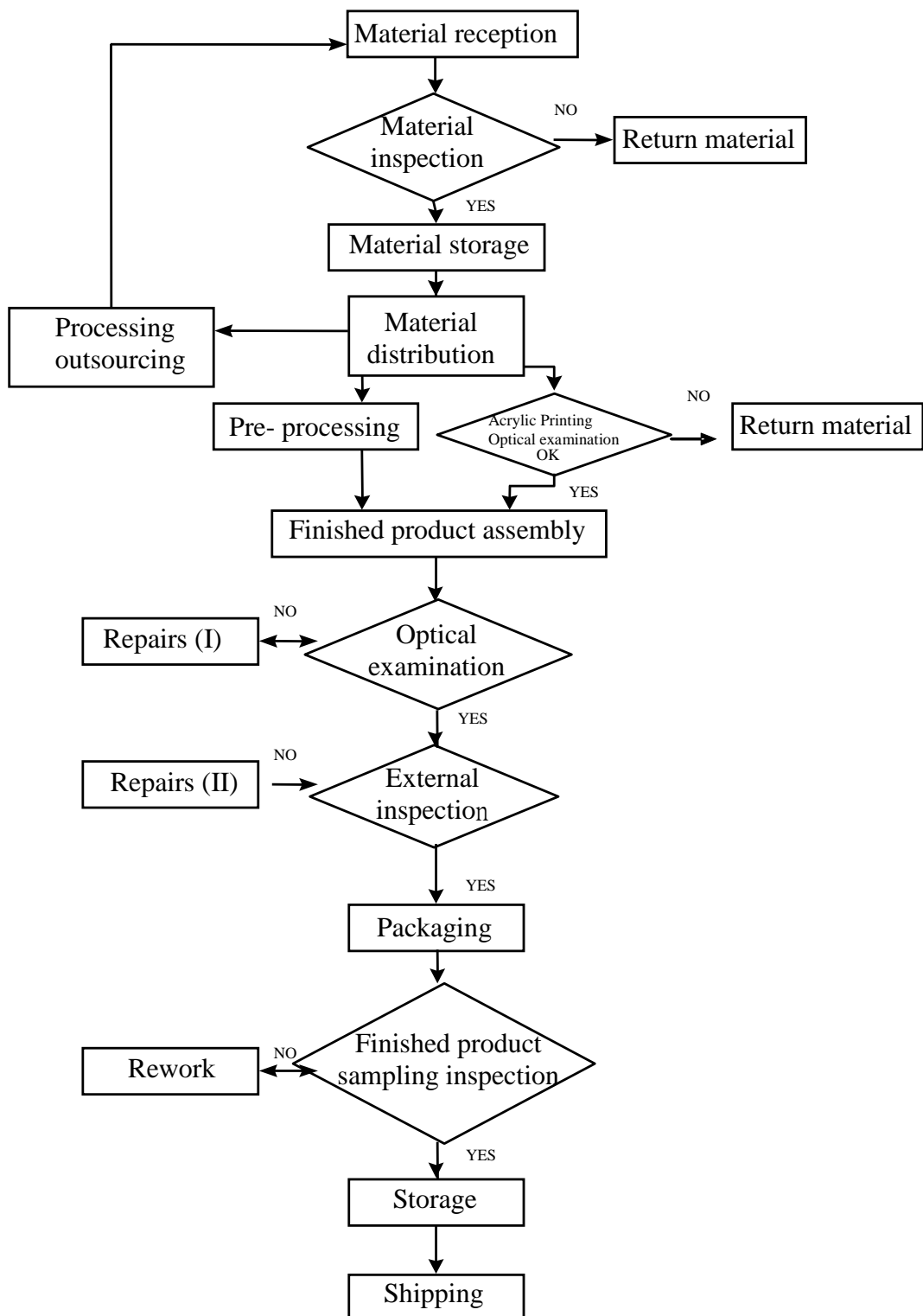
Item	Favorable Factors	Unfavorable Factors and Countermeasures
	<p>based on the integration of light, mechanical, electricity, and software.</p> <p>5. The Company has the advanced technology and products with ultra-short throw machine and solid state light source.</p> <p>6. The R&D team continues to innovate and provides customers with comprehensive projection solutions.</p>	<p>capability of parts, and collaborate with suppliers.</p> <ul style="list-style-type: none"> Proactively engage in technical collaborations or strategic alliances with major manufacturers in the country or abroad to facilitate new product launches or acquire new technologies.
Sales Overview and Market Capabilities	<p>1. The strategy is to focus on ODM complemented by EMS, and continual innovation is our advantage.</p> <p>2. Committed to the improvement of production technology and quality assurance system. The products have been recognized by domestic and foreign customers, and maintaining good customer relationships will help to improve market stability.</p>	<p>Science and technology are advancing rapidly, and some markets may be replaced by big screens or other new technologies. Traditional business models are also affected by e-commerce platforms.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> Collaborate with key parts and brand customers to acquire early market information and monitor market trends. Investing in the research and development of technologies that can compete with alternative technologies, as well as incorporating technologies into the Company's research and development. Utilize existing overseas subsidiaries to monitor market trends. The Group will also develop potential, and may replace the existing product market in the current product market, and incorporate the technology of the Company in the R&D projects, such as laser/LED source and the ultra-short-throw interactive technology, multi-screen blending technology, and the immersive curve blending interaction technology. Utilize technologies and customer channels to grasp the latest retail trends and expand market applications.

(II) Usage and production process of the primary products

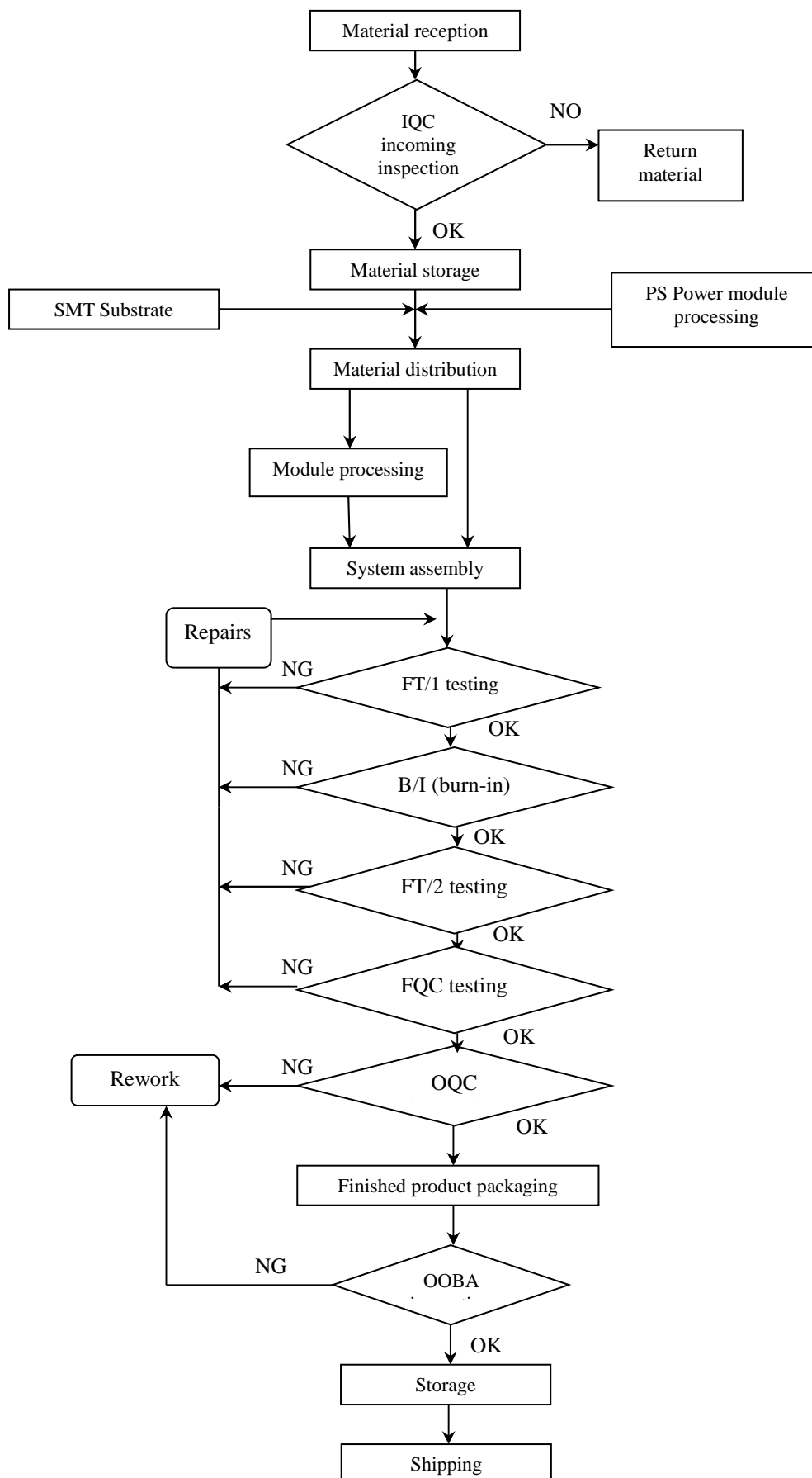
- Important uses of the primary products: The main uses of Energy Saving products are tablets, NBs, LCD TVs, other large-size LCD flat-panel displays, and automotive head-up display modules. Projectors and Visual Solutions products are mainly used for computer data and large-screen projection of video signals, digital signage, multi-screen splicing, interactive experience, and smart connections.

2. Production processes of the primary products

(1) Backlight plate production process



(2) Projector production process



(III) Supply status of primary raw materials: The Company maintains good relations with raw material suppliers to effectively control the supply and shortens the delivery period, achieving cost reduction and autonomy. In addition, the Company diffuses risks by purchasing raw materials from manufacturers in Taiwan, Korea, Japan and the United States.

(IV) Name and purchase (sales) amount and proportion of suppliers (customers) accounting for over 10% of the total purchase (sales) amount in the most recent two years:

1. Information on major suppliers in the most recent 2 years:

Unit: NT\$ thousand

Item	2022				2023				As of March 31 st , 2024			
	Name (note)	Amount	Annual Net purchase ratio (%)	Relationship with the issuer	Name (note)	Amount	Annual Net purchase ratio (%)	Relationship with the issuer	Name (note)	Amount	Net purchase ratio of Q1 of 2024 (%)	Relationship with the issuer
1	Supplier A	5,012,521	15.31	-	Others	32,123,406	100.00	-	Others	5,750,386	100.00	-
2	Others	27,717,206	84.69	-	-	-	-	-	-	-	-	-
3	Total net purchase	32,729,727	100.00	-	Total net purchase	32,123,406	100.00	-	Total net purchase	5,750,386	100.00	-

Note: The name, amount and ratio of suppliers who took up more than 10% of total purchases for the last two years shall be stated. However, if the contract stipulates that the name of the supplier shall not be disclosed and the transaction counterpart is a non-related individual, it can be replaced by a code.

Reasons for changes: Due to product portfolio adjustment, the purchase ratio from supplier A exceeded 10% in 2022, and the purchase ratios from other suppliers were all below 10%. In 2023, there was no supplier with a purchase ratio of high 10%

2. Information on major customers in the most recent 2 years:

Unit: NT\$ thousand

Item	2022				2023				As of March 31 st , 2024			
	Name	Amount	Annual Net sales ratio (%)	Relationship with the issuer	Name (note)	Amount	Annual Net sales ratio (%)	Relationship with the issuer	Name (note)	Amount	Net sales ratio of Q1 of 2024 (%)	Relationship with the issuer
1	Customer A	5,953,677	11.96	-	Customer B	4,689,182	11.87	-	Customer B	1,248,897	13.69	-
2	-	-	-	-	-	-	-	-	Customer A	1,029,866	11.29	-
3	Others	43,829,480	88.04	-	Others	34,802,526	88.13	-	Others	6,840,830	75.02	-
4	Total net sales	49,783,157	100.00	-	Total net sales	39,491,708	100.00	-	Total net sales	9,119,593	100.00	-

Note: The name, amount and ratio of customers who took up more than 10% of total sales for the last two years shall be stated. However, if the contract stipulates that the name of the customer shall not be disclosed and the transaction counterpart is a non-related individual, it can be replaced by a code.

Reason for changes: It is mainly because of product portfolio changes due to changes in the market trends and customer needs.

(V) Table of production volume in the last 2 years

Unit: NT\$ thousand /pcs/unit

Product \ Year	2022			2023		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Energy Saving products	82,357,033	43,462,422	23,006,064	78,702,028	37,835,148	25,448,311
Visual Solutions products	2,358,000	1,410,655	15,336,739	2,128,762	984,467	9,811,112
Total	—	—	38,342,803	—	—	35,259,423

(VI) Sales volume in the last 2 years

Unit: NT\$ thousand /pcs/unit

Primary Products \ Year	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Energy Saving products	14,753,776	7,344,968	25,254,658	15,245,008	14,166,492	7,766,167	16,299,735	9,748,177
Visual Solutions products	196,154	1,632,703	1,161,468	17,687,281	185,572	1,740,634	789,275	11,823,013
Others	—	1,764,123	—	6,109,074	—	2,011,337	—	6,402,380
Total	—	10,741,794	—	39,041,363	—	11,518,138	—	27,973,570

III. Employees

Year		2022	2023	As of March 31 st , 2024
Number of employees	Technical personnel	2,889	2,420	2,386
	Management personnel	2,050	1,920	1,917
	Operating personnel	6,374	6,372	5,727
	Total	11,313	10,712	10,030
Average age		39.16	40.62	40.83
Average Years of Service		8.59	9.43	9.6
Education distribution ratio (%)	PhD	0.65	0.71	0.79
	Graduate School	10.94	13.19	14.37
	University/Coll ege	35.24	38.41	40.54
	High school (and below)	53.17	47.69	44.3

IV. Environmental protection expenditure

- (I) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including

any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

- (II) Future countermeasures (including improvement measures) and possible expenditures: The Company has a dedicated unit to promote the ISO 14001 environmental management system, ISO 45001 occupational safety and health management system, CNS 15506 Taiwan occupational safety and health management system, ISO14064-1 greenhouse gas inventory certificate, ISO50001 energy management system at Chunan Plant, and implement the environmental protection and operation safety. There has been no loss or penalties due to environmental pollution or work safety incidents by the competent authorities.
- (III) In order to conform to the trend of green consumption in the 21st century, the Executive Yuan promulgated the “Organization Green Procurement Plan” in July 2001. In line with government policies, the Company has added priority procurement items for eco-friendly products in non-production procurement management. In 2023, the total purchase amount was NT\$40,840,000. Green procurement increased by 15% compared to 2022.

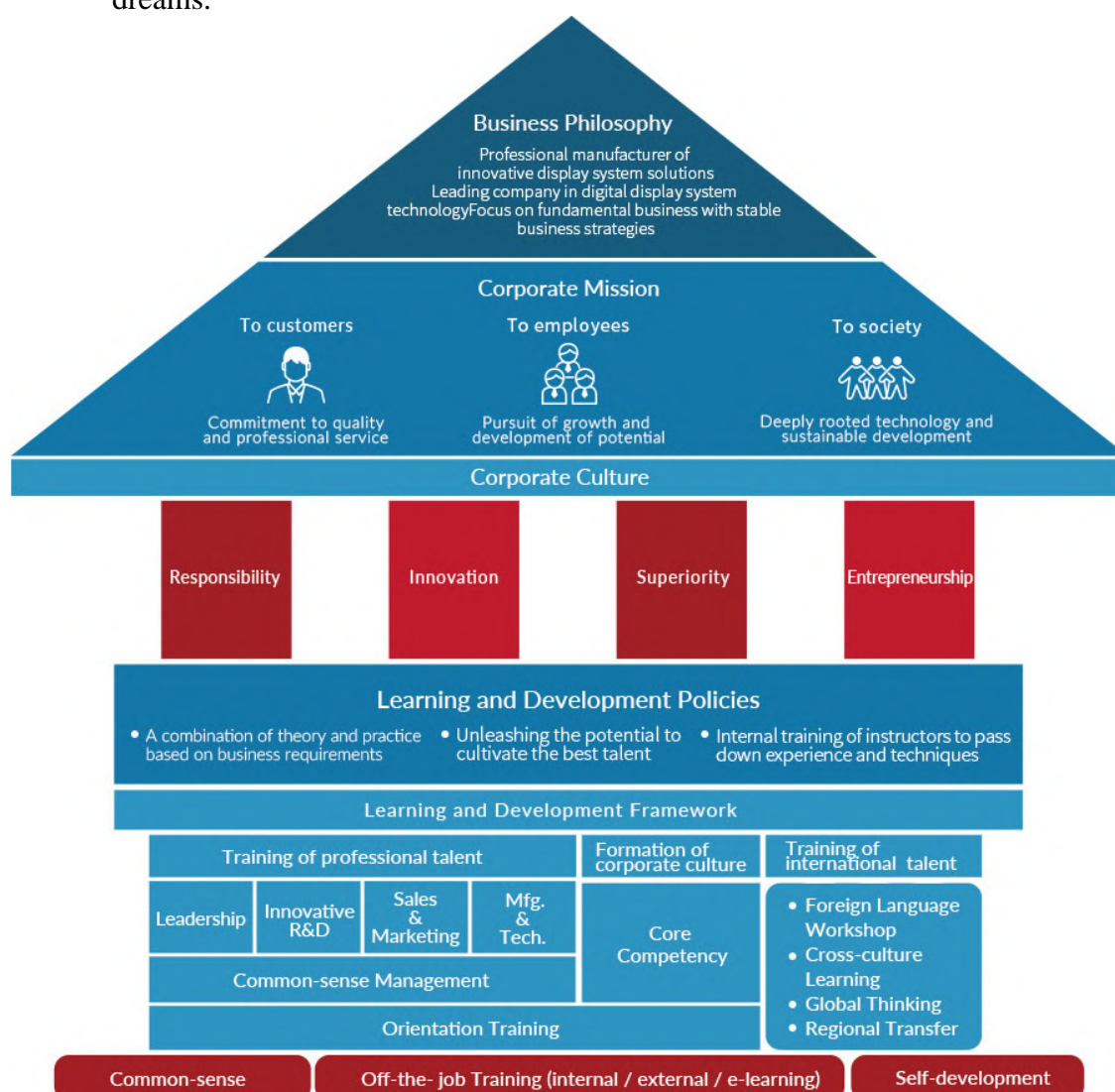
V. Labor relations

- (I) Employee welfare measures, continuing education, training, retirement system and implementation status: The Company’s treatment is comparable to that of its peers, and the labor-management relationship is harmonious. The welfare, training and retirement measures are all well-established, as explained below:
 - 1. The Company has an Employee Welfare Committee to which funds are granted according to regulations to give out benefit subsidies and to plan various welfare measures, including: Gift certificates for the three festivals, money gifts for birthdays, subsidies for weddings, funerals or religious parades, subsidies for recreational travels, employee tours, sports competitions and festive activities. This is to promote the interaction among employees and within families. The Company continues to promote employee assistance programs, provide free professional consulting services such as psychological, legal, medical and management services. The Company values the physical and mental health of its employees. It has established a health management unit and delegated health managers, and arranged in-plant health consultations with doctors. It has also provided health management for specified operations, health care, health promotion and employee assistance. Moreover, the Company has also introduced the Occupational Health and Safety Standards to ensure the compliance of various operations with standard procedures to prevent occupational injuries. The company has also promoted various health protection plans according to the “Occupational Safety and Health Act.” Details of employee benefits and welfare measures are as follows:

Employee welfare measures	
Operating profit sharing (Applicable to full-time employees in Taiwan)	<ul style="list-style-type: none"> • Employee bonus (depending on the annual operational and individual performance) • Production performance bonus, operating performance bonus, and R&D patent bonus • Award ceremony for excellent R&D personnel, senior employees and outstanding employees • Employee shares (when possible)
Comprehensive Employee Care	<ul style="list-style-type: none"> • Employees enjoy free group insurance, expatriate and family accident insurance, travel insurance for overseas travel, consulting services are offered by group insurance personnel regularly stationed in the plant. • Annual health checkups (better than the statutory requirements), employee health management, comfortable leisure space, and professional medical consultation • Comprehensive retirement system, working conditions with gender equality • Flexible working hours and shuttle buses • Friendly parking spaces for injured and ill employees
Diverse and thoughtful Welfare measures	<ul style="list-style-type: none"> • Gift vouchers for Labor Day, Mid-Autumn Festival, Dragon Boat Festival and birthdays • Wedding gift, childbirth gift, hospitalization subsidies, condolences money, travel subsidies, funding for employee clubs • Family day, club activities, year-end parties • Restaurant, smart cafe, convenience store, employee leisure center, multi-functional employee fitness center, and yoga classroom • One free breakfast and afternoon tea and two movie tickets each month per person • Regular supply of organic vegetable boxes
Women's Care	<ul style="list-style-type: none"> • Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, and prenatal checkup leave • Breastfeeding room • Pregnant women's indoor parking spaces • Contracted nursery and kindergarten • Priority meal collection for pregnant women
Leave better than legal requirements	<ul style="list-style-type: none"> • Golden Week: Five-day paid leave • Volunteering leave: Employees participating in volunteer events organized by the Company may apply for the volunteering leave equivalent to the event length. There is no limit for volunteering leave each year.

- Upholding the belief that “human resources are the company’s most important asset”, we offer multifaceted and flexible learning environments to enrich the professional skills and literacy of employees and achieve the mutual support of work and learning to lay a foundation for the self-development. We offer systematic training courses to employees based on their career planning and learning roadmap to develop their expertise in management or other professions. Based on the course category, internal and external instructors are hired to share knowledge, experience, and skills to improve the competencies and career development of employees. The Company organized training courses in 2023 with a total of 10,249 participants. The total number of training hours was 36,161 hours, costing over NT\$4,270,000. We also support innovation learning and devote to creating a sustainable learning workplace environment. Through a

job-oriented learning development system, e-learning, and vivid practical training, as well as combining regional job rotation and foreign language learning, we help employees wishing to experience the world to realize their dreams.



- The company's retirement system is handled in accordance with the Labor Standards Act. Since July 1, 2005, the Company has complied with the regulations to implement a new system of labor pensions. For employees choosing the new pension system, each month we contribute 6% of their salary by law as their pension, and employees may contribute 0-6% of their salary and deposit the sum to their personal account at the Bureau of Labor Insurance. Those who choose the old pension system or the new one but started working before the new system came into force will allocate 2% of the retirement reserve to the Company account of the Bank of Taiwan on a monthly basis. The Company has a sound retirement system to ensure that employees' pension funds and benefits are not being compromised. The pension funds will be paid within 30 days after the date of employee's retirement. In 2023, six employees applied for retirement, and all applications were completed in accordance with regulations. After senior employees with excellent work performance apply for retirement, we will invite them to serve as consultants to share their rich experience with other employees. Apart from providing professional consulting services for the Company, this policy also creates another stage for retired employees to continue their contribution to the Company.

- (II) Labor-management agreement and employee rights maintenance measures: The Company hosts labor-management meetings regularly with senior managers present at the meeting to listen to the voices of employees and represent the management to interact and communicate with the employees. In order to protect the rights of employees, the Company has set up physical and digital employee suggestion boxes (8585 mailbox), and a delegated hotline (ext. 8585), serving as a private and safe channel for receiving suggestions from employees. The suggestions from employees are handled by designated personnel.
- (III) Any losses suffered by the company in the most recent years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.
- (IV) Work environment and employee personal safety protection measures

The Company adheres to the philosophy of “pursuing excellence and valuing customers.” In order to protect employee health, maintain the work environment as well as protecting the environment, the Company promotes ISO14001 - Environmental Management Systems / ISO45001 Occupational Health and Safety / CNS 45001 - Taiwan Occupational Safety and Health Management System and obtained certification. In order to “implement risk management, prevent disasters and unhealthy occurrences, enhance employees’ safety and hygiene awareness, create a safe and comfortable working environment, prevent pollution, reduce waste and recycle, and improve resource use efficiency, and becoming a green enterprise,” we are committed to the continuous improvement of environmental and safety management performance, to preventing occupational disasters, to improving the working environment, to maintaining peer safety and reducing accident losses, and to regularly implementing regular inspections. In the process of regular inspection and improvement, all departments pay more attention to the safety of the work environment, gradually improve the safety awareness of personnel and reduce the risk of environmental hazards. The guards patrol 24 hours a day, and a surveillance system has been set up. In order to promote disaster prevention and enhance the crisis awareness and emergency response capability of the emergency response team members, the Company regularly reviews emergency contingency plans.

The Company adheres to the core principle “disaster prevention,” utilizes the proper management tools and available resources, identifies occupational safety and health issues within the factories, puts forth effective measures, and promotes the occupational safety culture. In addition, we also improve the protection management for operators and invest resources in the prevention of occupational illness to create a zero-disaster environment. To decrease the occurrence of occupational incidents and systematically manage the occupational disaster risks, in addition to the establishment of the Occupational Injuries and Accident Management Regulations, the “Accident Report/Staff Occupational Injuries/EHS Incident Handling Record” platform has been established to record and track the possible reasons of the accidents and corrective actions. When any occupational injury occurs, we will review the danger factors, evaluate risks, and enhance disaster prevention while implementing the incident analysis and improvement through regular internal inspection, incident management regulations, and reporting system investigation mechanism to ensure a safe working environment.

To take good care of the physical, mental, and spiritual health of employees and endeavor to inculcate the health management concept into employees, we have established the health management unit in each plant to promote total health management and have been consecutively awarded the Badge of Accredited Healthy Workplace for many years. By assessing health risk based on the results of the annual health checkup and integrating the four implementation plans of the Occupational Safety and Health Act, we have identified and assessed high-risk groups, and hired medical specialists to provide onsite consultation and health instruction services, as well as to arrange necessary referrals. With the support of senior executives, the Company actively promotes various health promotion activities, organizes Golden Tourism Week and Sports Family Day, and promotes the digital gym – “i Health Plan”. Through customized personal exercise routines, we encourage colleagues to develop good exercise habits, establish a good lifestyle, and create a healthy workplace.

(V) Has Company established a code of employees conduct or ethics

To maintain our commitment of business ethics and integrity, we have set up the “Code of Conduct” section on the employee portal to ensure that employees engaging with the Company’s business activities comply with the requirements of the ethics, customers and stakeholders. The “Code of Conduct” section includes the Code of Ethical Conduct/Ethical Corporate Management Best Practice Principles/Procedures for Ethical Management and Guidelines for Conduct/RBA Code of Conduct/Instructions for Management of Avoidance of Conflicts of Interest with Suppliers/Occupational Safety and Health Best Practice Principles. The above-mentioned regulations regulate the behavior of all employees. The main content is as follows:

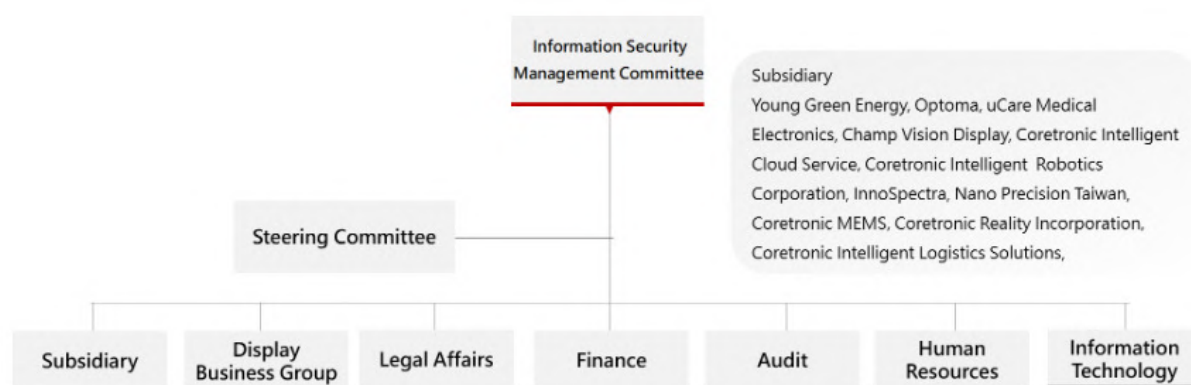
Based on the relevant requirements of the Responsible Business Alliance, the Company clearly defines ethical behavior, business integrity, conflicts of interests and work safety, with reference to the Universal Declaration of Human Rights, international social responsibility, trade ethics, and ecological management. This requirement is included in the supply chain audit system. In line with international trends, the Electronic Industry Code of Conduct Management Manual is being revised to the Responsible Business Alliance Code of Conduct Management Manual (RBA) to ensure a safe supply chain for the electronics industry, practitioners with dignity, and environmental protection as well as moral responsibility in manufacturing processes. The Company hopes to create a sustainable environment and provides customers with satisfactory products and services through the incorporation of the Responsible Business Alliance Code of Conduct Management Manual and the continuous introduction of relevant requirements.

VI. Information, communication, and security management

(I) Information, communication, and risk management framework

In December 2012, the Company established the “Information Security Committee,” which is responsible for reviewing the information security governance policies, monitoring the information security management, building the comprehensive information protection mechanisms, raising colleagues’ awareness about information security, and evaluating the information security risks on a regular basis. Since 2020, it has reported the implementation status to the Board of Directors.

Organizational chart of the Information Security Committee



Role	Management Responsibility
Information Security Committee	Integrate and utilize resources, make decisions, and promote the information security policies within the Company.
HR Resoreces	Promotion of the information security policies, and their education as well as training.
Information Technology	Implement the policies.
Implementation unit	Implement the policies.
Audit	Audit the implementation.
Legal Affairs	Explain the governmental laws and regulations if someone has questions. If there is any dispute or exceptions, perform the proof-providing procedure in accordance with the laws and regulations.

(II) Cybersecurity Policy

The Company has passed the SGS ISO 27001 certification and obtained the certificate in April 2023. We will use it as the reference standard and formulate our information security policy based on the actual management needs. The main information security management needs are the basis for the establishment, and the relevant information services provided by the Information Management Center and the relevant departments of the Company are the main scope.

In order to maintain the company's competitive advantage, all employees are expected to manage themselves according to the relevant information protection policies promulgated by the company and be aware of information security. In addition to information security control measures for information system services, we also focus on protecting important personal and transaction information confidentiality, integrity, and availability. We also strengthen information security management to ensure the security of hardware and software information such as data, systems, equipment and networks, create a healthy information environment, deploy innovative information security protection technologies, and implement and promote information security management operations to enhance the quality of security services for the Coretronic Group.

To achieve this policy, we have established the Information Security Committee, and formulated relevant information security regulations to enhance the effectiveness of information security management operations.

- Each unit in the Information Management Center establishes a list of relevant information assets and identifies the owners. Risk assessment is performed according to the difference in the level of information assets, and risk management is conducted for risks above acceptable levels to effectively reduce risks and continuously implement various control measures.
- Relevant personnel shall be hired with the necessary assessment and sign relevant operation regulations, and their information assets shall be returned when they change or leave their jobs. Both new and current colleagues must participate in information security education and training to enhance the awareness of information security protection.
- The Company shall implement the regulations on access control and carrying in and out of Coretronic's buildings and information security control area.
- Employees are strictly prohibited from setting up network equipment to connect external networks with the company's internal network. Firewalls, DMZs, and necessary security facilities are set up to protect the internal and external networks, and appropriate backup or monitoring mechanisms should be set up to maintain the availability of important equipment. Anti-virus software should be installed on personal computers and virus codes should be updated regularly, and the use of unauthorized software is prohibited.
- Personal accounts, passwords, and privileges held by employees should be properly stored and used, and the management should regularly check and review them. Important system data should be backed up regularly and the restoration test should be performed.
- System development should consider the establishment of security control mechanism at the initial stage, and the outsourced development part should strengthen the control and contract information security requirements, and evaluate the control requirements of the system to take the necessary control.
- When there is an information security incident, staff shall immediately report the incident and act according to the ISO procedures to prevent the incident from escalation, and cooperate with the responsible department to solve the problem.
- Daily operations of the Company shall implement a confirmation review mechanism to maintain the accuracy of information, and supervisors shall supervise the implementation of the information security compliance system to strengthen the awareness and legal concepts of information security among employees.
- The Company regularly reviews its information security policy to reflect the latest developments in government regulations, technology and business to ensure the effectiveness of information security practices. Coretronic's information security objectives are established by the Information Security Committee based on the information security policies and subject to changes if necessary.

(III) Specific management plans and resources invested in the information and communication security management

All information security matters within the Group are planned, managed, and supervised by the Information Security Committee. Dedicated information security

engineers are appointed to take charge of information security.

- Annual information security targets: All performance indicators in 2023 were achieved and the annual information security targets were completed.

Information Security Objectives	CIAL	KPI	Control measures
Undisrupted network service of the server room	A	4 times	The cybersecurity incident automatic alarm system is established to send real-time warnings for specific cybersecurity incidents to facilitate taking effective preventive measures so as to reduce cybersecurity incidents.
Undisrupted service of key business systems	A	2 times	Abnormal incident logs are retrieved to ensure undisrupted service of key business systems.
Annual review of the cybersecurity policy	L	1 times	The cybersecurity policy should be reviewed each year to ensure compliance with the Group's policy goals, ISMS standard, and legal compliance.
Annual review management meeting of information security	L	1 times	A review management meeting of information security should be held each year to ensure all information security measures are unfailingly implemented and continual improvement is achieved.
Accomplishment rate of cybersecurity education and training for employees	CIA	100%	A minimum of three hours of general education and training on information security or personal data should be arranged for employees.
Annual review of system access privileges	C	1 times	OTP management of privileged accounts.
Annual vulnerability scan of important systems	CIA	1 times	Vulnerability scan is implemented periodically on important systems each year to ensure the timely fixing of high-risk loopholes.
Backup copies of important system data are made periodically each year to ensure	IA	2 times	Backup and restoration drills of important system data are conducted each year, and records are maintained.

Information Security Objectives	CIAL	KPI	Control measures
compliance with the RPO requirements.			
Signing of the non-disclosure agreement (NDA) of all personnel of information service contractors.	C	2 contracts	To ensure contractor supervision and management, personnel of contractors providing information service are requested to sign the NDA.
Spot check of drilling on the service continuity of important systems each year	A	1 times	To ensure the service continuity of important systems, business continuity drills should be scheduled each year.
Success rate of social engineering in drills	CIA	10%	Do not open emails of unknown origins and click the links and open the attachments contained. After receiving emails of unknown origins, immediately delete or notify the IT unit.
Number of installed illegal or unlicensed software found in annual random check	L	None	To ensure all software used within the Group is legally licensed to avoid copyright infringement and malware attacks.

C: Confidentiality

I: Availability

A: Integrity

L: Legal

• Review and continuous improvements

Education, training and promotion	<ul style="list-style-type: none"> Regularly implement the email social engineering exercises to help employees be vigilant about phishing emails
	<ul style="list-style-type: none"> Continue to implement information security education and training, and promotion to enhance colleagues' awareness about information security

• Results by investing resources

Enhance the information security system	<ul style="list-style-type: none"> Build the gateway security monitoring system to monitor and control all domains within the group
	<ul style="list-style-type: none"> Introduce the all-time information security threat monitoring and defense system to monitor the networking behaviors within the group

Information security inspection services	• 2 email social engineering exercise
	• One scan of the vulnerabilities of external websites to detect all vulnerabilities and fix all of them
Education, training, and promotion	• All 220 new employees completed the education and training courses on information security
	• A total of 721 employees finished one education and training course on information security
	• 5 information security lectures, information security rules, and notes

(IV) Damage, potential impacts, and counteractions caused by significant cybersecurity incidents in the most recent years and by the date of report publication. State the reasons for failure of reasonable estimation, if any: None.

VII. Important contracts

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Land lease	Hsinchu Science Park Administration Office	2017.07.01~2036.12.31	Science Section of Hsinchu Science Park 9,047.95 square meters of land	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Hsinchu Science Park Administration Office	2021.01.01~ 2040.12.31	12,236.13 square meters of land in Nanke Section, Miaoli County	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Southern Taiwan Science Park Administration Office	2023.01.01~2043.12.31	The land in the Southern Taiwan Science Park occupies a total area of 24,940m ² .	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Southern Taiwan Science Park Administration Office	2019.06.20~2039.06.19	The land in the Southern Taiwan Science Park occupies a total area of 20,000m ² .	Sublease and sublease conditions should be approved by the Science Park Bureau
Trademark Licensing	HDBaseT Alliance	January 20th, 2015 till the end of the Company's membership in the technology	The Alliance has granted its trademark licensing to the	Not transferrable

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
		alliance	Company	
Technology licensing	Dolby Laboratories Licensing Corporation	December 19th, 2002 ~ the termination of the patent	The Company's technology licensing is authorized and the loyalty is paid by the Company	None
Supply Contract	A major Japanese company	April 1st, 2004 ~ March 31 st , 2005 with automatic renewal	Projector Purchase/Sales Contract	Confidentiality agreement
Supply Contract	A Japanese household appliance and consumer electronic product brand	2005.1.06~2006.01.05 with automatic renewal upon expiration; 2005.05.25~2006.05.24 with automatic renewal upon expiration	Projector Purchase/Sales Contract	Confidentiality agreement
Supply Contract	A U.S. company	November 1st, 2006 till any party terminates the contract	Projector Supply Contract	Confidentiality agreement
Supply Contract	A Japanese company	One year from August 26th, 2009 with automatic renewal	Projector Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A Canadian company	Signed in 2010 but effective from October 21, 2008 until termination by any party of the contract	Projector Supply Contract	Confidentiality agreement
Supply Contract	A U.S. company	March 8th, 2010 until any party terminates the contract	Optical Product Supply Contract	Confidentiality agreement
Supply Contract	A Japanese company	2010.06.01~2011.05.31 (automatic renewal upon expiration)	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A Indian company	September 25th, 2014 until any party terminates the contract	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A Korean company	One year from 2015.06.01 with automatic renewal upon expiration	LCD Module Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A U.S. company	Effective from April 25th, 2022 until the contractual date of expiration.	Lithography Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A U.S. company	Effective from October 1st, 2019 until the	Lithography Supply Contract	Confidentiality agreement

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
		contractual date of expiration.		
Land lease	An industrial park in Vietnam	2022.02.11-2077.12.21	1.13 hectares in Phu My town, Ba Rịa-Vung Tau Province, Vietnam	Confidentiality agreement
Construction Contract	A Vietnamese company	2022.04.01~2024.04.20	A construction project in Phu My town, Ba Rịa-Vung Tau Province, Vietnam.	Confidentiality agreement
Construction Contract	A Vietnamese company	Establishment takes effect from 2023~2024.12.31	A construction project in Phu My town, Ba Rịa-Vung Tau Province, Vietnam.	Confidentiality agreement
Supply Contract	A Japanese company	2011.08.1~2012.07.31 with automatic renewal upon expiration	Projector Supply Contract	Confidentiality agreement
Supply Contract	A Korean company	One year from 2023.11.15 With automatic renewal upon expiration	LCM module supply contract	Confidentiality agreement
Supply Contract	A Taiwanese company	2023.10.12~2023.10.11, with automatic renewal upon expiration	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A U.S. company	Five years from 2023.01.30	Drone supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	AR equipment supply contract	Confidentiality agreement
Distribution contract	A U.S. company	Effective from 2023.10.28	Obtain specific distribution qualifications	Confidentiality agreement
Supply Contract	Energy firm in some country	Establishment takes effect from 2022	Software execution service contract	Confidentiality agreement
Distribution contract	A Chinese company	Valid for two year from the contract signing date in 2023, with automatic renewal upon expiration	Grant distribution rights	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Drone supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Drone supply contract	Confidentiality agreement
Supply Contract	A U.S. company	2023.05.22~2027.09.30	Chip evaluation module supply contract	Confidentiality agreement

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Supply Contract	Government agencies	Establishment takes effect from 2023	Spectrometer supply contract	Confidentiality agreement
Supply Contract	A Taiwanese company	Effective from 2023.09.12	Automotive light guide plate supply contract	Confidentiality agreement

Six. Financial Summary

I. Summary balance sheet and statement of comprehensive income for the last 5 years

(I) Condensed Statement of Financial Position in Last 5 Years

1. IFRS-compliance (consolidated)

Unit: NT\$ thousand

Item \ Year		Financial information for the latest 5 years (Note 1)					
		12.31.2019	12.31.2020	12.31.2021	12.31.2022	12.31.2023	Year-to-date March 31, 2024(Note 2)
Current assets		38,979,695	36,285,583	46,956,304	40,336,072	38,766,684	37,904,968
Long-term investments (Note 3)		505,815	958,183	4,031,839	3,945,126	5,349,021	5,597,705
Property, plant and equipment		6,930,269	7,158,625	7,513,806	8,092,453	8,431,972	9,045,040
Intangible assets		281,674	408,646	330,634	358,509	310,952	319,188
Other assets		2,625,667	2,464,026	2,637,810	3,125,655	2,745,275	2,942,107
Total assets		49,323,120	47,275,063	61,470,393	55,857,815	55,603,904	55,809,008
Current liabilities	Before dividend	23,872,451	20,153,862	33,725,462	25,918,110	28,666,856	28,955,558
	After dividend	24,741,297	21,717,787	35,289,386	27,677,525	29,839,799 (Note 4)	28,955,558 (Note 4)
Non-current liabilities		1,898,109	2,181,766	3,527,930	4,859,221	1,289,645	1,332,806
Total liabilities	Before dividend	25,770,560	22,335,628	37,253,392	30,777,331	29,956,501	30,288,364
	After dividend	26,639,406	23,899,553	38,817,316	32,536,746	31,129,444 (Note 4)	30,288,364 (Note 4)
Equity attributable to shareholders of the parent		21,383,195	22,895,484	22,152,104	22,729,545	23,484,289	23,490,735
Capital Stock		4,344,231	4,344,231	3,909,811	3,909,811	3,909,811	3,909,811
Capital Surplus		3,727,475	3,548,559	2,893,442	2,808,225	2,507,703	2,234,017
Retained earnings	Before dividend	15,673,259	16,589,148	16,166,239	17,422,638	17,442,672	16,689,970
	After dividend	15,021,624	15,416,204	14,993,296	16,054,204	16,543,416 (Note 4)	16,689,970 (Note 4)
Others equity		(2,361,770)	(1,586,454)	(817,388)	(1,411,129)	(375,897)	656,937
Treasury stock		—	—	—	—	—	—
Non-controlling interests		2,169,365	2,043,951	2,064,897	2,350,939	2,163,114	2,029,909
Total equity	Before dividend	23,552,560	24,939,435	24,217,001	25,080,484	25,647,403	25,520,644
	After dividend	22,683,714	23,375,510	22,653,077	23,321,069	24,474,460 (Note 4)	25,520,644 (Note 4)

Note 1: All consolidated financial information in the last 5 years has been audited.

Note 2: Consolidated financial information for the first quarter of 2024 was auditor-reviewed.

Note 3: Long-term investments include financial assets at fair value through profit or loss - non-current, financial assets at fair value through other comprehensive income - non-current and equity-accounted investments.

Note 4: Cash dividend of earnings distribution for 2023 was passed by resolution of the Board meeting on March 18, 2024.

2. IFRS-compliance (individual)

Unit: NT\$ thousand

Item \ Year		Financial information for the latest 5 years (Note 1)				
		12.31.2019	12.31.2020	12.31.2021	12.31.2022	12.31.2023
Current assets		8,011,769	8,466,554	15,525,847	11,677,291	11,780,135
Long-term investments (Note 2)		24,385,495	26,827,504	31,905,802	36,038,886	37,836,078
Property, plant and equipment		1,692,769	1,691,218	1,621,118	1,614,882	1,856,758
Intangible assets		27,041	151,957	163,001	213,268	261,593
Other assets		902,789	929,505	858,289	945,484	726,015
Total assets		35,019,863	38,066,738	50,074,057	50,489,811	52,460,579
Current liabilities	Before dividend	12,785,192	14,283,573	26,070,085	23,730,122	28,259,675
	After dividend	13,654,038	15,847,497	27,634,009	25,489,537	29,432,618 (Note 3)
Non-current liabilities		851,476	887,681	1,851,868	4,030,144	716,615
Total liabilities	Before dividend	13,636,668	15,171,254	27,921,953	27,760,266	28,976,290
	After dividend	14,505,514	16,735,178	29,485,877	29,519,681	30,149,233 (Note 3)
Equity attributable to shareholders of the parent		21,383,195	22,895,484	22,152,104	22,729,545	23,484,289
Capital Stock		4,344,231	4,344,231	3,909,811	3,909,811	3,909,811
Capital Surplus		3,727,475	3,548,559	2,893,442	2,808,225	2,507,703
Retained earnings	Before dividend	15,673,259	16,589,148	16,166,239	17,422,638	17,442,672
	After dividend	15,021,624	15,416,205	14,993,296	16,054,204	16,543,416 (Note 3)
Others equity		(2,361,770)	(1,586,454)	(817,388)	(1,411,129)	(375,897)
Treasury stock		—	—	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before dividend	21,383,195	22,895,484	22,152,104	22,729,545	23,484,289
	After dividend	20,514,349	21,331,560	20,588,180	20,970,130	22,311,346 (Note 3)

Note 1: All standalone financial information in the last 5 years has been audited.

Note 2: Long-term investments include financial assets at fair value through profit or loss - non-current, financial assets at fair value through other comprehensive income - non-current and equity-accounted investments.

Note 3: Cash dividend of earnings distribution for 2023 was passed by resolution of the Board meeting on March 18, 2024.

(II) Condensed Statement of Comprehensive Income in Last 5 Years

1. IFRS-compliance (consolidated)

Unit: NT\$ thousand

Item \ Year	Financial information for the latest 5 years (Note 1)					
	2019	2020	2021	2022	2023	Year-to-date March 31, 2024 (Note 2)
Net revenue	48,711,259	42,438,336	49,833,368	49,783,157	39,491,708	9,119,593
Gross profit	8,806,446	7,406,757	8,730,982	9,454,196	7,871,701	1,606,279
Operating income	1,201,103	692,089	1,646,426	2,150,622	930,670	(28,381)
Non-operating income and expenses	500,809	1,144,607	1,138,893	1,022,358	657,708	103,019
Income before Income Tax	1,701,912	1,836,696	2,785,319	3,172,980	1,588,378	74,638
Continuing operations - current net income	—	—	—	—	—	—
Loss from discontinued operations	—	—	—	—	—	—
Net income (loss)	1,158,307	1,395,156	2,039,280	2,413,434	1,202,029	(14,278)
Other comprehensive income, net of tax	(800,822)	794,333	753,630	(470,802)	1,003,350	1,054,574
Total Comprehensive Income for the Year	357,485	2,189,489	2,792,910	1,942,632	2,205,379	1,040,296
Net income attributable to shareholders of the parent	1,153,070	1,560,418	2,031,625	2,358,935	1,391,923	143,237
Net income attributable to non-controlling interest	5,237	(165,262)	7,655	54,499	(189,894)	(157,515)
Total comprehensive income attributable to Shareholders of the Parent	392,161	2,352,647	2,801,001	1,835,602	2,423,700	1,176,071
Total comprehensive income attributable to Non-controlling interests	(34,676)	(163,158)	(8,091)	107,030	(218,321)	(135,775)
Earnings per share (\$)	2.65	3.59	5.12	6.03	3.56	0.37

Note 1: All consolidated financial information in the last 5 years has been audited.

Note 2: Consolidated financial information for the first quarter of 2024 was auditor-reviewed.

2. IFRS-compliance (standalone)

Unit: NT\$ thousand

Item \ Year	Financial information for the latest 5 years (Note 1)				
	2019	2020	2021	2022	2023
Net revenue	17,837,272	15,521,518	24,567,786	30,567,680	23,935,042
Gross profit (Note 2)	2,727,735	2,183,216	2,579,180	3,392,179	3,018,017
Operating income	(447,700)	(575,552)	(363,694)	378,841	384,395
Non-operating income and expenses	1,677,599	2,176,532	2,383,249	2,141,576	1,025,687
Profit before tax	1,229,899	1,600,980	2,019,555	2,520,417	1,410,082
Continuing operations - current net income	1,153,070	1,560,418	2,031,625	2,358,935	1,391,923
Loss from discontinued operations	—	—	—	—	—
Net income (loss)	1,153,070	1,560,418	2,031,625	2,358,935	1,391,923
Other comprehensive income, net of tax	(760,909)	792,229	769,376	(523,333)	1,031,777
Total Comprehensive Income for the Year	392,161	2,352,647	2,801,001	1,835,602	2,423,700
Net income attributable to shareholders of the parent	—	—	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—
Total comprehensive income attributable to Shareholders of the Parent	—	—	—	—	—
Total comprehensive income attributable to Non-controlling interests	—	—	—	—	—
Earnings per share (\$)	2.65	3.59	5.12	6.03	3.56

Note 1: All standalone financial information in the last 5 years has been audited.

Note 2: Includes realized (unrealized) gains with associated companies.

(III) Names of financial statement auditors in the last 5 years and audit opinions

Year	Name of accounting firm	Name of CPA	Audit opinion
2019	Ernst & Young	Hsin-Min Hsu, Chih-Chung Chen	Unqualified opinion
2020	Ernst & Young	Hsin-Min Hsu, Chih-Chung Chen	Unqualified opinion
2021 (note)	Ernst & Young	Shao-Pin Kuo, Chih-Chung Chen	Unqualified opinion
2022	Ernst & Young	Shao-Pin Kuo, Chih-Chung Chen	Unqualified opinion
2023	Ernst & Young	Shao-Pin Kuo, Chih-Chung Chen	Unqualified opinion

Note: In response to the internal organizational adjustment of Ernst & Young Global Limited, the previous CPAs were replaced by CPA Shao-Pin Kuo and CPA Chih-Chung Chen on February 8, 2021.

II. Financial analysis for the last 5 years

1. IFRS-compliance (consolidated)

Analysis \ Year		Financial analysis for the last 5 years (Note 1)					
		2019	2020	2021	2022	2023	Year-to-date March 31, 2024(Note 2)
Capital Structure Analysis (%)	Debt ratio	52.25	47.25	60.60	55.10	53.87	54.27
	Long-term fund to property, plant and equipment ratio	335.94	350.31	341.77	340.92	293.81	274.44
Liquidity Analysis (%)	Current ratio	163.28	180.04	139.23	155.63	135.23	130.91
	Quick ratio	135.66	152.86	109.13	112.27	102.06	101.48
	Times interest earned(times)	5.90	13.70	31.32	10.30	4.86	1.99
Operating Performance Analysis	Average collection turnover (times)	3.81	3.61	3.24	3.40	3.90	3.84
	Days sales outstanding	96	101	113	107	94	95
	Average inventory turnover (Times)	5.24	5.70	5.30	3.85	3.14	3.50
	Average payment turnover (Times)	4.49	4.21	3.80	3.87	4.23	4.19
	Average inventory turnover days	70	64	69	95	116	104
	Property, plant and equipment turnover (Times)	7.23	6.02	6.79	6.38	4.78	4.17
	Total asset turnover (times)	1.00	0.88	0.92	0.85	0.71	0.65
Profitability Analysis (%)	Return on total assets	2.94	3.47	3.87	4.49	3.09	1.46
	Return on equity	5.29	7.05	9.02	10.51	6.02	2.44
	Pre-tax income to paid-in capital ratio	39.18	42.28	71.24	81.15	40.63	7.64
	Net margin	2.38	3.29	4.09	4.85	3.04	(0.16)
	Earnings per share (\$)	2.65	3.59	5.12	6.03	3.56	0.37
Cash flow (%)	Cash flow ratio	21.08	16.71	—	18.93	15.52	2.56
	Cash flow adequacy ratio	132.86	176.48	82.95	85.30	85.24	64.66
	Cash flow reinvestment ratio	13.17	8.18	—	10.30	9.26	—
Leverage	Operating leverage	2.25	3.07	1.91	1.73	2.61	—
	Financial leverage	1.31	1.26	1.06	1.19	1.79	0.27
Please elaborate reasons for changes in financial ratio in the last 2 years. (unnecessary if the variation was less than 20%) 1.The decrease in interest coverage ratio is primarily due to a decrease in pre-tax profit. 2.The decrease in inventory turnover and the increase in average days of inventory are primarily due to a decrease in the cost of goods sold. 3.The decrease in property, plant, and equipment turnover ratio is primarily due to a decrease in net sales. 4.The decrease in return on assets, return on equity, net profit margin, pre-tax net profit to paid-in capital ratio, and earnings per share is primarily due to a decrease in after-tax profit. 5.The increase in operating leverage and financial leverage is primarily due to a decrease in operating profit.							

Note 1: All consolidated financial information in the last 5 years has been audited.

Note 2: Consolidated financial information for the first quarter of 2024 was auditor-reviewed.

Note 3: If cash flow is negative, it will be represented by “-”.

2. IFRS-compliance (standalone)

Analysis \ Year		Financial analysis for the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Financial position (%)	Debt ratio	38.94	39.85	55.76	54.98	55.23
	Long-term fund to property, plant and equipment ratio	1,313.51	1,406.27	1,480.70	1,657.07	1,303.40
Solvency (%)	Current ratio	62.66	59.27	59.55	49.21	41.69
	Quick ratio	55.90	53.84	52.86	32.55	30.71
	Times interest earned(times)	5.87	15.08	33.63	11.02	5.70
Operating efficiency	Average collection turnover (times)	2.80	2.50	2.45	3.07	3.36
	Days sales outstanding	130	146	149	119	108.63
	Average inventory turnover (Times)	14.51	18.84	14.81	10.25	6.25
	Average payment turnover (Times)	3.85	3.58	2.62	2.91	2.84
	Average inventory turnover days	25	19	10	36	58
	Property, plant and equipment turnover (Times)	11.77	9.17	14.83	18.89	13.79
	Total asset turnover (times)	0.49	0.42	0.56	0.61	0.46
Profitability (%)	Return on total assets	3.71	4.52	4.72	5.09	3.17
	Return on equity	5.29	7.05	9.02	10.51	6.02
	Pre-tax income to paid-in capital ratio	28.31	36.85	51.65	64.46	36.07
	Net margin	6.48	10.05	8.27	7.72	5.82
	Earnings per share (\$)	2.65	3.59	5.12	6.03	3.56
Cash flow (%)	Cash flow ratio	—	8.28	2.64	4.89	2.87
	Cash flow adequacy ratio	57.08	71.66	73.92	65.87	26.88
	Cash flow reinvestment ratio	—	1.81	—	—	—
Degree of leverage	Operating leverage	—	—	—	2.26	1.60
	Financial leverage	—	—	—	2.98	4.54

Please elaborate reasons for changes in financial ratio in the last 2 years. (unnecessary if the variation was less than 20%)

- 1.The decrease in the ratio of long-term funds to property, plant, and equipment is primarily due to a reduction in long-term borrowings.
- 2.The decrease in interest coverage ratio is primarily due to a decrease in pre-tax profits.
- 3.The decrease in inventory turnover and increase in average days of inventory are primarily due to an increase in average inventory.
- 4.The decrease in property, plant, and equipment turnover ratio and total asset turnover ratio is primarily due to a decrease in net sales.
- 5.The decrease in return on assets, return on equity, pre-tax net profit to paid-in capital ratio, net profit margin, and earnings per share is primarily due to a decrease in after-tax profits.
- 6.The decrease in cash flow ratio is primarily due to a decrease in net cash inflows from operating activities.
- 7.The decrease in cash flow adequacy ratio is primarily due to a decrease in net cash flows from operating activities over the past five years.
- 8.The decrease in operating leverage is primarily due to a decrease in net sales.
- 9.The increase in financial leverage is primarily due to an increase in interest expenses.

Note 1: All standalone financial information in the last 5 years has been audited.

Note 2: The negative symbol “-” is used to indicate negative cash flow and degree of leverage.

Note 3: Below are the formulas used in various financial analyses.

1. Financial structure

- (1) Debt to asset ratio = total liabilities/ total assets.
- (2) Ratio of long-term capital in PP&E = (total equity + non-current liabilities) / net PP&E value.

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities.
- (3) Interest coverage ratio = earnings before interest and tax / interest expenses for the current period.

3. Operating performance

- (1) Receivables turnover (including accounts receivable and notes receivable from business activities) = net sales / average receivables balance (including accounts receivable and notes receivable from business activities).
- (2) Average cash collection days = 365 / receivables turnover.
- (3) Inventory turnover = cost of sales / average inventories
- (4) Payables turnover (including accounts payable and notes payable for business activities) = cost of sales / average payables balance (including accounts payable and notes payable for business activities).
- (5) Average inventory turnover days = 365 / inventory turnover.
- (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment balance.
- (7) Total asset turnover = net sales/average total assets.

4. Profitability

- (1) Return on assets = (net income + interest expenses x (1- tax rate)) / average asset balance.
- (2) Return on shareholders' equity = net income/ average shareholders' equity.
- (3) Net profit margin = post-tax profit or loss / net sales.
- (4) Earnings per share = (net income attributable to parent company shareholders - preferred share dividends) / weighted average outstanding shares. (Note 3)

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
- (2) Cash flow adequacy ratio = net cash flow from operating activities for the previous 5 years / (capital expenditure + increase in inventory + cash dividends) for the previous 5 years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 4)

6. Degree of leverage:

- (1) Degree of operating leverage = (net operating revenues - variable operating costs and expenses) / operating profit (Note 5).
- (2) Degree of financial leverage = operating profit / (operating profit - interest expense).

Note 3: Calculation of earnings per share has taken the following factors into account:

- 1. Weighted average outstanding common shares are used, instead of year-end outstanding shares.
- 2. Effects of cash issue or treasury stock, weighed by the number of outstanding shares and calculated for the length of time they were in circulation.
- 3. Where any additional shares were issued against capitalized earnings or reserves, the full year or half-year earnings per share are adjusted retrospectively, regardless of when the additional shares were issued.
- 4. For preferred shares that are cumulative and non-convertible in nature, all current year dividends (whether distributed or not) are deducted from net income, or added to net loss. For preferred shares that are non-cumulative in nature, preferred share dividends are deducted from net income, but no adjustment is required for net loss.

Note 4: Cash flow analyses have taken the following factors into account:

- 1. Net cash flow from operating activities is taken from the amount presented in the cash flow statement.
- 2. Capital expenditure refers to the amount of annual cash outflow spent on capital investments.
- 3. Increase in inventory is used only if closing balance exceeds opening balance. The value will be substituted with zero if closing inventory balance is less than the opening balance.
- 4. Cash dividends include both common and preferred share cash dividends.
- 5. Gross property, plant and equipment refers to the amount before deducting accumulated depreciation.

Note 5: The Company, as a securities issuer, is required to classify operating costs and expenses between fixed and variable portions; any estimate or subjective judgment used in the classification has to be reasonable and consistent.

Note 6: For companies that issue shares without face value or at any face value other than NT\$10 per share, all above percentages that involve paid-up capital in the denominator shall be substituted with equity attributable to parent company shareholders instead.

III. Audit Committee's report on the review of the latest financial statements

Audit Report of Audit Committee

The Board of Directors has prepared the Company's 2023 business report, financial statements, and proposal for allocation of profits. The CPA firm of Ernst & Young was retained to audit Coretronic's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and profit allocation proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please kindly approve.

To Coretronic Corporation 2024 Annual General Shareholders' Meeting

Coretronic Corporation

Chairman of the Audit Committee: Hsing-Yi Chow

Date: March 18, 2024

IV. Latest financial statements: Please refer to pp. 168-299.

V. Latest audited individual financial statements: Please refer to pp. 300-408.

VI. Impacts on the company's financial position of financial distress on the company and its affiliates in the most recent year and by the date of report publication: None.

VII. Attainment of mandatory certification by personnel involved in financial information transparency: The Company has six licensed CPAs of the Republic of China in its organization.

Seven. Review and Analysis of Financial Position and Financial Performance, and Risk Management Issues

I. Financial position

Unit: NT\$ thousand

Item \ Year	2023	2022	Variation	
			Amount	%
Current assets	38,766,684	40,336,072	(1,569,388)	(3.89%)
Property, plant and equipment	8,431,972	8,092,453	339,519	4.20%
Long-term investments (Note)	5,349,021	3,945,126	1,403,895	35.59%
Intangible assets	310,952	358,509	(47,557)	(13.27%)
Other assets	2,745,275	3,125,655	(380,380)	(12.17%)
Total assets	55,603,904	55,857,815	(253,911)	(0.45%)
Current liabilities	28,666,856	25,918,110	2,748,746	10.61%
Long-term liabilities	114,838	3,412,106	(3,297,268)	(96.63%)
Other liabilities	1,174,807	1,447,115	(272,308)	(18.82%)
Total liabilities	29,956,501	30,777,331	(820,830)	(2.67%)
Capital stock	3,909,811	3,909,811	—	—
Capital surplus	2,507,703	2,808,225	(300,522)	(10.70%)
Retained earnings	17,442,672	17,422,638	20,034	0.11%
Others equity	(375,897)	(1,411,129)	1,035,232	73.36%
Non-controlling interests	2,163,114	2,350,939	(187,825)	(7.99%)
Total equity	25,647,403	25,080,484	566,919	2.26%
Explanation of major variations: (unnecessary if the variation was less than 20%)				
1.The increase in long-term investments is primarily due to an increase in fair value assessment.				
2.The decrease in long-term liabilities is primarily due to the repayment of bank syndicated loans.				
3.The increase in other equity is primarily due to an increase in unrealized gains on financial assets.				

Note: Long-term investments include financial assets at fair value through profit or loss - non-current, financial assets at fair value through other comprehensive income - non-current and equity-accounted investments.

II. Financial performance

(I) Comparative analysis of operating performance

Unit: NT\$ thousand

Item \ Year	2023	2022	Variation	Variation %
Net revenue	39,491,708	49,783,157	(10,291,449)	(20.67%)
Cost of revenue	31,620,007	40,328,961	(8,708,954)	(21.59%)
Gross profit	7,871,701	9,454,196	(1,582,495)	(16.74%)
Operating expenses	6,941,031	7,303,574	(362,543)	(4.96%)
Income from operations	930,670	2,150,622	(1,219,952)	(56.73%)
Non-operating income and expenses	657,708	1,022,358	(364,650)	(35.67%)
Income before income tax	1,588,378	3,172,980	(1,584,602)	(49.94%)
Income tax expenses	(386,349)	(759,546)	373,197	49.13%
Net income	1,202,029	2,413,434	(1,211,405)	(50.19%)
Explanation of major variations: (unnecessary if the variation was less than 20%)				
1. The decrease in operating costs, gross profit, operating profit, pre-tax net profit, and net profit for the period is primarily due to a slowdown in market demand leading to a decrease in operating revenue.				
2. The decrease in non-operating income is primarily due to fluctuations in exchange rates.				
3. The increase in income tax expenses is primarily due to the decrease in pre-tax net profit.				

(II) Expected sales volume and its basis:

Please refer to the 2024 Business Plan Overview and Impact of External Competition, Legal, and Macro Environments in the Report to Shareholders for details.

III. Cash flow

(I) Analysis of cash flow variations in the most recent year

Item \ Year	2023	2022	Variation (%)
Cash flow ratio	15.52	18.93	(18.01)
Cash flow adequacy ratio	85.24	85.30	45.02
Cash flow reinvestment ratio	9.26	10.30	(10.10)
Explanation of major variations:			
1. The decrease in the cash flow ratio is primarily due to a reduction in cash inflows from operating activities and an increase in current liabilities.			
2. The decrease in the cash flow adequacy ratio is primarily due to an increase in capital expenditures over the past five years.			
3. The decrease in the cash reinvestment ratio is primarily due to a reduction in net cash inflows from operating activities.			

(II) Improvements for lack of liquidity: Not applicable.

(III) Liquidity analysis for the next year

Unit: NT\$ thousand

Beginning cash balance①	Projected net cash flow from operating activities for the year②	Expected cash outflow for the year③	Expected cash surplus (deficit) ① + ② - ③	Financing of expected cash deficits	
				Investment plans	Financing plans
525,283	2,261,402	1,374,236	1,412,449	—	—
Analysis of cash flow variation in the next year : Net cash inflow from operating activities will arise mainly due to the profits generated from operations. The expected annual cash outflow mainly comprises cash dividends and long-term investments, which the Company can support with the proprietary capital.					

IV. Material capital expenditures in the last year and impacts on financial/business performance:
None.

V. Causes of profit or loss incurred on investments in the last year, and any improvements or investments planned for the next year:

All of the Company's investments are long-term in nature. The Company realized NT\$614,912 thousand of gains from investment in 2023, which was attributed to the strong profitability of its invested businesses. The Company will continue making careful assessment of its investment projects in the future.

VI. Risk management

(I) future counteractions

1. Impact on the Company's earnings

- (1) Interest rate: Interest expenses accounted for 1.31% of net sales in 2023, hence interest rate changes do not have significant impact on the Company. If interest rate changes by 1%, the Company will incur additional interest expenses of NT\$127,500,000.
- (2) Exchange rate: Gain on exchange and net gain on valuation of financial assets totaled NT\$366,954,000 in 2023, which accounted for 1.54% of net sales. If NTD strengthens against USD by 1%, the Company's gross profit margin will be affected by approximately 0.13%.
- (3) Inflation: A 1% rise in inflation rate will increase the Company's expenses by about NT\$27,501,000.

2. Future response measures:

- (1) Interest rate: The Company maintains banking relationships with numerous financial institutions and has been able to secure borrowings at advantageous rates. The Company also has dedicated personnel assigned to interact closely with financial institutions.
- (2) Exchange rate: The Company has dedicated personnel assigned to monitor exchange rate changes and assess how these changes affect the Company.
- (3) Inflation: The Company constantly monitors market price changes and maintains sound interaction with suppliers and customers.

- (II) Policies on high-risk and highly leveraged investments, loans to external parties, endorsements / guarantees, and trading of derivatives; describe the main causes of profit or loss incurred and future response measures
1. The Company did not engage in any transaction in 2023 that was characterized as high risk, high leverage or external party lending. The Company did, however, trade derivatives for hedging purpose, and assigned dedicated personnel and implemented systems to monitor, manage and assess risks on a regular basis.
 2. The Company offered endorsements and guarantees mainly for subsidiaries in 2023, and all transactions were carried out according to “Lending, Endorsement and Guarantee Procedures.” The Company may offer endorsements/guarantees up to a maximum of NT\$23,960,147,000, and outstanding balance at the end of 2023 amounted to NT\$3,471,354,000.
 3. For details on external party lending, endorsement, guarantee and derivative transactions conducted in 2023, please refer to the 2023 audited financial statements and footnote disclosures.
- (III) Future research and development plans and projected expenses
1. Future R&D plans
 - (1) With respect to energy-saving solutions, the Company will be focusing on products that offer distinctive features and continue investing in the development of specialized LCD displays to capitalize on their increasingly diverse applications. Furthermore, the Company will be researching new technologies closely in line with the market’s demands to enable more advanced solutions and broader display applications such as: non-standardized display array, world’s thinnest bezel display array, interactive conference display, curved gaming display, peep-proof display, in-car unit display modules, transfective LCD display module ,special-shaped backlight modules and energy-efficient display. Furthermore, the Company will enhance software development capabilities and incorporate creative software and applications into hardware design for optimal user experience and provide customers with the ultimate one-stop service, and add software development capabilities to integrate software and hardware design for innovative applications, optimize product experience; provide customers with green design products that are more in line with ESG trends.
 - (2) Based on market demands and addressing pain points, with core technology as the foundation, the Company continuously develop and strengthen a comprehensive product line display platform. This platform includes solid-state light sources (RGB three-color lasers, MCLA dual-color lasers, blue lasers and LED), short throw capabilities, 4K ultra-high definition, and smooth dynamic imaging technology. Simultaneously, the Company enhance multimedia applications, touchscreen functionality, internet connectivity, and integrate image recognition, artificial intelligence, cloud value-added services, intelligent software development, and system integration capabilities. The Company goal is to create a convenient user environment and interactive experiences, providing complete projection solutions for various applications including

enterprise, residential, education, commercial displays, digital signage, large-scale public space displays, smart retail, and healthcare.

2. Expected R&D expenses: The Company incurred approximately NT\$1.40 billion of R&D expense in 2023, representing 5.83% of net sales. R&D expenses for 2024 are estimated at NT\$1.53 billion, up about 5% from the year before.

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations: None.

(V) Financial impacts and response measures in the event of technological (including information security risks) or industrial changes

Demand for LCD panels is growing not only in volume, but also in terms of technology and application. Since 2017, new technologies such as AMOLED and Mini /Micro LED have emerged to pose direct competition to LCD in the future. Apart from strengthening relationships with panel manufacturers and brands and targeting applications such as laptops, TV, healthcare and vehicles, the Company will also invest in the development of new markets and products as the competitive landscape changes. Non-standardized display array, world's thinnest bezel display array, commercial peep-proof display, curved gaming monitor, in-car unit display, special-shaped backlight modules, energy-saving blue light display, HDR (Local Dimming) display and LCM module are some examples of high-value adding and high entry barrier products that the Company has targeted as means to differentiate, expand and thrive in the competitive display market.

The rapid development of LCD and LED technology has allowed the size of LCD panels to extend upward and penetrate into some segmented markets of home, education and enterprises. However, in terms of projection technology, the company has actively expanded various light sources, 4K display technology and intelligent projection to enable the overall image solution. When applied to large screens of 80 inches or above, the solution can provide long life, stability, easy installation and adjustment, intelligence and streaming, and green products with environmental protection concepts, bringing not only high convenience of use, but also high resolution, high-brightness and saturated and vivid color performance, meeting the ultimate color and brightness performance in any personal or commercial application situation.

Setting information security as one the long-term development foci, the Company's Information Security Committee has defined targets for continuous information security development. In response to the actual needs and development trends, the Committee has established the corresponding information security strategies and visions as follows:

1. A secure and trusted information environment: Strengthen information security protection capabilities through corporate digital transformation and the introduction of new technologies such as AI.
2. Robust information security protection system: Make continual improvement of information infrastructure to optimize the integrity of information security protection.
3. Risk-based security protection: Adopt and renew protection measures for critical information facilities in response to new security threats.

4. Development of information security awareness in employees: Publicize the importance of information security and safety risks to employees and raise their awareness of information security.

A complete network and cybersecurity protection have been established for the behavior of computer use at work of employees. Facing ever-changing cyberattacks, the Company have introduced a full-time cybersecurity threat monitoring and defense system to cope with hacking, social engineering, web Trojans, computer viruses, and other rapidly increasing cybersecurity threats. In order to enhance the information security protection capabilities and integrate with international information security standards, the Company has obtained ISO27001 information security certification in April 2023. To ensure more accurate inspections and more advanced approaches by setting the relevant standards, reviewing the relevant regulations, and quantifying various cybersecurity targets. In doing so, the Company aim at standing firm and pursuing high operational development when cyberthreats are increasingly serious around the globe.

- (VI) Impacts on corporate crisis management of market presence change and counteractions: None.

- (VII) Expected benefits and potential risks of mergers and acquisitions: None.

- (VIII) Expected benefits and risks and associated with plant expansions

The Company second plant in Vietnam has been completed in 2023H2, and mass production in early 2024. Risk factors, such as capital, project progress, and operational condition, have been assumed in pre-investment assessments to reduce the unfavorable impacts on the company's operations.

- (IX) Risks associated with concentrated sales or purchases

Purchases from the largest supplier accounted for 8.98% of total purchases for the Company and subsidiaries in 2023. In 2023, the Company maintained a strong and long-term relationship with its main suppliers and therefore is not prone to the risk of concentrated purchase. The largest seller of the Company and its subsidiaries accounted for 11.87% of the total sales of the Company and its subsidiaries in 2023. The change in the proportion of sales to major customers in 2023 was due to the growth in shipping volume of proportion of medium and large size shipments. The growth in net sales and the increase in utilization rate will help to increase gross profit margins and there is no risk of sales concentration.

- (X) Impacts and risks associated with a major transfer of shareholding by directors or shareholders with more than 10% ownership interest: None.

- (XI) Impacts and risks associated with a change of management: None.

- (XII) Litigation and non-litigation activities

The Company did not encounter any litigation or non-contentious case in 2023 and up till the publication date of annual report that was material to shareholders' equity or security price, whether concluded or pending judgment.

- (XIII) Other significant risks and response measures: None.

VII. Other important disclosures: None.

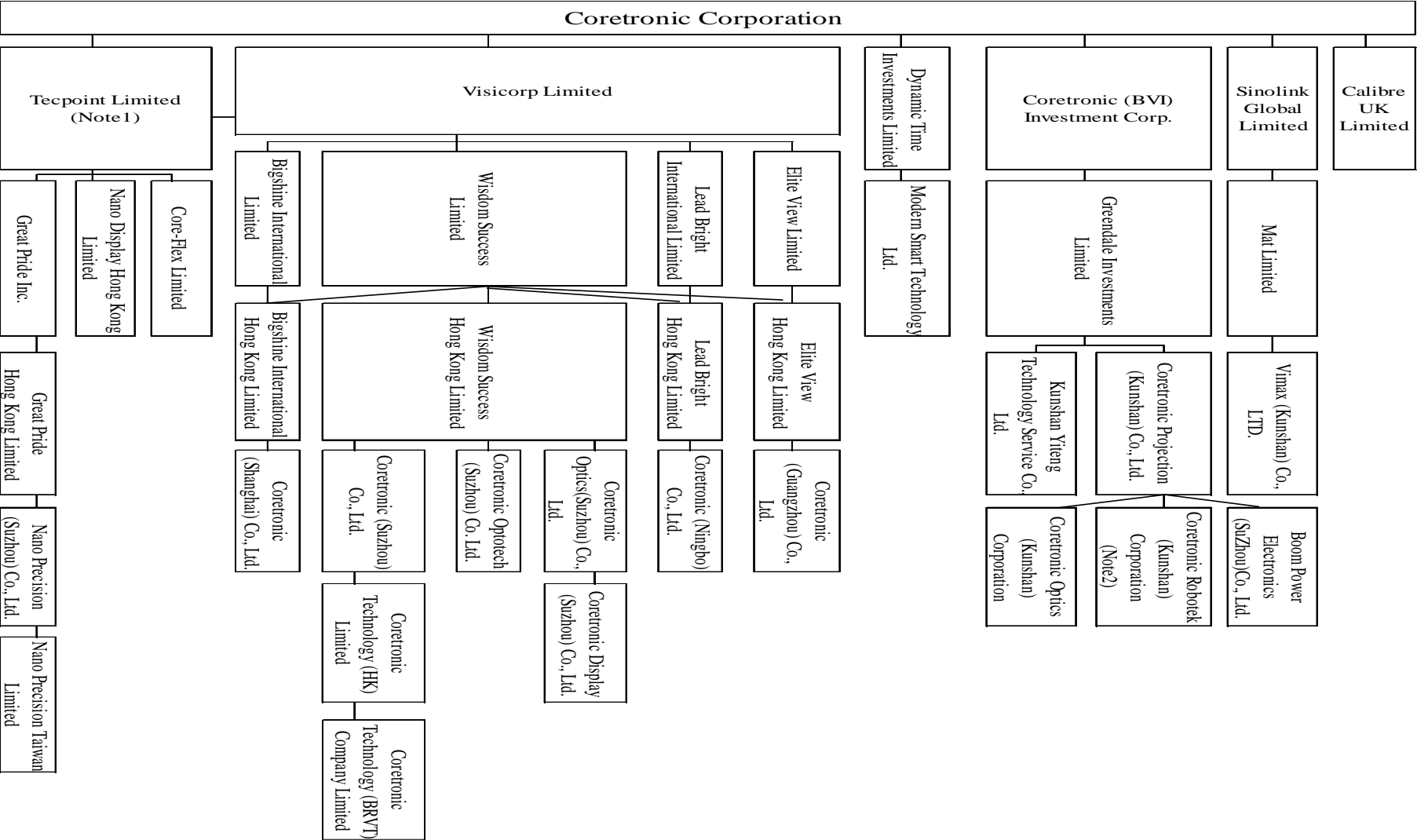
Eight.Special Disclosure

I. Information of affiliated companies

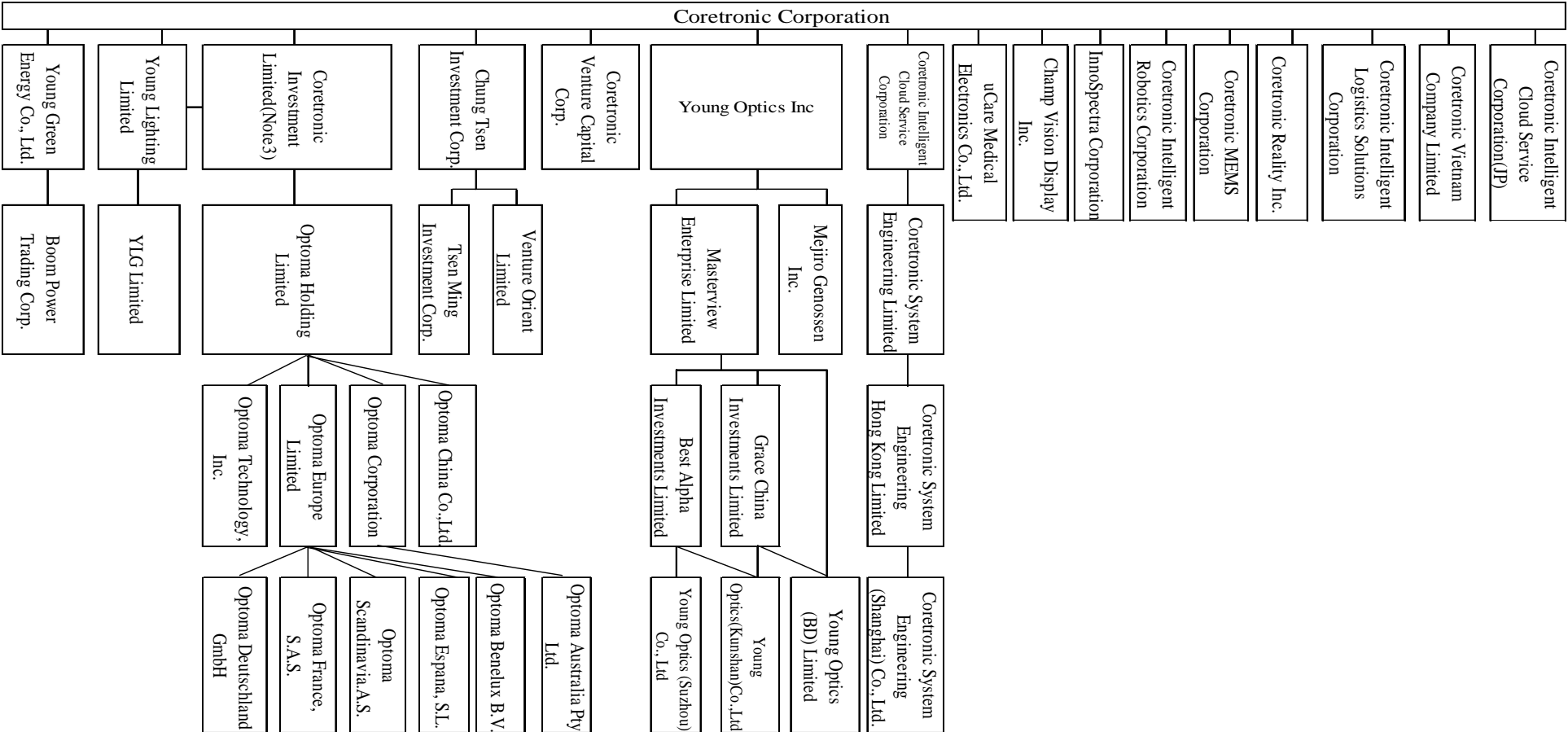
(I) Consolidated business report

1. Organizational chart of affiliated companies

December 31, 2023



December 31, 2023



Note1 : Tecpoint Limited is held 78.06% by Coretronic Corporation, held 9.83% by Venture Orient Limited and held 12.11% by Visicorp Limited. Total ownership is 100%.

Note2 : Coretronic Robotek (Kunshan) Corporation is held 70% by Coretronic(Suzhou) Co., Ltd. and held 30% by Coretronic Projection (Kunshan) Co., Ltd.. Total ownership is 100%.

Note3 : Coretronic Investment Limited is held 38.64% by Coretronic Corporation and held 61.36% by Young Lighting Limited. Total ownership is 100%.

Note4 : Consolidated shareholding in consolidated entities was entirely 100% except for Young Optics Inc. 32.63%, Mejiro Genossen Inc. 99%, Core-Flex Limited 99.36%, Optoma Holding Limited 96.69% , Young Green Energy Co., Ltd. 99.91%, uCare Medical Electronics 60.69%, Champ Vision Display Inc. 79.36%, InnoSpectra Corporation 80%.

2. Profile of affiliated enterprises

December 31, 2023

Company name	Date of establishment	Address	Paid-up capital	Main business activities or products
Tecpoint Limited	January 8, 2004	OMC CChambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	US\$ 42,988,000	Holding company
Great Pride Inc.	October 28, 2003	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 11,800,000	Holding company
Great Pride Hong Kong Limited	December 15, 2008	Room 2702-03, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$ 11,800	Holding company
Nano Precision (Suzhou) Co., Ltd.	March 1, 2004	No. 69, Qunxingsan Road, Suzhou Industrial Park, Suzhou	US\$ 13,300,000	Manufacturing and sale of acrylic sheets and light guides
Nano Precision Taiwan Limited	October 29, 2018	No. 5, Wenhua Road, Fengshan Village, Hukou Township, Hsinchu County	NT\$ 300,000,000	Manufacturing, research, development, sales, import and export of plastic casing of high-end and precision electronics, plastic components and frames, plastic injection molding of internal precision opto-mechanics
Nano Display Hong Kong Limited	April 11, 2008	1501 Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong	US\$ 7,800,000	Holding company
Core-Flex Limited	May 24, 2006	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	US\$ 36,000,000	Holding company
Visicorp Limited	January 18, 2002	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	US\$ 40,781	Holding company
Bigshine International Limited	September 22, 2004	Vistra Corporate Service Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 3,000	Holding company
Bigshine International Hong Kong Limited	December 15, 2008	Room 2702-03, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$ 8,000	Holding company
Coretronic (Shanghai) Co., Ltd.	May 30, 2005	Building E, No. 68, Rongjiang Road, Songjiang Export Processing Area	US\$ 8,000,000	Research, development and manufacturing of backlight modules and related parts; sale of self-produced products and offering of related after-sale and maintenance service
Wisdom Success Limited	January 2, 2002	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	US\$ 43,300	Holding company
Wisdom Success Hong Kong Limited	December 15, 2008	Room 2702-03, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$ 18,000	Holding company
Coretronic (Suzhou) Co., Ltd.	September 2, 2002	No. 69, Qunxing 3rd road, Loufeng, Suzhou Industrial Park · Suzhou	US\$ 2,000,000	Research, development and manufacturing of backlight modules and related parts; sale of self-produced products and offering of related after-sale and maintenance service

Company name	Date of establishment	Address	Paid-up capital	Main business activities or products
Coretronic Technology (HK) Limited	August 9, 2021	Room 2702-03 CC Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$ 78,000,000	Holding company
Coretronic Technology (BRVT) Company Limited	December 10, 2021	Lot F8, D2 road, Phu My 3 Specialized Industrial Park, Phuoc Hoa ward, Phu My Town, Ba Ria - Vung Tau Province, Vietnam	US\$ 78,000,000	Manufacture, R&D and sales of backlight and LCD modules for LCD screens, LCD TVs and new flat-panel displays sector in Vietnam
Coretronic Optotech (Suzhou) Co., Ltd.	June 19, 2015	No. 688, Pangjin Road, Wujiang Economic and Technological Development Zone, Suzhou	US\$ 12,000,000	Research, development, production and processing of backlight modules, LCD modules, new flat panel displays and optical components; sale of self-produced products and offering of related after-sale and maintenance service
Coretronic Optics(Suzhou) Co.,Ltd.	November 23, 2017	No. 688, Pangjin Road, Wujiang Economic and Technological Development Zone, Suzhou	US\$ 10,000,000	Research, development and manufacturing of backlight modules and related parts; sale of self-produced products and offering of related after-sale and maintenance service
Coretronic Display (Suzhou) Co., Ltd.	February 22, 2002	No. 828, Pangjin Road, Wujiang Economic and Technological Development Zone, Suzhou	RMB 378,279,000	Research, development and manufacturing of display modules and related parts; sale of self-produced products and offering of related after-sale and maintenance service
Lead Bright International Limited	August 8, 2005	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 4,700	Holding company
Lead Bright Hong Kong Limited	December 15, 2008	Room 2702-03, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$ 18,000	Holding company
Coretronic (Ningbo) Co., Ltd.	January 11, 2006	No. 5, Guanshan Road, Export Processing Zone, Beilun District, Ningbo, Zhejiang	US\$ 20,000,000	Research, development and manufacturing of backlight modules and related parts; sale of self-produced products and offering of related after-sale and maintenance service
Elite View Limited	August 8, 2007	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 5,000	Holding company
Elite View Hong Kong Limited	December 15, 2008	Room 2702-03, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$ 13,000	Holding company
Coretronic (Guangzhou) Co., Ltd.	November 27, 2007	Building 1, No. 2, Guoyuan 1st Road, East District, Guangzhou Economic and Technological Development Zone	US\$ 13,000,000	Research, development and manufacturing of backlight modules and related parts; sale of self-produced products and offering of related after-sale and maintenance service
Coretronic (BVI) Investment Corp.	June 16, 2000	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$ 382,200	Holding company
Greendale Investments Limited	February 2, 2005	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 46,400	Holding company

Company name	Date of establishment	Address	Paid-up capital	Main business activities or products
Kunshan Yiteng Technology Service Co., Ltd.	June 17, 2003	No. 20, Third Avenue, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu	US\$ 400,000	Maintenance and technical service of LCD monitors
Coretronic Projection (Kunshan) Co., Ltd.	June 10, 2005	No. 20, Third Avenue, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu	US\$ 46,000,000	Research, development, processing and manufacturing of digital projectors, LCD monitors and related parts; sale of self-produced products and offering of after-sale and maintenance service
Coretronic Optics (Kunshan) Corporation	June 2, 2017	No. 18, Third Avenue, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu	RMB 42,000,000	Production and sale of projector modules products and spectrometers
Boom Power Electronics (Suzhou) Co., Ltd.	December 19, 2000	No. 388, Sanjia Road, Zhangpu Town, Kunshan City, Jiangsu Province, China	RMB 8,236,000	Research, development, production and sale of cold cathode tube drive and related products
Coretronic Robotek (Kunshan) Corporation	November 22, 2021	No. 20, Third Avenue, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu	RMB 12,000,000	Provide intelligent solutions for warehousing and manufacturing
Sinolink Global Limited	July 12, 2002	OMC Chambers, Wickhams Cay 1, Road Town, Torola, British Virgin Islands	US\$ 980	Holding company
Mat Limited	October 8, 2002	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 980	Holding company
Vimax (Kunshan) Co., Ltd.	June 13, 2001	No. 388, Sanjia Road, Zhangpu Town, Kunshan City, Jiangsu Province, China	US\$ 1,800,000	Design, research, development and production of projectors; sale of self-produced products and offering of after-sale and maintenance service for self-produced and non-self produced products
Young Green Energy Co., Ltd.	December 14, 1999	No. 5, Wenhua Road, Fengshan Village, Hukou Township, Hsinchu County	NT\$ 188,500,000	Manufacturing, wholesaling and retailing of electronic components, battery, PC and accessories, and electronic materials
Boom Power Trading Corporation	June 9, 2000	OMC Chambers, Wickhams Cay 1, Road Town, Torola, British Virgin Islands	US\$ 1,000,000	Holding company
Calibre UK Limited	October 18, 1990	Springwell House 9 Springwell Court, Holbeck, Leeds, West Yorkshire, United Kingdom, LS12 1AL	GBP 5,270,104	Research, development, design, manufacturing and sale of image control products
Dynamic Time Investments Limited	January 2, 2002	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	US\$ 14,856	Holding company

Company name	Date of establishment	Address	Paid-up capital	Main business activities or products
Modern Smart Technology Ltd.	February 12, 2002	Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$ 1,200,000	Holding company
Young Lighting Limited	March 8, 2010	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 3,907,000	Holding company
YLG Limited	October 29, 2010	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 6,000,000	Holding company
Coretronic Investment Limited	December 06, 2021	1 Bourne End Mills, Upper Bourne End Lane, Hemel Hempstead, England, HP1 2UJ	EUR 273,652	Holding company
Optoma Holding Limited	July 02, 2021	1 Bourne End Mills, Upper Bourne End Lane, Hemel Hempstead, England, HP1 2UJ	EUR 33,738,308	Holding company
Optoma China Co.,Ltd.	June 6, 2002	Room 302 no 28 jiafeng rd china (shanghai) pilot free trade zone	US\$ 1,200,000	Marketing and after-sale service
Optoma Technology, Inc.	May 31, 1995	47697 Westinghouse Drive Fremont, CA 94539, USA	US\$ 8,250,000	Marketing and after-sale service
Optoma Corporation	November.23, 2021	12F, No. 213, Section 3, Beixin Road, Xindian District, New Taipei City	NT\$30,000,000	Engaged in the production and marketing of Data Storage and Processing Equipment, Electronic Components, Optical Devices, Wireless Communications Equipment and Electronic Appliances
Optoma Australia Pty Ltd.(Note1)	November.20, 2023	5 Charlotte Rd, Pennant Hills NSW 2120	-	Marketing and after-sale service
Optoma Europe Limited	July 7, 1997	1 Bourne End Mills, Hemel Hempstead, Herts, HP1 2UJ, United Kingdom	GBP 1,200,000	Marketing and after-sale service
Optoma Deutschland GmbH	October 7, 1997	Wiesenstrasse 21, A1, D40549 Düsseldorf, Germany	EUR 958,000	Marketing and after-sale service
Optoma France, S.A.S.	July 1, 2002	Batiment E, 81-83 Avenue Edouard Vaillant, Boulogne Billancourt, France 92100	EUR 100,000	Marketing and after-sale service
Optoma Scandinavia.A.S.	March 17, 2003	Kniveveien 29, Postboks 9515, 3036 Drammen, Norway	NOK 100,000	Marketing and after-sale service
Optoma Espana, S.L.	June 5, 2008	Avd. Jose Hierro, 36. Edificio Atrio. Ofic.1C. 28522 Rivas Vaciamadrid. Madrid. España	EUR 103,000	Marketing and after-sale service
Optoma Benelux B.V.	October 15, 2009	Europalaan 770-D, 1363 BM in Almere, The Netherlands	EUR 18,000	Marketing and after-sale service
Chung Tsen Investment Corp.	June 7, 2004	7F., No. 62, Nanjing W. Rd., Datong Dist., Taipei City	NT\$ 1,270,996,640	Strategic alliance and investment activities within group

Company name	Date of establishment	Address	Paid-up capital	Main business activities or products
Tsen Ming Investment Corp.	November 9, 2005	7F., No. 62, Nanjing W. Rd., Datong Dist., Taipei City	NT\$ 324,431,800	Strategic alliance and investment activities within group
Venture Orient Limited	October 18, 2002	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 5,550,000	Holding company
Coretronic Venture Capital Corp.	March 2, 2011	7F., No. 62, Nanjing W. Rd., Datong Dist., Taipei City	NT\$ 300,000,000	Investment activities relating to business expansion
Young Optics Inc.	February 18, 2002	No. 7, Xinan Road, Hsinchu Science Park, Hsinchu City	NT\$ 1,140,597,850	Research, design, manufacturing and sale of optical components, optical engines and key parts
Mejiro Genossen Inc.	June 24, 2016	2-10-12, Akatsuka Shinmachi, Itabashi-ku, Tokyo	JPY 65,000,000	Research, development, manufacturing and sale of optical machinery
Masterview Enterprises Limited(Note 2)	July 1, 2003	Clarence Thomas Building P.O. Box 4649 Road Town Tortola Virgin Islands, British	US\$ 200,000	Holding company
Best Alpha Investments Limited	January 8, 2003	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 1,000,000	Holding company
Young Optics (Suzhou) Co., Ltd	September 3, 2003	2F-A209,B209,#6 Building,No.80,Tong-Yuan Rd., Suzhou Industrial Park	US\$ 1,000,000	Research, development and manufacturing of optical engines and optical/electronic instruments
Grace China Investments Limited(Note 2)	February 2, 2001	P.O.Box 712, Grand Cayman, KY1-9006, Cayman Islands	US\$ 2,356,000	Holding company
Young Optics (Kunshan) Co., Ltd(Note3)	April 26, 2001	No. 20, Third Avenue, Kunshan Comprehensive Free Trade Zone, Jiangsu	US\$ 12,200,000	Research, development and manufacturing of optical/electronic instruments
Young Optics (BD) Limited	December 12, 2011	Plot#104, 105, 124 & 125, DEPZ (Extension Area) Ashulia,Savar-1349, Dhaka, Bangladesh	BDT 1,256,940,000	Manufacturing of optical components
Coretronic Intelligent Cloud Service Corporation	April 15, 2010	4F, No. 11, Lixing Road, Hsinchu Science Park, Hsinchu City	NT\$ 250,000,000	Platform development for cloud computing, IT, new media and smart applications
Coretronic System Engineering Limited	May 4, 2010	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 1,500,000	Holding company
Coretronic System Engineering Hong Kong Limited	May 11, 2010	1501 Capital Centre, 151 Gloucenser Road, Wan Chai, Hong Kong	US\$ 1,500,000	Holding company
Coretronic System Engineering (Shanghai) Co., Ltd.	September 1, 2010	Room 502, 5F, Building 1, No. 1205, Kaixuan Road, Changning District, Shanghai	US\$ 1,500,000	Engaging in smart construction engineering and supporting measures as a professional engineering contractor
uCare Medical Electronics Co., Ltd.	June 9, 2017	3F, No. 2, Ke Bei 5th Road (Hsinchu Science Park), Chunan Township, Miaoli County	NT\$ 131,820,000	Research, development, design, manufacturing and sale of smart fitness/healthcare system, hardware and software

Company name	Date of establishment	Address	Paid-up capital	Main business activities or products
Champ Vision Display Inc.	July 11, 2017	3F, No. 2, Ke Bei 5th Road (Hsinchu Science Park), Chunan Township, Miaoli County	NT\$ 180,000,000	Research, development, design, manufacturing and sale of innovative smart displays and integrated software/hardware solutions
Coretronic Intelligent Robotics Corporation	November 10, 2017	4F, No. 11, Lixing Road, Hsinchu Science Park, Hsinchu City	NT\$ 180,000,000	Research, development, manufacturing and sale of commercial unmanned aircraft system and intelligent robots
InnoSpectra Corporation	December 1, 2017	4F, No. 11, Lixing Road, Hsinchu Science Park, Hsinchu City	NT\$ 60,000,000	Research, development and sale of spectrometers and related solutions
Coretronic MEMS Corporation	July 23, 2019	3F, No. 2, Ke Bei 5th Road (Hsinchu Science Park), Chunan Township, Miaoli County	NT\$ 180,000,000	Research, development, design, manufacturing and sale of MEMS sensors, sensor modules and solutions
Coretronic Reality Inc.	November 12, 2019	No. 5, Wenhua Road, Fengshan Village, Hukou Township, Hsinchu County	NT\$ 100,000,000	Research, development, manufacturing and sale of wearable and embedded projector display, system solutions and related technologies and products
Coretronic Vietnam Company Limited	December 10, 2020	3rd/5th Floor of Factory No.03, Lot I-3B-1, N6 Road, Saigon Hi-Tech Park, Tan Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam	US\$ 3,000,000	Research, development, and sales of backlight modules, LCD modules, new flat panel displays and related components
Coretronic Intelligent Logistics Solutions Corporation	March 18, 2021	4F, No. 11, Lixing Road, Hsinchu Science Park, Hsinchu City	NT\$ 150,000,000	System integration and application service solutions for intelligent logistics and smart manufacturing
Coretronic Intelligent Cloud Service Corporation(JP) (Note1)	March 14, 2023	VORT Toranomon2 901 1-13-5, Toranomon, Minato-ku Tokyo, TOKYO-TO MINATO KU TOKYO 105-0001 Japan	-	Platform development for cloud computing, IT, new media and smart applications

Note1 Optoma Australia Pty Ltd. and Coretronic Intelligent Cloud Service Corporation(JP) have been approved by the local competent authorities for establishment, but the investment funds have not yet been remitted until December 31, 2023.

Note2 : Both of Masterview and Grace China conducted capital reductions in amount of USD 5,800,000 in December, 2023.

Note3 : Young Optics (Kunshan) conducted capital reduction amounting to USD7,200,000 in November 2023, and completed the procedure in January, 2024.

3. Common shareholders in controlling and controlled companies: None.
4. Businesses covered by affiliated enterprises

The Company and affiliated enterprises are primarily involved in the supply of “backlight modules” and “projectors”, while some affiliated enterprises specialize in “investments” and “smart solutions”. Together, they support each other in terms of technology, production capacity, marketing and service, creating the synergies needed to drive the Company forward toward maintaining leading position in global markets.

5. Directors, supervisors, and President of affiliated enterprises

December 31, 2023

Company name	Position	Name or name of representative	Shareholding	
			Shares	Shareholding percentage
Tecpoint Limited	Director	Wade Chang	42,987,900	100.00%
Great Pride Inc.	Director	Wade Chang	11,800,000	100.00%
Great Pride Hong Kong Limited	Director	Wade Chang	11,800	100.00%
Nano Precision (Suzhou) Co., Ltd.	Director Supervisor	Miranda Wang Franck Ho	—	100.00%
Nano Precision Taiwan Limited	Director	Miranda Wang (Representative of Nano Precision (Suzhou) Co., Ltd)	30,000,000	100.00%
	Director	Sarah Lin (Representative of Nano Precision (Suzhou) Co., Ltd)		
	Director	Franck Ho (Representative of Nano Precision (Suzhou) Co., Ltd)		
	Supervisor	Max Lee (Representative of Nano Precision (Suzhou) Co., Ltd)		
Nano Display Hong Kong Limited	Director	Sarah Lin	7,800,000	100.00%
Core-Flex Limited	Director	Miranda Wang	224,560,000	99.36%
Visicorp Limited	Director	Wade Chang	40,781	100.00%
Bigshine International Limited	Director	Sarah Lin	3,000	100.00%
Bigshine International Hong Kong Limited	Director	Sarah Lin	8,000	100.00%
Coretronic (Shanghai) Co., Ltd.	Director Supervisor	Sara Lin Franck Ho	—	100.00%
Wisdom Success Limited	Director	Wade Chang	43,300	100.00%
Wisdom Success Hong Kong Limited	Director	Wade Chang	18,000	100.00%
Coretronic (Suzhou) Co. Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic Technology (HK) Limited	Director	Dino Wang	78,000,000	100.00%
Coretronic Technology (BRVT) Company Limited	Legal representative	Dino Wang	—	100.00%
Coretronic Optotech (Suzhou) Co. Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic Optics(Suzhou) Co.,Ltd	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic Display (Suzhou) Co., Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Lead Bright International Limited	Director	Sarah Lin	4,700	100.00%
Lead Bright Hong Kong Limited	Director	Sarah Lin	18,000	100.00%
Coretronic (Ningbo) Co., Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Elite View Limited	Director	Sarah Lin	5,000	100.00%
Elite View Hong Kong Limited	Director	Sarah Lin	13,000	100.00%
Coretronic (Guangzhou) Co., Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic (BVI) Investment Corp.	Director	Wade Chang	38,220,000	100.00%
Greendale Investments Limited	Director	Wade Chang	46,400	100.00%
Kunshan Yiteng Technology Service Co., Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic Projection (Kunshan) Co., Ltd	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic Optics (Kunshan) Corporation	Director Supervisor	Dino Wang Franck Ho	—	100.00%
Coretronic Robotek (Kunshan) Corporation	Director Supervisor	Andy Hsin Franck Ho	—	100.00%
Boom Power Electronics (Suzhou) Co., Ltd.	Director Supervisor	Dino Wang Franck Ho	—	100.00%

Company name	Position	Name or name of representative	Shareholding	
			Shares	Shareholding percentage
Sinolink Global Limited	Director	Wade Chang	980	100.00%
Mat Limited	Director	Sarah Lin	980	100.00%
Vimax (Kunshan) Co., Ltd.	Director Supervisor	Yunu Lin Franck Ho	—	100.00%
Young Green Energy Co., Ltd.	Chairman Director Director Supervisor	Wilson Hsu (Representative of the Company) Robert Hsueh Chuang (Representative of the Company) Franck Ho (Representative of the Company) Max Lee	18,833,220	99.91%
Boom Power Trading Corporation	Director	Wilson Hsu	10,000	100.00%
Calibre UK Limited	Director Director	Willy Tsai Peter Fosh	52,701,042	100.00%
Dynamic Time Investments Limited	Director	Franck Ho	14,856	100.00%
Mordern Smart Technology Ltd.	Director	Franck Ho	1,200,000	100.00%
Young Lighting Limited	Director	Sarah Lin	3,907,000	100.00%
YLG Limited	Director	Sara Lin	6,000,000	100.00%
Coretronic Investment Limited	Director Director	Wade Chang SY Chen	258,808	100.00%
Optoma Holding Limited	Chairman Executive Director Director Executive Director Director Director Director	Jan Ward Shih Yuan Chen Hsin-Pin Ho Michelle Chu Jeremy Earnshaw Nicola Frayne Taiwei Chang	32,620,000	96.69%
Optoma China Co.,Ltd.	Director	Gordon Wu	—	100.00%
Optoma Technology, Inc.	Executive Director Director Director	SY Chen Robert Tick Franck Ho	825,000	100.00%
Optoma Corporation	Chairman	SY Chen (Representative of Optoma Holding Limited)	3,000,000	100.00%
Optoma Australia Pty Ltd.	Director	Wen-Ching Tseng	Note	Note
Optoma Europe Limited	Executive Director Director Director	Thierry Millet Wade Chang SY Chen	1,200,000	100.00%
Optoma Deutschland GmbH	Executive Director Director	SY Chen Thierry Millet	—	100.00%
Optoma France, S.A.S.	Executive Director	Thierry Millet	—	100.00%
Optoma Scandinavia.A.S	Executive Director Director	Thierry Millet SY Chen	100	100.00%
Optoma Espana, S.L.	Executive Director Director	SY Chen Thierry Millet	5,150,280	100.00%
Optoma Benelux B.V.	Executive Director Director	Thierry Millet SY Chen	18,000	100.00%
Chung Tsen Investment Corp.	Chairman Director Supervisor President	Wilson Hsu (Representative of the Company) Wade Chang (Representative of the Company) Robert Hsueh(Representative of the Company) Franck Ho (Representative of the Company) Wilson Hsu	127,099,664	100.00%
Tsen Ming Investment Corp.	Chairman Director	Wilson Hsu (Representative of Chung Tsen Investment Corp.) Robert Hsueh (Representative of Chung Tsen Investment Corp.)	32,443,180	100.00%

Company name	Position	Name or name of representative	Shareholding	
			Shares	Shareholding percentage
	Director	Sarah Lin (Representative of Chung Tsen Investment Corp.)		
	Supervisor	Franck Ho (Representative of Chung Tsen Investment Corp.)		
Venture Orient Limited	Director	Franck Ho	5,550	100.00%
Coretronic Venture Capital Corp.	Chairman	Wilson Hsu (representative of the Company)	30,000,000	100.00%
	Director	Wade Chang (Representative of the Company)		
	Supervisor	Robert Hsueh (Representative of the Company)		
Young Optics Inc.	Director	Franck Ho (Representative of the Company)	37,217,586	32.63%
	Director	Sara Lin (Representative of the Company)		
	Director	Ken Wang (Representative of the Company)		
	Independent Director	Claude Hsu		
	Independent Director	Hsiang-hsun Wu		
	Independent Director	Chih-Hun Huang		
	Independent Director	Wan-Ting Yuan		
	President	Claude Hsu		
Mejiro Genossen Inc.	Chairperson	Sam Chen	4,950	99.00%
Best Alpha Investments Limited	Director	Sarah Lin	1,000,000	100.00%
Young Optics (Suzhou) Co., Ltd.	Executive Director	Claude Hsu	—	100.00%
	Supervisor	Cynthia Chang		
	President	Daniel Huang		
Masterview Enterprises Limited	Director	Sarah Lin	200,000	100.00%
Grace China Investments Limited	Director	Sarah Lin	2,356,458	100.00%
Young Optics (Kunshan) Co., Ltd.	Executive Director	Claude Hsu	—	100.00%
	Supervisor	Cynthia Chang		
	President	Daniel Huang		
Young Optics (BD) Limited	Director	Juice Liao	12,569,396	100.00%
	Executive Director	Ericwd Huang		
	President	Jerry Lin		
Coretronic Intelligent Cloud Service Corporation	Chairman	Yunu Lin (Representative of the Company)	25,000,000	100.00%
	Director	Rober Hsueh (Representative of the Company)		
	Supervisor	Franck Ho (Representative of the Company)		
	Director	Daisy Lin (Representative of the Company)		
Coretronic System Engineering Limited	Director	Yunu Lin	1,500,000	100.00%
Coretronic System Engineering Hong Kong Limited	Director	Yunu Lin	1,500,000	100.00%
Coretronic System Engineering (Shanghai) Co., Ltd.	Director	Yunu Lin	—	100.00%
	Supervisor	Franck Ho		
uCare Medical Electronics Co., Ltd.	Chairman	Sarah Lin	8,000,000	60.69%
	Director	Coretronic Corporation		
	Supervisor	Chi Hua Fitness Co., Ltd.		
	Director	Max Lee		
Champ Vision Display Inc.	Chairman	Sarah Lin (Representative of the Company)	14,285,000	79.36%
	Director	Franck Ho (Representative of the Company)		
	Supervisor	Nick Lu (Representative of the Company)		
	Director	Max Lee		
Coretronic Intelligent Robotics Corporation	Chairman	Robert Hsueh (Representative of the	18,000,000	100.00%

Company name	Position	Name or name of representative	Shareholding	
			Shares	Shareholding percentage
	Director	Company) Jeffrey Hsieh (Representative of the Company)		
	Director	Franck Ho (Representative of the Company)		
	Supervisor	Max Lee (Representative of the Company)		
InnoSpectra Corporation	Chairman	Ann Wu (Representative of the Company)	4,800,000	80.00%
	Director	William Hsu (Representative of the Company)		
	Supervisor	Franck Ho (Representative of the Company) Max Lee		
Coretronic MEMS Corporation	Chairman	Wilson Hsu (Representative of the Company)	18,000,000	100.00%
	Director	Robert Hsueh (Representative of the Company)		
	Supervisor	Eric Wu (Representative of the Company) Max Lee (Representative of the Company)		
Coretronic Reality Inc.	Chairman	Robert Hsueh (Representative of the Company)	10,000,000	100.00%
	Director	Nore Chen (Representative of the Company)		
	Supervisor	Franck Ho (Representative of the Company) Max Lee (Representative of the Company)		
Coretronic Vietnam Company Limited	Legal representative	Dino Wang	—	100.00%
Coretronic Intelligent Logistics Solutions Corporation	Chairman	CY Lin (Representative of the Company)	15,000,000	100.00%
	Director	Andy Hsin (Representative of the Company)		
	Supervisor	Franck Ho (Representative of the Company) Max Lee (Representative of the Company)		
Coretronic Intelligent Cloud Service Corporation(JP)	Chairman	Edward Lin	Note	Note
	Director	Wade Chang		
	Director	Yunu Lin		

Note : Optoma Australia Pty Ltd. and Coretronic Intelligent Cloud Service Corporation(JP) have been approved by the local competent authorities for establishment, but the investment funds have not yet been remitted until December 31, 2023.

(II) Performance of affiliated companies

1. Financial position and business performance of affiliated enterprises

December 31, 2023
Unit: NTD thousands

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current net profit (loss)
Tecpoint Limited	1,319,943	3,844,723	491,709	3,353,014	0	0	(131,820)
Great Pride Inc.	362,319	2,625,762	0	2,625,762	0	0	(57,479)
Great Pride Hong Kong Limited	362	2,629,389	4,811	2,624,578	35,199	0	(57,487)
Nano Precision (Suzhou) Co., Ltd.	426,839	2,638,481	128,673	2,509,808	552,818	(52,798)	(58,046)
Nano Precision Taiwan Limited	300,000	187,882	265,823	(77,941)	100,916	(71,065)	6,774
Nano Display Hong Kong Limited	239,499	491,709	0	491,709	0	(132)	(1,703)
Core-Flex Limited	1,105,380	248,522	0	248,522	0	(529)	(77,178)
Yang Bright Optical (Suzhou) Co., Ltd. (Note 1)	0	0	0	0	15	(529)	(56)
Visicorp Limited	468	12,918,077	0	12,918,077	0	0	293,876
Bigshine International Limited	92	199,666	0	199,666	0	0	(7,712)
Bigshine International Hong Kong Limited	246	527,778	0	527,778	0	0	(20,685)
Coretronic (Shanghai) Co., Ltd.	257,829	210,289	1,548	208,741	0	(4,316)	(21,236)
Wisdom Success Limited	1,330	10,847,613	0	10,847,613	0	0	342,405
Wisdom Success Hong Kong Limited	553	6,970,614	0	6,970,614	0	(5,615)	383,260
Coretronic (Suzhou) Co., Ltd.	89,157	4,500,465	98,395	4,402,070	0	(1,898)	17,278
Coretronic Technology (HK) Limited	2,394,990	2,309,255	0	2,309,255	0	0	5,779
Coretronic Technology (BRVT) Company Limited	2,394,990	2,827,995	518,826	2,309,169	0	(23,847)	5,779
Coretronic Optotech (Suzhou) Co. Ltd.	390,000	6,445,222	4,776,730	1,668,492	3,832,291	270,871	228,057
Coretronic Optics(Suzhou) Co.,Ltd.	307,050	10,043,079	9,721,927	321,152	7,652,035	152,635	140,035
Coretronic Display (Suzhou) Co., Ltd.	1,547,564	1,889,487	889,532	999,955	1,672,175	(63,067)	(37,245)
Lead Bright International Limited	144	953,596	0	953,596	0	0	9,638
Lead Bright Hong Kong Limited	553	3,652,222	0	3,652,222	0	0	36,914
Coretronic (Ningbo) Co., Ltd.	650,050	3,931,706	274,877	3,656,829	1,085,309	(15,718)	36,909
Elite View Limited	154	510,615	0	510,615	0	0	(34,516)
Elite View Hong Kong Limited	399	1,327,645	0	1,327,645	0	0	(89,744)
Coretronic (Guangzhou) Co., Ltd.	417,580	1,336,626	5,989	1,330,637	141,011	(79,329)	(89,744)
Nano Display (Guangzhou) Co., Ltd. (Note 2)	0	0	0	0	32,933	(12,901)	(15,018)
YLG Optotech Limited (Note 2)	0	0	0	0	394,595	12,336	15,661
Young Lighting Limited	119,964	1,716,427	108,522	1,607,905	0	0	40,625
YLG Limited	184,230	108,522	0	108,522	0	(57)	217
Coretronic (BVI) Investment Corp.	11,735	7,019,999	15,322	7,004,677	0	0	316,025
Greendale Investments Limited	1,425	9,163,035	2,143,053	7,019,982	0	0	316,025
Kunshan Yiteng Technology Service Co., Ltd.	13,259	35,965	3,821	32,144	24,530	1,474	2,108
Coretronic Projection (Kunshan) Co., Ltd.	1,525,064	10,103,487	3,127,976	6,975,511	12,288,243	191,350	313,916
Coretronic Optics (Kunshan) Corporation	181,705	3,950,840	3,139,141	811,699	6,029,392	63,256	44,515
Coretronic Robotek (Kunshan) Corporation	51,916	44,116	1,812	42,304	5,389	(11,468)	(10,564)
Boom Power Electronics (Suzhou) Co., Ltd.	35,633	52,960	860	52,100	6,335	1,237	2,293
Sinolink Global Limited	30	1,412,060	0	1,412,060	0	0	49,100

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current net profit (loss)
Mat Limited	30	1,544,909	132,861	1,412,048	0	0	49,100
Vimax (Kunshan) Co., Ltd.	62,252	1,451,392	44,967	1,406,425	86,153	35,532	48,652
Calibre UK Limited	206,319	48,226	0	48,226	0	0	(27)
Young Green Energy Co., Ltd.	188,500	229,280	9,397	219,883	0	(1,437)	9,209
Boom Power Trading Corp.	30,705	119,142	71	119,071	0	0	0
Dynamic Time Investments Limited	456	2,455,824	32,438	2,423,386	0	(1)	825
Optoma (China & H.K.) Limited (Note 3)	0	0	0	0	0	(1)	20
Mordern Smart Technology Ltd.	36,846	32,438	0	32,438	0	0	0
Coretronic Investment Limited	8,794	2,132,771	0	2,132,771	0	(247)	182,259
Optoma Holding Limited	1,146,432	2,231,994	22,737	2,209,257	0	(91,425)	233,054
Optoma Technology, Inc.	251,247	1,272,818	507,339	765,479	1,768,125	72,471	59,195
Optoma Corporation	30,000	1,351,628	1,223,245	128,383	3,955,425	93,567	74,757
Optoma Australia Pty Ltd. (Note 4)	0	0	0	0	0	0	0
Optoma China Co., Ltd.	36,846	303,531	211,050	92,481	635,312	8,628	12,009
Optoma Europe Limited	46,979	2,067,998	1,019,244	1,048,755	1,082,837	(32,255)	(21,849)
Optoma Deutschland GmbH	32,553	87,102	14,119	72,983	66,149	8,964	10,334
Optoma France, S.A.S.	3,398	64,318	34,039	30,279	68,211	(8,492)	(8,208)
Optoma Scandinavia A.S.	323	6,464	3,209	3,256	22,288	(1,343)	(1,343)
Optoma Espana, S.L.	3,500	15,308	2,091	13,217	19,340	(3,296)	(3,296)
Optoma Benelux B.V.	612	28,508	8,596	19,912	27,737	(1,352)	(1,333)
Chung Tsen Investment Corp.	1,270,997	2,611,832	2,510	2,609,322	0	(76)	(10,534)
Tsen Ming Investment Corp.	324,432	550,995	345	550,650	0	(63)	627
Venture Orient Limited	170	503,730	0	503,730	0	(24,086)	(36,527)
Coretronic Venture Capital Corp.	300,000	307,395	0	307,395	0	(63)	2,718
Young Optics Inc.	1,140,598	4,733,558	1,737,948	2,995,610	2,749,057	(119,383)	(287,300)
Mejiro Genossen Inc.	14,118	72,590	26,294	46,296	123,120	8,197	6,035
Rays Optics Inc. (Note5)	0	0	0	0	0	0	0
Best Alpha Investments Limited	30,705	485,587	0	485,587	0	(35)	(22,509)
Young Optics (Suzhou) Co., Ltd	33,951	253,823	14,489	239,334	65,370	(7,204)	(2,510)
Masterview Enterprises Limited	6,141	1,304,631	162,737	1,141,894	0	(120)	(181,715)
Grace China Investments Limited	72,355	928,084	163,658	764,426	0	(268)	(75,494)
Young Optics (Kunshan) Co., Ltd.	440,619	1,174,139	303,551	870,588	1,091,680	(85,710)	(81,457)
Young Optics (BD) Limited	460,575	344,577	480,791	(136,214)	141,589	(100,633)	(104,571)
Coretronic Intelligent Cloud Service Corporation	250,000	780,345	453,934	326,411	1,398,281	52,935	41,796
Coretronic System Engineering Limited	46,058	29,719	0	29,719	0	0	2,535
Coretronic System Engineering Hong Kong Limited	46,058	29,719	0	29,719	0	0	2,535
Coretronic System Engineering (Shanghai) Co., Ltd.	46,058	29,679	(40)	29,719	2,133	2,094	2,535
uCare Medical Electronics Co., Ltd.	131,820	13,401	12,834	567	23,764	(23,248)	(16,206)
Champ Vision Display Inc.	180,000	558,175	358,448	199,727	1,084,094	2,920	8,007
InnoSpectra Corporation	60,000	29,690	13,333	16,357	44,115	2,828	2,886
Coretronic Intelligent Robotics Corporation	180,000	297,488	151,236	146,252	206,587	(211,484)	(195,508)
Coretronic MEMS Corporation	180,000	193,799	92,834	100,965	102,746	(49,242)	(42,522)
Coretronic Reality Inc.	100,000	132,256	157,714	(25,458)	26,864	(44,412)	(43,535)
Coretronic Intelligent Logistics Solutions Corporation	150,000	186,654	173,310	13,344	137,566	(72,409)	(70,261)

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current net profit (loss)
Coretronic Vietnam Company Limited	87,729	2,595,349	2,698,697	(103,348)	1,065,186	281,387	233,932
Coretronic Intelligent Cloud Service Corporation (JP) (Note 4)	0	0	0	0	0	0	0

Note 1 : Young Bright Optical (Suzhou) has disregistered in August 2023.

Note 2 : In December 2023, Nano Display (Guangzhou) and YLG Optotech were absorbed by Coretronic (Guangzhou). This absorption was approved by authorities.

Note 3 : Optoma (China & HK) Ltd. Has disregistered in August 2023.

Note 4 : Optoma Australia Pty Ltd. and Coretronic Intelligent Cloud Service Corporation(JP) have been approved by the local competent authorities for establishment, but the investment funds have not yet been remitted until December 31, 2023, so they have not yet started operations.

Note 5 : Young Optics absorbed its subsidiary, Rays Optics, on September 8, 2023.

2. Declaration concerning consolidated financial statements of affiliated companies:
Please see page 167.

(III) Relationship report: Not applicable.

II. Private placement of securities in the last year up till the publication date of annual report: None.

III. Holding or disposal of the Company's shares by subsidiaries in the last financial year, up till the publication date of annual report: None.

IV. Other supplementary information:

(I) Execution of 2023 shareholder meeting resolution:

1. Passed 2022 business report and financial statements.
2. Passed 2022 earnings appropriation proposal.
Progress: July 19, 2023 was set as the dividend baseline date, whereas August 4, 2023 was set as the payment date.
3. Passed removal of restrictions against involvements in competing business activities for directors and their corporate representatives.
Progress: Announcements were made over Market Observation Post System on June 14, 2023 about the removal of restrictions on competing business involvement for Independent Director Audrey Tseng.
4. Passed the Company's subsidiary, Optoma Holding Limited, will undertake an IPO on London Stock Exchange with the issuance of common shares.
Progress: Announcements were made over Market Observation Post System on June 14, 2023.

(II) Unfulfilled TPEX commitments as of the publication of annual report: None.

Nine. Occurrences Significant to Shareholders' Equity or Securities Price, as Defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, in the Last Year Up Till the Publication Date of Annual Report : None.

IV. Financial report for the most recent year

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2023 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the Combined Financial Statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the consolidated financial statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the consolidated financial statements.

Very truly yours,

Coretronic Corporation

Chairman: Wade Chang

February 26, 2024

Independent Auditors' Report

To Coretronic Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Coretronic Corporation and its subsidiaries (“the Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation for inventories

The Group recognized the allowance write-down of inventories amounted to NT\$561,216 thousand for the year ended December 31, 2023, due to the rapid technological changes and innovation for projectors, backlight, and FPD-related products. Considering the amount of inventories was significant and the assessment of the amount of inventories write-downs requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Group's consolidated financial statements.

Revenue recognition

The Group recognized the revenue amounted to NT\$39,491,708 thousand for the year ended December 31, 2023. Main source of revenue comes from projectors, backlight, and FPD-related sales of products and related services. As revenue is the main operating activity of the Group, the Group recognized revenue when transferring a promised product or service to a customer. The terms of trade in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; performing product-specific analytical procedures; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; tracing to relevant documentation, and testing details of transaction, including sales contracts, terms of trade and other contents, and verifying the appropriateness of the timing of revenue recognition. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.

Other Matter – Making Reference to the Audit of Other Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of the other auditors. These associates and joint ventures under equity method amounted to NT\$40,975 thousand and NT\$50,117 thousand, representing 0.07% and 0.09% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$(9,128) thousand and NT\$7,071 thousand, representing (0.57)% and 0.22% of the consolidated net income before tax for the years ended December 31, 2023 and 2022, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

February 26, 2024

Notice to Readers

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

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

(continued)

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

LIABILITIES AND EQUITY	Note	December 31, 2023	%	December 31, 2022	%
Current liabilities					
Short-term borrowings	6(12)	\$ 13,512,487	24.30	\$ 9,823,849	17.59
Financial liabilities at fair value through profit or loss - current	4, 6(13)	347,557	0.62	450,431	0.81
Hedging financial liabilities - current	4, 6(14)	-	-	1,483	-
Contract liabilities - current	6(20)	776,210	1.40	529,246	0.95
Notes payable		352	-	881	-
Accounts payable		7,567,334	13.61	7,284,148	13.04
Accounts payable - related parties	7	34,476	0.06	49,010	0.09
Other payables	7	3,934,309	7.08	4,520,234	8.09
Current tax liabilities	4, 6(26)	691,243	1.24	999,196	1.79
Provisions - current	4, 6(17)	522,524	0.94	651,105	1.16
Lease liabilities - current	4, 6(22)	188,905	0.34	321,631	0.58
Other current liabilities		789,580	1.42	872,025	1.56
Current portion of long-term borrowings	6(15)	301,879	0.54	414,871	0.74
Total current liabilities		28,666,856	51.55	25,918,110	46.40
Non-current liabilities					
Long-term borrowings	6(15)	114,838	0.21	3,412,106	6.11
Deferred tax liabilities	4, 6(26)	46,387	0.08	61,665	0.11
Lease liabilities - noncurrent	4, 6(22)	1,045,656	1.88	1,291,459	2.31
Net defined benefit liabilities - noncurrent	4, 6(16)	50,273	0.09	70,509	0.13
Other noncurrent liabilities		32,491	0.06	23,482	0.04
Total non-current liabilities		1,289,645	2.32	4,859,221	8.70
Total liabilities		29,956,501	53.87	30,777,331	55.10
Equity attributable to owners of the parent					
Share capital					
Common stock	6(18)	3,909,811	7.03	3,909,811	7.00
Capital surplus	4, 6(18)	2,507,703	4.51	2,808,225	5.03
Retained earnings	6(18)				
Legal reserve		4,364,561	7.85	4,121,627	7.38
Special reserve		1,322,902	2.38	1,276,610	2.28
Unappropriated retained earning		11,755,209	21.14	12,024,401	21.53
Total retained earnings		17,442,672	31.37	17,422,638	31.19
Other equity		(375,897)	(0.67)	(1,411,129)	(2.53)
Total equity attributable to owners of the parent		23,484,289	42.24	22,729,545	40.69
Non-controlling interests	6(18)	2,163,114	3.89	2,350,939	4.21
Total equity		25,647,403	46.13	25,080,484	44.90
Total liabilities and equity		<u>\$ 55,603,904</u>	<u>100.00</u>	<u>\$ 55,857,815</u>	<u>100.00</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2023	%	2022	%
Net sales	4, 5, 6(20), 7	\$ 39,491,708	100.00	\$ 49,783,157	100.00
Operating costs	4, 6(7), 6(11), 6(16), 6(22), 6(23), 7	31,620,007	80.07	40,328,961	81.01
Gross profit		7,871,701	19.93	9,454,196	18.99
Operating expenses	6(11), 6(16), 6(21), 6(22), 6(23)				
Selling expenses		1,807,683	4.58	1,952,260	3.92
General and administrative expenses		2,220,479	5.62	2,282,457	4.58
Research and development expenses		2,901,998	7.35	3,056,452	6.14
Expected credit loss		10,871	0.03	12,405	0.03
Total operating expenses		6,941,031	17.58	7,303,574	14.67
Operating income		930,670	2.35	2,150,622	4.32
Non-operating income and expenses					
Interest income	6(24)	407,553	1.03	342,036	0.69
Other income	4, 6(24)	481,600	1.22	332,218	0.67
Other gains and losses	6(24)	220,990	0.56	737,479	1.48
Finance costs	6(24)	(443,307)	(1.12)	(396,446)	(0.80)
Share of (loss) gain of associates and joint ventures accounted for using the equity method	4, 6(8)	(9,128)	(0.02)	7,071	0.01
Total non-operating income and expenses		657,708	1.67	1,022,358	2.05
Income before income tax		1,588,378	4.02	3,172,980	6.37
Income tax expense	4, 6(26)	(386,349)	(0.98)	(759,546)	(1.52)
Net income		1,202,029	3.04	2,413,434	4.85
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6(25)	(4,289)	(0.01)	89,306	0.18
Unrealized gain (loss) from equity instrument investments measured at fair value through other comprehensive income	6(25)	1,413,047	3.58	(1,400,799)	(2.81)
Income tax related to items that will not be reclassified subsequently to profit or loss	6(25), 6(26)	1,112	-	(22,687)	(0.05)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(25)	(406,506)	(1.03)	856,307	1.72
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	6(25)	(14)	-	7,071	0.01
Other comprehensive income (loss), net of tax		1,003,350	2.54	(470,802)	(0.95)
Total comprehensive income		\$ 2,205,379	5.58	\$ 1,942,632	3.90
Net income for the periods attributable to :					
Shareholders of the parent	6(27)	\$ 1,391,923		\$ 2,358,935	
Non-controlling interests	6(18), 6(28)	\$ (189,894)		\$ 54,499	
Total comprehensive income (loss) for the periods attributable to :					
Shareholders of the parent		\$ 2,423,700		\$ 1,835,602	
Non-controlling interests		\$ (218,321)		\$ 107,030	
Basic Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 3.56		\$ 6.03	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(27)	\$ 3.53		\$ 5.92	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent								Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity		Total		
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income (loss)			
Balance as of January 1, 2022	\$ 3,909,811	\$ 2,893,442	\$ 4,046,623	\$ 2,469,437	\$ 9,650,179	\$ (2,276,257)	\$ 1,458,869	\$ 22,152,104	\$ 2,064,897	\$ 24,217,001
Acquisition or disposal of the interest of subsidiaries	-	334,824	-	-	-	-	-	334,824	123,856	458,680
Changes in subsidiaries' ownership	-	(29,060)	-	-	-	-	-	(29,060)	(24,300)	(53,360)
Appropriation and distribution of 2021 earnings:										
Legal reserve			75,004	-	(75,004)	-				
Cash dividends	-	-	-	-	(1,172,944)	-	-	(1,172,944)	-	(1,172,944)
Reversal of special reserve	-		-	(1,192,827)	1,192,827	-				
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-		-	(390,981)	-	(390,981)
Net income for the year ended December 31, 2022	-	-	-	-	2,358,935	-	-	2,358,935	54,499	2,413,434
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	70,408	811,884	(1,405,625)	(523,333)	52,531	(470,802)
Total comprehensive income (loss)					2,429,343	811,884	(1,405,625)	1,835,602	107,030	1,942,632
Increase of non-controlling interests	-	-	-	-	-	-	-	-	79,456	79,456
Balance as of December 31, 2022	3,909,811	2,808,225	4,121,627	1,276,610	12,024,401	(1,464,373)	53,244	22,729,545	2,350,939	25,080,484
Acquisition or disposal of the interest of subsidiaries	-	80,443	-	-	-	-	-	80,443	37,604	118,047
Changes in subsidiaries' ownership	-	10,016	-	-	-	-	-	10,016	(960)	9,056
Reversal of special reserve	-		-	(88,227)	88,227	-				
Appropriation and distribution of 2022 earnings:										
Legal reserve			242,934	-	(242,934)	-				
Cash dividends	-	-	-	-	(1,368,434)	-	-	(1,368,434)	-	(1,368,434)
Special reserve	-	-	-	134,519	(134,519)	-				
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-		-	(390,981)	-	(390,981)
Net income for the year ended December 31, 2023	-	-	-	-	1,391,923	-	-	1,391,923	(189,894)	1,202,029
Other comprehensive income (loss) for the year ended December 31, 2023					(3,455)	(378,069)	1,413,301	1,031,777	(28,427)	1,003,350
Total comprehensive income (loss)					1,388,468	(378,069)	1,413,301	2,423,700	(218,321)	2,205,379
Decrease of non controlling interests	-	-	-	-	-	-	-	-	(6,148)	(6,148)
Balance as of December 31, 2023	\$ 3,909,811	\$ 2,507,703	\$ 4,364,561	\$ 1,322,902	\$ 11,755,209	\$ (1,842,442)	\$ 1,466,545	\$ 23,484,289	\$ 2,163,114	\$ 25,647,403

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

CORETRONIC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

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

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

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

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

1. HISTORY AND ORGANIZATION

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

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

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

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

The abovementioned standards and interpretations issued by the IASB have been endorsed by the FSC, and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

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

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

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

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

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

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

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

B. IFRS 17 “Insurance Contracts”

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

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

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

C. Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

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

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

(2) Basis of Preparation

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

(3) General Description of Reporting Entity

Principles of consolidation

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

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

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

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

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

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

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

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

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

If loses control of a subsidiary, it:

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

The consolidated entities are as follows:

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

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

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

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

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

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

Entity name	Relationship	Business nature	Percentage of Ownership	
			December 31, 2023	December 31, 2022
Young Lighting Limited (“YLL”) and its subsidiaries	Subsidiary	YLL is a holding company and invests in Mainland China. YLL’s joint ventures are the R&D, production, manufacturing and marketing of backlight module, touch module, LCD module, other optical components and lighting application. YLL’s joint ventures also provide after-sales services.	100.00%	100.00%
Dynamic Time Investments Limited (“Dynamic Time”)	Subsidiary	Holding Company	100.00%	100.00%
Chung Tsen Investment Corp. (“CGT”) and its subsidiaries	Subsidiary	CGT is an investment company for strategic purposes.	100.00%	100.00%
Coretronic Intelligent Cloud Service Corporation (“CICS”) and its subsidiaries	Subsidiary	CICS is engaged in intelligent cloud, IT information, intelligent applications of new media and platform development. CICS’s joint ventures are contractor in intelligent building engineering and provide services to customers from various domains.	100.00%	100.00%

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

Entity name	Relationship	Business nature	Percentage of Ownership	
			December 31, 2023	December 31, 2022
Coretronic Venture Capital Co. (“CVC”)	Subsidiary	The investment activities of business expansion.	100.00%	100.00%
uCare Medical Electronics Co., Ltd. (“UCM”)	Subsidiary	UCM is engaged in R&D, design, production and marketing of intelligent exercise and medical care related software and hardware products.	60.69%	60.69%
Champ Vision Display Inc. (“CVD”)	Subsidiary	CVD is engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	79.36%	80.00%
Calibre UK Ltd. (“CAL”)	Subsidiary	CAL is engaged in R&D, design, production and marketing of image processing products.	100.00%	100.00%
InnoSpectra Corporation (“ISC”)	Subsidiary	ISC is engaged in R&D and marketing of near-infrared spectrum and corresponding solutions.	80.00%	80.00%
Coretronic Intelligent Robotics Corporation (“CIRC”)	Subsidiary	CIRC is engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	100.00%	100.00%

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

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

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

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

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

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

(4) Foreign Currency Transactions

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

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

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

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

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

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

(5) Translation of Foreign Currency Financial Statements

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

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

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

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

(6) Current and Non-Current Distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

(7) Cash and Cash Equivalents

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

(8) Financial Instruments

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

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

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

A. Financial instruments: Recognition and Measurement

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

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

Financial assets measured at amortized cost

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

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

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

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

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

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

Financial asset measured at fair value through profit or loss

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

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

B. Impairment of financial assets

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

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

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

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The loss allowance is measures as follow:

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

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

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D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

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(9) Derivative Instrument and Hedging Accounting

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

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

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

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

A. Fair value hedges

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

B. Cash flow hedges

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

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

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

C. Hedges of net investments in foreign operations

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

(10) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

(11) Inventories

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

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

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

(12) Investments accounted for using the equity method

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

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

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

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

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

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

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

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

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

(13) Property, Plant and Equipment

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

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

Name	Years
Buildings and facilities	2~51 years
Machinery and equipment	2~10 years
Transportation equipment	4~9 years
Furniture and fixtures	2~10 years
Leasing assets	2~5 years
Leasehold improvement	Depends on the lease term
Miscellaneous equipment	3~15 years

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

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

(14) Investment Property

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

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

Name	Years
Buildings	10~30 years

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

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

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

(15) Leases

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

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

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

Group as a lessee

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

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

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

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

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

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

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

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

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

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

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

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Group as a lessor

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

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

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

(16) Intangible Assets

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

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

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

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

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

Developing intangible assets - research and development costs

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

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

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

Patent rights and trademark rights

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

Computer software

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

Acquired Special Technology

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

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(17) Impairment of Non-Financial Assets

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

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

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

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

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(18) Provisions

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

Provision for decommissioning, restoration and rehabilitation costs

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

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Maintenance warranties

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

Sales returns and allowances

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

(19) Revenue Recognition

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

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Sale of goods

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

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

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

Rendering of services

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

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

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

(20) Government grants

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

(21) Post-Employment Benefits

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

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

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

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

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

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(22) Share-based payment plans

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

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

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

(23) Income Tax

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and Assumptions

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

A. Fair value of financial instruments

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

B. Valuation of inventory

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

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

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C. Maintenance warranties

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

D. Revenue recognition - sales returns and allowance

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

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31,	
	2023	2022
Cash on hand, savings and checking accounts	\$4,707,516	\$4,836,956
Time deposits	11,848,442	7,389,043
Cash equivalents - repurchase agreements	-	139,000
Total	<u>\$16,555,958</u>	<u>\$12,364,999</u>

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

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

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

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

	December 31,	
	2023	2022
Equity instruments investments measured at fair value through other comprehensive income		
Unlisted companies stocks	\$5,308,046	\$3,895,009
Current	\$-	\$-
Non-current	5,308,046	3,895,009
Total	\$5,308,046	\$3,895,009

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

(4) Financial assets measured at amortized cost

	December 31,	
	2023	2022
Time deposits (with original maturities of more than six months)	\$1,258,522	\$4,722,945
Current	\$1,258,522	\$4,722,945
Non-current	-	-
Total	\$1,258,522	\$4,722,945

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 12 for more details on credit risk.

(5) Notes Receivable

	December 31,	
	2023	2022
Notes receivable - arose from operating activities	\$28,264	\$29,671

Notes receivable were not pledged.

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

(6) Trade Receivables and Trade Receivables - Related Parties

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

Trade receivables were not pledged.

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

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

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

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(7) Inventories

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

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

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

No inventories were pledged.

(8) Investments Accounted for using the Equity Method

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

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

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

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

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

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(9) Property, Plant and Equipment

Property, plant and equipment for own-use

			Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:									
As of January 1, 2023	\$25,620	\$8,587,666	\$5,431,443	\$466,951	\$48,518	\$691,855	\$1,532,621	\$688,798	\$17,473,472
Additions	126,914	226,209	217,418	19,647	884	7,070	65,530	1,001,536	1,665,208
Disposals	-	(24,776)	(981,382)	(45,456)	(11,804)	(225,755)	(179,702)	-	(1,468,875)
Transfers	-	55,626	(11,953)	(4,165)	-	5,614	29,328	(253,664)	(179,214)
Exchange differences	(112)	(80,022)	(53,051)	(4,006)	(729)	(5,214)	(15,744)	(40,099)	(198,977)
As of December 31, 2023	<u>\$152,422</u>	<u>\$8,764,703</u>	<u>\$4,602,475</u>	<u>\$432,971</u>	<u>\$36,869</u>	<u>\$473,570</u>	<u>\$1,432,033</u>	<u>\$1,396,571</u>	<u>\$17,291,614</u>
As of January 1, 2022	\$25,680	\$8,134,122	\$4,978,854	\$427,227	\$44,195	\$788,434	\$1,582,090	\$441,630	\$16,422,232
Additions	-	266,880	396,382	43,345	5,384	12,983	91,998	822,034	1,639,006
Disposals	-	(67,333)	(311,879)	(7,166)	(2,592)	(142,147)	(148,745)	(369)	(680,231)
Transfers	-	185,721	296,064	(3,283)	(40)	4,462	(16,198)	(585,710)	(118,984)
Exchange differences	(60)	68,276	72,022	6,828	1,571	28,123	23,476	11,213	211,449
As of December 31, 2022	<u>\$25,620</u>	<u>\$8,587,666</u>	<u>\$5,431,443</u>	<u>\$466,951</u>	<u>\$48,518</u>	<u>\$691,855</u>	<u>\$1,532,621</u>	<u>\$688,798</u>	<u>\$17,473,472</u>
Depreciation and Impairment:									
As of January 1, 2023	\$-	\$3,937,742	\$3,408,354	\$341,435	\$36,114	\$532,927	\$1,124,428	\$19	\$9,381,019
Depreciation	-	435,307	456,776	46,362	3,545	50,930	124,810	-	1,117,730
Disposals	-	(23,035)	(882,945)	(39,128)	(11,761)	(214,243)	(171,857)	-	(1,342,969)
Transfers	-	993	(181,928)	(4,855)	-	(1,269)	(12,714)	(19)	(199,792)
Exchange differences	-	(47,208)	(21,552)	(3,272)	(550)	(11,902)	(11,862)	-	(96,346)
As of December 31, 2023	<u>\$-</u>	<u>\$4,303,799</u>	<u>\$2,778,705</u>	<u>\$340,542</u>	<u>\$27,348</u>	<u>\$356,443</u>	<u>\$1,052,805</u>	<u>\$-</u>	<u>\$8,859,642</u>
As of January 1, 2022	\$-	\$3,566,409	\$3,269,963	\$304,536	\$33,424	\$594,020	\$1,140,074	\$-	\$8,908,426
Depreciation	-	398,166	460,616	44,056	3,014	51,536	142,781	-	1,100,169
Disposals	-	(55,831)	(295,672)	(7,120)	(1,278)	(134,905)	(147,619)	-	(642,425)
Transfers	-	(3,558)	(79,081)	(5,657)	(16)	837	(30,503)	19	(117,959)
Impairment	-	-	4,991	-	-	-	-	-	4,991
Exchange differences	-	32,556	47,537	5,620	970	21,439	19,695	-	127,817
As of December 31, 2022	<u>\$-</u>	<u>\$3,937,742</u>	<u>\$3,408,354</u>	<u>\$341,435</u>	<u>\$36,114</u>	<u>\$532,927</u>	<u>\$1,124,428</u>	<u>\$19</u>	<u>\$9,381,019</u>

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

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

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

(10) Investment Property

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

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

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

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

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

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

	December 31,	
	2023	2022
Fair value of the investment property	\$304,500	\$288,200
Discount rates	4.595%	4.345%
Growth rates	0.4%	0.4%

(11) Intangible Assets

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

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

Amortization and Impairment:

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

Amortization and Impairment:

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

Net carrying amount as of:

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

Amortization expense of intangible assets:

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

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(12) Short-Term Borrowings

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

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

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

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

(14) Hedging financial liabilities:

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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(15) Long-Term Borrowings

Details of long-term borrowings are as follows:

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

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

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

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

(16) Post-Employment Benefits

Defined contribution plan

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

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

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

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT\$361,529 thousand and NT\$421,014 thousand, respectively.

Defined benefits plan

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

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

As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$2,905 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

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

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Pension costs recognized in profit or loss are as follows:

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

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

	December 31,		January 1,
	2023	2022	2022
Present value of defined benefit obligation	\$352,523	\$433,963	\$513,258
Plan assets at fair value	<u>(358,141)</u>	<u>(397,157)</u>	<u>(375,208)</u>
Net defined benefit Liabilities (assets)	<u><u>\$(5,618)</u></u>	<u><u>\$36,806</u></u>	<u><u>\$138,050</u></u>
Other non-current liabilities — Carrying amount on the net defined benefit liabilities	<u><u>\$50,273</u></u>	<u><u>\$70,509</u></u>	<u><u>\$156,435</u></u>
Other non-current assets — Carrying amount on the net defined benefit assets	<u><u>\$(55,891)</u></u>	<u><u>\$(33,703)</u></u>	<u><u>\$(18,385)</u></u>

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

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

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As of January 1, 2023	\$433,963	\$397,157	\$36,806
Current service cost	66	-	66
Interest expense (revenue)	7,545	6,989	556
Gain on plan curtailment	(49,377)	(43,003)	(6,374)
Subtotal	392,197	361,143	31,054

Remeasurements of the defined benefit liability (asset):

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

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

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

Sensitivity analysis of significant assumptions is as follows:

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

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

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

(17) Provisions

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

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

Warranties

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

(18) Equities

A. Common stock

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

B. Capital surplus

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

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

C. Retained earnings and dividend policies:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Non-controlling interests:

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

(19) Share-based payment plans

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

Share-based payment plans of subsidiaries

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

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Each unit of employee stock options is eligible to subscribe for one common share of Optoma Holding Limited. New shares will be issued when employees exercise such options. Holders may exercise the stock options for a certain period of time and proportion two years after the employee stock options are granted. The total outstanding granted stock options were 2,405,450 units as of December 31, 2023. The fair value of options granted was EUR 1,034 thousand, and the grant date was April 28, 2022.

The fair value of each new common share granted for the restricted stocks plan is EUR2.02 with exercise price of EUR1.99. The restricted stocks plan for employee allows the new shares released in proportion according to the vesting condition. As of December 31, 2023, total outstanding granted stock options were 1,118,308 shares with the fair value of EUR 34 thousand. The issued but unvested employee restricted shares are still entitled to dividend distribution. If employees resign during the vesting period, the Optoma Holding Limited will redeem unvested shares with the consideration of the original issuing price, and employees have to pay back dividends obtained.

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

	<u>Share-based payment plan of subsidiaries</u>
Expected dividend yield (%)	0.00%
Expected volatility (%)	35.1%
Risk free interest rate (%)	2.96%
Expected life (Years)	2 years

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Share-based compensation expenses recognized for the years ended December 31, 2023 and 2022 were NT\$9,042 thousand and NT\$6,218 thousand, respectively.

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(20) Sales

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

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

A. Revenue of Segments

For the year ended December 31, 2023

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

For the year ended December 31, 2022

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

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B. Contract balance

Contract liabilities - current

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

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

C. Transaction price allocated to unsatisfied performance obligations

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

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

None.

(21) Expected credit losses

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

The Group measures trade receivables (including notes receivable and trade receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2023 and 2022 is as follows:

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

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

As of December 31, 2023

Group A

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

Group B

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

As of December 31, 2022

Group A

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

CORETRONIC CORPORATION AND SUBSIDIARIES
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Group B

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

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

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

(22) Leases

A. Group as lessee

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

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

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(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

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

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

ii. Lease liability

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

Please refer to Note 6(24)D. for the interest on lease liability recognized during the years ended December 31, 2023 and 2022, and Note 12(5) for the maturity analysis for lease liabilities.

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

Depreciation charge for right-of-use assets

	Years ended December 31,	
	2023	2022
Land	\$59,448	\$62,526
Buildings	199,003	261,014
Transportation equipment	17,073	20,434
Office fixtures	1,379	1,328
Other equipment	372	6
Total	<u>\$277,275</u>	<u>\$345,308</u>

CORETRONIC CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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(c) Income and costs relating to leasing activities

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

(d) Cash outflow relating to leasing activities

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

(e) Other information relating to leasing activities

i. Variable lease payments

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

ii. Extension and termination options

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

CORETRONIC CORPORATION AND SUBSIDIARIES
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iii. Residual value guarantees

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

B. Group as lessor

Please refer to Note 6(10) for details on the Group's owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$40,268	\$42,782
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	<u>\$40,268</u>	<u>\$42,782</u>

Please refer to Note 6(10) for relevant disclosure of investment properties for operating leases which is required by IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining periods are as follows:

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

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

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

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

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

CORE accrued employee compensation based on a specific rate of profit. The amounts of employee compensation were NT\$201,440 thousand and NT\$360,060 thousand for the years ended December 31, 2023 and 2022, respectively. If the Board of Directors resolved to distribute employee compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, CORE will recognize the change as an adjustment in the profit or loss in the subsequent period.

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

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

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

(24) Non-Operating Income and Expenses

A. Interest income

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

B. Other income

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

C. Other gains and losses

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

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

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

D. Finance cost

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

(25) Components of Other Comprehensive Income

For the year ended December 31, 2023

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	\$(4,289)	\$858	\$(3,431)
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	1,413,047	254	1,413,301
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(406,506)	-	(406,506)
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(14)	-	(14)
Total of other comprehensive income	<u>\$1,002,238</u>	<u>\$1,112</u>	<u>\$1,003,350</u>

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For the year ended December 31, 2022

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

(26) Income Tax

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

Income tax expense (income) recognized in profit or loss

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

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Income tax relating to components of other comprehensive income

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

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

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

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2023

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

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

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For the year ended December 31, 2022

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

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

December 31, 2023

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

December 31, 2022

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

Unrecognized deferred tax assets

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

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Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize deferred tax liabilities associated with tax payable for unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that not all distributed profits of its subsidiaries will be distributed in the foreseeable future. As of December 31, 2023 and 2022, the amounts of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT\$25,650,783 thousand and NT\$23,854,518 thousand, respectively.

The assessment of income tax returns

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

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

(27) Earnings Per Share

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

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

	Years ended December 31	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary shareholders of the parent (in thousand NT\$)	\$1,391,923	\$2,358,935
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Basic earnings per share (NT\$)	\$3.56	\$6.03
B. Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent after dilution (in thousand NT\$)	\$1,391,923	\$2,358,935
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Effect of dilution:		
Employee bonus — stock (in thousand)	3,501	7,180
Weighted average number of ordinary shares outstanding after dilution (in thousand)	394,482	398,161
Diluted earnings per share (NT\$)	\$3.53	\$5.92

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

(28) Subsidiaries that have Material Non-Controlling Interests

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

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Percentage of equity interest held by non-controlling interests:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Related Party Transactions

(1) Related Party Name and Categories

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

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(2) Significant transactions with related parties

A. Sales

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

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

B. Purchases

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

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

C. Accounts Receivable from Related Parties

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

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D. Other Receivable from Related Parties

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

E. Accounts Payable to Related Parties

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

F. Other Payable to Related Parties

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

G. Others

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

H. Key Management Personnel Compensation

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

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8. Assets Pledged as Collateral

The following assets of the Group pledged as collateral:

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

9. Commitments and Contingencies

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

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

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

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

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

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

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

(2) Financial Risk Management Objectives and Policies

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

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

(3) Market Risk

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

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

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Foreign currency risk

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

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

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

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

Interest rate risk

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

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

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Equity price risk

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

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

(4) Credit Risk Management

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

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

As of December 31, 2023, and 2022, receivables from top ten customers represented 87% and 71% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables was insignificant.

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

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(5) Liquidity Risk Management

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

Non-derivative financial liabilities

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

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

Derivative financial liabilities

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

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

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

(6) Reconciliation of Liabilities Arising from Financing Activities:

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

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

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

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

(7) Fair Value of Financial Instruments

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

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

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

B. Fair value of financial instruments measured at amortized cost

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

C. Fair value measurement hierarchy for financial instruments

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

(8) Derivative Instruments

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

Forward currency contracts

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

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

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

Hedging forward currency contracts

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

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

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

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

(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

December 31, 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$452,577	\$-	\$452,577
Equity instrument measured at fair value through other comprehensive income	-	-	5,308,046	5,308,046
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	347,557	-	347,557
December 31, 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$155,286	\$-	\$155,286
Equity instrument measured at fair value through other comprehensive income	-	-	3,985,009	3,985,009
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	450,431	-	450,431
Hedging financial liabilities				
Forward currency contract	-	1,483	-	1,483

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

Transfers between the Level 1 and Level 2 during the period

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

Change in reconciliation for fair value measurements in Level 3

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

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

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

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

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Information on significant unobservable inputs to valuation

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

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value					
through other					
comprehensive					
income					
Stock	Asset-Based Approach	Not Applicable	-	-	-
	Market Approach	P/E ratio of similar companies	1..75	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$5,312 thousand/ NT\$5,312 thousand.
	Market Approach	P/E ratio of similar companies	2.84	The higher the P/E ratio of similar companies, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar entities would result in increase /decrease in equity by NT\$4,692 thousand/ NT\$4,692thousand

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As of December 31, 2022

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

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

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

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

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

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

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

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

	December 31, 2023		
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
Monetary item:			
USD	\$1,152,045	30.705	\$35,373,542
JPY	400,772	0.2172	87,048
GBP	1,232	39.15	48,231
EUR	36	33.98	1,223
CNY	212	4.3263	917

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December 31, 2023			
	Foreign currencies	Exchange rate	NTD thousand
Non-monetary items:			
USD	\$3,838	30.705	\$117,830
Financial liabilities			
Monetary items:			
USD	\$1,000,493	30.705	\$30,720,138
JPY	103,930	0.2172	22,574
EUR	13	33.98	442
CNY	26	4.3263	112
December 31, 2022			
	Foreign currencies	Exchange rate	NTD thousand
Financial assets			
Monetary item:			
USD	\$762,907	30.71	\$23,428,874
JPY	217,151	0.2324	50,466
GBP	1,237	37.09	45,878
CNY	223	4.4094	983
Non-monetary items:			
USD	\$3,104	30.71	\$95,333
Financial liabilities			
Monetary items:			
USD	\$750,349	30.71	\$23,043,218
EUR	184	32.72	6,021
JPY	90,170	0.2324	20,956
GBP	13	37.09	482
CNY	508	4.4094	2,240

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The Group's functional currencies are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange loss was NT\$239,672 thousand and NT\$899,361 thousand for the years ended December 31, 2023 and 2022, respectively.

(11) Capital Management

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

13. Additional Disclosures

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

- A. Financing provided to others for the year ended December 31, 2023: Attachment 1-2.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: Please refer to Attachment 1, 1-1.
- C. Securities held as of December 31, 2023 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: Attachment 10.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 3, 3-1.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2023: Please refer to Attachment 4, 4-1.

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

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

(2) Information on Investees

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

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

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

(3) Investment in Mainland China

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

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

(4) Information on major shareholders

Please refer to Attachment 9.

14. Segment information

(1) General Information

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

B. The Group has three reportable segments:

(a) Energy-saving products segments: mainly engaged in the R&D design, manufacturing and marketing of backlighting, panel modules, medical displays and energy-efficient lighting equipment.

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

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

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

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

(2) Segment Income, Assets and Liabilities Information

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

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

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

Note A: Nine operating segments did not meet the quantitative thresholds for reportable segments for the years ended December 31, 2023 and 2022, respectively. They have been combined into other segments.

Note B: Inter-segment revenue is eliminated on consolidation and recorded under the “adjustment and elimination” column, all other adjustments and eliminations are disclosed below.

Note C: If the measurements of the asset were not provided to the decision makers, the amount of the assets to be disclosed by every segment may be expressed as zero and listed as group assets.

	Years ended December 31	
	2023	2022
Net income of reportable segments	\$2,232,240	\$3,651,961
Loss of other segments	(762,551)	(735,231)
Unallocated amount:		
Interest income	407,553	342,036
Interest expense	(443,307)	(396,446)
Financial assets (liabilities) at fair value through profit or loss	602,097	1,708,310
Exchange losses	(239,672)	(899,361)
Others	(207,982)	(498,289)
Income before income tax	\$1,588,378	\$3,172,980

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

(3) Geographical information

A. Sales to other than consolidated entities

	Years ended December 31,	
	2023	2022
Mainland China (including Hong Kong)	\$11,964,469	\$18,391,556
Taiwan	11,518,138	10,741,794
South Korea	4,000,532	7,686,653
United Kingdom	3,761,245	4,235,774
United States	3,082,480	3,531,745
Japan	2,551,617	2,607,421
Malaysia	217,792	707,287
Others	2,395,435	1,880,927
Total	<u>\$39,491,708</u>	<u>\$49,783,157</u>

Sales are classified by customers' country.

B. Non-current assets

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

(4) Major customers information

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 1-2 (financing provided to others for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Lender	Counterparty	Financial statement account	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Bighine (HK)	Coro-Flex	Tradereceivables - related parties	Yes	\$ 137,858	\$ -	\$ -	-%	The need for short-term financing	-	Business turnover	-	None	-	\$220,874	\$220,874
1	Bighine (HK)	Mat Limited	Tradereceivables - related parties	Yes	140,303	132,861	132,861	-%	The need for short-term financing	-	Business turnover	-	None	-	552,185	552,185
1	Bighine (HK)	Coronac Corporation	Tradereceivables - related parties	Yes	206,645	195,683	195,683	-%	The need for short-term financing	-	Business turnover	-	None	-	552,185	552,185
2	Bloom Power	Coronac (BVI) Investment	Tradereceivables - related parties	Yes	2,302	2,180	2,180	-%	The need for short-term financing	-	Business turnover	-	None	-	238,141	238,141
2	Bloom Power	Coronac Corporation	Tradereceivables - related parties	Yes	123,475	116,925	116,925	-%	The need for short-term financing	-	Business turnover	-	None	-	238,141	238,141
3	Dynamic Time	Coro-Flex	Tradereceivables - related parties	Yes	129,991	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	968,988	968,988
3	Dynamic Time	Great Pride (HK)	Tradereceivables - related parties	Yes	801,945	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,422,470	2,422,470
3	Dynamic Time	Coronac Corporation	Tradereceivables - related parties	Yes	2,535,635	2,401,131	2,401,131	-%	The need for short-term financing	-	Business turnover	-	None	-	2,422,470	2,422,470
4	Great Pride (HK)	Coronac Investment Limited	Tradereceivables - related parties	Yes	913,064	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,732,651	2,732,651
4	Great Pride (HK)	Coronac Corporation	Tradereceivables - related parties	Yes	119,973	113,609	113,609	-%	The need for short-term financing	-	Business turnover	-	None	-	2,732,651	2,732,651
5	Nano Display	Coronac Corporation	Tradereceivables - related parties	Yes	231,648	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	496,759	496,759
6	Venture Orient	Coronac Investment Limited	Tradereceivables - related parties	Yes	90,105	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	515,277	515,277
6	Venture Orient	Coronac Corporation	Tradereceivables - related parties	Yes	106,491	76,763	76,763	-%	The need for short-term financing	-	Business turnover	-	None	-	515,277	515,277
7	Wisdom Success (HK)	Coronac Corporation	Tradereceivables - related parties	Yes	599,863	568,043	568,043	-%	The need for short-term financing	-	Business turnover	-	None	-	6,856,991	6,856,991
8	Wisdom Success	Coronac Corporation	Tradereceivables - related parties	Yes	32,425	30,705	30,705	-%	The need for short-term financing	-	Business turnover	-	None	-	10,681,170	10,681,170
9	Young Lighting Limited	Coronac Investment Limited	Tradereceivables - related parties	Yes	1,494,252	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,363,923	3,363,923
9	Young Lighting Limited	Coronac Corporation	Tradereceivables - related parties	Yes	314,523	297,839	297,839	-%	The need for short-term financing	-	Business turnover	-	None	-	3,363,923	3,363,923
10	Chung Tsen Investment	Coronac Reality Inc.	Tradereceivables - related parties	Yes	60,000	60,000	60,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coronac Intelligent Logistics Solutions Corporation	Tradereceivables - related parties	Yes	120,000	87,000	87,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coronac MEMS Corporation	Tradereceivables - related parties	Yes	60,000	60,000	60,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coronac Intelligent Robotics Corporation	Tradereceivables - related parties	Yes	50,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Coronac Corporation	Tradereceivables - related parties	Yes	366,000	305,000	305,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chung Tsen Investment	Nano Precision Taiwan	Tradereceivables - related parties	Yes	132,000	55,000	55,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
11	Coretronic Projection (Kunshan)	Coronac Optics (Kunshan)	Tradereceivables - related parties	Yes	903,471	865,260	865,260	0.9%	The need for short-term financing	-	Business turnover	-	None	-	6,662,056	6,662,056
11	Coretronic Projection (Kunshan)	Coronac Optics (Suzhou)	Tradereceivables - related parties	Yes	2,288,677	2,163,152	2,163,152	0.9%	The need for short-term financing	-	Business turnover	-	None	-	6,662,056	6,662,056
12	Nano Precision (Suzhou)	Coronac Optotek (Suzhou)	Tradereceivables - related parties	Yes	426,984	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,568,758	2,568,758
12	Nano Precision (Suzhou)	Coronac Optics (Suzhou)	Tradereceivables - related parties	Yes	1,694,560	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	2,568,758	2,568,758
13	Young Bright Optical (Suzhou)	Coronac Optics (Suzhou)	Tradereceivables - related parties	Yes	257,681	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	382,899	382,899
14	Coretronic (Ningbo)	Coronac Optotek (Suzhou)	Tradereceivables - related parties	Yes	1,797,836	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	3,620,696	3,620,696
14	Coretronic (Ningbo)	Coronac Optics (Suzhou)	Tradereceivables - related parties	Yes	1,642,856	865,261	865,261	0.9%	The need for short-term financing	-	Business turnover	-	None	-	3,620,696	3,620,696
15	Tsen Ming Investment	Coronac Reality Inc.	Tradereceivables - related parties	Yes	50,000	50,000	50,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Coronac MEMS Corporation	Tradereceivables - related parties	Yes	136,000	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Coronac Corporation	Tradereceivables - related parties	Yes	96,000	96,000	96,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tsen Ming Investment	Nano Precision Taiwan	Tradereceivables - related parties	Yes	122,000	72,000	72,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
16	Coretronic (Suzhou)	Coronac Display (Suzhou)	Tradereceivables - related parties	Yes	198,231	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,405,424	4,405,424
16	Coretronic (Suzhou)	Coronac Optics (Suzhou)	Tradereceivables - related parties	Yes	1,986,598	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	4,405,424	4,405,424
17	Coretronic Display (Suzhou)	Coronac Corporation	Tradereceivables - related parties	Yes	198,231	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	539,241	539,241
18	Texpoint	Coronac Corporation	Tradereceivables - related parties	Yes	528,203	500,184	500,184	-%	The need for short-term financing	-	Business turnover	-	None	-	3,476,025	3,476,025
19	Vimax (Kunshan)	Coronac Optics (Kunshan)	Tradereceivables - related parties	Yes	1,287,446	1,232,996	1,232,996	0.9%	The need for short-term financing	-	Business turnover	-	None	-	1,358,950	1,358,950
20	Coretronic (Guangzhou)	YLG Optotek	Tradereceivables - related parties	Yes	754,434	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	1,405,782	1,405,782
21	Optoma Europe	Optoma Holding Limited	Tradereceivables - related parties	Yes	169,368	-	-	-%	The need for short-term financing	-	Business turnover	-	None	-	368,413	368,413
22	Young Green Energy	Coronac Corporation	Tradereceivables - related parties	Yes	80,000	80,000	80,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	84,277	84,277
23	Mat Limited	Coronac Vietnam	Tradereceivables - related parties	Yes	149,155	141,243	141,243	0.9%	The need for short-term financing	-	Business turnover	-	None	-	1,389,954	1,389,954
24	Young Optics	Young Optics (BD)	Other receivables - related parties	Yes	61,850	61,410	184,223	-%	The need for short-term financing	-	Business turnover	-	None	-	1,248,005	1,248,005
25	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	32,425	30,705	30,705	-%	The need for short-term financing	-	Business turnover	-	None	-	506,208	506,208

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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

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

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2023)

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

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

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NTS100 million or 20 percent of capital stock as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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

Note a : Includes Other receivables.

Note b : Receivables include capital reduction and distribution of earnings.

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

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
0	Coretronic Corporation	Optoma USA	1	Sales	31,341	—	0.08%
		Optoma Europe	1	Sales	42,494	—	0.11%
		Greendale	1	Accounts receivable	673,578	—	1.21%
		Coretronic Projection (Kunshan)	1	Sales	4,487,199	—	11.36%
		YLG Optotech	1	Sales	41,171	—	0.10%
		Coretronic Optotech (Suzhou)	1	Sales	240,519	—	0.61%
		Coretronic Optotech (Suzhou)	1	Accounts receivable	3,638,088	—	6.54%
		Coretronic Optics (Suzhou)	1	Sales	9,134,344	—	23.13%
		Coretronic Optics (Suzhou)	1	Accounts receivable	4,880,823	—	8.78%
		Coretronic Optics (Suzhou)	1	Sales	9,085,219	—	23.01%
		Coretronic Vietnam	1	Accounts receivable	1,675,598	—	3.01%
		Coretronic Vietnam	1	Sales	2,401,058	—	6.08%
		Coretronic Technology (BRVT)	1	Accounts receivable	156,016	—	0.28%
		Coretronic Technology (BRVT)	1	Sales	157,397	—	0.40%
1	Young Optics	Optoma Corporation	1	Accounts receivable	798,570	—	1.44%
		Optoma Corporation	1	Sales	3,133,204	—	7.93%
		Masterview	3	Other receivables	162,737	—	0.29%
		Young Optics (Kunshan)	3	Accounts receivable	15,659	—	0.03%
		Young Optics (Kunshan)	3	Sales	753	—	0.00%
		Coretronic Projection (Kunshan)	3	Other receivables	84,495	—	0.15%
		Coretronic Projection (Kunshan)	3	Accounts receivable	63,849	—	0.11%
		Coretronic Projection (Kunshan)	3	Sales	375,468	—	0.95%
		Rays Optics	3	Sales	339,596	—	0.86%
		Young Optics (BD)	3	Other receivables	18,423	—	0.03%
		Young Optics (BD)	3	Accounts receivable	57,306	—	0.10%
		Young Optics (BD)	3	Sales	8	—	0.00%
		Young Optics (Suzhou)	3	Accounts receivable	1,937	—	0.00%
		Young Optics (Suzhou)	3	Sales	9,819	—	0.02%
2	Grace China	Mejiro	3	Accounts receivable	2,411	—	0.00%
		Mejiro	3	Sales	5,266	—	0.01%
		Young Optics (BD)	3	Other receivables	135,010	—	0.24%
		Young Optics (BD)	3	Accounts receivable	154,383	—	0.28%

No. (Note a)	Related party	Counter-party	Relationship with Coretronic Corporation (Note b)	Transactions			
				Accounts	Amount	Collection periods (Note c)	Percentage of consolidated operating revenues or consolidated total assets (Note d)
3	Young Optics (Kunshan)	Young Optics	3	Accounts receivable	384,306	—	0.69%
			3	Sales	744,664	—	1.89%
		Young Optics (Suzhou)	3	Accounts receivable	7,576	—	0.01%
			3	Sales	31,577	—	0.08%
		Young Optics (BD)	3	Accounts receivable	89	—	0.00%
			3	Sales	697	—	0.00%
		Coretronic Optics (Kunshan)	3	Accounts receivable	44,654	—	0.08%
			3	Sales	299,513	—	0.76%
4	Dynamic Time	Coretronic Corporation	2	Other receivables	2,401,131	—	4.32%
5	Optoma USA	Optoma Europe	3	Sales	38,947	—	0.10%
6	Optoma Europe	Optoma USA	3	Sales	52,620	—	0.13%
7	Wisdom Success	Coretronic Corporation	2	Other receivables	30,705	—	0.06%
8	Mat Limited	Coretronic Vietnam	3	Other receivables	141,486	—	0.25%
9	Vimax (Kunshan)	Coretronic Optics (Kunshan)	3	Other receivables	1,237,534	—	2.23%
10	Chung Tsen Investment	Coretronic Corporation	2	Other receivables	305,697	—	0.55%
		Nano Precision Taiwan	3	Other receivables	55,184	—	0.10%
		Coretronic MEMS Corporation	3	Other receivables	60,169	—	0.11%
		Coretronic Reality Inc	3	Other receivables	60,193	—	0.11%
		Coretronic Intelligent Logistics Solutions Corporation	3	Other receivables	87,112	—	0.16%
11	Venture Orient	Coretronic Corporation	2	Other receivables	76,763	—	0.14%
12	Masterview	Grace China	3	Other receivables	162,737	—	0.29%
13	Best Alpha	Young Optics (BD)	3	Other receivables	30,705	—	0.06%
14	Tecpoint	Coretronic Corporation	2	Other receivables	500,184	—	0.90%
15	Nano Precision (Suzhou)	Coretronic Corporation	2	Sales	29,047	—	0.07%
		Coretronic Projection (Kunshan)	3	Accounts receivable	12,896	—	0.02%
			3	Sales	41,300	—	0.10%
		Great Pride (HK)	3	Sales	35,240	—	0.09%
		Coretronic Display (Suzhou)	3	Sales	19,517	—	0.05%
		Coretronic Optotech (Suzhou)	3	Sales	264,706	—	0.67%
		Coretronic Optics (Suzhou)	3	Sales	74,958	—	0.19%
16	Greendale	Coretronic Corporation	2	Other receivables	1,469,474	—	2.64%
		Coretronic Optics (Kunshan)	3	Other receivables	666,105	—	1.20%

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

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

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

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

Note b: Transactions are categorized as follows:

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

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

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

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

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

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$1,563,709	\$1,563,709	38,220,000	100.00%	\$7,004,677	\$316,025	\$316,025	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	496,543	506,416	37,217,586	32.63%	978,596	(287,300)	(94,437)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,918,078	293,875	293,875	Subsidiary
Coretronic Corporation	Sinclink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,412,060	49,100	49,100	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	New Taipei City, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	2,609,321	(10,534)	(10,534)	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,617,383	(131,820)	(102,900)	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic	214,620	214,620	18,833,220	99.91%	226,855	9,210	9,201	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,607,905	40,625	40,625	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	354,990	354,990	25,000,000	100.00%	326,483	41,867	41,867	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	New Taipei City, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	307,395	2,718	2,718	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	142,850	144,000	14,285,000	79.36%	157,530	6,595	5,160	Subsidiary
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	Miaoli County, Taiwan	Engaged in the R&D, design, production and marketing of intelligent movement and medical care related software and hardware products.	80,000	80,000	8,000,000	60.69%	344	(16,280)	(9,880)	Subsidiary
Coretronic Corporation	Calibre UK Limited	U.K.	Engaged in R&D, design, production and marketing of image processing products.	238,841	238,841	52,701,042	100.00%	48,226	(27)	(27)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	758,067	506,263	18,000,000	100.00%	146,341	(195,424)	(195,424)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	13,099	2,904	2,323	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	389,178	389,178	18,000,000	100.00%	100,990	(42,533)	(42,533)	Subsidiary
Coretronic Corporation	Coretronic Realty Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	100,000	100,000	10,000,000	100.00%	(25,456)	(43,534)	(43,534)	Subsidiary
Coretronic Corporation	Coretronic Vietnam Co., Ltd.	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	USD 3,000,000	USD 3,000,000	-	100.00%	(103,348)	233,932	233,932	Subsidiary
Coretronic Corporation	Coretronic Intelligent Logistics Solutions Corporation	Hsinchu County, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	170,000	170,000	15,000,000	100.00%	13,378	(70,227)	(70,227)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	38.64%	824,075	182,259	197,885	Subsidiary
Coretronic Corporation	Dynamic Time Investment Limited	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00%	2,427,418	825	825	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corporation (JP)	Japan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	Note	Note	Note	Note	Note	Note	Note	Subsidiary

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

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

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

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

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

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

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

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

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

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

Note b : Optoma (China & HK) Ltd. Has disregistered in August 2023.

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

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

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

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

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Coretronic Projection (Kunshan)	Digital projectors, LCD monitors and related components of the research and development, processing, manufacturing and sales of the company's products and engaged in after-sales maintenance services	\$ 1,525,064 (USD 46,000,000)	Indirect investment from the third region (Greendale)	\$ 1,525,064 (USD 46,000,000)	-	-	\$ 1,525,064 (USD 46,000,000)	\$313,916	100.00%	\$313,916	\$6,987,943	\$ 428,855 (USD 14,065,436) (Note a and Note c)
Technology Service (Kunshan)	LCD monitor maintenance and technical services	13,259 (USD 400,000)	Indirect investment from the third region (Greendale)	13,259 (USD 400,000)	-	-	13,259 (USD 400,000)	2,108	100.00%	2,108	32,144	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	RMB 8,236,258	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	USD 1,000,000	-	-	USD 1,000,000	2,293	100.00%	2,293	52,100	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	-	-	-	-	44,515	100.00%	44,515	811,699	-
Vimax (Kunshan)	Design, research and development and production of projectors, sales of the company's own products and provide after sales maintenance services for self-produced and non-self-produced products	62,252 (USD 1,800,000)	Indirect investment from the third region (Mat Limited)	62,252 (USD 1,800,000)	-	-	62,252 (USD 1,800,000)	48,652	100.00%	48,652	1,402,980	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	89,157 (USD 2,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	20,423	100.00%	20,423	4,402,070	-
Coretronic Optics (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	USD 10,000,000	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	140,035	100.00%	140,035	321,152	-
Coretronic Optotech (Suzhou)	Research and development, manufacturing and processing optical components such as backlight module, LCD module, LCD TV and panel display. Sales of the company's own products and after-sales maintenance services	390,000 (USD 12,000,000)	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	228,057	100.00%	228,057	1,668,492	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	257,829 (USD 8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD 3,000,000)	-	-	95,254 (USD 3,000,000)	(21,236)	100.00%	(21,236)	197,500	81,790 (USD 2,800,000) (Note a, Note d and Note j)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (RMB 378,278,700)	Indirect investment from the Mainland China subsidiary (Coretronic Optics (Suzhou))	88,972 (RMB 2,967,283)	-	-	88,972 (USD 2,967,283)	(37,245)	100.00%	(37,245)	999,955	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	650,050 (USD 20,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD 4,700,000)	-	-	151,490 (USD 4,700,000)	36,909	100.00%	36,909	3,652,047	139,650 (USD 4,619,805) (Note a and Note j)
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	Note l	Indirect investment from the third region (Core-Flex)	759,827 (USD 23,260,000)	-	-	759,827 (USD 23,260,000)	575	Note l	575	Note l	-
Nano Precision (Suzhou)	Manufacture and sales of acrylic panels and light guide plate	426,839 (USD 13,300,000)	Indirect investment from the third region (Great Pride HK)	330,478 (USD 10,392,880)	-	-	330,478 (USD 10,392,880)	(57,900)	100.00%	(57,900)	2,508,291	85,228 (USD 2,795,270) (Note a and Note e)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	(89,744)	100.00%	(89,744)	1,327,629	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	Note m	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	(15,018)	Note m	(15,018)	Note m	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	Note m	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	USD 3,060,000	-	-	USD 3,060,000	15,661	Note m	15,661	Note m	-
Coretronic System Engineering (Shanghai)	Contractor in intelligent building engineering and provide related services to customers	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	-	USD 1,500,000	2,535	100.00%	2,535	29,719	-
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	USD 1,200,000	Indirect investment from the third region (Optoma Holding Limited)	USD 1,200,000	-	-	USD 1,200,000	12,009	96.69%	11,611	89,420	-
Coretronic Robotek (Kunshan)	Provide intelligent solutions for warehousing and manufacturing	RMB 12,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan) and Coretronic (Suzhou))	-	-	-	-	(10,564)	100.00%	(10,564)	42,304	-

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

Note a : To use historical currency rates.

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

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

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

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

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

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

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

Note i : Includes the investment of USD 2,966,301 from Nano Precision (Nanjing) which was liquidated in April 2019. The investment amount cancellation was approved by MOEA.

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

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

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

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

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

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

Note n : To use the currency rate 1 USD = 30.705 NTD as of December 31, 2023.

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

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

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

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

Note b : To use historical currency rates.

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

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

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

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

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

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

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

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

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

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

Note m : Young Optics (Kunshan) conducted capital reduction amounting to USD 10,000,000 in December 2020.

Note n : Young Optics (Kunshan) conducted capital reduction amounting to USD 7,200,000 in November 2023, and completed the procedure in January, 2024.

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

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

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

Note a : Coretronic Investment Limited entered into hedging forward currency contracts and hedge ineffectiveness recognized in profit amounting to NTS12,928 thousands for the year ended December 31, 2023.

Note b : Coretronic Corporation entered into forward foreign exchange contracts and realized a profit amounting to NTS334,832 thousands for the year ended December 31, 2023.

Note c : Champ Vision Display entered into forward foreign exchange contracts and realized a profit amounting to NTS831 thousands for the year ended December 31, 2023.

Note d : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NTS12,190 thousands for the year ended December 31, 2023.

Note e : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and realized a profit amounting to NTS6,514 thousands for the year ended December 31, 2023.

Note f : Coretronic Optotech (Suzhou) entered into forward foreign exchange contract and realized a loss amounting to NTS40,490 thousands for the year ended December 31, 2023.

Note g : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NTS38,586 thousands for the year ended December 31, 2023.

Note h : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NTS12,297 thousands for the year ended December 31, 2023.

Note i : Optoma Europe entered into forward foreign exchange contracts and realized a loss amounting to NTS31,028 thousands for the year ended December 31, 2023.

Note j : Optoma USA entered into forward foreign exchange contracts and realized a loss amounting to NTS728 thousands for the year ended December 31, 2023.

Note k : Nano Precision (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NTS7,210 thousands for the year ended December 31, 2023.

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

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

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

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

Note a : To be recognized in interest income.

V. Individual financial report audited by CPAs for the most recent year



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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, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, 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 report of other auditors (please refer to the Other Matter – Making Reference to the Audit of Other 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, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 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\$27,044 thousand for the year ended December 31, 2023, due to the rapid technological changes and innovation for projectors, backlight, and FPD-related products. Considering the amount of inventories was significant and the assessment of the amount of inventories write-downs requires the management's important judgement, we determined this is a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the methodologies and assumptions used, including the reasonableness of the allowance write-down of inventories; testing the source of the basic data, including the aging and net realizable value of inventories, and recalculating its correctness; evaluating the overall adequacy of the allowance write-down of inventories through analytical review procedures. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the parent company only financial statements.

Revenue recognition

The Company recognized the revenue amounted to NT\$23,935,042 thousand for the year ended December 31, 2023. Main source of revenue comes from projectors, backlight, and FPD-related sales of products and related services. As revenue is the main operating activity of the 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 Other Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the report of the other auditors. These associates and joint ventures under equity method amounted to NT\$40,975 thousand and NT\$50,117 thousand, representing 0.08% and 0.10% of total assets as of December 31, 2023 and 2022, respectively. The related shares of (losses) gains from the associates and joint ventures under the equity method amounted to NT\$(9,128) thousand and NT\$7,071 thousand, representing (0.65)% and 0.28% of the net income before tax for the years ended December 31, 2023 and 2022, 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 auditors' 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 auditors' 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kuo, Shao-Pin

Chen, Chih-Chung

Ernst & Young, Taiwan

February 26, 2024

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023	%	December 31, 2022	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 525,283	1.00	\$ 240,074	0.48
Financial assets at fair value through profit or loss - current	4, 6(2)	447,764	0.85	134,752	0.27
Trade receivables, net	4, 6(4), 16	6,435,156	12.27	5,912,317	11.71
Trade receivables - related parties, net	4, 6(4), 7	848,316	1.62	1,019,690	2.02
Other receivables	4, 8	166,319	0.32	116,350	0.23
Other receivables - related parties	4, 7	229,987	0.44	273,256	0.54
Inventories, net	4, 5, 6(5)	2,848,656	5.43	3,784,421	7.50
Prepayments		253,020	0.48	169,272	0.33
Other current assets		25,634	0.05	27,159	0.05
Total current assets		11,780,135	22.46	11,677,291	23.13
Non-current assets					
Financial assets at fair value through other comprehensive income - noncurrent	4, 6(3)	4,204,130	8.01	3,067,948	6.08
Investments accounted for using the equity method	4, 6(6), 6(20)	33,631,948	64.11	32,970,938	65.30
Property, plant and equipment, net	4, 6(7)	1,856,758	3.54	1,614,882	3.20
Right-of-use assets	4, 6(17)	584,810	1.11	701,071	1.39
Intangible assets	4, 6(8)	261,593	0.50	213,268	0.42
Deferred tax assets	4, 6(21)	87,972	0.17	168,880	0.33
Net defined benefit assets - noncurrent, net	4, 6(12)	17,543	0.03	13,254	0.03
Other noncurrent assets		35,690	0.07	62,279	0.12
Total non-current assets		40,680,444	77.54	38,812,520	76.87
Total assets		<u>\$ 52,460,579</u>	<u>100.00</u>	<u>\$ 50,489,811</u>	<u>100.00</u>

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2023	%	December 31, 2022	%
Current liabilities					
Short-term borrowings	6(9)	\$ 12,750,000	24.30	\$ 8,145,511	16.13
Financial liabilities at fair value through profit or loss - current	4, 6(10)	338,372	0.65	427,105	0.85
Contract liabilities-current	6(15)	410,841	0.78	282,330	0.56
Accounts payable		2,613,401	4.98	2,561,416	5.07
Accounts payable - related parties	7	4,911,399	9.36	4,657,290	9.23
Other payables		1,286,069	2.45	1,731,815	3.43
Other payables - related parties	7	4,992,033	9.52	4,762,327	9.43
Current tax liabilities	4, 6(21)	409,397	0.78	636,885	1.26
Provisions - current	4, 5, 6(13)	143,264	0.27	197,660	0.39
Lease liabilities - current	4, 6(17)	38,070	0.07	55,567	0.11
Other current liabilities		366,829	0.70	272,216	0.54
Total current liabilities		28,259,675	53.86	23,730,122	47.00
Non-current liabilities					
Long-term borrowing	6(11)	-	-	2,995,163	5.93
Deferred tax liabilities	4, 6(21)	14,663	0.03	29,097	0.06
Lease liabilities - noncurrent	4, 6(17)	573,072	1.09	667,403	1.32
Other noncurrent liabilities	6(6)	128,880	0.25	338,481	0.67
Total non-current liabilities		716,615	1.37	4,030,144	7.98
Total liabilities		28,976,290	55.23	27,760,266	54.98
Equity					
Share capital					
Common stock	6(14)	3,909,811	7.46	3,909,811	7.74
Capital surplus	6(14)	2,507,703	4.78	2,808,225	5.56
Retained earnings	6(14), 6(20)				
Legal reserve		4,364,561	8.32	4,121,627	8.16
Special reserve		1,322,902	2.52	1,276,610	2.53
Unappropriated retained earnings		11,755,209	22.41	12,024,401	23.82
Total retained earnings		17,442,672	33.25	17,422,638	34.51
Other equity		(375,897)	(0.72)	(1,411,129)	(2.79)
Total equity		23,484,289	44.77	22,729,545	45.02
Total liabilities and equity		<u>\$ 52,460,579</u>	<u>100.00</u>	<u>\$ 50,489,811</u>	<u>100.00</u>

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, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

code	Description	Notes	For the year ended December 31		For the year ended December 31	
			2023	%	2022	%
4000	Net sales	4, 5, 6(15), 7	\$ 23,935,042	100.00	\$ 30,567,680	100.00
5000	Operating costs	4, 6(5), 6(8), 6(12), 6(18), 7	20,917,025	87.39	27,175,501	88.90
5900	Gross profit		3,018,017	12.61	3,392,179	11.10
5910	Unrealized gross profit on sales	6(6)	147,236	0.61	263,735	0.86
5920	Realized gross profit on sales		263,735	1.10	126,019	0.41
5950	Gross profit, net		3,134,516	13.10	3,254,463	10.65
6000	Operating expenses	6(8), 6(12), 6(16), 6(18)				
6100	Selling expenses		266,860	1.11	284,176	0.93
6200	General and administrative expenses		1,088,198	4.55	1,137,729	3.72
6300	Research and development expenses		1,395,176	5.83	1,454,873	4.76
6450	Reversal of expected credit loss		(113)	-	(1,156)	-
	Total operating expenses		2,750,121	11.49	2,875,622	9.41
6900	Operating income		384,395	1.61	378,841	1.24
7000	Non-operating income and expenses					
7100	Interest income	6(19)	17,104	0.07	2,379	0.01
7010	Other income	4, 6(19)	340,328	1.42	169,228	0.56
7020	Other gains and losses	6(19)	366,437	1.53	590,813	1.93
7050	Finance costs	6(19)	(313,094)	(1.31)	(266,155)	(0.87)
7070	Share of gain of subsidiaries, associates and joint ventures accounted for using the equity method	4, 6(6)	614,912	2.57	1,645,311	5.38
	Total non-operating income and expenses		1,025,687	4.28	2,141,576	7.01
7900	Income before income tax		1,410,082	5.89	2,520,417	8.25
7950	Income tax expense	4, 6(21)	(18,159)	(0.07)	(161,482)	(0.53)
8200	Net income		1,391,923	5.82	2,358,935	7.72
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit pension plans	6(20)	(2,247)	(0.01)	53,568	0.18
8316	Unrealized gain (loss) from equity instrument investments measured at fair value through other comprehensive income	6(20)	1,136,182	4.75	(997,657)	(3.27)
8331	Remeasurements of defined benefit pension plans of subsidiaries, associates and joint ventures accounted for using the equity method	6(20)	(1,657)	(0.01)	27,554	0.09
8336	Unrealized gain (loss) from equity instrument investments measured at fair value through other comprehensive income	6(20)	276,865	1.16	(406,786)	(1.33)
	from share of subsidiaries, associates and joint ventures accounted for using the equity method					
8349	Income tax related to items that will not be reclassified	6(20), 6(21)	703	-	(11,896)	(0.04)
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations	6(20)	(378,055)	(1.58)	811,873	2.66
8380	Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	6(20)	(14)	-	11	-
	Other comprehensive income (loss), net of tax		1,031,777	4.31	(523,333)	(1.71)
8500	Total comprehensive income		\$ 2,423,700	10.13	\$ 1,835,602	6.01
9750						
	Basic Earnings Per Share (in New Taiwan Dollars)	6(22)	\$ 3.56		\$ 6.03	
9850						
	Diluted Earnings Per Share (in New Taiwan Dollars)	6(22)	\$ 3.53		\$ 5.92	

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 CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	Common stock	Capital surplus	Retained earnings			Other equity		Total equity
			Legal reserve	Special reserve	Unappropriated retained earning	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income (loss)	
Balance as of January 1, 2022	\$ 3,909,811	\$ 2,893,442	\$ 4,046,623	\$ 2,469,437	\$ 9,650,179	\$ (2,276,257)	\$ 1,458,869	\$ 22,152,104
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
Acquisition or disposal of the interest of subsidiaries	-	80,443	-	-	-	-	-	80,443
Changes in subsidiaries' ownership	-	10,016	-	-	-	-	-	10,016
Reversal of special reserve	-	-	-	(88,227)	88,227	-	-	-
Appropriation and distribution of 2022 earnings: (Note)								
Legal reserve	-	-	242,934	-	(242,934)	-	-	-
Cash dividends	-	-	-	-	(1,368,434)	-	-	(1,368,434)
Special reserve	-	-	-	134,519	(134,519)	-	-	-
Cash dividends distributed from capital surplus	-	(390,981)	-	-	-	-	-	(390,981)
Net income for the year ended December 31, 2023	-	-	-	-	1,391,923	-	-	1,391,923
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(3,455)	(378,069)	1,413,301	1,031,777
Total comprehensive income (loss)	-	-	-	-	1,388,468	(378,069)	1,413,301	2,423,700
Balance as of December 31, 2023	\$ 3,909,811	\$ 2,507,703	\$ 4,364,561	\$ 1,322,902	\$ 11,755,209	\$ (1,842,442)	\$ 1,466,545	\$ 23,484,289

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

Note: the amount of employee compensation was NT\$201,440 thousand and NT\$360,060 thousand for the years ended December 31, 2023 and 2022, respectively.

CORETRONIC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 1,410,082	\$ 2,520,417	Acquisition of financial assets at fair value through profit or loss	\$ -	\$ (41,610)
Adjustments for:			Acquisition of investments accounted for using the equity method	(251,804)	(328,277)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of investments accounted for using the equity method	66,760	139,971
Reversal of expected credit loss	(113)	(1,156)	Capital reduction from associates and joint ventures accounted for using the equity method	-	2,766
Depreciation (including right-of-use-assets)	184,603	181,801	Acquisition of financial assets at fair value through other comprehensive income	-	(1,211,610)
Amortization (including other noncurrent assets)	37,257	29,318	Acquisition of property, plant and equipment	(282,780)	(146,920)
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(401,745)	376,690	Proceeds from disposal of property, plant and equipment	-	1,745
Interest expenses	313,094	266,155	Acquisition of intangible assets	(85,582)	(79,578)
Interest income	(17,104)	(2,379)	Proceeds from disposal of intangible assets	-	103
Dividend income	(40,384)	(26,000)	Acquisition through business combination	-	1,193
Share of gain of subsidiaries, associates and joint ventures accounted for using the equity method	(614,912)	(1,645,311)	Decrease in other noncurrent assets	4,369	307
Gain on lease modification	(31)	(23)	Net cash used in investing activities	(549,037)	(1,661,910)
Gain on disposal of other assets (recognized in other income)	(7,377)	(12,067)			
Unrealized gain from sales	147,236	263,735	Cash flows from financing activities:		
Realized gain from sales	(263,735)	(126,019)	Increase (decrease) in short-term borrowings	4,604,489	(3,025,252)
Changes in operating assets and liabilities:			Increase in other payables - related parties	217,577	2,844,965
Trade receivables	(522,726)	5,350,517	Cash payment for the principle portion of lease liabilities	(42,719)	(51,271)
Trade receivables - related parties	171,374	645,089	Decrease in other noncurrent liabilities	(782)	(242)
Other receivables	(49,819)	(16,260)	Increase in long-term borrowings (including current portion of long-term borrowings)	-	8,995,163
Other receivables - related parties	43,269	(237,224)	Decrease in long-term borrowings (including current portion of long-term borrowings)	(2,995,163)	(6,991,970)
Inventories	935,765	(2,350,974)	Cash dividends	(1,759,415)	(1,563,925)
Prepayments	(83,748)	143,136	Net cash provided by financing activities	23,987	207,468
Other current assets	1,525	2,902			
Contract liabilities - current	128,511	175,302	Net increase (decrease) in cash and cash equivalents	285,209	(294,846)
Accounts payable	51,985	(1,671,301)	Cash and cash equivalents at the beginning of the period	240,074	534,920
Accounts payable - related parties	254,109	(2,562,599)	Cash and cash equivalents at the end of the period	\$ 525,283	\$ 240,074
Other payables	(517,771)	(52,365)			
Other payables - related parties	12,129	(399,747)			
Provisions - current	(54,396)	54,477			
Other current liabilities	94,613	41,500			
Net defined benefit liabilities	(6,536)	(17,404)			
Cash generated from operating activities	1,205,155	930,210			
Interest received	16,954	2,427			
Dividend received	81,985	497,001			
Interest paid	(315,365)	(255,643)			
Income tax paid	(178,470)	(14,399)			
Net cash provided by operating activities	810,259	1,159,596			

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

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

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

1. HISTORY AND ORGANIZATION

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

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

The parent company only financial statements were authorized for issue in accordance with the resolution of the Board of Directors’ meeting on February 26, 2024.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

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

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

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

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

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

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

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

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

The abovementioned standards and interpretations issued by the IASB have been endorsed by the FSC, and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Company.

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

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

B. IFRS 17 “Insurance Contracts”

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

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Lack of Exchangeability—Amendments to IAS21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of Preparation

According to article 21 of the Regulations, the profit or loss and other comprehensive income presented in the parent company only financial reports will be the same as the allocations of profit or loss and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the investments in subsidiaries will be disclosed under “Investments accounted for using the equity method” in the parent company only financial report and change in value will be adjusted.

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

(3) Foreign Currency Transactions

The parent company only financial statements are presented in NT\$.

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

(4) Translation of Foreign Currency Financial Statements

Each foreign operation of the Company determines its function currency upon its primary economic environment and items included in the financial statements of each operation are measured using that functional currency. The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considering as disposal.

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

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

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

(5) Current and Non-Current Distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(6) Cash and Cash Equivalents

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

(7) Financial Instruments

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

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

A. Financial instruments: Recognition and Measurement

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

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

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

Financial assets measured at amortized cost

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

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

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial asset measured at fair value through profit or loss

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Impairment of financial assets

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

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

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

The loss allowance is measures as follow:

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

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Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(8) Derivative Instrument and Hedging Accounting

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

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

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(9) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

(10) Inventories

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

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

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

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(11) Investments accounted for using the equity method

The Company's investment in subsidiaries is presented, valued and adjusted in accordance with the "Investment Accounted for using the equity method" as defined in Article 21 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" in order to have had the current profit and loss and other comprehensive profit and loss in the financial statements equivalent to the amortization amount of the current profit and loss and other comprehensive profit and loss in the individual financial statements that is attributable to the shareholders of the parent company; also, the shareholder's equity amount in the financial statements is same as the equity attributable to the shareholders of the parent company in the individual financial statements. Such adjustments are mainly based on the difference between having the "investment in subsidiaries" processed in accordance with IAS 27 "individual Financial Statements" and IFRSs that is for different reporting entities; also, the said difference is debited or credited to the account of "Investment Accounted for using the equity method," "Profit and loss of the subsidiaries under the equity method, associates, and Joint Ventures" or "Other comprehensive profit and loss of the subsidiaries under the equity method, associates and Joint Ventures.

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

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

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

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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(12) Property, Plant and Equipment

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

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

Asset category	Years
Buildings and facilities	5~51 years
Machinery and equipment	5~6 years
Transportation equipment	6 years
Furniture and fixtures	3~4 years
Leasing assets	based on leasing contracts
Miscellaneous equipment	3~10 years

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

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

CORETRONIC CORPORATION
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(13) Leases

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

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

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

Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

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

Company as a lessor

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

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

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

(14) Intangible Assets

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

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

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

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

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

Developing intangible assets - research and development costs

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

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

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

Patents

The patents have been granted by the relevant enterprise for fifteen years.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 years).

Acquired Special Technology

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

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(15) Impairment of Non-Financial Assets

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

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

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

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

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(16) Provisions

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

Provision for decommissioning, restoration and rehabilitation costs

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

Maintenance warranties

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

Sales returns and allowances

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

(17) Revenue Recognition

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

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Sale of goods

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

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

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

Rendering of services

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

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

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

(18) Government grants

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

(19) Post-Employment Benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

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

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

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

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(20) Income Tax

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

Current income tax

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

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

Deferred tax

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

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

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

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

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

B. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and Assumptions

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

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

A. Fair value of financial instruments

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

B. Valuation of inventory

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

Due to the rapid technological changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventories is mainly determined based on assumptions of future demand within a specific time period, therefore material adjustments may occur. Please refer to Note 6(5).

C. Warranties

The provision of maintenance warranties for goods sold is based on historical experience and the specific ratios determined by other known causes to estimate the possible product warranty and maintenance that may occur. The provision is recognized in the account of cost of goods sold when goods in the selling year. Management of the Company regularly examines the reasonableness of the estimates. Refer to Note 6(13) for more details.

D. Revenue recognition - sales returns and allowance

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31,	
	2023	2022
Cash on hand, savings and checking accounts	\$516,630	\$240,074
Time deposits	8,653	-
Total	<u>\$525,283</u>	<u>\$240,074</u>

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

	December 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	<u>\$447,764</u>	<u>\$134,752</u>
Current	\$447,764	\$134,752
Noncurrent	-	-
Total	<u>\$447,764</u>	<u>\$134,752</u>

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

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

	December 31,	
	2023	2022
Equity instruments investments measured at fair value through other comprehensive income		
Unlisted companies' stocks	<u>\$4,204,130</u>	<u>\$3,067,948</u>
Current	\$-	\$-
Noncurrent	<u>4,204,130</u>	<u>3,067,948</u>
Total	<u>\$4,204,130</u>	<u>\$3,067,948</u>

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(4) Trade Receivables and Trade Receivables - Related Parties

	December 31,	
	2023	2022
Trade receivables	\$6,448,507	\$5,925,781
Less: allowance for doubtful accounts	(13,351)	(13,464)
Subtotal	6,435,156	5,912,317
Trade receivables from related parties	848,316	1,019,690
Total	<u>\$7,283,472</u>	<u>\$6,932,007</u>

Trade receivables were not pledged.

Trade receivables are generally on 30 to 150 day terms. The total carrying amount as of December 31, 2023 and 2022 are NT\$7,296,823 thousand and NT\$6,945,471 thousand, respectively. Please refer to Note 6(16) for more details on impairment of trade receivables. Please refer to Note 12 for more details on credit risk management.

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(5) Inventories

	December 31,	
	2023	2022
Raw materials and supplies	\$2,683,298	\$3,111,433
Work in process	12,251	34,545
Finished goods	153,107	638,443
Total	<u>\$2,848,656</u>	<u>\$3,784,421</u>

The cost of inventories recognized in expenses amounted to NT\$20,917,025 thousand and NT\$27,175,501 thousand for the years ended December 31, 2023 and 2022, including the write-down of inventories and obsolescence loss of NT\$44,278 thousand and NT\$17,138 thousand, respectively.

The allowance of inventories write-down amounted to NT\$27,044 thousand and NT\$34,210 thousand as of December 31, 2023 and 2022, respectively.

No inventories were pledged.

(6) Investments Accounted for using the Equity Method

The following table lists the investments accounted for using the equity method of the Company:

	December 31,			
	2023		2022	
Investee companies	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in subsidiaries :				
Visicorp Limited (“Visicorp”)	\$12,918,078	100.00%	\$12,853,241	100.00%
Coretronic (BVI) Investment Corp. (“Coretronic BVI”)	7,004,677	100.00%	6,817,733	100.00%
Tecpoint Limited (“Tecpoint”)	2,617,383	78.06%	2,713,848	78.06%
Dynamic Time Investments Limited	2,427,418	100.00%	2,426,880	100.00%
Chung Tsen Investment Corp.(“CGT”)	2,609,321	100.00%	2,312,556	100.00%
Young Lighting Limited (“YLL”)	1,607,905	100.00%	1,682,235	100.00%

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investee companies	December 31,			
	2023		2022	
	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Sinolink Global Limited				
("Sinolink")	1,412,060	100.00%	1,390,192	100.00%
Young Optics Inc. ("TYO")	978,596	32.63%	1,100,133	33.28%
Coretronic Investment Limited	824,075	38.64%	507,420	100.00%
Coretronic Venture Capital Co.				
("CVC")	307,395	100.00%	306,045	100.00%
Coretronic Intelligent Cloud				
Service Corporation ("CICS")	326,483	100.00%	284,962	100.00%
Young Green Energy				
Co. ("YGE")	226,855	99.91%	217,673	99.91%
Champ Vision Display Inc.				
("CVD")	157,530	79.36%	176,443	80.00%
Coretronic Intelligent Robotics				
Corporation ("CIRC")	146,341	100.00%	90,071	100.00%
Coretronic MEMS				
Corporation ("CMC")	100,990	100.00%	143,524	100.00%
Calibre UK Ltd. ("CAL")	48,226	100.00%	45,718	100.00%
Coretronic Intelligent Logistics				
Solutions Corporation				
("CILS")	13,378	100.00%	86,127	100.00%
InnoSpectra Corporation				
("ISC")	13,099	80.00%	10,776	80.00%
uCare Medical Electronics Co.,				
Ltd. ("UCM")	344	60.69%	10,224	60.69%
Coretronic Reality Inc. ("CRI")	-	100.00%	18,077	100.00%
Coretronic Vietnam Co., Ltd.				
("Coretronic Vietnam")	-	100.00%	-	100.00%
Unrealised gross profit on sales				
and gain on disposal of assets	(149,181)		(273,057)	
Subtotal	33,590,973		32,920,821	

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investee companies	December 31,			
	2023		2022	
	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in associates:				
Eterge Opto-Electronics Co., LTD (“EOE”)	40,975	18.5%	50,117	18.5%
Total	<u>\$ 33,631,948</u>		<u>\$32,970,938</u>	

- A. The Company recognized share of profit or loss of subsidiaries based on the financial statements of the investee companies audited by the accountants in the amount of NT\$624,040 thousand and NT\$1,638,240 thousand for the years ended December 31, 2023 and 2022, respectively.
- B. The Company accounted for its investments in subsidiaries using the equity method and made assessments and adjustments according the current situation.
- C. All subsidiaries are included in the consolidated financial statements of the Company in accordance with the Regulations.
- D. As of December 31, 2023, the negative balances of investment in Coretronic Vietnam and CRI were NT\$103,348 thousand and NT\$25,456 thousand, respectively. The Company had power over Coretronic Vietnam and CRI, and, therefore, continued to recognize investment losses. As of December 31, 2022, the negative balance of investment in Coretronic Vietnam was NT\$337,622 thousand. The Company had power over Coretronic Vietnam, and therefore, continued to recognize investment losses. The above negative balances of investment presented in other non-current liabilities
- E. The investment of EOE is not significant to the Company. The Company recognized share of (loss) gain of associates and joint ventures accounted for using the equity method in EOE in the amount of NT\$(9,128) thousand and NT\$7,071 thousand for the years ended December 31, 2023 and 2022, respectively.
- F. CORE’s Board of Directors resolved to absorb Optoma Technology Corporation through simplified acquisition procedures on July 1, 2022. As a result of the acquisition, ownership of Dynamic Time originally held by Optoma Technology Corporation was transferred to the Company.
- G. In March 2022, the Company increased investment in in CILS in amount of NT\$120,000 thousand. The ownership percentage of CILS was maintained 100%.

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- H. In November 2022, CMC carried out capital reductions of NT\$139,452 thousand; in the meanwhile, the Company increased investment in amount of NT\$348,630 thousand in CMC. The ownership percentage of CMC was maintained 100%.
- I. Coretronic BVI carried out capital reductions of US\$90 thousand. The ownership percentage of Coretronic BVI was maintained 100%.
- J. In August 2023, CIRC carried out capital reductions of NT\$83,935 thousand; in the meanwhile, the Company increased investment in amount of NT\$251,804 thousand in CIRC. The ownership percentage of CIRC was maintained 100%.
- K. The Company originally has ownership of 100% in Coretronic Investment Limited. On December 1, 2023, Young Lighting Limited (“YLL”) converted its existing other receivables from Coretronic Investment Limited to investment in Coretronic Investment Limited. After this transaction, 158,808 ordinary shares were issued to YLL, and YLL acquired 61.36% ownership of Coretronic Investment Limited; while the Company’s ownership in Coretronic Investment Limited decreased from 100% to 38.64%. The percentage of ownership in Coretronic Investment Limited, directly and indirectly controlled by the Company, remained 100%.

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

(7) Property, Plant and Equipment

Property, plant and equipment for own-use

								Construction in progress and equipment awaiting inspection	
	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment		Total
Cost:									
As of January 1, 2023	\$23,901	\$2,118,234	\$240,576	\$18,882	\$1,100	\$3,697	\$112,075	\$2,712	\$2,521,177
Additions	126,914	78,493	76,346	8,609	-	470	36,431	52,033	379,296
Disposals	-	(4,596)	(33,088)	(656)	-	(3,697)	(26,776)	-	(68,813)
Transfers	-	371	8,924	-	-	-	22,485	(31,780)	-
As of December 31, 2023	<u>\$150,815</u>	<u>\$2,192,502</u>	<u>\$292,758</u>	<u>\$26,835</u>	<u>\$1,100</u>	<u>\$470</u>	<u>\$144,215</u>	<u>\$22,965</u>	<u>\$2,831,660</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

								Construction in progress and equipment awaiting inspection	Total
	Land	Buildings	Machinery and equipment	Office fixtures	Transportation equipment	Leasehold improvement	Other equipment		
As of January 1, 2022	\$23,901	\$2,108,418	\$226,451	\$18,763	\$-	\$3,697	\$109,195	\$2,251	\$2,492,676
Additions	-	43,306	50,348	2,128	1,100	-	15,802	8,186	120,870
Disposals	-	(35,740)	(40,138)	(2,009)	-	-	(14,482)	-	(92,369)
Transfers	-	2,250	3,915	-	-	-	1,560	(7,725)	-
As of December 31, 2022	<u>\$23,901</u>	<u>\$2,118,234</u>	<u>\$240,576</u>	<u>\$18,882</u>	<u>\$1,100</u>	<u>\$3,697</u>	<u>\$112,075</u>	<u>\$2,712</u>	<u>\$2,521,177</u>

Depreciation and Impairment:

As of January 1, 2023	\$-	\$725,650	\$115,474	\$5,084	\$168	\$3,160	\$56,759	\$-	\$906,295
Depreciation	-	64,451	42,825	5,087	183	537	24,337	-	137,420
Disposals	-	(4,596)	(33,088)	(656)	-	(3,697)	(26,776)	-	(68,813)
As of December 31, 2023	<u>\$-</u>	<u>\$785,505</u>	<u>\$125,211</u>	<u>\$9,515</u>	<u>\$351</u>	<u>\$-</u>	<u>\$54,320</u>	<u>\$-</u>	<u>\$974,902</u>

As of January 1, 2022	\$-	\$698,951	\$119,958	\$2,032	\$-	\$2,380	\$48,237	\$-	\$871,558
Depreciation	-	62,439	35,654	4,298	168	780	22,022	-	125,361
Disposals	-	(35,740)	(40,138)	(1,246)	-	-	(13,500)	-	(90,624)
As of December 31, 2022	<u>\$-</u>	<u>\$725,650</u>	<u>\$115,474</u>	<u>\$5,084</u>	<u>\$168</u>	<u>\$3,160</u>	<u>\$56,759</u>	<u>\$-</u>	<u>\$906,295</u>

Net carrying amounts as of:

December 31, 2023	<u>\$150,815</u>	<u>\$1,406,997</u>	<u>\$167,547</u>	<u>\$17,320</u>	<u>\$749</u>	<u>\$470</u>	<u>\$89,895</u>	<u>\$22,965</u>	<u>\$1,856,758</u>
December 31, 2022	<u>\$23,901</u>	<u>\$1,392,584</u>	<u>\$125,102</u>	<u>\$13,798</u>	<u>\$932</u>	<u>\$537</u>	<u>\$55,316</u>	<u>\$2,712</u>	<u>\$1,614,882</u>

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

(8) Intangible Assets

	Patents	Software	IPs	Total
Cost:				
As of January 1, 2023	\$218,941	\$47,772	\$49,820	\$316,533
Additions	68,807	16,775	-	85,582
Disposals	-	(7,687)	-	(7,687)
As of December 31, 2023	<u>\$287,748</u>	<u>\$56,860</u>	<u>\$49,820</u>	<u>\$394,428</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Patents	Software	IPs	Total
As of January 1, 2022	\$145,225	\$64,774	\$49,820	\$259,819
Additions	73,716	5,862	-	79,578
Disposals	-	(22,864)	-	(22,864)
As of December 31, 2022	<u>\$218,941</u>	<u>\$47,772</u>	<u>\$49,820</u>	<u>\$316,533</u>

Amortization and Impairment:

As of January 1, 2023	\$36,461	\$19,673	\$47,131	\$103,265
Amortization	19,808	17,217	232	37,257
Disposals	-	(7,687)	-	(7,687)
As of December 31, 2023	<u>\$56,269</u>	<u>\$29,203</u>	<u>\$47,363</u>	<u>\$132,835</u>

As of January 1, 2022	\$25,764	\$24,156	\$46,898	\$96,818
Amortization	10,697	18,278	233	29,208
Disposals	-	(22,761)	-	(22,761)
As of December 31, 2022	<u>\$36,461</u>	<u>\$19,673</u>	<u>\$47,131</u>	<u>\$103,265</u>

Net carrying amount as of:

December 31, 2023	<u>\$231,479</u>	<u>\$27,657</u>	<u>\$2,457</u>	<u>\$261,593</u>
December 31, 2022	<u>\$182,480</u>	<u>\$28,099</u>	<u>\$2,689</u>	<u>\$213,268</u>

Amortization expense of intangible assets:

	Years ended December 31,	
	2023	2022
Operating Cost	\$90	\$-
Selling expenses	41	-
General and administrative expense	8,090	4,884
Research and development expenses	29,036	24,324
Total	<u>\$37,257</u>	<u>\$29,208</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(9) Short-Term Borrowings

	December 31,	
	2023	2022
Unsecured bank loans	\$12,750,000	\$8,145,511
Interest rates (%)	1.6%~1.74%	1.7%~5.07%

The Company's unused short-term lines of credits amounted to NT\$20,205,057 thousand and NT\$22,175,558 thousand as of December 31, 2023 and 2022, respectively.

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

	December 31,	
	2023	2022
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	\$338,372	\$427,105
Current	\$338,372	\$427,105
Noncurrent	-	-
Total	\$338,372	\$427,105

(11) Long-Term Borrowings

Details of long-term borrowings are as follows:

Lenders	December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
			Revolving credit. Renewable every three months. Credit has not been fully utilized.
Syndicated loan of 9 Banks - unsecured bank loans	\$3,000,000	1.95%~ 1.96%	
Less:			
Arrangement Fee	(4,837)		
	\$2,995,163		

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

The Company's unused long-term lines of credits amounted to NT\$7,100,000 thousand and NT\$3,600,000 thousand as of December 31, 2023 and 2022, respectively.

(12) Post-Employment Benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT\$104,556 thousand and NT\$95,592 thousand, respectively.

Defined benefits plan

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$0 thousand to its defined benefit plan in the next year beginning from December 31, 2023.

The weighted average duration of the defined benefits plan obligation was 14.13 years and 14.85 years as of December 31, 2023 and 2022, respectively.

Pension costs recognized in profit or loss are as follows:

	Years ended December 31,	
	2023	2022
Current service costs	\$66	\$68
Net interest on the net defined benefit liabilities	5,124	2,600
Expect return on plan assets	(5,421)	(2,195)
Total	<u><u>\$(231)</u></u>	<u><u>\$473</u></u>

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

	December 31,		January 1,
	2023	2022	2022
Present value of defined benefit obligation	\$290,644	\$294,034	\$349,434
Plan assets at fair value	<u>(308,187)</u>	<u>(307,288)</u>	<u>(291,716)</u>
Other non-current liabilities — Carrying amount on the net defined benefit liabilities	<u><u>\$(17,543)</u></u>	<u><u>\$(13,254)</u></u>	<u><u>\$57,718</u></u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
As of January 1, 2022	\$349,434	\$291,716	\$57,718
Current service cost	68	-	68
Interest expense	2,600	2,195	405
Subtotal	352,102	293,911	58,191
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(38,309)	-	(38,309)
Experience adjustments	6,975	22,234	(15,259)
Subtotal	(31,334)	22,234	(53,568)
Benefits paid	(16,331)	(16,231)	(100)
Contributions by employer	-	7,374	(7,374)
Other Transfer	(10,403)	-	(10,403)
As of December 31, 2022	\$294,034	\$307,288	\$(13,254)
As of January 1, 2023	\$294,034	\$307,288	\$(13,254)
Current service cost	66	-	66
Interest expense	5,124	5,421	(297)
Subtotal	299,224	312,709	(13,485)
Remeasurements of the defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	4,170	-	4,170
Experience adjustments	(790)	1,133	(1,923)
Subtotal	3,380	1,133	2,247
Benefits paid	(10,648)	(10,578)	(70)
Contributions by employer	-	4,923	(4,923)
Other Transfer	(1,312)	-	(1,312)
As of December 31, 2023	\$290,644	\$308,187	\$(17,543)

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

	December 31,	
	2023	2022
Discount rate	1.625%	1.750%
Expected rate of salary increases	4.00%	4.00%

Sensitivity analysis of significant assumptions is as follows:

	Years ended December 31,			
	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	\$-	\$8,256	\$-	\$8,676
Discount rate decrease by 0.25%	8,567	-	9,037	-
Future salary increase by 0.25%	8,157	-	8,623	-
Future salary decrease by 0.25%	-	7,906	-	8,339

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

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

(13) Provisions

	Warranties
As of January 1, 2023:	\$197,660
Reversed during the period	(10,223)
Utilized during the period	(44,173)
As of December 31, 2023	<u>\$143,264</u>
As of December 31, 2023:	
Current	\$143,264
Non-current	-
	<u>\$143,264</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Warranties
As of January 1, 2022:	\$143,183
Addition during the period	92,870
Utilized during the period	(38,393)
As of December 31, 2022	<u>\$197,660</u>
As of December 31, 2022:	
Current	\$197,660
Non-current	-
	<u>\$197,660</u>

Warranties

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

(14) Equities

A. Common stock

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

B. Capital surplus

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

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

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

C. Retained earnings and dividend policies:

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

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

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

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

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

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

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

Please refer to Note 6(18) for further details on employee compensation and remuneration to directors and supervisors.

(15) Operating revenue

	Years ended December 31,	
	2023	2022
Contract revenue from customers		
Sale of goods	\$23,254,386	\$30,129,304
Revenue arising from rendering of services	42,336	39,241
Other operating revenues	638,320	399,135
Total	<u>\$23,935,042</u>	<u>\$30,567,680</u>

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

A. Revenue of Segments

For the year ended December 31, 2023

	Energy-saving products segment	Image products and brand segment	Other segments	Total
Sale of goods	\$12,031,953	\$11,194,561	\$27,872	\$23,254,386
Revenue arising from rendering of services	29,707	12,629	-	42,336
Other operating revenues	230,822	407,498	-	638,320
Total	<u>\$12,292,482</u>	<u>\$11,614,688</u>	<u>\$27,872</u>	<u>\$23,935,042</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Energy-saving products segment	Image products and brand segment	Other segments	Total
The timing of revenue recognition:				
At a point in time	<u>\$12,292,482</u>	<u>\$11,614,688</u>	<u>\$27,872</u>	<u>\$23,935,042</u>

For the year ended December 31, 2022

	Energy-saving products segment	Image products and brand segment	Other segments	Total
Sale of goods	\$13,755,372	\$16,351,173	\$22,759	\$30,129,304
Revenue arising from rendering of services	33,545	5,696	-	39,241
Other operating revenues	<u>111,629</u>	<u>287,506</u>	<u>-</u>	<u>399,135</u>
Total	<u>\$13,900,546</u>	<u>\$16,644,375</u>	<u>\$22,759</u>	<u>\$30,567,680</u>
The timing of revenue recognition:				
At a point in time	<u>\$13,900,546</u>	<u>\$16,644,375</u>	<u>\$22,759</u>	<u>\$30,567,680</u>

B. Contract balance

Contract liabilities-current

	December 31,		January 1,
	2023	2022	2022
Sale of goods	\$80,112	\$77,014	\$16,622
Other operating revenues	<u>330,729</u>	<u>205,316</u>	<u>90,406</u>
Total	<u>\$410,841</u>	<u>\$282,330</u>	<u>\$107,028</u>

The Company recognized NT\$282,330 thousand and NT\$107,028 thousand, respectively, in revenues from the contract liabilities balance at the beginning of the period as performance obligations were satisfied for the years ended December 31, 2023 and 2022.

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Transaction price allocated to unsatisfied performance obligations

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

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

None.

(16) Expected credit losses

	Years ended December 31,	
	2023	2022
Operating income – reversal of expected credit losses		
Trade receivables	\$113	\$1,156

The Company measures trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2023 and 2022 is as follows:

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

As of December 31, 2023

		Past due					
	Not past due	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Gross carrying amount	\$6,397,070	\$38,071	\$16	\$-	\$-	\$13,350	\$6,448,507
Loss ratio	0%	0%	5%	30%	50%	100%	
Expected credit losses	-	-	(1)	-	-	(13,350)	(13,351)
Subtotal	\$6,397,070	\$38,071	\$15	\$-	\$-	\$-	\$6,435,156

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2022

	Past due						
	Not	1 to 30	31 to 60	61 to 90	91 to 120	More than	
	past due	days	days	days	days	121 days	Total
Gross carrying							
amount	\$5,768,471	\$131,234	\$12,723	\$-	\$-	\$13,353	\$5,925,781
Loss ratio	0%	0%	5%	30%	50%	100%	
Expected credit							
losses	-	-	(111)	-	-	(13,353)	(13,464)
Subtotal	\$5,768,471	\$131,234	\$12,612	\$-	\$-	\$-	\$5,912,317

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

	Trade receivables
As of January 1, 2023	\$13,464
Reversal for the current period	(113)
As of December 31, 2023	\$13,351
As of January 1, 2022	\$14,620
Reversal for the current period	(1,156)
As of December 31, 2022	\$13,464

(17) Leases

A. The Company as lessee

The Company leases various property (land and buildings), machinery, equipment, and transportation equipment. These leases have terms between three and forty-three years.

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(a) Amounts recognized in the balance sheet

i. Right-of-use asset

The carrying amount of right-of-use assets

	December 31,	
	2023	2022
Land	\$556,333	\$672,194
Buildings	17,999	13,637
Transportation equipment	9,758	13,980
Office fixtures	720	1,260
Total	<u>\$584,810</u>	<u>\$701,071</u>

During the years ended December 31, 2023 and 2022, the additions to right-of-use assets of the Company amounted to NT\$18,278 thousand and NT\$47,091 thousand, respectively.

ii. Lease liability

	December 31,	
	2023	2022
Lease liability		
Current	\$38,070	\$55,567
Non-current	573,072	667,403
Total	<u>\$611,142</u>	<u>\$722,970</u>

Please refer to Note 6(19)4. for the interest on lease liability recognized during the years ended December 31, 2023 and 2022. Please refer to Note 12(5) for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

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

Depreciation charge for right-of-use assets

	Years ended December 31	
	2023	2022
Land	\$34,707	\$38,062
Buildings	6,967	12,024
Transportation equipment	4,969	5,814
Office fixtures	540	540
Total	<u>\$47,183</u>	<u>\$56,440</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Income and costs relating to leasing activities

	Years ended December 31	
	2023	2022
The expense relating to short-term leases	\$(3,797)	\$(3,404)
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	(1,270)	(503)
Sublease income from right-of-use assets	3,609	6,096
Total	<u>\$(1,458)</u>	<u>\$2,189</u>

(d) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounted to NT\$61,173 thousand and NT\$69,700 thousand, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

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

ii. Extension and termination options

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

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

iii. Residual value guarantees

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

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

Function Items	Years ended December 31					
	2023			2022		
	Operating Cost	Operating expenses	Total amount	Operating Cost	Operating expenses	Total amount
Employee benefits expense	\$400,498	\$1,853,566	\$2,254,064	\$641,012	\$2,006,504	\$2,647,516
Salaries	315,593	1,581,415	1,897,008	555,635	1,737,768	2,293,403
Labor and health insurance	36,346	121,929	158,275	34,370	122,106	156,476
Pension	17,951	86,374	104,325	16,811	79,254	96,065
Directors' remuneration	-	3,180	3,180	-	4,770	4,770
Other employee benefits expense	30,608	60,668	91,276	34,196	62,606	96,802
Depreciation	73,760	110,843	184,603	69,084	112,717	181,801
Amortization	111	37,146	37,257	-	29,318	29,318

The average numbers of employees were 1,706 and 1,652 as of December 31, 2023 and 2022, respectively. The number of directors who are not concurrent employees was 6 in 2023 and 2022. The average amounts of employee benefits expense were NT\$1,324 thousand and NT\$1,606 thousand for the years ended December 31, 2023 and 2022, respectively. The average employee salary expenses were NT\$1,116 thousand and NT\$1,393 thousand for the years ended December 31, 2023 and 2022, respectively. The average variable ratio of employee salary expense was reduced by 19.89%.

From June 2000, the Company has established Audit Committee in replace of Supervisors, and therefore the Supervisors' remuneration for the years ended December 31, 2023 and 2022 was nil. The Company's employee compensation policy, including monthly fixed salary, holiday bonus, year-end bonus and other allowance, is based on its employee compensation administration regulations, level of same trade, job authority and the degree of participation in the Company's operations.

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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

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

The Company accrued employee compensation based on a specific rate of profit for the years ended December 31, 2023 and 2022. The amounts of employee compensation were NT\$201,440 thousand and NT\$360,060 thousand for the years ended December 31, 2023 and 2022, respectively. If the Board of Directors resolved to distribute employee compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment in the profit or loss in the subsequent period.

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

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

(19) Non-Operating Income and Expenses

A. Interest income

	Years ended December 31,	
	2023	2022
Financial assets measured at amortized cost	\$17,104	\$2,379

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

B. Other income

	Years ended December 31,	
	2023	2022
Management service income	\$72,869	\$43,241
Rental income	30,933	30,774
Dividend income	40,384	26,000
Gain on disposal of other assets	9,000	12,067
Sublease income from right-of-use assets	3,609	6,096
Government grants income	13,366	-
Income recognized upon expiration of payable claim period	88,309	-
Other	81,858	51,050
Total	<u>\$340,328</u>	<u>\$169,228</u>

C. Other gains and losses

	Years ended December 31,	
	2023	2022
Net gain on financial assets (liabilities) at fair value through profit or loss (Note)	\$736,576	\$1,617,096
Foreign exchange loss, net	(369,622)	(1,024,736)
Gain on lease modification	31	23
Other	(548)	(1,570)
Total	<u>\$366,437</u>	<u>\$590,813</u>

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

D. Finance cost

	Years ended December 31,	
	2023	2022
Interest on borrowings from bank	\$299,707	\$251,633
Interest on lease liabilities	13,387	14,522
Total	<u>\$313,094</u>	<u>\$266,155</u>

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

(20) Components of Other Comprehensive Income

For the year ended December 31, 2023

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	\$(2,247)	\$449	\$(1,798)
Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	(1,657)	-	(1,657)
Unrealized gain from equity instrument investments measured at fair value through other comprehensive income	1,136,182	254	1,136,436
Unrealized 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	276,865	-	276,865
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(378,055)	-	(378,055)
Share of the other comprehensive income of associates accounted for using the equity method	(14)	-	(14)
Total of other comprehensive income	<u>\$1,031,074</u>	<u>\$703</u>	<u>\$1,031,777</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the year ended December 31, 2022

	Arising during the period	Income tax income (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:			
Remeasurements of defined benefit plans	\$53,568	\$(10,714)	\$42,854
Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures accounted for using the equity method	27,554	-	27,554
Unrealized loss from equity instrument investments measured at fair value through other comprehensive income	(997,657)	(1,182)	(998,839)
Unrealized loss 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	(406,786)	-	(406,786)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	811,873	-	811,873
Share of the other comprehensive income of associates accounted for using the equity method	11	-	11
Total of other comprehensive income	<u>\$511,437</u>	<u>\$(11,896)</u>	<u>\$(523,333)</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(21) Income Tax

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

Income tax expense (income) recognized in profit or loss

	Years ended December 31,	
	2023	2022
Current income tax expense (income)	\$(49,018)	\$234,494
Deferred tax expense (income)	67,177	(73,012)
Total income tax expense	<u>\$18,159</u>	<u>\$161,482</u>

Income tax relating to components of other comprehensive income

	Years ended December 31,	
	2023	2022
Deferred income tax expense (income):		
Remeasurements of defined benefit plans	\$(449)	\$10,714
Unrealized (gain) loss from equity instruments investments measured at fair value through other comprehensive income	<u>(254)</u>	<u>1,182</u>
Income tax related to components of other comprehensive income	<u>\$(703)</u>	<u>\$11,896</u>

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

	Years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	<u>\$1,410,082</u>	<u>\$2,520,417</u>
Tax calculated by statutory tax rate	\$282,017	\$504,083
Tax effect of expenses not deductible for tax purposes	(210,260)	(316,617)
Tax effect of deferred tax assets/liabilities	(88,742)	(2,634)
Surtax on undistributed retained earnings	34,173	27,434
Investment tax credits	(10,252)	(50,784)
Other	<u>11,223</u>	<u>-</u>
Total income tax expense recognized in profit or loss	<u>\$18,159</u>	<u>\$161,482</u>

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Business combination with subsidiary	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$6,842	\$(1,433)	\$-	\$-	\$5,409
Unrealized inter company profits and losses	52,815	(23,300)	-	-	29,515
Provision-sales returns and allowances	19,720	2,545	-	-	22,265
Defined benefit liabilities- noncurrent	8,715	(1,092)	449	-	8,072
Impairment on property, plant and equipment	6,287	-	-	-	6,287
Others	45,404	(43,897)	254	-	1,761
Deferred tax income (expense)		<u>\$(67,177)</u>	<u>\$703</u>	<u>\$-</u>	
Net deferred tax assets (liabilities)	<u>\$139,783</u>				<u>\$73,309</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$168,880</u>				<u>\$87,972</u>
Deferred tax liabilities	<u>\$(29,097)</u>				<u>\$(14,663)</u>

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For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Business combination with subsidiary	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	\$10,253	\$(3,411)	\$-	\$-	\$6,842
Unrealized inter company profits and losses	25,272	27,543	-	-	52,815
Provision-sales returns and allowances	14,441	5,279	-	-	19,720
Defined benefit liabilities- noncurrent	20,869	(1,440)	(10,714)	-	8,715
Impairment on property, plant and equipment	6,287	-	-	-	6,287
Accrued expense of tax differences	12,594	(12,594)	-	-	-
Operating loss carry forward	36,041	(36,041)	-	-	-
Others	(46,496)	93,676	(1,182)	(594)	45,404
Deferred tax income (expense)		<u>\$73,012</u>	<u>\$(11,896)</u>	<u>\$(594)</u>	
Net deferred tax assets (liabilities)	<u>\$79,261</u>				<u>\$139,783</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$114,799</u>				<u>\$168,880</u>
Deferred tax liabilities	<u>\$(35,538)</u>				<u>\$(29,097)</u>

Unrecognized deferred tax assets

As of December 31, 2023 and 2022, deferred tax assets that have not been recognized amounted to NT\$64,595 thousand and NT\$153,337 thousand, respectively.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company does not recognize deferred tax liabilities associated with tax payable for unremitted earnings of the Company's overseas subsidiaries, as the Company determines that not all distributed profits of its subsidiaries will be distributed in the foreseeable future. As of December 31, 2023 and 2022, the amounts of taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities were NT\$25,615,760 thousand and NT\$23,784,274 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the tax authorities have assessed and approved income tax returns of the Company through 2021.

(22) Earnings Per Share

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

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

	Years ended December 31,	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary shareholders (in thousand NT\$)	\$1,391,923	\$2,358,935
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Basic earnings per share (NT\$)	\$3.56	\$6.03

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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	Years ended December 31,	
	2023	2022
B. Diluted earnings per share		
Profit attributable to ordinary shareholders after dilution (in thousand NT\$)	\$1,391,923	\$2,358,935
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	390,981	390,981
Effect of dilution:		
Employee bonus—stock (in thousand)	3,501	7,180
Weighted average number of ordinary shares outstanding after dilution (in thousand)	394,482	398,161
Diluted earnings per share (NT\$)	\$3.53	\$5.92

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

7. Related Party Transactions

(1) Related Party Name and Categories

Related Party Name	Related Party Categories
Optoma Technology Corporation (“Optoma”)	The Company absorbed Optoma from July 1, 2022.
Young Optics Inc. (“TYO”)	Subsidiary
Young Green Energy Co. (“YGE”)	Subsidiary
Coretronic Intelligent Cloud Service Corporation (“CICS”)	Subsidiary
uCare Medical Electronics Co., Ltd. (“UCM”)	Subsidiary
Champ Vision Display Inc. (“CVD”)	Subsidiary
Caliber UK Ltd (“CAL”)	Subsidiary
InnoSpectra Corporation (“ISC”)	Subsidiary
Coretronic Intelligent Robotics Corporation (“CIRC”)	Subsidiary
Coretronic MEMS Corporation (“CMC”)	Subsidiary
Coretronic Reality Inc. (“CRI”)	Subsidiary
Coretronic Vietnam Co., Ltd. (“Coretronic Vietnam”)	Subsidiary
Coretronic Intelligent Logistics Solutions Corporation (“CILS”)	Subsidiary

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Related Party Name	Related Party Categories
Coretronic Investment Limited (UK) (“Coretronic Investment”)	Subsidiary
Tecpoint Limited (Techpoint)	Subsidiary
Rays Optics Limited (“Rays Optics”)	TYO absorbed Rays Optics from September 1, 2023.
Greendale Investments Limited (“Greendale”)	Sub-subsidiary
Lead Bright Hong Kong Limited (“Lead Bright (HK)”)	Sub-subsidiary
Optoma Technology, Inc. (“Optoma USA”)	Sub-subsidiary
Optoma Europe Limited (“Optoma Europe”)	Sub-subsidiary
Optoma (China&HK) Limited (“Optoma China&HK”)	Sub-subsidiary
Venture Orient Limited (“Venture”)	Sub-subsidiary
Wisdom Success Limited (“Wisdom Success”)	Sub-subsidiary
Wisdom Success Hong Kong Limited (“Wisdom Success (HK)”)	Sub-subsidiary
Coretronic Projection (Kunshan) Co., Ltd (“CPC”)	Sub-subsidiary
Technology Service (Kunshan) (“TSC”)	Sub-subsidiary
Nano Precision (Suzhou) Co., Ltd. (“NPS”)	Sub-subsidiary
Nano Precision Taiwan Limited (“NPT”)	Sub-subsidiary
Optoma China Co.,Ltd. (“Optoma China”)	Sub-subsidiary
Coretronic (Ningbo) Co., Ltd. (“NBB”)	Sub-subsidiary
Coretronic (Suzhou) Co., Ltd (“SZB”)	Sub-subsidiary
Coretronic Optotech (Suzhou) Co., Ltd. (“SZT”)	Sub-subsidiary
Coretronic Optics (Suzhou) Co., Ltd. (“WJB”)	Sub-subsidiary
Coretronic Display (Suzhou) Co., Ltd. (“SZW”)	Sub-subsidiary
Bigshine International Hong Kong Limited. (“Bigshine (HK)”)	Sub-subsidiary
Great Pride Hong Kong Limited (“Great Pride (HK) ”)	Sub-subsidiary
Dynamic Time Investment Limited (“Dynamic Time”)	Sub-subsidiary
Young Lighting Limited (“Young Lighting”)	Sub-subsidiary
Coretronic Technology (BRVT) Company Limited	Sub-subsidiary
Young Optics (Kunshan) (“KYO”)	Sub-subsidiary
Nano Precision (Suzhou) (“NPS”)	Sub-subsidiary
Tsen Ming Investment	Sub-subsidiary
Optoma Corporation (“Optoma Corporation”)	Sub-subsidiary
Eterge Opto-Electronics Co., LTD (“EOE”)	Associate

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Related Party Name	Related Party Categories
Hannstar Display Corporation (“HANNSTAR”)	The entity has significant influence over the Company starting from the second quarter of 2022.
All directors, general managers, deputy general managers and accounting supervisors	Key management personnel

(2) Significant transactions with related parties

A. Sales

	Years ended December 31,	
	2023	2022
Optoma Corporation	\$3,133,204	\$4,998,334
Other subsidiaries	243,143	369,666
Total	\$3,376,347	\$5,368,000

Note: Since individual amounts did not exceed 10% sales of the Company. Disclosure was not required.

The Company purchases materials on behalf of related parties in 2023 and 2022. Since the Company has no substantial risks and rewards of ownership of the purchased materials, only gross profit was recognized as operating revenue for this transaction. Therefore, no comparable third party in the market.

The sales price to third party was determined through market positioning of brands, sales channels and sales strategies of the Company, and the pricing method is different from related parties. The collection period for sales to related parties was month-end 60 to 120 days, while the collection period for third parties was month-end 30 to 150 days, except for new clients with advance receipt.

The receivables-related parties were not pledged, bearing no interest and required to be paid in cash. The receivables-related parties also were not guaranteed.

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Purchases

	Years ended December 31,	
	2023	2022
Subsidiaries	\$43,727	\$1,126,791
Associate has significant influence over the Company	165,957	148,896
Associates	18,475	19,734
Total	<u>\$228,159</u>	<u>\$1,295,421</u>

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

C. Accounts Receivable from Related Parties

	December 31,	
	2023	2022
Optoma Corporation	\$798,570	\$965,186
Other subsidiaries	49,746	54,504
Total	<u>\$848,316</u>	<u>\$1,019,690</u>

D. Other Accounts Receivable from Related Parties

	December 31,	
	2023	2022
Coretronic Technology (BRVT)	\$128,896	\$-
CRI	29,675	(Note)
Coretronic Vietnam	-	215,267
Other subsidiaries	70,447	57,989
Associate has significant influence over the Company	969	-
Total	<u>\$229,987</u>	<u>\$273,256</u>

Note: Since individual balances did not exceed 10% transaction of the Company. Disclosure was not required.

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
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E. Accounts Payable to Related Parties

	December 31,	
	2023	2022
Greendale	\$2,482,344	\$3,359,402
SZT	923,883	562,952
WJB	665,942	(Note)
Associate has significant influence over the Company	34,476	35,437
Other subsidiaries	804,754	699,499
Total	<u>\$4,911,399</u>	<u>\$4,657,290</u>

Note: Since individual balances did not exceed 10% transaction of the Company, disclosure was not required.

F. Other Accounts Payable to Related Parties (excluding borrowing from related parties)

	December 31,	
	2023	2022
CICS	\$95,731	\$71,553
NPT	33,020	34,928
CVD	25,367	28,950
TYO	24,507	(Note)
CILS	(Note)	22,512
Optoma Corporation	(Note)	22,260
Other subsidiaries	30,295	12,024
Associate	1,036	5,345
Associate has significant influence over the Company	197	452
Total	<u>\$210,153</u>	<u>\$198,024</u>

Note: Since individual balances did not exceed 10% transaction of the Company, disclosure was not required.

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

G. Borrowing from related parties

	December 31,	
	2023	2022
Dynamic Time	\$2,401,131	\$1,449,512
Wisdom Success (HK)	568,043	577,348
Tecpoint	500,184	-
Young Lighting	-	1,563,139
Other subsidiaries	1,312,522	974,304
Total	\$4,781,880	\$4,564,303

H. Others

Maintenance and processing fees paid by the Company to subsidiaries amounted to NT\$297,146 thousand and NT\$235,512 thousand for the years ended December 31, 2023 and 2022, respectively.

Rent and other revenue arose from leasing buildings and rendering of management services to subsidiaries, amounting to NT\$106,696 thousand and NT\$84,285 thousand for the years ended December 31, 2023 and 2022, respectively.

The Company purchased products from its subsidiaries for the years ended December 31, 2023 and 2022, amounting to NT\$19,965,546 thousand and NT\$25,340,261 thousand, respectively. The Company purchased manufacturing materials on behalf of subsidiaries, amounting to NT\$25,448,439 thousand and NT\$28,430,682 thousand for the years ended December 31, 2023 and 2022, respectively.

For the year ended December 31, 2022, the Company sold property, plant and equipment, molds and computer software to its subsidiaries, amounting to NT\$1,745 thousand. For the years ended December 31, 2023 and 2022, the amounts that subsidiaries sold molds to the Company were NT\$4,522 thousand and NT\$4,148 thousand, respectively.

The Company purchased property, plant and equipment from subsidiary, amounting to NT\$24,443 thousand and NT\$1,492 thousand for the year ended December 31, 2023 and 2022, respectively.

The Company purchased molds from associates, amounting to NT\$411 thousand and NT\$3,946 thousand for the years ended December 31, 2023 and 2022, respectively.

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I. Key Management Personnel Compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$125,018	\$380,078
Post-employment benefits	2,008	1,988
Total	\$127,026	\$382,066

8. Assets Pledged as Collateral

The following assets of the Company pledged as collateral:

	Carrying amount		
	December 31,	December 31,	
Assets pledged as collateral	2023	2022	Purpose of pledge
Time deposits (presented as "other receivables")	\$36,885	\$36,885	Lease execution deposits
Time deposits (presented as "other receivables")	2,075	2,052	Customs import guarantee
Total	\$38,960	\$38,937	

9. Commitments and Contingencies

Amounts available under unused letters of credit as of December 31, 2023 are NT\$800 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of Financial Instruments

	December 31,	
	2023	2022
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss (Note 1)	\$4,779,647	\$4,209,700
Financial assets at fair value through other comprehensive income	4,204,130	3,067,948
Financial assets measured at amortized cost (Note 2)	3,869,313	3,482,875
Total	\$12,853,090	\$10,760,523

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

	December 31,	
	2023	2022
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term and long-term borrowings	\$12,750,000	\$11,140,674
Accounts payable (including related parties)	7,524,800	7,218,706
Other payables (including related parties)	6,278,102	6,494,142
Lease liabilities	611,142	722,970
Subtotal	<u>27,164,044</u>	<u>25,576,492</u>
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss - current	<u>338,372</u>	<u>427,105</u>
Total	<u>\$27,502,416</u>	<u>\$26,003,597</u>

Note 1: As of December 31, 2023 and 2022, the financial assets measured at fair value through profit or loss, including accounts receivable, were NT\$4,331,883 thousand and NT\$4,074,948 thousand, respectively. Please refer to Note 6(4) for more details.

Note 2: Including cash and cash equivalents (excluding cash on hand), trade receivables (including related parties), and other receivables (including related parties).

(2) Financial Risk Management Objectives and Policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

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(3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by NT\$11,724 thousand and NT\$75,248 thousand, while equity is decreased/increased by NT\$308,519 thousand and NT\$291,503 thousand, respectively.

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest, and rate swaps. At the reporting date, an increase/decrease of 1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decreased/increased by NT\$175,319 thousand and NT\$157,050 thousand, respectively.

Equity price risk

The fair value of the Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed equity securities are classified under financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

For the years ended December 31, 2023 and 2022, an increase/decrease of 1% in the price of the unlisted equity securities classified as equity instrument at fair value through other comprehensive income could have an impact of NT\$42,041 thousand and NT\$30,679 thousand on the equity attributable to the Company, respectively.

(4) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

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Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2023 and 2022, receivables from top ten customers represented 91% and 86% of the total trade receivables of the Company, respectively. The credit concentration risk of other accounts receivables was insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity Risk Management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1				
	year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of December 31, 2023					
Borrowings	\$12,768,870	\$-	\$-	\$-	\$12,768,870
Accounts payables					
(including related parties)	7,524,800	-	-	-	7,524,800
Other payables	6,278,102	-	-	-	6,278,102
Lease liabilities	38,070	67,306	48,528	659,074	812,978

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	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
As of December 31, 2022					
Borrowings	\$8,177,621	\$3,394,602	\$-	\$-	\$11,572,223
Accounts payables (including related parties)	7,218,706	-	-	-	7,218,706
Other payables	6,494,142	-	-	-	6,494,142
Lease liabilities	55,567	70,297	58,491	780,667	965,022

Derivative Financial liabilities

	Less than 1 year	1 to 3 years	Total
As of December 31, 2023			
Inflows	\$-	\$-	\$-
Outflows	338,372	-	338,372
Net	<u>\$338,372</u>	<u>\$-</u>	<u>\$338,372</u>

As of December 31, 2022			
Inflows	\$-	\$-	\$-
Outflows	427,105	-	427,105
Net	<u>\$427,105</u>	<u>\$-</u>	<u>\$427,105</u>

The table above contains the undiscounted net cash flows of derivative financial liabilities.

(6) Reconciliation of Liabilities Arising from Financing Activities:

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Other payables -related parties	Lease liabilities	Guarantee deposits received	Long-term borrowings	Total liabilities from financing activities
As of January 1, 2023	\$8,145,511	\$4,564,303	\$722,970	\$859	\$2,995,163	\$16,428,806
Cash flows	4,604,489	217,577	(42,719)	(782)	(2,995,163)	1,783,402
Leases decreased	-	-	(69,109)	-	-	(69,109)
As of December 31, 2023	<u>\$12,750,000</u>	<u>\$4,781,880</u>	<u>\$611,142</u>	<u>\$77</u>	<u>\$-</u>	<u>\$18,143,099</u>

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Reconciliation of liabilities for the year December 31, 2022:

	Short-term	Other payables	Lease	Guarantee	Long-term	Total liabilities
	borrowings	-related parties	liabilities	deposits	borrowings	from financing
				received		activities
As of January 1, 2022	\$10,289,763	\$1,332,515	\$730,315	\$1,101	\$991,970	\$13,345,664
Cash flows	(3,025,252)	2,844,965	(51,271)	(242)	2,003,193	1,771,393
Acquisition from Business						
combination with subsidiary	881,000	386,823	-	-	-	1,267,823
Additional Leases	-	-	43,926	-	-	43,926
As of December 31, 2022	\$8,145,511	\$4,564,303	\$722,970	\$859	\$2,995,163	\$16,428,806

Note: The amount of other liabilities-noncurrent does not include credit balance reclassified from investments accounted for using the equity method.

(7) Fair Value of Financial Instruments

A. The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, trade receivables, short-term borrowings, trade payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price at the reporting date.
- (c) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model or other valuation method.

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- (d) The fair value of long-term borrowings without active market is determined by using valuation techniques. Therefore, the fair value is estimated using the present value of the expected cash flows. The assumption of interest rate and discount rate mainly is measured by similar financial instruments.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative Instruments

The related information for derivative financial instruments not yet settled as follows:

Forward currency contracts and cross currency contracts

The Company entered into forward currency contracts and cross currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Item (by contract)	Notional Amount	Contract Period
As of December 31, 2023		
Forward currency contract		
Selling forward currency contracts	USD 662,500 thousand	From January 2024 to March 2024
Buying forward currency contracts	USD 676,000 thousand	From January 2024 to October 2024

As of December 31, 2022

Forward currency contract

Selling forward currency contracts	USD 498,500 thousand	From January 2023 to March 2023
Buying forward currency contracts	USD 742,000 thousand	From January 2023 to April 2023

(9) Fair Value Measurement Hierarchy

A. Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

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Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$447,764	\$-	\$447,764
Equity instrument measured at fair value through other comprehensive income	-	-	4,204,130	4,204,130
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	338,372	-	338,372

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	\$-	\$134,752	\$-	\$134,752
Equity instrument measured at fair value through other comprehensive income	-	-	3,067,948	3,067,948
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contract	-	427,105	-	427,105

Transfers between the Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Change in reconciliation for fair value measurements in Level 3

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stock
As of January 1, 2023:	\$3,067,948
Total gains recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in “unrealized gains from equity instruments investments measured at fair value through other comprehensive income”)	1,136,436
Tax effect	(254)
As of December 31, 2023	\$4,204,130

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Assets			
	At fair value through profit or loss		At fair value through other comprehensive income	
	Stock option	Convertible bond	Stock	Total
As of January 1, 2022:	\$55,360	\$-	\$2,752,957	\$2,808,317
Total gains and losses recognized for the year ended December 31, 2022:				
Amount recognized in profit or loss (presented in “other profit or loss”)	280	(41,610)	-	(41,330)
Amount recognized in OCI (presented in “unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-	-	(998,839)	(998,839)
Transfers	(55,640)	-	55,640	-
Acquisition	-	41,610	1,211,610	1,253,220
Acquisition from business combination with subsidiary	-	-	45,398	45,398
Tax effect	-	-	1,182	1,182
As of December 31, 2022	\$-	\$-	\$3,067,948	\$3,067,948

Total gains and losses recognized in profit or loss for the years ended December 31, 2022 was in the amount of NT\$41,330 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through other comprehensive income					
Stock	Market approach	P/E ratio of similar companies	1.75	The higher the P/E ratio of similar companies is, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase/decrease in equity by NT\$5,312 thousand /NT\$5,312 thousand.
	Asset-based Approach	Not applicable	-	-	-

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets :					
At fair value					
through other comprehensive income					
Stock	Market approach	P/E ratio of similar companies	1.81	The higher the P/E ratio of similar companies is, the higher the fair value estimated	10% increase (decrease) in the P/E ratio of similar companies would result in increase/decrease in equity by NT\$5,297 thousand /NT\$5,297 thousand.
	Asset-based Approach	Not applicable	-	-	-

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Assets Management Center (AMC) is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. AMC analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed: None.

(10) Significant Assets and Liabilities Denominated in Foreign Currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2023		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$616,713	30.705	\$18,936,186
JPY	165,789	0.2172	36,009
<u>Financial liabilities</u>			
Monetary items:			
USD	\$654,896	30.705	\$20,108,570
Investments accounted for using the equity method:			
USD	\$1,004,784	30.705	\$30,851,891
GBP	1,232	39.149	48,226
VND	(81,638,355)	0.0013	(103,348)

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2022		
	Foreign currencies	Exchange rate	NTD thousand
<u>Financial assets</u>			
Monetary item:			
USD	\$501,238	30.71	\$15,393,011
JPY	16,066	0.2324	3,734
<u>Financial liabilities</u>			
Monetary items:			
USD	\$746,267	30.71	\$22,917,848
Investments accounted for using the equity method:			
USD	\$949,211	30.71	\$29,150,260
GBP	1,233	37.09	45,718
VND	(259,400,374)	0.0013	(337,622)

The Company's entities functional currencies are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange loss was NT\$369,622 thousand and NT\$1,024,736 thousand for years ended December 31, 2023 and 2022, respectively.

(11)Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosures

(1) The following are additional disclosures for the Company and its affiliates:

A. Financing provided to others for the year ended December 31, 2023: Please refer to Attachment 1-2.

CORETRONIC CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: Please refer to Attachment 1, 1-1.
 - C. Securities held as of December 31, 2023 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 2, 2-1.
 - D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 9.
 - E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.
 - F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.
 - G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2023: Please refer to Attachment 3. 3-1.
 - H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2023: Please refer to Attachment 4, 4-1.
 - I. Financial instruments and derivative transactions: Please refer to Note 6(2), 6(10), Note 12(1), 12(8) and Attachment 7.
- (2) Information on Investees
- A. Relevant information on investees when the investees have significant influence or direct or indirect control. Please refer to Attachments 5, 5-1, 5-2, and 5-3.
 - B. When the investees have significant influence or direct or indirect control, the above items from A to I shall be disclosed. Please refer to Attachments 1-1, 1-2, 2-1, 3-1, 4-1 and 9.
 - C. Financial instruments and derivative transactions: Please refer to Attachment 7.
- (3) Investment in Mainland China
- A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 6 and 6-1.

CORETRONIC CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Directly or indirectly significant transactions with the investees in Mainland China, please refer to Attachment 1, 1-2, 3, 3-1, and 4-1.

(4) Information on major shareholders

Please refer to Attachment 8.

ATTACHMENT 1 (Endorsement/Guarantee provided to others for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
0	Coretronic Corporation	Coretronic Technology (BRVT)	Sub-subsidiary	\$ 11,980,073 (Note a)	\$ 1,780,890	\$ 1,780,890	\$ 116,977	\$ -	7.43%	\$ 23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic Vietnam	Subsidiary	11,980,073 (Note a)	1,150,000	1,065,464	541,957	-	4.45%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic MEMS Corporation	Subsidiary	11,980,073 (Note a)	164,000	150,000	8,460	-	0.63%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Nano Precision Taiwan	Sub-subsidiary	11,980,073 (Note a)	350,000	300,000	17,621	-	1.25%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Subsidiary	11,980,073 (Note a)	275,000	175,000	-	-	0.73%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	YLG Optotech	Sub-subsidiary	11,980,073 (Note a)	270,315	-	-	-	-%	23,960,147 (Note b)	Yes	No	Yes
0	Coretronic Corporation	Optoma USA	Sub-subsidiary	11,980,073 (Note a)	15,018	-	-	-	-%	23,960,147 (Note b)	Yes	No	No
0	Coretronic Corporation	Optoma Corporation	Sub-subsidiary	11,980,073 (Note a)	2,000	-	-	-	-%	23,960,147 (Note b)	Yes	No	No
	Total				<u>\$ 4,007,223</u>	<u>\$ 3,471,354</u>							

Note a : Based on the procedures of endorsement/guarantee provided to others, the amount of endorsements/guarantees for any single entity shall not exceed 50% of the Company's net worth from the latest financial statements.

Note b : Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the latest financial statements.

ATTACHMENT 1-1 (Endorsement/Guarantee provided to others for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/ guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Percentage of accumulated guarantee amount to net worth from the latest financial statements	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiary in Mainland China
		Company name	Relationship										
1	Coretronic Technology (BRVT)	Coretronic Vietnam	Associate	\$ 1,151,863 (Note a)	\$ 387,240	\$ -	\$ -	-	-%	\$ 2,303,727 (Note b)	No	No	No

Note a : Based on the procedures of endorsement/guarantee provided to others, the amount of endorsements/guarantees for any single entity shall not exceed 50% of the Company's net worth from the latest financial statements.

Note b : Based on the procedures of endorsement/guarantee provided to others, the total amount of endorsements/guarantees shall not exceed 100% of the Company's net worth from the latest financial statements.

ATTACHMENT 1-2 (Financing provided to others for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Lender	Counterparty	Financial statement account	Related party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for expected credit losses	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Bigshare (HK)	Core-Flex	Trade receivables - related parties	Yes	\$ 137,858	\$ -	\$ -	4%	The need for short-term financing	-	Business turnover	-	None	-	\$220,874	\$220,874
1	Bigshare (HK)	Matl Limited	Trade receivables - related parties	Yes	140,303	132,861	132,861	2%	The need for short-term financing	-	Business turnover	-	None	-	552,185	552,185
1	Bigshare (HK)	Cerebronic Corporation	Trade receivables - related parties	Yes	206,645	195,683	195,683	2%	The need for short-term financing	-	Business turnover	-	None	-	552,185	552,185
2	Bloom Power	Cerebronic (BVI) Investment	Trade receivables - related parties	Yes	2,302	2,180	2,180	2%	The need for short-term financing	-	Business turnover	-	None	-	238,141	238,141
2	Bloom Power	Cerebronic Corporation	Trade receivables - related parties	Yes	123,475	116,925	116,925	4%	The need for short-term financing	-	Business turnover	-	None	-	238,141	238,141
3	Dynamic Time	Core-Flex	Trade receivables - related parties	Yes	129,991	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	968,988	968,988
3	Dynamic Time	Great Pride (HK)	Trade receivables - related parties	Yes	801,945	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	2,422,470	2,422,470
3	Dynamic Time	Cerebronic Corporation	Trade receivables - related parties	Yes	2,535,635	2,401,131	2,401,131	4%	The need for short-term financing	-	Business turnover	-	None	-	2,422,470	2,422,470
4	Great Pride (HK)	Cerebronic Investment Limited	Trade receivables - related parties	Yes	913,064	-	-	4%	The need for short-term financing	-	Business turnover	-	None	-	2,732,651	2,732,651
4	Great Pride (HK)	Cerebronic Corporation	Trade receivables - related parties	Yes	119,973	113,609	113,609	2%	The need for short-term financing	-	Business turnover	-	None	-	2,732,651	2,732,651
5	Nano Display	Cerebronic Corporation	Trade receivables - related parties	Yes	231,448	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	496,739	496,739
6	Venture Orient	Cerebronic Investment Limited	Trade receivables - related parties	Yes	90,405	-	-	4%	The need for short-term financing	-	Business turnover	-	None	-	515,277	515,277
6	Venture Orient	Cerebronic Corporation	Trade receivables - related parties	Yes	106,491	76,763	76,763	2%	The need for short-term financing	-	Business turnover	-	None	-	515,277	515,277
7	Wisdom Success (HK)	Cerebronic Corporation	Trade receivables - related parties	Yes	599,863	568,043	568,043	2%	The need for short-term financing	-	Business turnover	-	None	-	6,856,991	6,856,991
8	Wisdom Success	Cerebronic Corporation	Trade receivables - related parties	Yes	32,425	30,705	30,705	4%	The need for short-term financing	-	Business turnover	-	None	-	10,681,170	10,681,170
9	Young Lighting Limited	Cerebronic Investment Limited	Trade receivables - related parties	Yes	1,459,125	-	-	4%	The need for short-term financing	-	Business turnover	-	None	-	3,363,923	3,363,923
9	Young Lighting Limited	Cerebronic Corporation	Trade receivables - related parties	Yes	314,523	297,839	297,839	2%	The need for short-term financing	-	Business turnover	-	None	-	3,363,923	3,363,923
10	Chang Tien Investment	Cerebronic Reality Inc.	Trade receivables - related parties	Yes	60,000	60,000	60,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tien Investment	Cerebronic Intelligent Logistics Solutions Corporation	Trade receivables - related parties	Yes	120,000	87,000	87,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tien Investment	Cerebronic MEMS Corporation	Trade receivables - related parties	Yes	60,000	60,000	60,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tien Investment	Cerebronic Intelligent Robotics Corporation	Trade receivables - related parties	Yes	50,000	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tien Investment	Cerebronic Corporation	Trade receivables - related parties	Yes	366,000	305,000	305,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
10	Chang Tien Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	132,000	55,000	55,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	925,022	925,022
11	Cerebronic Projection (Kunshan)	Cerebronic Optics (Kunshan)	Trade receivables - related parties	Yes	903,471	865,261	865,261	0.5%	The need for short-term financing	-	Business turnover	-	None	-	6,662,096	6,662,096
11	Cerebronic Projection (Kunshan)	Cerebronic Optics (Suzhou)	Trade receivables - related parties	Yes	2,258,677	2,163,152	2,163,152	0.5%	The need for short-term financing	-	Business turnover	-	None	-	6,662,096	6,662,096
12	Nano Precision (Suzhou)	Cerebronic Optotek (Suzhou)	Trade receivables - related parties	Yes	426,884	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	2,568,738	2,568,738
12	Nano Precision (Suzhou)	Cerebronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,694,560	-	-	4%	The need for short-term financing	-	Business turnover	-	None	-	2,568,738	2,568,738
13	Young Bright Optical (Suzhou)	Cerebronic Optics (Suzhou)	Trade receivables - related parties	Yes	257,481	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	382,899	382,899
14	Cerebronic (Ningbo)	Cerebronic Optotek (Suzhou)	Trade receivables - related parties	Yes	1,797,826	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	3,620,696	3,620,696
14	Cerebronic (Ningbo)	Cerebronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,642,856	865,261	865,261	0.5%	The need for short-term financing	-	Business turnover	-	None	-	3,620,696	3,620,696
15	Tian Ming Investment	Cerebronic Reality Inc.	Trade receivables - related parties	Yes	50,000	50,000	50,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tian Ming Investment	Cerebronic MEMS Corporation	Trade receivables - related parties	Yes	136,000	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tian Ming Investment	Cerebronic Corporation	Trade receivables - related parties	Yes	96,000	96,000	96,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
15	Tian Ming Investment	Nano Precision Taiwan	Trade receivables - related parties	Yes	122,000	72,000	72,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	218,011	218,011
16	Cerebronic (Suzhou)	Cerebronic Display (Suzhou)	Trade receivables - related parties	Yes	198,231	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	4,405,424	4,405,424
16	Cerebronic (Suzhou)	Cerebronic Optics (Suzhou)	Trade receivables - related parties	Yes	1,986,598	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	4,405,424	4,405,424
17	Cerebronic Display (Suzhou)	Cerebronic Corporation	Trade receivables - related parties	Yes	198,231	-	-	4%	The need for short-term financing	-	Business turnover	-	None	-	539,241	539,241
18	Teepoint	Cerebronic Corporation	Trade receivables - related parties	Yes	528,203	500,184	500,184	4%	The need for short-term financing	-	Business turnover	-	None	-	3,476,025	3,476,025
19	Vimax (Kunshan)	Cerebronic Optics (Kunshan)	Trade receivables - related parties	Yes	1,287,446	1,232,996	1,232,996	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,358,930	1,358,930
20	Cerebronic (Guangzhou)	YLG Optotek	Trade receivables - related parties	Yes	75,474	-	-	2%	The need for short-term financing	-	Business turnover	-	None	-	1,405,782	1,405,782
21	Opterna Europe	Opterna Holding Limited	Trade receivables - related parties	Yes	169,368	-	-	4%	The need for short-term financing	-	Business turnover	-	None	-	368,413	368,413
22	Young Green Energy	Cerebronic Corporation	Trade receivables - related parties	Yes	80,000	80,000	80,000	0.645%	The need for short-term financing	-	Business turnover	-	None	-	84,277	84,277
23	Mat Limited	Cerebronic Vietnam	Trade receivables - related parties	Yes	149,155	141,243	141,243	0.5%	The need for short-term financing	-	Business turnover	-	None	-	1,389,934	1,389,934
24	Young Optics	Young Optics (BD)	Other receivables - related parties	Yes	61,850	61,410	184,223	4%	The need for short-term financing	-	Business turnover	-	None	-	1,248,005	1,248,005
25	Best Alpha	Young Optics (BD)	Other receivables - related parties	Yes	32,425	30,705	30,705	4%	The need for short-term financing	-	Business turnover	-	None	-	506,208	506,208

Note a : Limit of financing amount for individual counter-party and total financing amount should not exceed 100% of lender's net worth from the latest financial statements, including Bigshare (HK) Limited, Cerebronic Projection (Kunshan), Cerebronic (Ningbo), Vimax (Kunshan) and Mat Limited.

The above restriction only applies to the foreign subsidiaries whose shares are 100% owned by the Company.

Note b : Bigshare (HK), Great Pride Hong Kong limited, Dynamic Time Investment Limited, Teepoint Limited, Wisdom Success (HK), Venture Orient Limited, and Wisdom Success Limited, provided financing to Cerebronic Corporation. Limit of total financing amount for individual counter-party should not exceed 100% of lender's net worth from the latest financial statements.

Note c : Young Lighting Limited and Bloom Power Trading Corp. provided financing to Cerebronic Corporation or the foreign subsidiaries whose shares are 100% owned, directly or indirectly, by the Company. Limit of total financing amount for individual counter-party should not exceed 200% of lender's net worth from the latest financial statements.

Note d : Limit of total financing amount for individual counter-party should not exceed 40% of lender's net worth from the latest financial statements, and limit of financing amount should not exceed 100% of the latest financial statements of lender, including Tian Ming Investment, Chang Tien Investment and Young Green Energy.

Note e : Young Optics Inc. provided financing to the foreign subsidiaries whose shares are 100% owned by Young Optics Inc. Limit of total financing amount for individual counter-party should not exceed 40% of Young Optics' net worth from the latest financial statements.

Note f : Best Alpha provided financing to the foreign subsidiaries whose shares are 100% owned by Young Optics Inc. Limit of total financing amount for individual counter-party should not exceed 40% of Best Alpha's or Young Optics' net worth from the latest financial statements.

ATTACHMENT 2 (Securities held as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2023				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value(Note a)	
Coretronic Corporation	Nightingale Intelligent Systems, Inc.	-	Financial assets at fair value through profit or loss-noncurrent	550,436	\$-	0.41%	\$-	(Note b)
Coretronic Corporation	Nanosys Inc.	-	Financial assets at fair value through profit or loss-noncurrent	9,007	-	0.00%	-	(Note b)
Coretronic Corporation	Flexenable Limited-preferred shares	-	Financial assets at fair value through other comprehensive income-noncurrent	4,087,335,661	-	16.80%	-	(Note b)
Coretronic Corporation	Yann Yuan Investment Co., Ltd.	Coretronic Corporation was Yann Yuan Investment's director.	Financial assets at fair value through other comprehensive income-noncurrent	57,000,000	4,151,012	11.06%	4,151,012	
Coretronic Corporation	Eterge Opto-Electronics	Coretronic Corporation was Eterge Opto-Electronics' director.	Investments accounted for using the equity method	1,850,000	40,975	18.50%	-	
Coretronic Corporation	Liuligongfang	-	Financial assets at fair value through other comprehensive income-noncurrent	242,094	9,912	3.06%	9,912	
Coretronic Corporation	Excel Global	-	Financial assets at fair value through other comprehensive income-noncurrent	812,506	43,206	19.90%	43,206	

Note a : The Group measured the fair value of investments in accordance with IFRS 9.

Note b : The impairment loss was recognized as the difference between the recoverable amount of the security and its carrying value.

ATTACHMENT 2-1 (Securities held as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2023				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value (Note a)	
Coretronic Venture Capital	GeneJet Biotech	-	Financial assets at fair value through other comprehensive income-noncurrent	315,000	\$ -	5.85%	\$ -	(Note b)
Coretronic Intelligent Cloud Service Corp.	GateWeb	-	Financial assets at fair value through other comprehensive income-noncurrent	900,000	46,920	18.54%	46,920	
Venture Orient Limited	Unitech Capital	-	Financial assets at fair value through other comprehensive income-noncurrent	2,500,000	USD 2,430,385	5.00%	USD 2,430,385	
Chung Tsen Investment	Shieh Yong Investment	-	Financial assets at fair value through other comprehensive income-noncurrent	95,895,463	982,371	4.47%	982,371	

Note a : The Group measured the fair value of investments in accordance with IFRS 9.

Note b : The impairment loss was recognized as the difference between the recoverable amount of the security and its carrying value.

ATTACHMENT 3 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2023)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Coretronic Corporation	Optoma Corporation	Sub-subsidiary	Sales	\$ 3,133,204	13.09%	90 days	-	-	\$ 798,570	10.96%	
Coretronic Corporation	Coretronic (Ningbo)	Sub-subsidiary	Purchases	860,709	1.86%	120 days	-	-	(343,337)	4.56%	
Coretronic Corporation	YLG Optotech	Sub-subsidiary	Purchases	141,619	0.31%	90 days	-	-	-	-%	
Coretronic Corporation	HANNSTAR	Entity with significant influence over the Company	Purchases	165,957	0.36%	90 days	-	-	(34,476)	0.46%	

ATTACHMENT 3-1 (Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the year ended December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and Trade receivables (payables)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payables)	
Young Optics	Coretronic Projection (Kunshan)	Associate	Sales	\$375,468	13.66%	90 days	-	-	\$148,344	26.28%	Note
Young Optics	Rays Optics	Associate	Sales	339,596	12.35%	30 days	-	-	-	-	
Young Optics (Kunshan)	Young Optics	Associate	Sales	744,664	68.21%	90 days	-	-	384,306	87.78 %	
Young Optics (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	299,513	27.46%	90 days	-	-	44,654	10.20 %	
Nano Precision (Suzhou)	Coretronic Optotech (Suzhou)	Associate	Sales	264,706	47.88%	60 days	-	-	-	-	
Coretronic Projection (Kunshan)	Young Optics (Kunshan)	Associate	Sales	211,909	1.72%	90 days	-	-	235	0.01 %	
Coretronic Projection (Kunshan)	Optoma China	Associate	Sales	422,091	3.43%	60 days	-	-	155,472	6.92 %	
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	Sales	391,995	3.19%	60 days	-	-	84,981	3.78 %	
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	Sales	138,393	12.75%	60 days	-	-	13,169	3.42 %	
Coretronic Optotech (Suzhou)	Coretronic Display (Suzhou)	Associate	Sales	195,756	5.11%	60 days	-	-	6,035	0.14 %	
Coretronic Optics (Kushan)	Coretronic Projection (Kunshan)	Associate	Sales	6,024,664	99.92%	60 days	-	-	1,426,903	99.93 %	
Optoma Corporation	Optoma USA	Associate	Sales	757,826	19.16%	90 days	-	-	201,121	22.16 %	
Optoma Corporation	Optoma Europe	Associate	Sales	2,392,261	60.48%	90 days	-	-	568,108	62.59 %	
Young Optics (BD)	Young Optics	Associate	Sales	116,373	82.19%	30 days	-	-	-	-	

Note : Young Optics absorbed its subsidiary, Rays Optics, on September 8, 2023.

ATTACHMENT 4 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2023)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables : Coretronic Corporation	Optoma Corporation	Sub-subsidiary	\$ 798,570	3.55	\$ -	-	\$ -	\$ -

ATTACHMENT 4-1 (Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of December 31, 2023)
(The certain information is based on the unreviewed financial statements)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company name	Counter-party	Relationship	Trade receivables - related parties balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for expected credit losses
					Amount	Collection status		
Trade receivables :								
Coretronic Projection (Kunshan)	Young Optics	Associate	\$148,344 (Note a)	2.49	\$ -	-	\$ -	\$ -
Young Optics (Kunshan)	Young Optics	Associate	384,306	1.88	-	-	-	-
Coretronic Projection (Kunshan)	Optoma China	Associate	155,472	2.46	-	-	-	-
Coretronic Optics (Kunshan)	Coretronic Projection (Kunshan)	Associate	1,426,903	5.30	-	-	-	-
Grace China	Young Optics (BD)	Associate	289,393 (Note a)	-	-	-	-	-
Optoma Corporation	Optoma USA	Associate	201,121	2.89	-	-	-	-
Optoma Corporation	Optoma Europe	Associate	568,108	4.09	-	-	-	-
Other receivables :								
Young Optics	Masterview	Associate	162,737 (Note b)	-	-	-	-	-
Dynamic Time	Coretronic Corporation	Parent	2,401,131	-	-	-	-	-
Mat Limited	Coretronic Vietnam	Associate	141,486	-	-	-	-	-
Vimax (Kunshan)	Coretronic Optics (Kunshan)	Associate	1,237,534	-	-	-	-	-
Chung Tsen Investment	Coretronic Corporation	Parent	305,697	-	-	-	-	-
Masterview	Grace China	Associate	162,737 (Note b)	-	-	-	-	-
Tecpoint	Coretronic Corporation	Parent	500,184	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Kunshan)	Associate	869,957	-	-	-	-	-
Coretronic Projection (Kunshan)	Coretronic Optics (Suzhou)	Associate	2,165,345	-	-	-	-	-
Boom Power	Coretronic Corporation	Parent	116,925	-	-	-	-	-
Coretronic (Ningbo)	Coretronic Optics (Suzhou)	Associate	865,669	-	-	-	-	-
Great Pride (HK)	Coretronic Corporation	Parent	113,609	-	-	-	-	-
Wisdom Success (HK)	Coretronic Corporation	Parent	568,043	-	-	-	-	-
Bigshine (HK)	Coretronic Corporation	Parent	195,683	-	-	-	-	-
Bigshine (HK)	Mat Limited	Associate	132,861	-	-	-	-	-
Young Lighting Limited	Coretronic Corporation	Parent	297,839	-	-	-	-	-

Note a : Includes Other receivables.

Note b : Receivables include capital reduction and distribution of earnings.

ATTACHMENT 5 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic Corporation	Coretronic (BVI) Investment Corp.	B.V.I.	Holding company	\$1,563,709	\$1,563,709	38,220,000	100.00%	\$7,004,677	\$316,025	\$316,025	Subsidiary
Coretronic Corporation	Young Optics Inc.	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics.	496,543	506,416	37,217,586	32.63%	978,596	(287,300)	(94,437)	Subsidiary
Coretronic Corporation	Viscorp Limited	B.V.I.	Holding company	467,241	467,241	40,781	100.00%	12,918,078	293,875	293,875	Subsidiary
Coretronic Corporation	Sinclink Global Limited	B.V.I.	Holding company	34,100	34,100	980	100.00%	1,412,060	49,100	49,100	Subsidiary
Coretronic Corporation	Chung Tsen Investment Corp.	New Taipei City, Taiwan	Investing company for strategic purposes	692,696	692,696	127,099,664	100.00%	2,609,321	(10,534)	(10,534)	Subsidiary
Coretronic Corporation	Tecpoint Limited	B.V.I.	Holding company	1,064,802	1,064,802	33,556,599	78.06%	2,617,383	(131,820)	(102,900)	Subsidiary
Coretronic Corporation	Young Green Energy Co., LTD.	Hsinchu County, Taiwan	Engaged in the production, wholesale and retail trade of electronic components, battery, computer and its peripheral devices, and electronic	214,620	214,620	18,833,220	99.91%	226,855	9,210	9,201	Subsidiary
Coretronic Corporation	Young Lighting Limited	Samoa	Holding company	118,134	118,134	3,907,000	100.00%	1,607,905	40,625	40,625	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corp.	Hsinchu County, Taiwan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	354,990	354,990	25,000,000	100.00%	326,483	41,867	41,867	Subsidiary
Coretronic Corporation	Coretronic Venture Capital Corp.	New Taipei City, Taiwan	The investment activities of company's business expansion	300,000	300,000	30,000,000	100.00%	307,395	2,718	2,718	Subsidiary
Coretronic Corporation	Champ Vision Display Inc.	Miaoli County, Taiwan	Engaged in R&D, design, production and marketing of innovative intelligent display products and system integration solution.	142,850	144,000	14,285,000	79.36%	157,530	6,595	5,160	Subsidiary
Coretronic Corporation	uCare Medical Electronics Co., Ltd.	Miaoli County, Taiwan	Engaged in the R&D, design, production and marketing of intelligent movement and medical care related software and hardware products.	80,000	80,000	8,000,000	60.69%	344	(16,280)	(9,880)	Subsidiary
Coretronic Corporation	Calibre UK Limited	U.K.	Engaged in R&D, design, production and marketing of image processing products.	238,841	238,841	52,701,042	100.00%	48,226	(27)	(27)	Subsidiary
Coretronic Corporation	Coretronic Intelligent Robotics Corporation	Hsinchu City, Taiwan	Engaged in R&D, production and marketing of unmanned aerial vehicle and intelligent robotics.	758,067	506,263	18,000,000	100.00%	146,341	(195,424)	(195,424)	Subsidiary
Coretronic Corporation	InnoSpectra Corporation	Hsinchu City, Taiwan	Engaged in R&D and marketing of near-infrared spectrum and corresponding solutions	48,000	48,000	4,800,000	80.00%	13,099	2,904	2,323	Subsidiary
Coretronic Corporation	Coretronic MEMS Corporation	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of MEMS sensor, module and corresponding solutions.	389,178	389,178	18,000,000	100.00%	100,990	(42,533)	(42,533)	Subsidiary
Coretronic Corporation	Coretronic Realty Inc.	Hsinchu County, Taiwan	Engaged in R&D, production and marketing of wearable and embedded projector, system, and display solutions.	100,000	100,000	10,000,000	100.00%	(25,456)	(43,534)	(43,534)	Subsidiary
Coretronic Corporation	Coretronic Vietnam Co., Ltd.	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display.	USD 3,000,000	USD 3,000,000	-	100.00%	(103,348)	233,932	233,932	Subsidiary
Coretronic Corporation	Coretronic Intelligent Logistics Solutions Corporation	Hsinchu County, Taiwan	System integration and application service solutions for intelligent logistics and smart manufacturing.	170,000	170,000	15,000,000	100.00%	13,378	(70,227)	(70,227)	Subsidiary
Coretronic Corporation	Coretronic Investment Limited	U.K.	Holding company	EUR 100,000	EUR 100,000	100,000	38.64%	824,075	182,259	197,885	Subsidiary
Coretronic Corporation	Dynamic Time Investment Limited	Cayman Islands	Holding company	USD 14,122,230	USD 14,122,230	14,856	100.00%	2,427,418	825	825	Subsidiary
Coretronic Corporation	Coretronic Intelligent Cloud Service Corporation (JP)	Japan	Engaged in intelligent cloud, IT information, intelligent applications of new media and platform development related business of new media.	Note	Note	Note	Note	Note	Note	Note	Subsidiary

Note : Though Coretronic Intelligent Cloud Service Corporation (JP) was incorporated in March, 2023, Coretronic Corporation has not contributed to its capital yet as of December 31, 2023 .

ATTACHMENT 5-1 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial Investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Coretronic BVI	Greendale	Samoa	Holding company	USD 46,400,000	USD 46,400,000	46,400	100.00 %	USD 228,626,684	USD 10,007,589	(Note)	Sub-subsidiary
Visicorp	Wisdom Success	Cayman Islands	Holding company	USD 10,176,000	USD 10,176,000	43,300	100.00 %	USD 353,284,896	USD 10,958,389	(Note)	Sub-subsidiary
Visicorp	Bigshine	Samoa	Holding company	USD 3,000,000	USD 3,000,000	3,000	100.00 %	USD 6,502,715	(USD 248,047)	(Note)	Sub-subsidiary
Visicorp	Lead Bright	Samoa	Holding company	USD 4,700,000	USD 4,700,000	4,700	100.00 %	USD 31,056,703	USD 314,307	(Note)	Sub-subsidiary
Visicorp	Elite View	Samoa	Holding company	USD 5,000,400	USD 5,000,400	5,000	100.00 %	USD 16,629,710	(USD 1,117,035)	(Note)	Sub-subsidiary
Visicorp	Tecpoint	B.V.I.	Holding company	USD 5,204,902	USD 5,204,902	5,204,902	12.11 %	USD 13,221,828	(USD 4,204,917)	(Note)	Subsidiary
Wisdom Success	Wisdom Success (HK)	HK	Holding company	USD 18,000,000	USD 18,000,000	18,000	100.00 %	USD 227,018,849	USD 12,271,299	(Note)	Sub-subsidiary
Wisdom Success	Lead Bright (HK)	HK	Holding company	USD 13,300,000	USD 13,300,000	13,300	73.89 %	USD 87,888,860	USD 1,203,781	(Note)	Sub-subsidiary
Wisdom Success	Elite View (HK)	HK	Holding company	USD 7,999,600	USD 7,999,600	8,000	61.54 %	USD 26,609,113	(USD 2,904,408)	(Note)	Sub-subsidiary
Wisdom Success	Bigshine (HK)	HK	Holding company	USD 5,000,000	USD 5,000,000	5,000	62.50 %	USD 10,742,908	(USD 665,347)	(Note)	Sub-subsidiary
Coretronic (Suzhou)	Coretronic Technology (HK)	HK	Holding company	USD 78,000,000	USD 78,000,000	78,000,000	100.00 %	RMB 533,770,851	RMB 1,336,508	(Note)	Sub-subsidiary
Coretronic Technology (HK)	Coretronic Technology (BRVT) Company	Vietnam	Research and development, manufacturing and sales of optical components such as backlight module, LCD module, LCD TV and panel display in Vietnam	USD 78,000,000	USD 78,000,000	-	100.00 %	USD 75,204,968	USD 194,948	(Note)	Sub-subsidiary
Bigshine	Bigshine (HK)	HK	Holding company	USD 3,000,000	USD 3,000,000	3,000	37.50 %	USD 6,445,745	(USD 665,347)	(Note)	Sub-subsidiary
Lead Bright	Lead Bright (HK)	HK	Holding company	USD 4,700,000	USD 4,700,000	4,700	26.11 %	USD 31,056,681	USD 1,203,781	(Note)	Sub-subsidiary
Elite View	Elite View (HK)	HK	Holding company	USD 5,000,400	USD 5,000,400	5,000	38.46 %	USD 16,629,614	(USD 2,904,408)	(Note)	Sub-subsidiary
Sinolink	Mat Limited	Samoa	Holding company	USD 980,000	USD 980,000	980	100.00 %	USD 45,987,554	USD 1,567,236	(Note)	Sub-subsidiary
Tecpoint	Great Pride	Samoa	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 85,515,791	(USD 1,862,457)	(Note)	Sub-subsidiary
Tecpoint	Core-Flex	Cayman Islands	Holding company	USD 23,260,000	USD 23,260,000	213,260,000	94.36 %	USD 7,381,687	(USD 2,429,735)	(Note)	Sub-subsidiary
Tecpoint	Nano Display	HK	Holding company	USD 7,800,000	USD 7,800,000	7,800,000	100.00 %	USD 16,013,981	(USD 55,856)	(Note)	Sub-subsidiary
Great Pride	Great Pride (HK)	HK	Holding company	USD 11,800,000	USD 11,800,000	11,800,000	100.00 %	USD 85,477,205	(USD 1,862,707)	(Note)	Sub-subsidiary
Nano Precision (Suzhou)	Nano Precision Taiwan	Hsinchu County, Taiwan	Engaged in the production, R&D, marketing and imports/exports of high-end electronic devices' plastic enclosures, frames, and optical component injection	300,000	300,000	30,000,000	100.00 %	(RMB 18,010,907)	(RMB 11,280,448)	(Note)	Sub-subsidiary
Chung Tsen Investment	Venture Orient	Samoa	Holding company	USD 5,550,000	USD 5,550,000	5,550	100.00 %	503,730	(36,527)	(Note)	Sub-subsidiary
Chung Tsen Investment	Young Optics	Hsinchu City, Taiwan	Engaged in the production, marketing and R&D of electronic components and optics	-	9,013	-	0.00%	-	(287,300)	(Note)	Subsidiary
Chung Tsen Investment	Tsen Ming Investment	New Taipei City, Taiwan	Investing company for strategic purposes	102,000	102,000	32,443,180	100.00 %	550,650	627	(Note)	Sub-subsidiary

Note : The share of profits/losses of investee company is not reflected herein, as such amount is already included in the share of profits/losses of the investor company.

ATTACHMENT 5-2 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Chung Tsen Investment	Core-Flex	Cayman Islands	Holding company	USD 3,130,000	USD 3,130,000	3,130,000	1.39%	\$3,449	(\$77,178)	(Note)	Sub-subsiidiary
Venture Orient	Tecpoint	B.V.L	Holding company	USD 4,226,399	USD 4,226,399	4,226,399	9.83%	USD 10,736,197	(USD 4,204,917)	(Note)	Subsidiary
Tsen Ming Investment	Core-Flex	Cayman Islands	Holding company	USD 1,718,289	USD 1,718,289	8,170,000	3.61%	7,362	(77,178)	(Note)	Sub-subsiidiary
Young Green Energy	Boom Power	B.V.L	Holding company	USD 1,000,000	USD 1,000,000	10,000	100.00%	119,071	USD 16	(Note)	Sub-subsiidiary
Young Lighting Limited	YLG Limited	Samoa	Holding company	USD 3,060,001	USD 3,060,001	6,000,000	100.00%	USD 3,534,352	USD 7,154	(Note)	Sub-subsiidiary
Young Lighting Limited	Coretronic Investment Limited	UK	Holding company	USD 46,776,000	-	158,808	61.36%	USD 42,621,607	USD 5,718,752	(Note)	Sub-subsiidiary
Coretronic Intelligent Cloud Service Corp.	Coretronic System Engineering Limited	Samoa	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	29,719	2,535	(Note)	Sub-subsiidiary
Coretronic System Engineering Limited	Coretronic System Engineering (HK)	HK	Holding company	USD 1,500,000	USD 1,500,000	1,500,000	100.00%	USD 967,887	USD 82,649	(Note)	Sub-subsiidiary
Coretronic Investment Limited	Optoma Holding Limited	U.K.	Holding company	EUR 40,680,793	EUR 40,680,793	32,620,000	96.69%	USD 69,321,635	USD 7,335,716	(Note)	Sub-subsiidiary

Note : The share of profits/losses of investee company is not reflected herein, as such amount is already included in the share of profits/losses of the investor company.

ATTACHMENT 5-3 : (Names, locations and related information of investee companies as of December 31, 2023) (Not including investment in Mainland China)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor company	Investee company	Address	Main businesses and products	Initial investment		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Carrying amount			
Dynamic Time	Modem Smart	B.V.I.	Holding company	USD 1,200,000	USD 1,200,000	1,200,000	100.00 %	USD 1,056,441	\$-	(Note a)	Sub-subsidiary
Dynamic Time	Optoma (China & HK) Ltd.	HK	Marketing and after-sales service of Optoma in Hong Kong and the Asia-Pacific region	Note b	USD 309,546	-	-	-	USD 662	(Note a)	Sub-subsidiary
Optoma Holding	Optoma USA	USA	Marketing and after-sales service of Optoma in Americas region	EUR 6,328,202	EUR 6,328,202	825,000	100.00 %	EUR 22,527,243	EUR 1,744,131	(Note a)	Sub-subsidiary
Optoma Holding	Optoma Europe	U.K.	Marketing and after-sales service of Optoma in European region	EUR 24,911,549	EUR 24,911,549	1,200,000	100.00 %	EUR 30,851,228	EUR 3,709,647	(Note a)	Sub-subsidiary
Optoma Holding	Optoma Corporation	New Taipei City, Taiwan	Marketing and after-sales service of Optoma in the Asia-Pacific region	EUR 931,677	EUR 931,677	3,000,000	100.00 %	EUR 1,895,607	EUR 2,166,978	(Note a)	Sub-subsidiary
Optoma Europe	Optoma Deutschland GmbH	Germany	Marketing and after-sales service of Optoma in European region	EUR 958,000	EUR 958,000	-	100.00 %	EUR 2,147,812	EUR 306,817	(Note a)	Sub-subsidiary
Optoma Europe	Optoma France	France	Marketing and after-sales service of Optoma in European region	GBP 67,376	GBP 67,376	-	100.00 %	EUR 891,090	(EUR 243,699)	(Note a)	Sub-subsidiary
Optoma Europe	Optoma Scandinavia. A.S.	Norway	Marketing and after-sales service of Optoma in European region	GBP 8,260	GBP 8,260	100	100.00 %	EUR 95,808	(EUR 39,861)	(Note a)	Sub-subsidiary
Optoma Europe	Optoma Espana, S.L.	Spain	Marketing and after-sales service of Optoma in European region	EUR 103,006	EUR 103,006	5,150,280	100.00 %	EUR 388,965	(EUR 97,845)	(Note a)	Sub-subsidiary
Optoma Europe	Optoma Benelux B.V.	Netherlands	Marketing and after-sales service of Optoma in European region	EUR 18,000	EUR 18,000	18,000	100.00 %	EUR 585,987	(EUR 39,572)	(Note a)	Sub-subsidiary
Optoma Corporation	Optoma Australia Pty Ltd	Australia	Marketing and after-sales service of Optoma in European region	Note c	Note c	Note c	Note c	Note c	Note c	Note c	Sub-subsidiary
Young Optics	Masterview	B.V.I.	Holding company	USD 200,000	USD 6,000,000	200,000	100.00 %	1,141,894	(181,715)	(Note a and Note c)	Sub-subsidiary
Young Optics	Rays Optics	Hsinchu County, Taiwan	Manufacturing and selling of optics instruments and electronic components	Note d	298,140	-	-	-	-	(Note a)	Sub-subsidiary
Young Optics	Mejiro Genossen	Japan	Researching, developing, manufacturing and selling of optics machines	JPY 161,200,908	JPY 161,200,908	4,950	99.00 %	46,717	6,035	(Note a)	Sub-subsidiary
Masterview	Best Alpha	Samoa	Holding company	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	USD 15,814,587	(USD 731,095)	(Note a)	Sub-subsidiary
Masterview	Grace China	Cayman Islands	Holding company	USD 2,356,458	USD 8,156,458	8,156,458	100.00 %	USD 24,895,828	(USD 2,428,198)	(Note a and Note c)	Sub-subsidiary
Masterview	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 12,000,000	USD 12,000,000	10,089,436	80.00 %	(USD 3,548,970)	(USD 3,353,424)	(Note a)	Sub-subsidiary
Grace China	Young Optics (BD)	Bengal	Manufacturing of optics components	USD 3,000,000	USD 3,000,000	2,479,960	20.00 %	(USD 887,243)	(USD 3,353,424)	(Note a)	Sub-subsidiary

Note a : The share of profits/losses of investee company is not reflected herein, as such amount is already included in the share of profits/losses of the investor company.

Note b : Optoma (China & HK) Ltd. Has disregistered in August 2023.

Note c : Though Optoma Australia Pty Ltd was incorporated in November, 2023, Optoma Corporation has not contributed to its capital yet as of December 31, 2023 .

Note d : Young Optics absorbed its subsidiary, Rays Optics, on September 8, 2023.

Note e : Both of Masterview and Grace China conducted capital reductions in amount of USD 5,800,000 in December, 2023.

ATTACHMENT 6 : (Investment in Mainland China as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Coretronic Projection (Kunshan)	Digital projectors, LCD monitors and related components of the research and development, processing, manufacturing and sales of the company's products and engaged in after-sales maintenance services	\$ 1,525,064 (USD 46,000,000)	Indirect investment from the third region (Greendale)	\$ 1,525,064 (USD 46,000,000)	-	-	\$ 1,525,064 (USD 46,000,000)	\$313,916	100.00%	\$313,916	\$6,987,943	\$ 428,855 (USD 14,065,436) (Note a and Note c)
Technology Service (Kunshan)	LCD monitor maintenance and technical services	13,259 (USD 400,000)	Indirect investment from the third region (Greendale)	13,259 (USD 400,000)	-	-	13,259 (USD 400,000)	2,108	100.00%	2,108	32,144	-
Boom Power Electronics (Suzhou)	Research and development, production and sales of cold cathode tube drive and related products	RMB 8,236,258	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	USD 1,000,000	-	-	USD 1,000,000	2,293	100.00%	2,293	52,100	-
Coretronic Optics (Kunshan)	Production and sales of projector module products and spectrometer	RMB 42,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan))	-	-	-	-	44,515	100.00%	44,515	811,699	-
Vimax (Kunshan)	Design, research and development and production of projectors, sales of the company's own products and provide after sales maintenance services for self-produced and non-self-produced products	62,252 (USD 1,800,000)	Indirect investment from the third region (Mat Limited)	62,252 (USD 1,800,000)	-	-	62,252 (USD 1,800,000)	48,652	100.00%	48,652	1,402,980	-
Coretronic (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	89,157 (USD 2,000,000)	Indirect investment from the third region (Wisdom Success HK)	271,297 (USD 8,000,000)	-	-	271,297 (USD 8,000,000)	20,423	100.00%	20,423	4,402,070	-
Coretronic Optics (Suzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	USD 10,000,000	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	140,035	100.00%	140,035	321,152	-
Coretronic Optotech (Suzhou)	Research and development, manufacturing and processing optical components such as backlight module, LCD module, LCD TV and panel display. Sales of the company's own products and after-sales maintenance services	390,000 (USD 12,000,000)	Indirect investment from the third region (Wisdom Success HK)	-	-	-	-	228,057	100.00%	228,057	1,668,492	-
Coretronic (Shanghai)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	257,829 (USD 8,000,000)	Indirect investment from the third region (Bigshine HK)	95,254 (USD 3,000,000)	-	-	95,254 (USD 3,000,000)	(21,236)	100.00%	(21,236)	197,500	81,790 (USD 2,800,000) (Note a, Note d and Note j)
Coretronic Display (Suzhou)	Research and development, manufacturing panel modules and related components of the business, sales of the company's own products and provide related after-sales maintenance services	1,547,564 (RMB 378,278,700)	Indirect investment from the Mainland China subsidiary (Coretronic Optics (Suzhou))	88,972 (RMB 2,967,283)	-	-	88,972 (USD 2,967,283)	(37,245)	100.00%	(37,245)	999,955	-
Coretronic (Ningbo)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	650,050 (USD 20,000,000)	Indirect investment from the third region (Lead Bright HK)	151,490 (USD 4,700,000)	-	-	151,490 (USD 4,700,000)	36,909	100.00%	36,909	3,652,047	139,650 (USD 4,619,805) (Note a and Note j)
Young Bright Optical (Suzhou)	Research and development, processing, manufacturing backlight optical film products	Note l	Indirect investment from the third region (Core-Flex)	759,827 (USD 23,260,000)	-	-	759,827 (USD 23,260,000)	575	Note l	575	Note l	-
Nano Precision (Suzhou)	Manufacture and sales of acrylic panels and light guide plate	426,839 (USD 13,300,000)	Indirect investment from the third region (Great Pride HK)	330,478 (USD 10,392,880)	-	-	330,478 (USD 10,392,880)	(57,900)	100.00%	(57,900)	2,508,291	85,228 (USD 2,795,270) (Note a and Note e)
Coretronic (Guangzhou)	Research and development, manufacturing backlight module and related components, sales of the company's own products and provide after-sales maintenance services	417,580 (USD 13,000,000)	Indirect investment from the third region (Elite View HK)	29,020 (USD 1,000,000)	-	-	29,020 (USD 1,000,000)	(89,744)	100.00%	(89,744)	1,327,629	-
Nano Display (Guangzhou)	Research and development, processing, manufacture of liquid crystal display light guide plate, sales of the company's products and provide related services	Note m	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	9,820 (USD 308,797)	-	-	9,820 (USD 308,797)	(15,018)	Note m	(15,018)	Note m	-
YLG Optotech	Research and development, processing, manufacturing display components, sales of the company's products and provide related services	Note m	Indirect investment from the Mainland China subsidiary (Coretronic (Guangzhou))	USD 3,060,000	-	-	USD 3,060,000	15,661	Note m	15,661	Note m	-
Coretronic System Engineering (Shanghai)	Contractor in intelligent building engineering and provide related services to customers	USD 1,500,000	Indirect investment from the third region (Coretronic System Engineering HK)	USD 1,500,000	-	-	USD 1,500,000	2,535	100.00%	2,535	29,719	-
Optoma China	Marketing and after-sales service of Optoma's technology products in Mainland China	USD 1,200,000	Indirect investment from the third region (Optoma Holding Limited)	USD 1,200,000	-	-	USD 1,200,000	12,009	96.69%	11,611	89,420	-
Coretronic Robotek (Kunshan)	Provide intelligent solutions for warehousing and manufacturing	RMB 12,000,000	Indirect investment from the Mainland China subsidiary (Coretronic Projection (Kunshan) and Coretronic (Suzhou))	-	-	-	-	(10,564)	100.00%	(10,564)	42,304	-

Accumulated investment in Mainland China as of December 31, 2023 (Note a, b)	Investment amounts authorized by Investment Commission, MOEA (Note b, Note j)	Upper limit on investment
\$2,433,349 (USD 77,191,338)	\$2,149,269 (USD 77,191,338)	\$14,090,573

Note a : To use historical currency rates.

Note b : The investment amounts in Flying Success and Coretronic (Nanjing) has not been remitted to Coretronic Corporation in the event of liquidation in December 2012 and June 2018, and related registration processes for Investment Commission, MOEA were not applicable.

Note c : Greendale Investments Limited received cash dividends amounting to USD 14,065,436.4 from Coretronic Projection (Kunshan) from 2006 to 2007 and had remitted those back to Coretronic Corporation.

Note d : Bigshine (HK) Limited received cash dividends amounting to USD 8,735,525.72 for distribution profits from Coretronic (Shanghai) in 2006 and had remitted it back USD 1,000,000 to Coretronic Corporation.

Note e : Teapoint received USD 2,795,270 in 2019 from Nano Precision (Suzhou), which was from the liquidation of Nano Precision (Nanjing) in 2006. Teapoint had remitted it back to Coretronic Corporation.

Note f : Great Pride (HK) Investments Limited received cash dividends amounting to USD 3,565,645 for distribution profits from Nano Display (Suzhou) in 2018 and had remitted USD 3,215,142 back to Coretronic Corporation.

Note g : Nano Precision Investments Limited received cash dividends amounting to USD 2,290,604 for distribution profits from Nano Precision (Nanjing) in 2018 and had remitted USD 2,065,438 back to Coretronic Corporation.

Note h : The dissolution of Nano Display (Suzhou) and its merger with Coretronic (Suzhou) were approved by regulatory authority in August 2019.

Note i : Includes the investment of USD 2,966,301 from Nano Precision (Nanjing) which was liquidated in April 2019. The investment amount cancellation was approved by MOEA.

Note j : In 2020, Viscorp received cash dividends amounting to USD 1,800,000 and USD 4,619,805 from Coretronic (Shanghai) and Coretronic (Ningbo), respectively, and had remitted totally USD 6,419,805 to Coretronic Corporation.

Besides, the rest of the capital of Nano Precision (Nanjing) amounting to USD 460,098 and the income from the liquidation of Coretronic (Nanjing) amounting to USD 490,094 had been remitted back to Coretronic Corporation.

Therefore, Coretronic Corporation has applied for the cancellation for investment in the amount of USD 7,369,997 in China, which was approved by MOEA.

Note k : Young Lighting Limited acquired 49% of shares of YLG Limited in December 2020. The ownership percentage of YLG Optotech was increased to 100%.

Note l : Young Bright Optical (Suzhou) has disregistered in August 2023.

Note m : In December 2023, Nano Display (Guangzhou) and YLG Optotech were absorbed by Coretronic (Guangzhou). This absorption was approved by authorities.

Note n : To use the currency rate 1 USD = 30.705 NTD as of December 31, 2023.

ATTACHMENT 6-1 (Investment in Mainland China as of December 31, 2023)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note a)	Carrying value as of December 31, 2023 (Note a)	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Young Optics (Kunshan)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	\$440,619 (USD 12,200,000) (Note d, e and m)	Indirect investment from the third region (Best Alpha and Grace China)	\$164,450 (USD 5,000,000)	\$-	\$-	\$164,450 (USD 5,000,000)	\$(81,457) (-US\$ 2,621,906)	100.00%	\$(81,457) (-US\$ 2,621,906)	\$870,588 (USD 28,353,283)	\$74,505 (USD 2,457,289) (Note b and Note j--Note k)
Young Optics (Suzhou)	Researching and developing, manufacturing of optics engine and related optics electronic equipment	33,951 (USD 1,000,000)	Indirect investment from the third region (Best Alpha)	33,951 (USD 1,000,000)	-	-	33,951 (USD 1,000,000)	(2,510) (-US\$ 87,341)	100.00%	(2,510) (-US\$ 87,341)	239,334 (USD 7,794,610)	1,328,957 (USD 31,295,415 and RMB 80,635,502) (Note b, Note f--Note i and Note l)

Accumulated investment in Mainland China as of December 31, 2023 (Note b)	Investment amounts authorized by Investment Commission, MOEA (Note b)	Upper limit on investment
\$198,401 (USD 6,000,000)	\$233,101 (USD 7,020,000)	Note c

Note a : The investments were fully consolidated in accordance with the Regulations.

Note b : To use historical currency rates.

Note c : Young Optics Company has obtained the certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in June 2018; therefore the upper limit on investment in mainland China pursuant to "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

Note d : Young Optics (Kunshan) invested USD 9,800,000 through capitalization of earnings in 2007. Best Alpha Investments Limited invested USD 2,300,000.

Note e : Young Optics (Kunshan) invested USD 1,300,000 through capitalization of earnings in April 2009. Grace China Investments Limited invested USD 824,850. Best Alpha Investments Limited invested USD 2,975,150.

Note f : Best Alpha Investments Limited received cash dividends amounting to USD 20,235,299 for distribution profits from Young Optics (Suzhou) in 2011 and had remitted it back to Young Optics.

Note g : Best Alpha Investments Limited received cash dividends amounting to RMB 27,691,452 and USD 4,509,641 for distribution profits from Young Optics (Suzhou) in 2014. The RMB 24,922,307 of them had been remitted back to Young Optics.

Note h : Best Alpha Investments Limited received cash dividends amounting to RMB 52,944,050 for distribution profits from Young Optics (Suzhou) in 2015 and had remitted it back to Young Optics.

Note i : Best Alpha Investments Limited received cash dividends amounting to USD 4,528,402 for distribution profits from Young Optics (Suzhou) in 2017 and had remitted it back to Young Optics.

Note j : Best Alpha Investments Limited received cash dividends amounting to USD 603,264 for distribution profits from Young Optics (Kunshan) in 2017 and had remitted it back to Young Optics.

Note k : Grace China Investments Limited received cash dividends amounting to USD 1,854,025 for distribution profits from Young Optics (Kunshan) in 2017 and had remitted it back to Young Optics.

Note l : Best Alpha Investments Limited received cash dividends amounting to USD 6,531,714 for distribution profits from Young Optics (Suzhou) in 2018 and had remitted it back to Young Optics.

Note m : Young Optics (Kunshan) conducted capital reduction amounting to USD 10,000,000 in December 2020.

Note n : Young Optics (Kunshan) conducted capital reduction amounting to USD 7,200,000 in November 2023, and completed the procedure in January, 2024.

ATTACHMENT 7 (Financial instrument and derivative transaction as of December 31, 2023)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investment company	Financial statement account	Financial product	Type	Contract expiry date	Contract amount	Book value	Fair value	Note
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to March, 2024	USD 662,500,000	363,340	363,340	Note b
Coretronic Corporation	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2024 to October, 2024	USD 676,000,000	(253,948)	(253,948)	Note b
Champ Vision Display Inc.	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	January, 2024	USD 2,000,000	1,228	1,228	Note c
Coretronic Projection (Kunshan)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to February, 2024	USD 19,000,000	(1,843)	(1,843)	Note d
Coretronic Optotech (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to February, 2024	USD 26,000,000	884	884	Note f
Coretronic Optics (Suzhou)	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Selling USD	From January, 2024 to February, 2024	USD 23,000,000	650	650	Note g
Optoma Europe	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2024 to February, 2024	USD 9,000,000	(4,118)	(4,118)	Note i
Optoma USA	Financial assets (liabilities) at fair value through profit or loss - current	Forward foreign exchange contract	Buying USD	From January, 2024 to May, 2024	CAD 1,500,000	(1,173)	(1,173)	Note j

Note a : Coretronic Investment Limited entered into hedging forward currency contracts and hedge ineffectiveness recognized in profit amounting to NTS12,928 thousands for the year ended December 31, 2023.

Note b : Coretronic Corporation entered into forward foreign exchange contracts and realized a profit amounting to NTS334,832 thousands for the year ended December 31, 2023.

Note c : Champ Vision Display entered into forward foreign exchange contracts and realized a profit amounting to NTS831 thousands for the year ended December 31, 2023.

Note d : Coretronic Projection (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NTS12,190 thousands for the year ended December 31, 2023.

Note e : Coretronic Display (Suzhou) entered into forward foreign exchange contracts and realized a profit amounting to NTS6,514 thousands for the year ended December 31, 2023.

Note f : Coretronic Optotech (Suzhou) entered into forward foreign exchange contract and realized a loss amounting to NTS40,490 thousands for the year ended December 31, 2023.

Note g : Coretronic Optics (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NTS38,586 thousands for the year ended December 31, 2023.

Note h : Young Optics (Kunshan) entered into forward foreign exchange contracts and realized a loss amounting to NTS12,297 thousands for the year ended December 31, 2023.

Note i : Optoma Europe entered into forward foreign exchange contracts and realized a loss amounting to NTS31,028 thousands for the year ended December 31, 2023.

Note j : Optoma USA entered into forward foreign exchange contracts and realized a loss amounting to NTS728 thousands for the year ended December 31, 2023.

Note k : Nano Precision (Suzhou) entered into forward foreign exchange contracts and realized a loss amounting to NTS7,210 thousands for the year ended December 31, 2023.

ATTACHMENT 8 (The information of Major shareholder as of December 31, 2023)

Name	Shares	Number of shares (Units/shares)	Percentage of ownership (%)
Taiwei Advanced Technology Co., Ltd.		42,429,196	10.85%
Yann Yuan Investment Co., Ltd.		32,825,000	8.39%

ATTACHMENT 9 (Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended December 31, 2023.)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Marketable securities type and name	Financial statement account	Counter-party	Relationship	Beginning balance		Addition		Disposal				December 31, 2023	
					Units / shares	Amount	Units / shares	Amount	Units / shares	Selling Price	Carrying amount	Gain (Loss) from disposal (Note a)	Units / shares	Amount
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	\$ -	-	RMB 125,000,000	-	\$ -	RMB 125,000,000	RMB 793,258	-	\$ -
Young Optics (Kunshan)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 180,000,000	-	-	RMB 180,000,000	RMB 1,040,859	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	Kunshan Rural Commercial bank	-	-	-	-	RMB 85,000,000	-	-	RMB 85,000,000	RMB 550,943	-	-
Young Optics (Suzhou)	Structured Deposits	Financial assets measured at amortized cost-current	China CITIC Bank	-	-	-	-	RMB 60,000,000	-	-	RMB 60,000,000	RMB 355,012	-	-

Note a : To be recognized in interest income.



Coretronic Corporation

Chairman : Wade Chang