

Gemtek Technologies Co., Ltd.
and Subsidiary Companies

Consolidated Financial
Statements and Audit Report
For the Three Months Ended March
31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and
ShareholdersGemtek Technologies
Co., Ltd.

Introduction

We have audited the accompanying consolidated financial statements of Gemtek Technologies Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to March 31 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

Management is responsible for the preparation and fair presentation of the consolidated financial statements that are reasonably expressed in accordance with International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" that has been approved and issued by the Financial Supervisory Commission. The results of the review are used to draw conclusions on the consolidated financial statements.

Scope of Review

Except for the base of qualified opinion, we performed the review work in accordance with the review standard No. 2410 "Review of Financial Statements". The procedures performed in reviewing the consolidated financial statements include inquiries (of those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the inquiry work is obviously smaller than that of the audit work, so we may not be able to detect all the major matters that can be identified through the inquiry work, regarding to this, we are not able to express the audit opinion.

Base of Qualified opinion

As stated in Notes to consolidated financial statement No.13, the financial statements

of the non-important subsidiaries included in the above-mentioned financial statements for the same period have not been reviewed by us, and their total assets on March 31, 2024 and 2023 were NT\$ NT\$621,512 thousand and NT\$632,743 thousand, accounting for 2.64% and 2.56% of total consolidated assets; total liabilities were NT\$53,088 thousand and NT\$73,176 thousand, accounting for 0.53% and 0.67% of total consolidated liabilities; The total comprehensive profit and loss of March 31 2024 and 2023 and from January 1 to March 31, 2024 and 2023 was NT\$ 9775 thousand and NT\$(27,917) thousand, respectively, accounting for 10.69% and (8.13)% of the total consolidated comprehensive profit and loss. As stated in Notes to consolidated financial statement No.13, the investment loan balance using the equity method on March 31, 2024 was NT\$2,385,00 and the related investment balances partially using the equity method on March 31, 2024 and 2023 were NT\$34,994,000 and NT\$41,063,000 respectively, compared with those in January 2024 and 2023 From 1st to March 31st, the share of the net profit (loss) of subsidiaries and affiliated enterprises recognized using the equity method is NT\$ (3,960) thousand and NT\$ (2,691) thousand, respectively, as disclosed in Note 34 to the consolidated financial statements The relevant information of the reinvested enterprise is recognized and disclosed based on the financial statements of the investee company that have not been reviewed by accountants for the same period.

Quilified opinion

According to the audit results, except for the possible adjustment of the financial statements of the non-important subsidiaries and some affiliated companies and investee companies mentioned in the paragraph of Base of qualified opinion, the consolidated financial statements may be adjusted. And It has not been found that the above-mentioned consolidated financial statements have not been compiled in accordance with the Financial Reporting Standards for Securities Issuers and the International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission in all major aspects, which makes it impossible to express the text properly The consolidated financial status of Gemtek Technology Co., Ltd. and its subsidiaries on March 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flow from

January 1 to March 31, 2024 and 2023.

Deloitte & Touche Taiwan
Certified Public Accountant
Alice H. Fang

Deloitte & Touche Taiwan
Certified Public Accountant
Jing-ting Yang

Financial Supervision Commission
Approved Document Number:
1090347472

Securities and Futures Commission
Approved Document Number:
6-0930128050

Date: May 10, 2024

GEMTEK TECHNOLOGY CO., LTD.
Parent Company and Subsidiaries Balance
Sheets March 31, 2024 and 2023
(Expressed in thousands of New Taiwan
Dollars)

code	ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (note 4 and 6)	\$ 4,214,103	18	\$ 2,945,341	14	\$ 1,058,575	4
1110	Financial assets at fair value through profit or loss						
	- current (note 4 and 7)	201,319	1	309,590	2	17,788	-
1136	Financial assets at amortized cost-current (note 4 and 9)	232,078	1	273,271	1	101,710	1
1150	Notes receivable (note 10 and 24)	5,412	-	-	-	-	-
1170	Accounts receivable, net (note 4, 10 and 24)	6,683,391	28	6,748,271	31	8,368,024	34
1180	Accounts receivable from related parties (note 4, 24 and 30)	79,416	-	80,086	-	44,270	-
1200	Other receivables (note 4 and 30)	153,546	1	52,942	-	199,095	1
1220	Current tax assets (note 4 and 24)	259	-	6,886	-	84	-
130X	Inventories (note 4 and 11)	3,626,987	16	3,008,915	14	5,012,582	20
1460	Non-current Assets Held for Sale (note 12)	17,060	-	16,398	-	-	-
1470	Other current assets (note 4 and 18)	74,293	-	84,262	-	231,859	1
11XX	Total current assets	<u>15,287,864</u>	<u>65</u>	<u>13,525,962</u>	<u>62</u>	<u>15,033,987</u>	<u>61</u>
	NON-CURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income - non-current (note 4 and 8)	2,658,464	11	2,798,037	13	3,549,014	14
1535	Financial assets at amortized cost - non-current (note 4, 9 and 31)	56,512	-	28,252	-	20,000	-
1550	Investments accounted for using the equity method (note 4, 13 and 14)	1,167,671	5	1,218,926	6	1,163,406	5
1600	Property, plant and equipment (note 4 and 15)	3,503,309	15	3,411,716	15	3,975,339	16
1755	Right-of-use assets (note 4 and 16)	344,550	2	335,961	2	395,355	2
1805	Goodwill (note 4 and 17)	245,224	1	245,224	1	265,224	1
1821	Other intangible assets	44,237	-	48,366	-	61,227	-
1840	Deferred tax assets (note 4 and 26)	75,300	-	86,400	-	48,579	-
1990	Other non-current assets (note 4 and 18)	148,865	1	271,284	1	171,644	1
15XX	Total non-current assets	<u>8,244,132</u>	<u>35</u>	<u>8,444,166</u>	<u>38</u>	<u>9,649,788</u>	<u>39</u>
1XXX	Total assets	<u>\$ 23,531,996</u>	<u>100</u>	<u>\$ 21,970,128</u>	<u>100</u>	<u>\$ 24,683,775</u>	<u>100</u>
Code	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (note 19)	\$ 1,734,077	7	\$ 951,855	4	\$ 2,658,035	11
2120	Current financial liabilities at fair value through profit or loss (note 7)	3,030	-	1,806	-	-	-
2130	Contract liabilities - current (note 4 and 24)	434,615	2	388,615	2	301,890	1
2170	Accounts payable	5,418,716	23	4,805,480	22	6,759,526	27
2219	Other payables (note 21 and 30)	772,644	3	778,239	4	702,983	3
2230	Current tax liabilities (note 4 and 26)	130,544	1	192,257	1	142,986	1
2280	Current lease liabilities (note 4 and 16)	95,480	1	94,742	-	96,452	-
2399	Other current liabilities (note 21)	61,673	-	55,540	-	55,287	-
21XX	Total current liabilities	<u>8,650,779</u>	<u>37</u>	<u>7,268,534</u>	<u>33</u>	<u>10,717,159</u>	<u>43</u>
	NON-CURRENT LIABILITIES						
2530	Bonds Payable (note 20)	1,053,531	5	1,226,783	6	-	-
2570	Deferred tax liabilities (note 4 and 26)	326,899	1	261,668	1	223,276	1
2580	Non-current lease liabilities (note 4 and 16)	4,153	-	5,806	-	17,709	-
2670	Other non-current liabilities (note 14 and 21)	12,611	-	11,746	-	1,744	-
25XX	Total non-current liabilities	<u>1,397,194</u>	<u>6</u>	<u>1,506,003</u>	<u>7</u>	<u>242,729</u>	<u>1</u>
2XXX	Total liabilities	<u>10,047,973</u>	<u>43</u>	<u>8,774,537</u>	<u>40</u>	<u>10,959,888</u>	<u>44</u>
	EQUITY (note 4, 23 and 28)						
	Share capital						
3110	Ordinary shares	4,001,211	17	4,001,211	18	3,944,745	16
3140	Capital collected in advance	118,907	1	54,846	-	-	-
3200	Capital surplus	5,446,847	23	5,329,633	24	4,980,235	20
	Retained earnings						
3310	Legal reserve	1,003,186	4	1,003,186	5	943,768	4
3320	Special reserve	195,638	1	195,638	1	195,638	1
3350	Unappropriated earnings	1,662,638	7	1,591,682	7	1,789,715	7
3300	Total retained earnings	2,861,462	12	2,790,506	13	2,929,121	12
3490	Other equity	695,121	3	663,200	3	1,579,730	7
31XX	Total equity attributable to owners of parent	<u>13,123,548</u>	<u>56</u>	<u>12,839,396</u>	<u>58</u>	<u>13,433,831</u>	<u>55</u>
36XX	Non-controlling interests (note 23)	360,475	1	356,195	2	290,056	1
3XXX	Total equity	<u>13,484,023</u>	<u>57</u>	<u>13,195,591</u>	<u>60</u>	<u>13,723,887</u>	<u>56</u>

Total liabilities and equity	<u>\$ 23,531,996</u>	<u>100</u>	<u>\$ 21,970,128</u>	<u>100</u>	<u>\$ 24,683,775</u>	<u>100</u>
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The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditor’s report of Deloitte & Touche Taiwan on May 10, 2024)
Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD.
Parent Company and Subsidiaries Statements of
Comprehensive Income For January 1 to March 31, 2024

(Expressed in thousands of New Taiwan Dollars, Except Earnings Per Share)

code		January 1 to March 31 of 2024		January 1 to March 31 of 2023	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue (note 4, 24, and 30)	\$ 5,760,954	100	\$ 7,063,009	100
5000	Operating costs (note 11, 22, 25 and 30)	(5,071,535)	(88)	(6,422,753)	(91)
5900	Gross profit	<u>689,419</u>	<u>12</u>	<u>640,256</u>	<u>9</u>
	Operating expenses (note 22, 25 and 30)				
6100	Selling expenses	(127,983)	(2)	(118,243)	(2)
6200	General and administrative expenses	(163,377)	(3)	(162,733)	(2)
6300	Research and development expenses	(275,036)	(5)	(232,349)	(3)
6450	Expected credit losses recognized on receivables	(<u>5,426</u>)	<u>-</u>	(<u>53,018</u>)	(<u>1</u>)
6000	Total operating expenses	(<u>571,822</u>)	(<u>10</u>)	(<u>566,343</u>)	(<u>8</u>)
6900	Profit from operations	<u>117,597</u>	<u>2</u>	<u>73,913</u>	<u>1</u>
	Non-operating income and expenses				
7100	Interest income (note 25)	18,511	-	8,865	-
7010	Other income (note 25 and 30)	13,373	-	8,598	-
7020	Other gains and losses (note 25)	79,434	2	6,405	-
7050	Finance costs (note 25)	(34,689)	-	(28,848)	-
7060	Share of profit of subsidiaries and associates (note 4 and 14)	<u>12,621</u>	<u>-</u>	<u>7,703</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>89,250</u>	<u>2</u>	<u>2,723</u>	<u>-</u>
7900	Profit before income tax	206,847	4	76,636	1

7950	Income tax (note 4 and 26)	(<u>131,822</u>)	(<u>2</u>)	(<u>30,871</u>)	<u>-</u>
8200	Net profit for the period	<u>75,025</u>	<u>2</u>	<u>45,765</u>	<u>1</u>

(Continued)

(Brought forward)

code		January 1 to March 31 of 2024		January 1 to March 31 of 2024	
		AMOUNT	%	AMOUNT	%
	Other comprehensive income / (loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain/ loss on investments in equity instruments at fair value through other comprehensive income	(\$ 173,733)	(3)	\$ 297,173	4
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	237,709	4	383	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss (note 26)	(47,499)	(1)	-	-
8370	Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method	(72)	-	(14)	-
8300	Other comprehensive income	<u>16,405</u>	-	<u>297,542</u>	<u>4</u>
8500	Total comprehensive income	<u>\$ 91,430</u>	<u>2</u>	<u>\$ 343,307</u>	<u>5</u>
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	\$ 70,956	2	\$ 61,539	1
8620	Profit /(loss), attributable to non-controlling interests	<u>4,069</u>	-	(15,774)	-
8600		<u>\$ 75,025</u>	<u>2</u>	<u>\$ 45,765</u>	<u>1</u>
	Profit, attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 87,222	2	\$ 359,081	5
8720	Comprehensive income /(loss), attributable to non-controlling interests	<u>4,208</u>	-	(15,774)	-
8700		<u>\$ 91,430</u>	<u>2</u>	<u>\$ 343,307</u>	<u>5</u>

	Earnings per share (note 27)		
9750	Basic earnings per share	<u>\$ 0.18</u>	<u>\$ 0.16</u>
9850	Diluted earnings per share	<u>\$ 0.17</u>	<u>\$ 0.15</u>

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

(Please refer to the auditors report of Deloitte & Touche Taiwan on May 10, 2024)

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For January 1 to March 31, 2024
(Expressed in thousands of New Taiwan Dollars)

									Other Equity (Note 23 and 28)					
		Share Capital (Note 23)		Capital Reserve	Retained Earnings (Note 23)			Exchange Differences on Translation of the Financial Statements of	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through	Other Comprehensive income	Unearned Employee Compensation	Non-controlling Equity		
COD E		Number of shares (thousands of shares)	Amount	Capital received in advance	(NOTE 23)	Legal Reserve	Special Reserve	unappropriated Earnings				SUBTOTAL	(NOTE 23)	Total equity
A1	BALANCE AT JANUARY 1, 2023	394,646	\$ 3,946,465	\$ -	\$ 4,983,065	\$ 943,768	\$ 195,638	\$ 1,728,176	(\$ 347,887)	\$ 1,632,512	(\$ 8,695)	\$ 1,275,930	\$ 305,820	\$13,378,862
D1	Net profit for January 1 to March 31, 2023	-	-	-	-	-	-	61,539	-	-	-	-	(15,774)	45,765
D3	Other comprehensive income for January 1 to March 31, 2023	-	-	-	-	-	-	-	369	297,173	-	297,542	-	297,542
D5	Total comprehensive income/(loss) for January 1 to March 31, 2023	-	-	-	-	-	-	61,539	369	297,173	-	297,542	(15,774)	343,307
M7	Changes in ownership of the Equity subsidiaries	-	-	-	9	-	-	-	-	-	-	-	-	9
N1	Cancelation of restricted share plan for employees	(172)	(1,720)	-	(2,839)	-	-	-	-	-	4,559	4,559	-	-
O1	Changes of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	10	10
T1	Share-based payment expenses	-	-	-	-	-	-	-	-	-	1,699	1,699	-	1,699
Z1	BALANCE AT MARCH 31, 2023	394,474	\$ 3,944,745	\$ -	\$ 4,980,235	\$ 943,768	\$ 195,638	\$ 1,789,715	(\$ 347,518)	\$ 1,929,685	(\$ 2,437)	\$ 1,579,730	\$ 290,056	\$13,723,887
A1	BALANCE AT JANUARY 1, 2024	400,121	\$ 4,001,211	\$ 54,846	\$ 5,329,633	\$ 1,003,186	\$ 195,638	\$ 1,591,682	(\$ 428,972)	\$ 1,196,667	(\$ 104,495)	\$ 663,200	\$ 356,195	\$13,195,591
D1	Net profit for January 1 to March 31, 2024	-	-	-	-	-	-	70,956	-	-	-	-	4,069	75,025
D3	Other comprehensive income /(loss) for January 1 to March 31, 2024	-	-	-	-	-	-	-	189,999	(173,733)	-	16,266	139	16,405
D5	Total comprehensive income/(loss) for January to March 31, 2024	-	-	-	-	-	-	70,956	189,999	(173,733)	-	16,266	4,208	91,430
M7	Changes in ownership of the Equity subsidiaries	-	-	-	1,863	-	-	-	-	-	-	-	-	1,863
I1	Corporate bond converted to ordinary shares	-	-	64,061	115,351	-	-	-	-	-	-	-	-	179,412
T1	Share-based payment expenses	-	-	-	-	-	-	-	-	-	15,655	15,655	-	15,655
O1	Changes of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	72	72
Z1	BALANCE AT MARCH 31, 2024	400,121	\$ 4,001,211	\$ 118,907	\$ 5,446,847	\$ 1,003,186	\$ 195,638	\$ 1,662,638	(\$ 238,973)	\$ 1,022,934	(\$ 88,840)	\$ 695,121	\$ 360,475	\$13,484,023

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditor's report of Deloitte & Touche Taiwan on May 10, 2024)

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD.
Parent Company and Subsidiaries Statements of Cash Flows
For January 1 to March 31, 2024
(Expressed in thousands of New Taiwan Dollars)

code		January 1 to March 31, 2024	January 1 to March 31, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax	\$ 206,847	\$ 76,636
A20010	Adjustments for:		
A20100	Depreciation expense	137,636	124,291
A20200	Amortization expense	56,783	51,856
A20300	Expected credit losses recognized on receivables expense	5,426	53,018
A20400	Net (gain)/loss on fair value changes of financial [assets/liabilities] at fair value through profit or loss	(123)	-
A20900	Finance costs	34,689	28,848
A21200	Interest income	(18,511)	(8,865)
A21900	Share-based payment expenses	15,813	1,718
A22300	Share of profit of subsidiaries and associates	(12,621)	(7,703)
A22500	(Gain)/loss on disposal of property, plant and equipment	46,005	(7,762)
A23700	Write-down of inventories	32,375	21,705
A24100	Net loss on foreign currency exchange	(120,127)	(86)
A30000	Changes in operating assets and liabilities		
A31115	financial assets at fair value through profit or loss	359	-
A31130	Notes receivable	(5,412)	-
A31150	Accounts receivable	219,023	895,321
A31160	Accounts receivable from related parties	1,322	18,867
A31180	Other receivables	(27,331)	(169,638)
A31200	Inventories	(531,054)	(413,320)
A31240	Other current assets	10,756	12,119
A31990	Prepaid pension	(542)	(559)
A32125	Contract liabilities	57,849	(26,964)
A32150	Accounts payable	463,021	(349,646)
A32160	Accounts payable to related parties	(328)	(273)
A32180	Other payables	(33,826)	(274,513)

A32230	Other current liabilities	(<u>6,073</u>)	(<u>4,125</u>)
A33000	Cash generated from operations	531,956	20,925
(Brought forward)			

<u>code</u>		<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
A33100	Interest received	\$ 15,240	\$ 13,357
A33300	Interest paid	(24,609)	(22,650)
A33500	Income tax paid	(<u>110,577</u>)	(<u>12,341</u>)
AAAA	Net cash generated from/(used in) operating activities	<u>412,010</u>	(<u>709</u>)

CASH FLOWS FROM INVESTING ACTIVITIES

B00200	Proceeds from sale of financial assets measured at fair value through profit or loss	119,540	-
B00040	Purchase of financial assets at amortized cost	-	(98,387)
B00050	Proceeds from sale of financial assets at amortized cost	12,933	-
B01800	Acquisition of investments accounted for using equity method	(1,800)	-
B02700	Payments for property, plant and equipment	(78,851)	(61,923)
B02800	Proceeds from disposal of property, plant and equipment	31,714	57,242
B03700	Increase in refundable deposits	(76)	(627)
B06700	Increase in other non-current assets	(<u>57,424</u>)	(<u>42,217</u>)
BBBB	Net cash generated from/(used in) investing activities	<u>26,036</u>	(<u>145,912</u>)

CASH FLOWS FROM FINANCING ACTIVITIES

C04020	Repayment of the principal portion of lease liabilities	(4,465)	(4,209)
C00200	Increase short-term borrowings	777,149	131,830
C04400	(Decrease)/ Increase in other non-current liabilities	(<u>8,575</u>)	<u>39</u>
CCCC	Net cash generated from financing activities	<u>764,109</u>	<u>127,660</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>66,607</u>	<u>68,035</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	1,268,762	49,074

E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>2,945,341</u>	<u>1,009,501</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 4,214,103</u>	<u>\$ 1,058,575</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditor's report of Deloitte & Touche Taiwan on May 10, 2024)

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGIES CO.,
LTD. AND SUBSIDIARIES NOTES
TO CONSOLIDATED FINANCIAL
STATEMENTS FOR January 1, to
March 31, 2024

(Expressed In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. COMPANY HISTORY

Gemtek Technologies Co., Ltd. (the “Company”) was incorporated on June 29, 1988. It researches, develops, manufactures, purchases, sells, exports, and imports electronic components, semi-finished products, finished products, computer software, hardware and peripheral equipment. The Company’s shares was listed on the Taipei Exchange (OTC) in January of 2002, and have been listed on the Taiwan Stock Exchange (TWSE) since June 30, 2003.

The consolidated financial statements of the Company and its subsidiaries (collectively, referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

II. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issuance on May 10, 2024.

III. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS
AND INTERPRETATIONS

(1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material

impact on the Group's accounting policies:

(2) New, Amended and Revised Standards and Interpretations of IFRSs Announced by the IASB

New, Amended and Revised Standards and Interpretations	Effective Date per IASB (Note1)
Amendments to IFRS 10 and IAS 28 --Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by IASB
IFRS 17 Insurance Contracts	January 01, 2023
Amendments to IFRS 17	January 01, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 01, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 01, 2027
Amendment to IAS 21 "Lack of Convertibility"	January 01, 2025 (Note 2)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When this amendment is applied for the first time, the comparative period shall not be restated, but the impact shall be recognized in the retained earnings or exchange differences of foreign operating institutions under equity (as appropriate) on the date of initial application and the related affected assets and liabilities.

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

The income statement should divide income and expense items into operating, investment, financing, income tax and closed unit types.

The profit and loss statement should present operating profit and loss, profit and loss before financing and income tax, and the subtotal and total of profit and loss.

Provide guidance to strengthen aggregation and segmentation requirements: Merging companies must identify assets, liabilities, equity, income, expenses, losses and cash flows from individual transactions or other events, and classify and summarize them on the basis of common characteristics so that the main financial Each line item presented in the report has at least one similar characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The merged company will label these items as "other" only if it cannot find a more informative name.

Increase the disclosure of performance measures defined by management: When the combined company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the combined company's overall financial performance to users of financial statements, it should disclose it in a single note to the financial statements. Information related to performance measurement defined by management, including the description of the measurement, how it is calculated, its reconciliation with the subtotal or total specified in IFRS accounting standards, and the impact of income tax and non-controlling interests on related reconciliation items.

In addition to the above impacts, as of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of amendments to other standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the assessment is completed.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Statement of Compliance

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and IAS 34 "Interim Financial Reporting" approved and published by the FSC. This consolidated financial report does not contain all of the IFRS disclosures required for the annually financial report.

(II) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

See Note 13, Attachment 5, and Attachment 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(IV) Other significant accounting policies

In addition to the following descriptions, please refer to the Summary of Significant Accounting Policies in the 2023 Annually Consolidated Financial Report.

1. Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

- (1) Assets held mainly for trading purposes;
- (2) Assets expected to be realized within 12 months after the balance sheet date; and

- (3) Cash and cash equivalents (but excluding those that are restricted from being used to exchange or settle liabilities more than 12 months after the balance sheet date).

Current liabilities include:

- (1) Liabilities held primarily for trading purposes;
- (2) Liabilities due for repayment within 12 months after the balance sheet date, and
- (3) Liabilities for which there is no substantive right at the balance sheet date to defer repayment to at least 12 months after the balance sheet date.

Those that are not current assets or current liabilities as mentioned above are classified as non-current assets or non-current liabilities.

2. Retirement benefits

Defined benefit costs for the interim period is based on the benefit cost rate determined by actuarial calculation at the end of the previous year, calculated on the basis from the beginning of the year to the end of the current period, and adjusting for major market fluctuations in the current period, as well as major plan revisions, liquidations or other major One-time item.

3. Taxation

Income tax expense is the sum of current income tax and deferred income tax. Income tax for interim periods is assessed on an annual basis, at the rate which would be applicable to the expected total annual earnings.

V. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The main sources of uncertainty in the significant accounting judgments, estimates and assumptions used in this consolidated financial report are the same as those in the 2023 consolidated financial report.

VI. CASH AND CASH EQUIVALENTS

	December	
<u>March 31, 2024</u>	<u>31, 2023</u>	<u>March 31, 2023</u>

Cash on hand	\$ 2,735	\$ 2,753	\$ 2,682
Checking accounts and demand deposits	1,902,330	1,886,955	886,647
Cash equivalents			
Time deposits with original maturities of less than 3 months	<u>2,309,038</u>	<u>1,055,633</u>	<u>169,246</u>
	<u>\$ 4,214,103</u>	<u>\$ 2,945,341</u>	<u>\$ 1,058,575</u>
Interest rate range	0.001%~5.32%	0.001%~5.55%	0.001%~6.90%

VII. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative assets	\$ 201,319	\$ 309,590	\$ -
Hybrid Financial Assets			
— Convertible Bonds	<u>-</u>	<u>-</u>	<u>17,788</u>
	<u>\$ 201,319</u>	<u>\$ 309,590</u>	<u>\$ 17,788</u>

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Financial liabilities - current</u>			
Designated at fair value through profit or loss measure			
Corporate debt payable			
—Conversion option	\$ 992	\$ 1,806	\$ -
Derivatives (unspecified hedge)			
-Forward foreign exchange contracts	<u>2,038</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,030</u>	<u>\$ 1,806</u>	<u>\$ -</u>

- (I) At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting for the balance sheet were as follows:

March 31, 2024

	Currency	Maturity Date	Notional Amount (In thousands)
Sell	USD/NTD	2024.02.17-2024.04.01	USD5,000 /NTD158,055
	USD/NTD	2024.03.27-2024.04.29	USD5,000 /NTD160,030

December 31, 2023

None

March 31, 2023

None

The purpose of the merged company's forward foreign exchange transactions is mainly to avoid risks arising from exchange rate fluctuations in foreign currency assets and liabilities.

VIII. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME - OTHERS

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Non-current</u>			
Domestic Investments			
Listed shares	\$ 2,499,923	\$ 2,641,777	\$ 3,389,045
Unlisted shares	<u>98,390</u>	<u>98,390</u>	<u>51,150</u>
Total	<u>2,598,313</u>	<u>2,740,167</u>	<u>3,440,195</u>
Overseas Investment			
Listed shares	8,534	6,738	6,955
Unlisted shares	<u>51,617</u>	<u>51,132</u>	<u>101,864</u>
Total	<u>60,151</u>	<u>57,870</u>	<u>108,819</u>
	<u>\$ 2,658,464</u>	<u>\$ 2,798,037</u>	<u>\$ 3,549,014</u>

The merged company invests in the above-mentioned stocks for medium- and long-term strategic purposes and expects to make profits through long-term investment. The management of the combined company believes that including the short-term fair value fluctuations of these investments in profit and loss is inconsistent with the long-term investment plan mentioned above, and therefore chooses to designate these investments as measured at fair value through other comprehensive profits and losses.

Please refer to Appendix 2 for the stock holdings of the merged company at the end of the period.

IX. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Current</u>			
Domestic Investment			
Time deposits with			
original maturities of			
more than 3 months	<u>\$ 232,078</u>	<u>\$ 273,271</u>	<u>\$ 101,710</u>
<u>Non-current</u>			
Domestic Investment			
Time deposits with			
original maturities			
of more than 3 months	<u>\$ 56,512</u>	<u>\$ 28,252</u>	<u>\$ 20,000</u>

- (1) As of March 31, 2024 and December 31, 2023, and March 31, 2023, the interest rate ranges for time deposits with original maturity dates exceeding 3 months are 1.29%~4.50% and 1.29%~6.20% and 1.08%~7.40% respectively.
- (2) For information on pledges of financial assets measured at amortized cost, please refer to Note 31.

X. ACCOUNTS RECEIVABLE

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Bills Receivable</u>			
At amortized cost	<u>\$ 5,412</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accounts Receivable</u>			
At amortized cost	\$ 6,724,661	\$ 6,784,115	\$ 8,428,983
Less: Allowance for			
impairment loss	(<u>41,270</u>)	(<u>35,844</u>)	(<u>60,959</u>)
	<u>\$ 6,683,391</u>	<u>\$ 6,748,271</u>	<u>\$ 8,368,024</u>

The average credit period for merchandise sales by the merged company is 90 days, and no interest will be accrued on accounts

receivable. The impairment assessment of accounts receivable is based on individual assessments, aging analysis, historical experience and analysis of the customer's current financial situation to estimate the amount that cannot be recovered.

The combined company recognizes allowance losses for accounts receivable based on expected credit losses during the duration. Expected credit losses during the duration are calculated using a provision matrix, which considers the customer's past default record, current financial status, and industrial economic situation. Because the historical experience of credit losses of the combined company shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further differentiate customer groups and only sets the expected credit loss rate based on the number of days overdue for accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the merging company cannot reasonably expect the recoverable amount, the merging company will directly write off the relevant accounts receivable, but will continue to pursue recovery activities, because the amount recovered will be recognized in profit and loss.

The consolidated company measures the allowance losses for accounts receivable based on the allowance matrix as follows:

March 31, 2024

	Not Overdue	Less than 180 Days	181 ~ 365 Days	Over 365 Days	Total
Expected Credit Loss					
Rate	0.01%	3.56%	-	100%	
Gross carrying amount	\$ 6,566,982	\$ 127,262	\$ -	\$ 35,829	\$ 6,730,073
Loss allowance					
(Lifetime ECL)	(<u>912</u>)	(<u>4,529</u>)	<u>-</u>	(<u>35,829</u>)	(<u>41,270</u>)
Amortized cost	<u>\$ 6,566,070</u>	<u>\$ 122,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,688,803</u>

December 31, 2023

	Not Overdue	Less than 180 Days	181 ~ 365 Days	Over 366 Days	Total
Expected Credit Loss					
Rate	-	-	-	100%	
Gross carrying	\$ 6,622,777	\$ 125,498	\$ -	\$ 35,840	\$ 6,784,115

amount					
Loss					
allowance					
(Lifetime ECL)	<u>-</u>	(<u>4</u>)	<u>-</u>	(<u>35,840</u>)	(<u>35,844</u>)
Amortized cost	<u>\$ 6,622,777</u>	<u>\$ 125,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,748,271</u>

March 31, 2023

	Not Overdue	Less than 180 Days	181 ~ 365 Days	Over 366 Days	The transaction partner has shown signs of default	Total
Expected Credit Loss						
Rate	-	-	-	100%	100%	
Gross carrying amount	\$ 8,295,473	\$ 72,269	\$ 282	\$ 3,321	\$ 57,638	\$ 8,428,983
Loss allowance						
(Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	(<u>3,321</u>)	(<u>57,638</u>)	(<u>60,959</u>)
Amortized cost	<u>\$ 8,295,473</u>	<u>\$ 72,269</u>	<u>\$ 282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,368,024</u>

The movements of the loss allowance of account receivables were as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Balance, beginning of year	<u>\$ 35,844</u>	<u>\$ 7,941</u>
Add: Acquire Subsidiary	<u>5,426</u>	<u>53,018</u>
Balance, end of year	<u>\$ 41,270</u>	<u>\$ 60,959</u>

XI. INVENTORIES

	March 31,2024	December 31,2023	March 31,2023
Finished goods	\$ 398,504	\$ 296,742	\$ 487,758
Work in process	686,495	343,706	899,915
Raw materials and supplies	2,158,799	2,232,158	3,213,248
Inventory in transit	383,189	136,309	411,661
	<u>\$ 3,626,987</u>	<u>\$ 3,008,915</u>	<u>\$ 5,012,582</u>

As of January 1, to March 2024 and 2023, the cost of inventories recognized as cost of goods sold were NT5,071,535 thousand and NT\$6,422,753 thousand, respectively. Cost of goods sold including allowance for inventory write-downs and inventory obsolescence were \$32,375 thousand and \$21,705 thousand, respectively. Inventory write-downs and inventory obsolescence were mainly due to the disposal of inventories with depreciation losses.

XII. Non-current assets for sale

	March 31,2024	December 31,2023	March 31,2023
Right-of-use assets – land	<u>\$ 17,060</u>	<u>\$ 16,398</u>	<u>\$ -</u>

On May 29, 2023, the board of directors of the merged company approved the disposal of the real estate, factories, equipment and right-of-use assets of Amber Electronic Technology (Changshu) Co., Ltd. and the land, and signed an agreement with Changshu Zhilong New Energy Industry Development Co., Ltd. An asset sales contract was established, and the disposal procedures are expected to be completed within 12 months. As of March 31, 2024, the merged company has completed most of the delivery procedures and excluded

related assets. Therefore, only the right-of-use assets that have not completed the transfer procedures - land will be included in the plan. NT\$17,060 thousand is expressed separately in the consolidated balance sheet.

The sale price is expected to exceed the carrying amount of the relevant net assets, so no impairment loss should be recognized when classifying these units as non-current assets for sale.

XIII. SUBSIDIARIES

(I) Subsidiaries included in consolidated financial statements:

The entities preparing this consolidated financial report are as follows:

Investor	Investee	Main Business	% of Ownership		
			2024 March, 31	2023 December , 31	2023 March, 31
Gemtek Technologies Co., Ltd.	Brightech International Co., Ltd.	Investment	100%	100%	100%
Gemtek Technologies Co., Ltd.	G-Technology Investment Co., Ltd.	Investment	100%	100%	100%
Gemtek Technologies Co., Ltd.	Gemtek Investment Co., Ltd (G-Technology Investment Co., Ltd.)	Investment	-	-	100%

(Continued)

(Brought forward)

Investor	Investee	Main Business	% of Ownership		
			2024 March, 31	2023 December , 31	2023 March, 31
Gemtek Technologies Co., Ltd.	Gemtek Vietnam Co., Ltd.	Telecommunications	100%	100%	100%
Gemtek Technologies Co., Ltd.	BROWAN Communications Incorporation	Telecommunications	50.44%	50.44%	33.68%
Gemtek Technologies Co., Ltd.	5V Technologies, Ltd.	Telecommunications	97.92%	97.92%	-
Gemtek Technologies Co., Ltd.	Genix Networks Inc. (Formerly known asLionic Networks Inc.)	Telecommunications	90.91%	90.91%	-
G-Technology Investment Co., Ltd.	5V Technologies, Ltd.	Telecommunications	-	-	97.92%
G-Technology Investment Co., Ltd.	BROWAN Communications Incorporation	Telecommunications	-	-	16.81%
Brightech International Co., Ltd.	Gemtek Electronics Suzhou Co. Ltd.	Telecommunications	80.46%	80.46%	80.46%
G-Technology Investment Co., Ltd.	Gemtek Electronics Kunshan Co., Ltd.	Telecommunications	100%	100%	100%
G-Technology Investment Co., Ltd.	AMPAK International Holdings Ltd.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	Primax Communication (B.V.I.) Inc.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	Gemtek CZ., s.r.o.	Telecommunications	100%	100%	100%
AMPAK International Holdings Ltd.	Gemtek Electronics (ChangShu) Co., Ltd.	Telecommunications	100%	100%	100%
Primax Communication (B.V.I.) Inc.	Gemtek Electronics Suzhou Co.Ltd.	Telecommunications	19.54%	19.54%	19.54%

The merged company's board of directors approved the proposed investment in Lionic Networks Inc. in March 2023. The merged company invested NT\$30,720 thousand in cash in Lionic Networks Inc., with a shareholding ratio of 90.91%.

Lionic Networks Inc. changed its name to Genix Networks Inc. in January 2024.

In April 2023, the company did not subscribe for the cash capital increase equity of BROWAN Company according to the shareholding ratio but increased the investment by 150,202 thousand yuan. The company's shareholding ratio increased from 33.68% to 35.73%; Gemtek Investment Company did not subscribe to BROWAN Company according to the shareholding ratio. The company's cash capital increase reduced its shareholding ratio from 16.81% to 14.71%; and due to the merger of the company and Gemtek Investment Company in September 2023, the company held 50.44% of Puro Company.

In order to simplify the group's investment structure and resource integration, the board of directors of the merged company passed a resolution in May 2023 to handle a simple merger of the company and GEMTEK Investment Company. The base date of the merger is September 1, 2023. After the merger, the company will be the surviving company. The text investment company is an elimination company.

The merged company handled a cash capital increase of Gemtek Vietnam Co., Ltd. on September 28, 2023, totaling NT\$319,300 thousand (US\$10,000 thousand). The company subscribed 100% of the capital, and the shareholding ratio was 100%.

Except for the above-mentioned subsidiaries included in the consolidated financial statements of March 31, 2024 and 2023, except BROWAN Company, which has not been reviewed by accountants, the other subsidiaries have been reviewed by accountants.

(II) Subsidiaries not included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership and Right to vote		
			2024 March, 31	2023 December, 31	2023 March, 31
Gemtek Technologies Co., Ltd.	Wi Tek Investment Co., Ltd.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	PT. South Ocean	通訊業	95%	95%	95%
Wi Tek Investment Co., Ltd.	Browan Communications (Xi'An) Inc.	通訊業	100%	100%	100%

On March 31, 2024 and December 31, 2023, and March 31, 2023, the merged company held 100% of the shares of Wi Tek Investment Co., Ltd., and its total assets were NT\$6,000, 6,000, and 2,370 respectively, accounting for 0%, 0% and 0.01% of the consolidated assets respectively. The operating income was all NT\$0 thousand, accounting for 0% of the total consolidated operating income. Therefore, the company was not incorporated into the consolidated financial statements.

On March 31, 2024 and December 31, 2023, and March 31, 2023, the merged company held 95% of the shares of PT. South Ocean, and its total assets were NT\$2,936 thousand, NT\$2,818 thousand and NT\$2,794 thousand respectively, accounting for The consolidated assets were all 0.01%, and the operating income was 0,000 yuan, accounting for 0% of the total consolidated operating income, so the company was not included in the consolidated financial statements.

On March 31, 2024, December 31, 2023, and March 31, 2023, the merged company held 100% of the shares of BROWAN Communication (Xi'an) Co., Ltd. through Wi Tek Investment Co., Ltd., and its total assets were respectively NT\$10,337 thousand, NT\$10,616 thousand and NT\$8,827 thousand, accounting for 0.04%, 0.05% and 0.04% of the consolidated assets respectively. The operating income was NT\$801 thousand, NT\$1,795 and 804 thousand yuan respectively, accounting for 0.01%, 0% and 0.01% of the consolidated total operating income respectively.

XIV. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Investment in subsidiaries	\$ 2,936	\$ 2,818	\$ 5,164
Investment in associates	<u>1,164,735</u>	<u>1,216,108</u>	<u>1,158,242</u>
	<u>\$ 1,167,671</u>	<u>\$ 1,218,926</u>	<u>\$ 1,163,406</u>

(I) Investment in subsidiaries

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Unlisted Company			
Wi Tek Investment			
Co., Ltd.	(\$ 2,385)	(\$ 1,350)	\$ 2,370
PT. South Ocean	<u>2,936</u>	<u>2,818</u>	<u>2,794</u>
	551	1,468	5,164
Add: Account for other			
liabilities	<u>2,385</u>	<u>1,350</u>	<u>-</u>

\$ 2,936 \$ 2,818 \$ 5,164

Proportion of ownership and voting rights:

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
WiTek Investment Co., Ltd.	100.00%	100.00%	100.00%
PT. South Ocean	95.00%	95.00%	95.00%

The profits and losses and other comprehensive profit and loss shares of subsidiaries that adopt the equity method from January 1 to March 31, 2024 and 2023 are recognized based on the financial reports of each subsidiary for the same period that have not been reviewed by accountants.

The above-mentioned subsidiaries are not included in the consolidated financial report, please refer to Note 13.

(II) Investments in associates

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Material associate AMPAK Technology Individually insignificant associated enterprises	\$ 1,132,677	\$ 1,185,921	\$ 1,122,343
Free PP Worldwide Co.,Ltd.	23,834	22,516	25,270
BANDR ICH, INC.	1,796	1,792	2,729

ANTEK			
NETWORKS	<u>6,428</u>	<u>5,879</u>	<u>7,900</u>
INC	<u>\$ 1,164,735</u>	<u>\$ 1,216,108</u>	<u>\$ 1,158,242</u>

In March 2024, the company did not subscribe for the cash capital increase of Antek Communications Co., Ltd. according to the shareholding ratio, but increased the investment by NT\$ 1,800 thousand and the company's shareholding ratio increased from 15.25% to 16.62%.

1. Material associate:

Company Name	Proportion of ownership and voting rights		
	March 31,2024	December 31,2023	March 31,2023
AMPAK TechnologyInc.	30.20%	30.20%	30.20%

The Level 1 fair value information of related enterprises with public market quotations is as follows:

Company Name	Proportion of ownership and voting rights		
	March 31,2024	December 31,2023	March 31,2023
AMPAK TechnologyInc.	<u>\$2,560,076</u>	<u>\$2,400,071</u>	<u>\$1,778,053</u>

Please refer to Appendix 5 for information on the business nature, main business locations and country of company registration of the above-mentioned affiliated companies.

The following summary financial information is prepared based on the IFRSs financial reports of associated enterprises and reflects adjustments made when adopting the equity method.

AMPAK Technology Inc.

	March 31,2024	December 31,2023	March 31,2023
Current assets	\$ 2,012,166	\$ 1,774,245	\$ 1,864,471
Non-current assets	711,276	845,290	744,813
Current liabilities	(779,546)	(474,381)	(732,683)
Non-current liabilities	(288,739)	(314,585)	(249,192)
Equity	<u>\$ 1,655,157</u>	<u>\$ 1,830,569</u>	<u>\$ 1,627,409</u>
Proportion of theGroup's ownership	30.20%	30.20%	30.20%
Equity attributable tothe Group	\$ 498,975	\$ 552,219	\$ 491,208
Goodwill	<u>633,702</u>	<u>633,702</u>	<u>631,135</u>
Carrying amount	<u>\$ 1,132,677</u>	<u>\$ 1,185,921</u>	<u>\$ 1,122,343</u>

	January 1 to March31 2024	January 1 to March31 2023
Operating revenue	<u>\$ 520,051</u>	<u>\$ 387,808</u>
Net profit for the year	\$ 64,764	\$ 44,271
Other comprehensive income	<u>587</u>	(199)
Total comprehensive income for the year	<u>\$ 65,351</u>	<u>\$ 44,072</u>

2. Aggregate information of associates that are not individually material

	January 1 to March31 2024	January 1 to March31 2023
Share of the merged company		
Total comprehensive profit and loss	(\$ <u>2,997</u>)	(\$ <u>1,693</u>)

The profits and losses and other comprehensive profits and losses of related enterprises that adopt the equity method from January 1 to March 31, 2024, and 2023, except that AMPAK Technology Co., Ltd. is recognized based on the financial reports reviewed by accountants during the same period, the rest are Recognition is based on financial reports for the same period that have not been reviewed by accountants.

XV. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Euipment	Unfinished project and equipment to be inspected	Total
<u>Cost</u>						
Balance on January 01, 2023	\$ 368,719	\$ 3,291,019	\$ 2,609,946	\$ 1,515,431	\$ 351,810	\$ 8,136,925
Additions	-	270	183	45,689	15,781	61,923
Disposals	-	-	(36,331)	(73,090)	-	(109,421)
Reclassification	-	93,782	96,913	2,073	(192,768)	-
Effect of foreign currency exchange differences	-	4,569	(154,551)	64,953	(12,190)	(97,219)
Balance on March31,	<u>\$ 368,719</u>	<u>\$ 3,389,640</u>	<u>\$ 2,516,160</u>	<u>\$ 1,555,056</u>	<u>\$ 162,633</u>	<u>\$ 7,992,208</u>

2023

Accumulated
depreciation and
impairment

Balance on January 01, 2023	\$ -	\$ 1,613,994	\$ 1,411,880	\$ 1,068,546	\$ -	\$ 4,094,420
Disposals	-	-	(11,848)	(48,093)	-	(59,941)
Depreciation expenses	-	30,605	51,166	37,297	-	119,068
Effect of foreign currency exchange differences	-	3,703	(143,673)	3,292	-	(136,678)
Balance on March31, 2023	<u>\$ -</u>	<u>\$ 1,648,302</u>	<u>\$ 1,307,525</u>	<u>\$ 1,061,042</u>	<u>\$ -</u>	<u>\$ 4,016,869</u>
Net value on March31, 2023	<u>\$ 368,719</u>	<u>\$ 1,741,338</u>	<u>\$ 1,208,635</u>	<u>\$ 494,014</u>	<u>\$ 162,633</u>	<u>\$ 3,975,339</u>

Cost

Balance on January 01, 2024	\$ 368,719	\$ 2,551,810	\$ 2,521,759	\$ 1,360,056	\$ 83,700	\$ 6,886,044
Additions	-	7,863	30,382	22,786	17,820	78,851
Transfer of prepaid equipment payment	-	-	3,330	245	-	3,575
Disposals	-	-	(172,926)	(168,950)	-	(341,876)
Reclassification	-	-	3,160	3,926	129,829	136,915
Effect of foreign currency exchange differences	-	42,729	91,747	28,563	5,992	169,031
Balance on March31, 2024	<u>\$ 368,719</u>	<u>\$ 2,602,402</u>	<u>\$ 2,477,452</u>	<u>\$ 1,246,626</u>	<u>\$ 237,341</u>	<u>\$ 6,932,540</u>

Accumulated
depreciation and
impairment

Balance on January 01, 2024	\$ -	\$ 1,248,279	\$ 1,310,831	\$ 915,218	-	\$ 3,474,328
Disposals	-	-	(144,821)	(119,336)	-	(264,157)
Depreciation expenses	-	21,596	72,566	38,468	-	132,630
Effect of foreign currency exchange differences	-	20,732	45,038	20,660	-	86,430
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 1,290,607</u>	<u>\$ 1,283,614</u>	<u>\$ 855,010</u>	<u>\$ -</u>	<u>\$ 3,429,231</u>
Net value on December31, 2023	<u>\$ 368,719</u>	<u>\$ 1,303,531</u>	<u>\$ 1,210,928</u>	<u>\$ 444,838</u>	<u>\$ 83,700</u>	<u>\$ 3,411,716</u>

and January 1,
2024

Net value on March
31, 2024

\$ 368,719 \$ 1,311,795 \$ 1,193,838 \$ 391,616 \$ 237,341 \$ 3,503,309

There is no indication of impairment from January 1 to March 31, 2024 and 2023, so the combined company has not conducted an impairment assessment.

The property, plant and equipment of the merged company are depreciated on a straight-line basis over the following useful lives:

Building	
Main buildings	50 years
Others	3~50 years
Machinery and equipment	2~10 years
Miscellaneous equipment	2~10 years

XVI. LEASE ARRANGEMENTS

(I) Right-of-use Assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of right-of-use assets			
Land	\$ 326,916	\$ 314,238	\$ 359,846
Buildings	15,802	19,262	31,038
Transportation equipment	1,832	2,461	4,471
	<u>\$ 344,550</u>	<u>\$ 335,961</u>	<u>\$ 395,355</u>

	January 1 to March 31, 2024	January 1 to March 31, 2023
Additions to right-of-use assets	<u>\$ 414</u>	<u>\$ 13,055</u>
Depreciation charge for right-of-use assets		
Land	\$ 540	\$ 738
Buildings	3,838	3,713
Transportation equipment	<u>628</u>	<u>772</u>
	<u>\$ 5,006</u>	<u>\$ 5,223</u>

Except for the depreciation expenses recognized above, the right-of-use assets of the combined company did not undergo significant sublease or impairment in 2024 and from January 1 to March 31, 2023.

(II) Lease Liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Current	<u>\$ 95,480</u>	<u>\$ 94,742</u>	<u>\$ 96,452</u>
Non-current	<u>\$ 4,153</u>	<u>\$ 5,806</u>	<u>\$ 17,709</u>

Range of discount rate for lease liabilities was as follows:

March 31, 2024	December 31, 2023	March 31, 2023
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Buildings	0.67%~4.34%	0.67%~4.34%	0.67%~4.34%
Transportation equipment	0.67%~4.41%	0.67%~4.41%	0.67%~4.41%

(III) Other lease information

	January 1 to March 31, 2024	January 1 to March 31, 2023
Total cash outflow for leases	<u>(\$ 4,553)</u>	<u>(\$ 4,386)</u>

XVII. GOODWILL

	March 31, 2024	December 31, 2023	March 31, 2023
GOODWILL	<u>\$ 245,224</u>	<u>\$ 245,224</u>	<u>\$ 265,224</u>

The determination of the recoverable amount of goodwill is based on value in use. Value in use is based on cash flow estimates based on the financial budget for the next five years approved by the management of the combined company.

In order to expand the scale of operations, the merged company purchased BROWAN Company and 5V Technologies Company in 2021 and 2020, respectively, resulting in goodwill of NT\$192,379 thousand and NT\$72,845 thousand respectively; in 2023, the merged company evaluated the goodwill impairment test of the subsidiary 5V Technologies Company, because the sales of its products in the market are not good, and future cash inflows are expected to decrease, the merged company calculates the recoverable amount based on value in use, and the discount rate adopted is 8.37%. It is assessed that the recoverable amount is less than

the book amount, so the merged company recognized an impairment loss of NT\$20,000 on the goodwill from 5V Technologies Company in December 2023.

XVIII. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Prepaid expenses	\$ 35,966	\$ 33,574	\$ 31,117
Prepayments	4,020	12,483	60,821
Temporary Payments Offset Against Business Tax Payable	4,148	5,276	82,815
	30,159	32,929	57,106
	<u>\$ 74,293</u>	<u>\$ 84,262</u>	<u>\$ 231,859</u>
<u>Non-current</u>			
Deferred expenses	\$ 96,727	\$ 102,871	\$ 103,933
Refundable deposits	6,312	6,236	8,876
Collection of payments	219,160	219,160	196,741
Allowance for overdue receivables	(219,160)	(219,160)	(196,741)
Net defined benefit assets	24,422	23,880	20,184
Prepayments for business facilities	21,404	138,139	38,651
Others	-	158	-
	<u>\$ 148,865</u>	<u>\$ 271,284</u>	<u>\$ 171,644</u>

XIX. BORROWINGS

Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,734,077	\$ 951,855	\$ 2,658,035
Rate of interest per annum (%)	3.20%~5.70%	5.90%~6.45%	1.70%~5.65%

XX. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
5th Domestic unsecured convertible bonds	\$ 1,053,531	\$ 1,226,783	\$ -
Less: listed as part due within one year	-	-	-
	<u>\$ 1,053,531</u>	<u>\$ 1,226,783</u>	<u>\$ -</u>

On June 2, 2023, the company issued 15,000 units of the sixth domestic three-year unsecured conversion corporate bonds with a zero coupon rate, with a total principal amount of NT\$1,500,000, issued at 103.82% of the face value, and the face value of each bond It is NT\$100 thousand.

The conversion price per share is NT\$29.3, and the conversion period is from June 2, 2023 to June 2, 2026.

Two years after the issuance of the convertible corporate bonds, bond holders may request the company to redeem the converted corporate bonds they hold in cash at 101.0025% of the face value of the bonds on the

base date of sale. From the day after three months after the issuance of the convertible corporate bonds to 40 days before the expiration of the issuance period, if the closing price of the company's common stock exceeds the then-current conversion price by 30% (inclusive) for 30 consecutive business days, the company may The face amount of the bond, and all of its bonds are collected in cash. From the day after the three months after the issuance of the convertible corporate bonds to 40 days before the expiration of the issuance, if the outstanding balance of the convertible corporate bonds is less than 10% of the original issuance amount, the company may call back all the bonds in cash according to the face value of the bonds. Except for conversion into ordinary shares of the Company and early withdrawal by the Company in accordance with the redemption terms, the shares will be repaid in cash upon maturity.

This convertible corporate bond includes liability and equity components. The equity component is expressed as capital reserve - stock options under equity. The effective interest rate originally recognized for the liability component was 2.02%.

Issuance price (minus transaction costs of NT\$ 5,408,000)	\$ 1,551,957
Equity component (excluding transaction costs allocated to equity of NT\$464,000)	(133,101)
Financial liabilities measured at fair value through profit and loss – current (less transaction costs of NT\$30,000)	(<u>8,669</u>)
Liability components on the issuance date (excluding transaction costs allocated to liabilities of NT\$4,914,000)	1,410,187
Interest calculated at an effective interest rate of 2.02%	16,348
Conversion of corporate bonds payable into ordinary shares	(<u>199,752</u>)
Components of liabilities as of December 31, 2023	1,226,783
Interest calculated at an effective interest rate of 2.02%	6,160
Conversion of corporate bonds payable into ordinary shares	(<u>179,412</u>)
Components of liabilities as of March 31, 2024	<u>\$ 1,053,531</u>

XXI. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Other payables-current</u>			
Other expenses payable	\$ 263,367	\$ 224,568	\$ 282,712
Salaries and bonuses payable	504,799	546,117	416,220
Other payables - related	<u>4,478</u>	<u>7,554</u>	<u>4,051</u>

parties
(Note 30)

	\$ 772,644	\$ 778,239	\$ 702,983
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Other liabilities —
current

Temporary

credits

	\$ 44,281	\$ 41,984	\$ 43,328
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Others

	17,392	13,556	11,959
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	\$ 61,673	\$ 55,540	\$ 55,287
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Other liabilities —
non-current

Deposits received

	\$ 786	\$ 1,338	\$ 1,744
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Long-term investment loan
balance

	2,385	1,350	-
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Restoration obligation
liability provision

	9,440	9,058	-
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	\$ 12,611	\$ 11,746	\$ 1,744
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XXII. RETIREMENT BENEFIT PLANS

- I. The pension expenses related to the defined benefit plan recognized in 2024 and from January 1 to March 31, 2023, are calculated based on the pension cost rate determined by the actuarial department on December 31, 2023, and 2022, and the amounts are NT\$52,000 respectively and NT\$62,000.

XXIII. EQUITY

(I) Share capital

		<u>Common stock</u>	
	March 31, 2024	December 31, 2023	March 31, 2023
Authorized shares (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Authorized capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Issued and paid shares (in thousands)	<u>400,121</u>	<u>400,121</u>	<u>394,474</u>
Issued capital	<u>\$ 4,001,211</u>	<u>\$ 4,001,211</u>	<u>\$ 3,944,745</u>
Capital received in advance	<u>118,907</u>	<u>54,846</u>	<u>-</u>
	<u>\$ 4,120,118</u>	<u>\$ 4,056,057</u>	<u>\$ 3,944,745</u>

A holder of issued ordinary shares with par value of NT\$10 is entitled to the proportional rights to vote and to dividends.

The company's shareholders' regular meeting on May 29, 2023, approved the issuance of new shares with restricted employee rights totaling NT\$43,000, with a total of 4,300 thousand shares issued at an issue price of NT\$10 per share. It has been approved and effective by the Financial Supervision and Administration Commission's letter No. 1120347892 on July 11, 2023, and the board of directors has resolved to use August 15, 2023, as the base date for capital increase.

In 2022 and 2023, due to the fact that some of the new shares with restricted employee rights did not meet the vested conditions, the company passed resolutions of the board of directors on August 4, 2022, December 16, 2022, March 13, and August 3, 2023 respectively. Recover 171,000, 116,000, 56,000 and 346,000 new shares with restricted employee rights and reduce capital respectively. The base dates for capital reduction are August 4, 2022, January 2, 2023, and March 2023 respectively. 13th and August 10, 2023.

The number of ordinary shares converted by the company's sixth domestic unsecured convertible corporate bonds held by the exercise of conversion rights are 1,693 thousand shares, 5,485 thousand shares and 6,406 thousand shares respectively, and are based on November 10, 2023 and 2024 respectively. March 13 and May 10, 2024 are the base dates for capital increase.

It holds 5,485,000 ordinary shares converted from the company's sixth domestic unsecured convertible corporate bonds through the exercise of conversion rights, which was approved by the Ministry of Economic Affairs on April 9, 2024.

(II) Capital Surplus

	March 31, 2024	December 31, 2023	March 31, 2023
Stock issue premium	\$ 970,862	\$ 970,862	\$ 970,862
Corporate bond conversion premium	3,983,374	3,868,023	3,606,944
Recognition of changes in ownership interests in subsidiaries	41,030	39,240	36,197
Recognition of changes in investment in subsidiaries and associates by using the equity method	157,849	157,776	157,756
Employee restricted stock	142,568	142,568	57,312
Expired share option	150,691	150,691	150,691
Others	473	473	473
	<u>\$ 5,446,847</u>	<u>\$ 5,329,633</u>	<u>\$ 4,980,235</u>

The capital surplus arising from shares issued in excess of par value (including share premium from issuance of ordinary shares), and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus arising from investments, employee share options, and convertible bonds options accounted for equity method may not be used for any purpose.

(III) Retained Earnings

According to the surplus distribution policy stipulated in the company's articles of association, if there is a surplus in the annual final accounts, taxes will be paid in accordance with the law. After making up for the accumulated losses, 10% will be set aside as statutory surplus reserve, and the rest will be set aside or transferred to the special surplus reserve in accordance with legal provisions; If there is a balance and accumulated undistributed surplus, the board of directors will draft a surplus distribution proposal and submit it to the shareholders' meeting to resolve the distribution of dividends to shareholders. For the employee and director remuneration distribution policy stipulated in the company's articles of association, please refer to Note 25 (7) Employee remuneration and director remuneration.

The statutory surplus reserve shall be appropriated until the balance reaches the total paid-in share capital of the company. The statutory surplus reserve may be used to make up for losses. When the company has no losses, the portion of the statutory surplus reserve that exceeds 25% of the total paid-in share capital may not only be appropriated as share capital, but may also be distributed in cash.

The Company made the provision and reversal in accordance with the provisions of the Financial Management Certificate No. 1010012865, the Financial Management Certificate No. 1010047490 and the "Questions and Answers on the Applicable Provision of Special Earnings Reserve after the Adoption of

International Financial Reporting Standards (IFRS Accounting Standards)" Special surplus reserve, a special surplus reserve of NT\$195,638,000 was set aside on January 1, 2003.

The company held the board of directors meeting on March 13, 2024 and the shareholders' regular meeting on March 13, 2023. The profit distribution proposals for 2023 and 2022 were respectively proposed and passed as follows:

	2023	2022
Legal reserve	<u>\$ 51,464</u>	<u>\$ 59,418</u>
Special reserve	<u>\$ 615,576</u>	<u>\$ 591,712</u>
Cash dividend	<u>\$ 1.5</u>	<u>\$ 1.5</u>

The 2023 earnings distribution proposal is yet to be resolved at the regular shareholders' meeting expected to be held on May 29, 2024.

(IV) Special Reserve

	March 31, 2024	December 31, 2023	March 31, 2023
Beginning and ending balance	<u>\$ 195,638</u>	<u>\$ 195,638</u>	<u>\$ 195,638</u>

When the IFRS accounting standards are adopted for the first time, the special surplus reserve set aside due to the exchange difference in the translation of the financial statements of foreign operating institutions (including subsidiaries) will be reversed according to the disposal ratio of the merged company. When the merged company loses significant influence, it will be fully reversed. When distributing earnings, a special

surplus reserve should be set aside for the difference between the net deductions in other shareholders' equity at the end of the reporting period and the special surplus reserve set forth in the first adoption of IFRS accounting standards. If the balance of deductions from other shareholders' equity is subsequently reversed, the reversed portion of the earnings may be distributed.

(V) Other Equity Items

1. Exchange differences on translating the financial statements of foreign operations

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	(\$ 428,972)	(\$ 347,887)
Produced in the current period		
Conversion differences for foreign operating organizations	190,071	383
Shares of subsidiaries and affiliates using the equity method	(<u>72</u>)	(<u>14</u>)
Ending balance	(<u>\$ 238,973</u>)	(<u>\$ 347,518</u>)

2. Unrealized gain (loss) on financial assets at FVTOCI (fair value through other comprehensive income)

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	\$ 1,196,667	\$ 1,632,512
Produced in the current period		
Unrealized gains and losses		
equity		
instruments	(173,733)	297,173
Ending balance	<u>\$ 1,022,934</u>	<u>\$ 1,929,685</u>

3. Unearned compensation

The company's shareholders' meetings resolved to issue new shares with restricted employee rights on May 29, 2023 and June 9, 2020. Please refer to Note 28 for relevant instructions.

	January 1 to March 31, 2024	January 1 to March 31, 2023
Beginning balance	(\$ 104,495)	(\$ 8,695)
Cancelled for the year	-	4,559
Recognition of		
share-based benefits	15,655	1,699
Ending balance	<u>(\$ 88,840)</u>	<u>(\$ 2,437)</u>

(VI) Non-controlling interests

	January 1 to March 31,	January 1 to March 31,
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	2024	2023
Beginning balance	\$ 356,195	\$ 305,820
Exchange differences in the translation of financial statements of foreign operating institutions	139	-
Net profit for this period	4,069	(15,774)
Subsidiaries restrict employee rights and non-controlling interests related to new shares	<u>72</u>	<u>10</u>
Ending balance	<u>\$ 360,475</u>	<u>\$ 290,056</u>

XXIV. REVENUE

	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenue from contracts		
Revenue from product sales	<u>\$ 5,760,954</u>	<u>\$ 7,063,009</u>

(I) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes receivable (Note 10)	\$ 5,412	\$ -	\$ -	\$ -
Accounts receivable	6,683,391	6,748,271	8,368,024	9,305,116

(Note 10)				
Accounts receivable -				
related parties				
(Note 30)	79,416	80,086	44,270	63,000
	<u>\$ 6,768,219</u>	<u>\$ 6,828,357</u>	<u>\$ 8,412,294</u>	<u>\$ 9,368,116</u>
Contract liabilities				
- current				
Product sales	<u>\$ 434,615</u>	<u>\$ 388,615</u>	<u>\$ 301,890</u>	<u>\$ 325,857</u>

(II) Breakdown of customer contract revenue

Please refer to Note 35 for revenue breakdown information.

XXV. PROFIT BEFORE INCOME TAX

(I) Interest income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Bank deposit	<u>\$ 18,511</u>	<u>\$ 8,865</u>

(II) Other income

	January 1 to March 31, 2024	January 1 to March 31, 2023
	<u></u>	<u></u>

Rental incomes	\$ 638	\$ 2,456
Other income	<u>12,735</u>	<u>6,142</u>
	<u>\$ 13,373</u>	<u>\$ 8,598</u>

(III) Other gains and losses

	January 1 to March 31, 2024	January 1 to March 31, 2023
Gain (loss) on financial assets and liabilities measured at FVTPL	\$ 123	\$ -
Foreign currency exchange loss	125,628	(1,029)
Loss on disposal of property, plant and equipment	(46,005)	7,762
Others	(<u>312</u>)	(<u>328</u>)
	<u>\$ 79,434</u>	<u>\$ 6,405</u>

(IV) Finance costs

	January 1 to March 31, 2024	January 1 to March 31, 2023
Interest on convertible bond	\$ 6,160	\$ -
Interest on bank loans	28,441	28,671
Interest on lease liabilities	88	177
	<u>\$ 34,689</u>	<u>\$ 28,848</u>

(V) Depreciation and amortization

	January 1 to March 31, 2024	January 1 to March 31, 2023
Property, plant and equipment	\$ 132,630	\$ 119,068
Right-of-use assets	5,006	5,223
Deferred expenses	56,783	51,856
	<u>\$ 194,419</u>	<u>\$ 176,147</u>
Depreciation Expenses by Function		
Operating costs	\$ 102,237	\$ 86,156
Operating expenses	35,399	38,135
	<u>\$ 137,636</u>	<u>\$ 124,291</u>
Amortization expenses by function		
Operating costs	\$ 18,604	\$ 17,547
Operating expenses	38,179	34,309
	<u>\$ 56,783</u>	<u>\$ 51,856</u>

(VI) Employee Benefits Expenses

	January 1 to March 31, 2024	January 1 to March 31, 2023
Post-employment benefits		
Defined contribution plans	\$ 17,410	\$ 21,463
Defined benefit plans (Note 22)	<u>52</u>	<u>62</u>
	<u>17,462</u>	<u>21,525</u>
Share-based payments		
Equity-settled	<u>15,813</u>	<u>1,718</u>
Other employee benefit	<u>685,975</u>	<u>682,472</u>
Total employee benefits expenses	<u>\$ 719,250</u>	<u>\$ 705,715</u>
Employee benefits expense by function		
Operating costs	\$ 337,799	\$ 381,791
Operating expenses	<u>381,451</u>	<u>323,924</u>
	<u>\$ 719,250</u>	<u>\$ 705,715</u>

(VII) Employee compensation and Remuneration of Board of Directors

According to the provisions of the Articles of Association, the company allocates no less than 13.5% and no more than 1.8% of the pre-tax profits for the current year to employee remuneration and director remuneration respectively. The estimated employee compensation and director's compensation from January 1 to March 31, 2024 and 2023 are as follows:

Estimated listing ratio

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employee compensation	13.5%	13.5%
Remuneration of Directors	1.8%	1.8%

Amount

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employee compensation	<u>\$ 16,349</u>	<u>\$ 12,315</u>
Remuneration of Directors	<u>\$ 2,180</u>	<u>\$ 1,642</u>

If there is still a change in the amount after the annual consolidated financial report is released, it will be treated as a change in accounting estimates and will be adjusted and accounted for in the next year.

The employee remuneration and director remuneration for 2023 and 2022 were resolved by the board of directors on March 13, 2024 and March 13, 2023 respectively:

	2023	2022
	Cash	Cash
Employee compensation	\$110,935	\$123,629
Remuneration of Directors	14,791	16,484

There is no difference between the actual amount of employee compensation and director's compensation for 2023 and 2022 and the amount recognized in the consolidated financial reports for 2023 and 2022.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2024 and 2023 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

XVI. INCOME TAXES

1. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss: :

	January 1 to March 31, 2024	January 1 to March 31, 2023
Current income tax		
In respect of the current year	\$106,563	\$ 19,101
Deferred tax		
In respect of the current year	<u>25,259</u>	<u>11,770</u>
Income tax expense recognized in profit or loss	<u>\$131,822</u>	<u>\$ 30,871</u>

2. Income tax recognized in other comprehensive profits and losses

	January 1 to March 31, 2024	January 1 to March 31, 2023
<u>Deferred income tax</u>		
Produced in the current period		
-Conversion for foreign operating organizations	<u>\$ 47,499</u>	<u>\$ -</u>

3. Income tax assessment situation

The company's declaration cases before 2021 have been approved by the tax collection authority.

The reporting cases of 5V TECHNOLOGIES Company, BROWAN Company and Gemtek Investment Company before the year ended have been approved by the tax collection authority.

4. Pillar II Income Tax Bill

In November 2023, the Vietnamese government in the country where Gemtek Vietnam Co., Ltd. is registered has legislated the Pillar 2 Income Tax Act, which will take effect from January 1, 2024. Since the details of the bill have not yet been announced and come into effect as of the end of the reporting period, there is no relevant current income tax impact on the merged company. The combined company also continues to review the impact of the Pillar 2 Income Tax Act on its future financial performance.

XXVII. EARNINGS PER SHARE

Unit: NT\$ Per Share

	January 1 to March 31, 2024	January 1 to March 31, 2023
Basic earnings per share from continuing operations	<u>\$ 0.18</u>	<u>\$ 0.16</u>
Diluted earnings per share from continuing	<u>\$ 0.17</u>	<u>\$ 0.15</u>

operations

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Current net income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net income attributable to owners of the company	\$ 70,956	\$ 61,539
Effect of potentially dilutive ordinary shares:		
Interest after tax for convertible bonds	<u>4,928</u>	<u>-</u>
Net income in computation of diluted earnings per share	<u>\$ 75,884</u>	<u>\$ 61,539</u>

Ordinary shares

Unit: NT\$ Per Share

	January 1 to March 31, 2024	January 1 to March 31, 2023
Weighted average number of ordinary shares in computation of basic	402,252	393,112

earnings per share		
Effect of potentially dilutive		
ordinary shares:		
Convertible bonds	43,183	-
Employee restricted stock	4,300	1,362
Employee compensation	<u>2,907</u>	<u>3,724</u>
Weighted average number of		
ordinary shares used in the		
computation of diluted		
earnings		
per share	<u>452,642</u>	<u>398,198</u>

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonuses would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

XXVIII. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Stock Awards

The company's regular shareholders' meeting on June 9, 2022 approved the issuance of new shares with restricted employee rights totaling NT\$40,000, with a total of 4,000 shares issued at an issue price of NT\$10 per share. It has been approved and taken into effect by the Financial Supervision and Administration Commission's letter No. 1090349323 on July 14, 2020, and the board of directors has resolved to use August 7, 2020 as the base date for capital increase.

The company's shareholders' regular meeting on May 29, 2023 approved the issuance of new shares with restricted employee rights totaling NT\$43,000, with a total of 4,300 thousand shares issued at an issue price of NT\$10 per share. It has been approved and effective by the Financial Supervision and Administration Commission's letter No. 1120347892 on July 11, 2023, and the board of directors has resolved to use August 15, 2023 as the base date for capital increase.

Employee vested conditions refer to employees who, after subscribing for new shares with restricted employee rights in accordance with the issuance regulations, remain employed at the expiration of the following vested periods starting from the capital increase base date, have not violated the company's labor contract, work rules or company regulations, and have not violated the company's labor contract, work rules or company regulations, and have not violated the company's labor contract, work rules or company regulations. If the company's overall operating results and individual performance appraisals for the year both reach the target performance set by the company, the proportion of vested shares in each year will be as follows:

- (I) 1st anniversary: 30% of subscription;
- (II) 2nd anniversary: 30% of subscription;
- (III) 3rd anniversary: 40% of subscription.

Vesting restrictions if conditions have not been fulfilled:

(I) Measures to be taken when employees fail to meet the vesting conditions:

1. Before vesting conditions are met, Restricted Stock Awards received by the employee are not to be sold, mortgaged, transferred, gifted, pledged, or otherwise sanctioned except in the event of inheritance.
2. Attendance, proposals, speeches, and voting rights at shareholders' meetings are governed by the trust custody contract. The cash dividends, stock dividends and capital reserve cash (stocks) allocated due to the restriction of employee rights from new shares will be delivered to the trust together. For those who do not meet the vested conditions, the cash dividends, stock dividends and capital reserve cash (stocks) allocated to them will be recovered by the company in accordance with relevant regulations and the shares will be canceled in accordance with the law.

(II) Except for the provisions of the trust agreement in the preceding paragraph, employees who are granted new shares with restricted employee rights in accordance with these Measures will have other rights before the vested conditions are met, including but not limited to: rights to receive dividends, dividends and capital reserves, and cash capital increases. The stock options and voting rights are the same as the issued ordinary shares of the company.

(III) New shares with restricted employee rights issued in accordance with these regulations will be held in trust until the vested conditions are met.

XXIX. FINANCIAL INSTRUMENTS

(I) Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Financial product	\$ <u>-</u>	\$ <u>201,319</u>	\$ <u>-</u>	\$ <u>201,319</u>
<u>Financial liabilities</u>				
<u>at</u>				
<u>FVTPL</u>				
-Conversion option	\$ -	\$ 992	\$ -	\$ 992
-Forward foreign exchange contract	<u>-</u>	<u>2,038</u>	<u>-</u>	<u>2,038</u>
	\$ <u>-</u>	\$ <u>3,030</u>	\$ <u>-</u>	\$ <u>3,030</u>
<u>Through other</u>				
<u>comprehensive profit</u>				
<u>and loss</u>				
<u>Financial assets</u>				
<u>measured at FVTPL</u>				
Equity Instrument				
Investment				
— Domestic and foreign listed	\$ 2,508,457	\$ -	\$ -	\$ 2,508,457

(over-the-counter) stocks				
– Domestic and foreign unlisted (counter) stocks	<u>-</u>	<u>-</u>	<u>150,007</u>	<u>150,007</u>
Total	<u>\$ 2,508,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,658,464</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Financial product	<u>\$ -</u>	<u>\$ 309,590</u>	<u>\$ -</u>	<u>\$ 309,590</u>

<u>Financial liabilities at FVTPL</u>				
Conversion option	<u>\$ -</u>	<u>\$ 1,806</u>	<u>\$ -</u>	<u>\$ 1,806</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Through other comprehensive profit and loss</u>				
<u>Financial assets measured at FVTP</u>				
Equity Instrument Investment				
– Domestic and foreign listed (over-the-counter) stocks	<u>\$ 2,648,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,648,515</u>
– Domestic and foreign unlisted (counter) stocks	<u>-</u>	<u>-</u>	<u>149,522</u>	<u>149,522</u>
Total	<u>\$ 2,648,515</u>	<u>\$ -</u>	<u>\$ 149,522</u>	<u>\$ 2,798,037</u>

March 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Convertible bond	\$ -	\$ -	\$ 17,788	\$ 17,788
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Equity instrument investment				
—Domestic and overseas listed stock	\$ 3,396,000	\$ -	\$ -	\$ 3,396,000
—Domestic and overseas unlisted stock	-	-	153,014	153,014
Total	<u>\$ 3,396,000</u>	<u>\$ -</u>	<u>\$ 153,014</u>	<u>\$ 3,549,014</u>

There is no transfer between Level 1 and Level 2 fair value measurements from January 1 to March 31, 2024 and 2023.

- Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives – Conversion Option	It is evaluated using the binary tree convertible corporate bond evaluation model, based on the conversion price volatility, risk-free interest rate, risk discount rate and remaining life period.
Derivatives - foreign currency forward contracts	Discounted cash flow method: estimate future cash flows based on the observable forward exchange rate at

the end of the period and the exchange rate specified in the contract, and discount them separately at a discount rate that reflects the credit risk of each counterparty.

3.Valuation techniques and inputs applied for Level 3 fair value measurement

For stocks of unlisted companies without an active market, their fair value is assessed by using the market method and the income method.

The market approach refers to the market price and related information of listed companies that share a similar background as the unlisted stock in order to estimate its fair value; the income approach uses the discounting cash flow method to calculate the present value of the expected return from holding the investment target.

Hybrid financial assets - Convertible corporate bonds have no market price for reference. The Company's evaluation of fair value is based on the Binomial Tree Model for Convertible Bond Pricing, which factors in the volatility of the conversion price, the risk-free interest rate, the risk of discount rate, and the periods until maturity.

(II) Categories of financial instrument

March 31, December 31, March 31,

	2024	2023	2023
<u>Financial assets</u>			
Fair value through profit or loss	\$ 201,319	\$ 309,590	\$ 17,788
Financial assets measured at fair value through other comprehensive profit or loss	2,658,464	2,798,037	3,549,014
Financial assets measured at amortized cost (Note 1)	11,430,770	10,134,399	9,800,550
<u>Financial liabilities</u>			
Measured at fair value through profit or loss	3,030	1,806	-
Measured at amortized cost (Note 2)	8,979,754	7,763,695	10,122,288

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, and deposits on amortized basis. Financial assets measured at cost after sales.

Note 2: The balance includes short-term borrowings, accounts payable, accounts payable - related parties, other payables, deposits and corporate bonds payable and other financial liabilities measured at amortized cost.

(III) Financial risk management objective and policies

The Group's major financial instruments include equity instrument investment, accounts receivable, accounts payable, bonds payable, loans and lease liabilities. The Group's Financial Department provides services to the business,

coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The merged company uses derivative financial instruments to avoid risks and mitigate the impact of these risks. The use of derivative financial instruments is governed by policies adopted by the board of directors of the combined company, which are written principles for exchange rate risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquidity. Internal auditors continually review policy compliance and risk exposure limits. The Merged Company does not engage in transactions in financial instruments (including derivative financial instruments) for speculative purposes.

If the Finance Department should engage in derivative transactions, the results are reported to the Board of Directors on a regular basis.

1. Market Risk

The main financial risks that the combined company's operating activities expose the combined company to are foreign currency exchange rate change risks (see (1) below), interest rate change risks (see (2) below) and other price change risks (see (3) below).

There are no changes to the combined company's exposure to financial instrument market risks and the way it manages and measures these exposures.

(1) Foreign Currency Risk

The Group engages in foreign currency-denominated sales and purchase transactions, therefore exposing the

Group to foreign currency fluctuation risks.

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency (including those eliminated on consolidation) at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollars (the functional currency) against the relevant foreign currencies. If the loss of the financial asset measured at fair value through profit and loss reaches the 3% cap as laid out in the contract, the situation must be reported to the management, and a reassessment of the exchange rate fluctuation should be made. The sensitivity analysis included only outstanding foreign currency denominated monetary items plus forward exchange contracts designated as a cash flow hedge, and their translations are adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with New Taiwan dollars strengthen 1% against the relevant currency; a negative number below indicates a decrease in pre-tax profit associated with New Taiwan dollars weakens 1% against the relevant currency.

	Impact of USD	
	January 1 to March31 2024	January 1 to March31 2023
Profit or Loss	\$ 5,198	\$ 22,246

The impact of foreign currencies on profit and loss listed in the above table mainly derived from the

USD-denominated non-derivative financial assets and liabilities of the Group that are still in circulation on the balance sheet date and have not undergone cash flow hedging.

There was no significant changes in the sensitivity analysis of the current year's foreign exchange rates when compared to the previous year.

(2) Interest rate risk

The Group is exposed to interest rate risk arising from borrowing at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Fair value interest rate risk</u>			
— Financial assets	\$ 2,597,628	\$ 1,357,156	\$ 291,067
— Financial liabilities	2,787,608	2,178,638	2,358,035
<u>Cash flow interest rate risk</u>			
— Financial assets	1,902,219	1,886,955	886,536
Financial liabilities	-	-	300,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease was used

when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increase/decrease by 100 basis points, with all other variables held constant, the combined company's pre-tax net profit from January 1 to March 31, 2023 will increase/decrease by NT\$4,756,000 and NT\$1,466,000, respectively. , mainly due to the combined company's net position of variable interest rate bank deposits and variable interest rate borrowings and the exposure to fair value interest rate risk attributable to the company's redeemable corporate bonds.

The combined company's sensitivity to interest rates has not changed significantly in the two periods from January 1 to March 31, 2024 and 2023.

(3) Other market price risk

Equity price risk exposure arises from the Group's investments in domestic and foreign listed stocks, unlisted stocks, and convertible bonds. The Group assigns relevant personnel to monitor price fluctuations and evaluate the timing to increase hedge positions.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to equity price risks at the end

of the reporting period.

If equity prices of financial assets at FVTPL had been 1% higher/lower, profit or loss for January 1 to March 31 2024 and 2023 would increase/decrease by \$2,013 and \$0, respectively. If equity prices of financial assets at FVTOCI had been higher/lower, other comprehensive income (loss) for January 1 to March 31 2023 and 2022 would increase/decrease by \$26,585

thousand and \$35,490 thousand, respectively.

There was no significant changes in the sensitivity analysis of the current year's equity prices when compared to the previous year.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of thereporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated inthe balance sheets.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level ofcash and cash equivalents deemed

adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Bank borrowings are an important source of liquidity for the combined company. As of March 31, 2024 and December 31, 2023, and March 31, 2023, for the unused financing quota of the merged company, please refer to the description of the financing quota in (3) below.

- (l) Liquidity and interest risk tables for non-derivative financial liabilities The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment-on-demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

For interest cash flows paid at floating interest rates, the undiscounted amount of interest can be inferred by the yield curve on the balance sheet date.

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 4,685,833	\$ 1,121,535	\$ 383,992	\$ -
Lease liabilities	1,755	3,511	90,842	4,266
Fixed interest instrument	<u>1,447,733</u>	<u>294,077</u>	<u>-</u>	<u>1,053,531</u>

\$ 6,135,321	\$ 1,419,123	\$ 474,834	\$ 1,057,797
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December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months – 1 Year	1-5 Years
<u>Non-derivativ e financial</u>				
<u>liabilities</u>				
Non-interest				
bearing	\$ 4,843,022	\$ 513,534	\$ 227,163	\$ -
Lease liabilities	1,307	2,615	87,691	4,057
Fixed interest				
instrument	954,959	-	-	1,226,783
	<u>\$ 5,799,288</u>	<u>\$ 516,149</u>	<u>\$ 314,854</u>	<u>\$ 1,230,840</u>

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months – 1 Year	1-5 Years
<u>Non-derivativ e financial</u>				
<u>liabilities</u>				
Non-interest				
bearing	\$ 5,055,500	\$ 1,753,775	\$ 553,656	\$ -
Lease liabilities	1,616	3,195	92,148	17,909
Fixed interest				
instrument	1,164,101	1,201,526	-	-
<u>Non-derivativ e financial</u>				
<u>liabilities</u>	432	300,158	-	-
	<u>\$ 6,221,649</u>	<u>\$ 3,258,654</u>	<u>\$ 645,804</u>	<u>\$ 17,909</u>

The aforementioned non-derivative financial liabilities were calculated by floating interest rates, therefore the results may differ from the interest rate accounted for the balance sheet date.

(2) Liquidity and interest risk tables for derivative financial liabilities

For the liquidity analysis of derivative financial instruments, for derivative instruments that are settled on a net basis, they are compiled on the basis of undiscounted contract net cash inflows and outflows; for derivatives that are settled on a gross basis, they are compiled on the basis of undiscounted net cash inflows and outflows. It is prepared based on the current total cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined based on the interest rate estimated by the yield curve on the balance sheet date.

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months – 1 Year	1-5 Years	More than 5 Years
<u>Netting settlement</u>					
Forward exchange	(\$ 2,038)	\$	\$	\$	\$

December 31, 2023

None

March 31, 2023

None

(3) Financing amount

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank borrowing limit			
- Amount used	\$ 1,734,077	\$ 951,855	\$ 2,658,035
- Unspent amount	<u>8,787,003</u>	<u>9,240,990</u>	<u>7,199,400</u>
	<u>\$10,521,080</u>	<u>\$10,192,845</u>	<u>\$ 9,857,435</u>

XXX. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(I) Related Party Name and Category

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
AMPAK Technology Inc.	Associates
SparkLAN Communications, Inc.	Associates
ANTEK NETWORKS INC	Associates
BandRich Inc.	Associates

(II) Sales Revenue

<u>Type/Name of Related Party</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Associate	<u>\$ 21,520</u>	<u>\$ 20,612</u>

Sales prices and payment terms for related parties were not significantly different from those for sales to non-related parties.

(III) Receivables from Related Parties

Account	Type/Name of Related Party	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivables – related parties	Associates			
	AMPAK Technology Inc.	\$ 79,336	\$ 77,526	\$ 36,335
		<u>80</u>	<u>2,560</u>	<u>7,935</u>
	SparkLA N Communi cations, Inc.	<u>\$ 79,416</u>	<u>\$ 80,086</u>	<u>\$ 44,270</u>

No guarantee is received for the outstanding accounts receivable from related parties. No allowance for losses is provided for accounts receivable from related parties in 2024 and 2023.

(IV) Other Receivables from Related Parties

Type/Name of Related Party	March 31, 2024	December 31, 2023	March 31, 2023
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Associate

AMPAK Technology

Inc.	\$ 70,065	\$ 382	\$ 130,730
Others	<u>233</u>	<u>160</u>	<u>202</u>
	<u>\$ 70,298</u>	<u>\$ 542</u>	<u>\$ 130,932</u>

The combined company's other receivables from related enterprises include dividends receivable and advances on behalf of the company.

(V) Payables to Related Parties

Accounts	March 31, 2024	December 31, 2023	March 31, 2023
Associate	<u>\$ 4,478</u>	<u>\$ 7,554</u>	<u>\$ 4,051</u>

Other payables of the merged company to the above-mentioned related parties include payments for advances and purchases of raw materials.

(VI) Other Trades with Related Parties

Type/Name of Related Party	January 1 to March 31, 2024	January 1 to March 31, 2023
<u>Rent income</u>		
Associates		
AMPAK Technology Inc.	\$ 59	\$ 851
Others	<u>47</u>	<u>76</u>
	<u>\$ 106</u>	<u>\$ 927</u>

Other income

Associate	\$ <u>-</u>	\$ <u>151</u>
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Rental income of the Group collected from associates were based on the marketprice.

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(VII) Compensation of key management personnel

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits	\$ 22,759	\$ 13,600
Post-employment benefits	<u>337</u>	<u>337</u>
	<u>\$ 23,096</u>	<u>\$ 13,937</u>

The remuneration of directors and other key management personnel is determined by the remuneration committee based on individual performance and market trends.

XXXI. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for tariffs on importedraw materials:

	March 31, 2024	December 31, 2023	March 31, 2023
Pledged bank deposits (included in financial assets measured at amortized cost)	<u>\$ 26,979</u>	<u>\$ 28,252</u>	<u>\$ 23,323</u>

XXXII. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the balance sheet date were as follows:

On March 31, 2024, December 31, 2023, and March 31, 2023, the combined company's tariff performance guarantee or factory construction deposit were NT\$26,979,000, NT\$28,252,000, and NT\$23,323,000 respectively.

XXXIII. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant assets and liabilities denominated in foreign currencies of the group were as follows:

March 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign Currency Asset			
<u>Monetary Items</u>			
USD	\$ 257,502	32.00 (USD:NTD)	\$ 8,240,069
USD	59,632	7.0948(USD:RMB)	<u>1,908,226</u>
			<u>\$ 10,148,295</u>
<u>Non-monetary Items</u>			
Investments accounted for using equity method			

USD	762	32.00(USD:NTD)	\$ 24,386
Financial assets measured at fair value through other comprehensive profit or loss			
USD	1,880	32.00(USD:NTD)	<u>60,151</u>
			<u>\$ 84,537</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	235,099	32.00(USD:NTD)	\$ 7,523,173
USD	65,792	7.0948(USD:RMB)	<u>2,105,353</u>
			<u>\$ 9,628,526</u>

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign Currency Asset			
<u>Monetary Items</u>			
USD	\$ 397,658	30.71(USD:NTD)	\$ 12,210,076
USD	225,781	7.0827(USD:RMB)	<u>6,932,616</u>
			<u>\$ 19,142,692</u>

Non-monetary
Items

Investments
accounte
d for

using equity method				
USD	\$	781	30.71(USD:NTD)	\$ 23,983
Financial assets measured at fair value through other comprehensive profit or loss				
USD		1,885	30.71(USD:NTD)	<u>57,870</u>
				<u>\$ 81,853</u>

Foreign Currency
Liabilities

Monetary Items

USD		202,514	30.71(USD:NTD)	\$ 6,218,199
USD		71,588	7.0827(USD:RMB)	<u>2,198,117</u>
				<u>\$ 8,416,316</u>

March 31, 2023

		Foreign Currencies	Exchange Rate	Carrying Amount
Foreign Currency Asset				
<u>Monetary Items</u>				
USD	\$	307,896	30.45(USD:NTD)	\$ 9,375,437
USD		102,108	6.8717(USD:RMB))	<u>3,109,193</u>
				<u>\$ 12,484,630</u>
<u>Non-monetary Items</u>				

Investments accounted for using equity method				
USD	1000	30.45(USD:NTD)	\$	30,435
Financial assets measured at fair value through profit or loss				
USD	584	30.45(USD:NTD)		17,788
Financial asset measured at fair value through other comprehensive income				
USD	3,574	30.45(USD:NTD)		108,819
			\$	<u>157,042</u>
Foreign Currency Liabilities				
<u>Monetary Items</u>				
USD	211,324	30.45(USD:NTD)	\$	6,434,802
USD	125,623	6.8717(USD:RMB)		3,825,235
				<u>\$ 10,260,037</u>

Please refer to the consolidated income statement for the total amount of realized and unrealized foreign currency exchange gains and losses of the consolidated company from January 1 to March 31, 2023 and 2022. Due to the wide variety of foreign currency transactions and functional currencies of the company's subsidiaries, It is not possible to disclose exchange gains and losses separately for each significant foreign currency.

XXXIV. SEPARATELY DISCLOSED ITEMS

(1) Major transaction matters:

1. Lending funds to others. (Table I)
2. Endorse guarantees for others. (none)
3. Securities held at the end of the period. (Table 2)
4. The cumulative amount of buying or selling the same securities reaches NT\$300 million or more than 20% of the paid-in capital. (none)
5. The amount of real estate acquired reaches NT\$300 million or more than 20% of the paid-in capital. (none)
6. The amount of real estate disposed of reaches NT\$300 million or more than 20% of the paid-in capital. (none)
7. The amount of goods purchased and sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital. (Table 3)
8. The amount receivable from related parties reaches NT\$100 million or more than 20% of the paid-in capital. (Table 4)
9. Engage in derivative transactions. (Notes 7 and 29)

10. Others: business relationships and important transactions and amounts between the parent and subsidiaries and between subsidiaries. (Table 7)
- (2) Information related to reinvestment businesses. (Table 5)
- (3) Mainland investment information:
1. The name of the mainland China invested company, main business items, paid-in capital, investment method, fund remittances and inflows, shareholding ratio, investment profits and losses, investment book amount at the end of the period, repatriated investment profits and losses, and investment limits in the mainland. (Table 6)
 2. The following major transactions with mainland investee companies directly or indirectly through third regions, as well as their prices, payment terms, and unrealized gains and losses: (Table 3, 4 and 7)
 - (1) Purchase amount and percentage and closing balance and percentage of related payables.
 - (2) Sales amount and percentage and closing balance and percentage of related receivables.
 - (3) The amount of property transactions and the amount of profits and losses generated therefrom.
 - (4) Ending balance of bill endorsement or collateral provided and its purpose.
 - (5) The maximum balance of financial financing, the ending balance, the interest rate range and the total interest of the current period.
 - (6) Other transactions that have a significant impact on current profits and losses or financial status, such as the provision or receipt of labor services, etc.
 - (4) Major shareholder information: names, shareholding amounts and proportions of shareholders with a shareholding ratio of more than 5%. (none)

XXXV. SEGMENT INFORMATION

The combined company provides information to key operating decision-makers to allocate resources and measure departmental performance, focusing on the product categories offered. The reportable division of the merged company is the wireless communications products division.

(I) Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment Revenue		Segment Profit	
	January 1 to March 31, 2024	January 1 to March 31, 2023	January 1 to March 31, 2024	January 1 to March 31, 2023
Wireless telecommunication products department Central administration cost	<u>\$ 5,760,954</u>	<u>\$ 7,063,009</u>	\$ 280,974	\$ 236,646
Interest income			(163,377)	(162,733)
Other income			18,511	8,865
Other gains and losses			13,373	8,598
Finance cost			79,434	6,405
Share of profit of			(34,689)	(28,848)
			<u>12,621</u>	<u>7,703</u>

subsidiaries
and
associates
Profit before income tax

\$ 206,847 \$ 76,636

The departmental income reported above is generated from transactions with external customers. There are no inter-segment sales from January 1 to March 31, 2024 and 2023.

Departmental interests refer to the profits earned by each department, excluding apportioned headquarters management costs, interest income, other income, other benefits and losses, financial costs, the share of profits and losses of associated enterprises recognized using the equity method, and income tax expenses. This measure is provided to the chief operating decision-maker for the purpose of allocating resources to departments and measuring their performance.

(2) Total assets of the department

The measured amounts of assets and liabilities of the consolidated companies are not provided to the operating decision makers, so the measured amounts of segment assets and liabilities are zero.

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES FINANCING PROVIDED TO OTHERS FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 1

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No.	Financing Company Name	Borrower	Financial Statement Account	Related Parties	Parties Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limit (Note 1)
													Item	Value		
1	Gemtek Electronics	Gemtek	Short-term	Yes	\$ 72,732	\$ 72,732	\$ -	1.65%	2	\$ -	Operating	\$ -	-	-	\$ 78,359	\$ 78,359

	(Suzhou) Co. Ltd.	Electronics(Kunshan)Co., Ltd.	financing							capital						
2	AMBER Electronics (ChangShu) Co., Ltd.	Gemtek Electronics(Kunshan)Co., Ltd.	Short-term financing	Yes	440,800	440,800	440,800	1.65%	2	-	Operating capital	-	-	-	1,261,989	1,261,989
3	AMBER Electronics (ChangShu) Co., Ltd.	Gemtek Technology Co.	Other receivables	Yes	560,511	560,511	560,511	-	1	-	Operating capital	-	-	-	296,761	296,761

Note 1: According to the "Operation Procedures for Fund Loans to Others" of AMBER Electronics (Changshu) Co., Ltd. and Gemtek Electronics (Suzhou) Co., Ltd., foreign companies whose parent companies directly and indirectly hold 100% of the voting shares engage in fund loans. The total amount shall not exceed 100% of the net worth of the loan to the company, and the limit for individual objects shall not exceed 100% of the net worth of the loan to the company; for fund loans between the parent company and its subsidiaries, the authorized limit shall not exceed 10% of the net worth of the company's most recent financial statement.

Note 2: Fund loan and nature -

1. Fill in 1 if you have business dealings.
2. Fill in 2 if there is a need for short-term financing.

Note 3: The conversion is based on the exchange rate on the financial reporting date: US dollar: New Taiwan dollar = 1:32.00; RMB: New Taiwan dollar = 1:4.408.

Note 4: AMBER Electronic Technology (Changshu) Co., Ltd., a subsidiary of the company, has made a loan to Gemtek Technology Co., Ltd. Since the accounts receivable exceeded the normal credit period, the balance of the loan and balance was approved by the board of directors on March 13, 2024. The company has formulated a fund loan and over-limit improvement plan for individual targets and expects to repay all funds before the first quarter of 2025.

Note 5: All transactions listed in the above table have been eliminated when preparing consolidated financial statements.

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
SECURITIES HELD AT THE END OF THE PERIOD
FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 2

Unit: In Thousand US Dollars

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	At the End of The Period				Note
				Shares/Units (in Note thousands)	Carrying Value	Percentage of Ownership%	Fair Value	
Gemtek Technologies Co., Ltd.	<u>Stock</u>							
	TAI-SAW TECHNOLOGY CO., LTD.	None	Financial assets measured at fair value through other comprehensive profit or loss – non-current	691	\$ 19,208	0.67%	\$ 19,208	
	Green Packet Bhd.	None	"	26,273	8,534	2.81%	8,534	Preferred stock
	Greenwave holding, Inc.	None	"	3,965	6,392	0.96%	6,392	
	AIPTEK, Inc.	None	"	29	487	0.11%	487	
	Polaris Group	None	"	8,675	587,804	1.17%	587,804	
	PYRAS TECHNOLOGY INC.	The Corporation serves as corporate director	"	3,200	33,056	16.10%	33,056	
	GaN Power Technology Co., Ltd.	None	"	2,500	24,375	5.49%	24,375	
	AVIX TECHNOLOGY INC.	The Corporation serves as corporate director	"	600	33,420	6.00%	33,420	
	LIONIC CORP.	The Corporation serves as corporate director	"	1,425	7,539	6.47%	7,539	Common stock/Preferred stock
	SKSpruce Holding Limited	None	"	2,241	33,247	2.32%	33,247	
	Sky Phy Networks Limited	None	"	4,943	-	13.82%	-	
G-Technology Investment Co., Ltd.	Sanjet Technology Corp.	None	"	3,882	-	12.33%	-	Preferred stock
	<u>Stock</u>							
	Polaris Group	None	Financial assets measured at fair value through other comprehensive profit or loss – non-current	26,467	1,892,424 (USD 59,138)	3.56%	1,892,424 (USD 59,138)	
	GREENWAVE HOLDING INC	None	"	16,710	11,978 (USD 374)	4.05%	11,978 (USD 374)	Preferred stock
AMBER Electronics (ChangShu) Co., Ltd.	UBITUS Inc.	None	"	200	-	2.32%	-	
	<u>Fund</u>							

	Financial products	None	Financial assets measured at fair value through profit or loss – Current	44,000	201,319 (RMB 44,636)	-	201,319 (RMB 44,636)	
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Note 1: For information on investment subsidiaries and affiliated enterprises, please refer to Note 5 and Note 6.

Note 2: Conversion is based on the exchange rate on the financial report date: US dollar: NTD = 1:32.00; RMB: NTD = 1:4.408.

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$ 100 MILLION OR 20 % OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 3

Unit: In Thousands of New Taiwan Dollars/ US Dollars/ RMB. Unless Stated Otherwise

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Gemtek Technologies Co., Ltd.	Gemtek Electronics(Kunshan)Co., Ltd.	Investment in subsidiary through third region	Purchase and processing expenses	\$ 1,946,488	27%	Note 1	Note 1	Note 1	(\$ 1,479,829)	(33%)	Note 2
Gemtek Technologies Co., Ltd.	Gemtek Vietnam Co., Ltd.	Subsidiary	Purchase and processing expenses	2,857,266	39%	Note 1	Note 1	Note 1	1,332,326	30%	Note 2
Gemtek Electronics(Kunshan)Co., Ltd.	Gemtek Technologies Co., Ltd.	Parent company	Sale and processing income	(1,946,488)	(83%)	Note 1	Note 1	Note 1	1,479,829	80%	Note 2
Gemtek Vietnam Co., Ltd.	Gemtek Technologies Co., Ltd.	Parent company	Sale and processing income	(2,857,266)	(99%)	Note 1	Note 1	Note 1	(1,332,326)	(60%)	Note 2

Note 1: The company purchases goods from related parties or entrusts related parties to process and then repurchase finished products. This is part of the group's strategic division of labor. There is no obvious object for comparison in its transaction price. The payment period is based on the actual asset status of the company.

Note 2: The company's receivables and payments from related parties of Gemtek Electronics (Kunshan) Co., Ltd. and Gemtek Vietnam Co., Ltd. are presented as a net amount.

Note 3: All transactions listed in the above table have been eliminated when preparing consolidated financial statements.

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20 % OF THE PAID-IN CAPITAL
March 31, 2024

TABLE 4

Unit: Unless otherwise stated, all units are in thousands of New Taiwan Dollars

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment
					Amount	Actions Taken		
Gemtek Electronics (Kunshan) Co., Ltd	Gemtek Technologies Co.,Ltd.	Parent company	\$ 1,479,829	3.64	\$ -	-	\$ 649,099	\$ -
Gemtek Technologies Co.,Ltd.	Gemtek Vietnam Co., Ltd.	Subsidiary	1,332,326	9.89	-	-	337,726	-

Note: All transactions listed in the above table have been eliminated when preparing consolidated financial statements.

GEMTEK TECHNOLOGIES CO., LTD. AND SUB
SIDIARIES INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31,
2024

TABLE 5

Unit: Unless otherwise stated, all units are in thousands of NTD/USD

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		At the End of the Period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				At the End of The Period	At the End of 2023	Shares/Units (In Thousands)	%	Carrying Amount			
Gemtek Technologies Co., Ltd.	G-Technology Investment Co., Ltd.	Cayman Islands	Investment	\$ 773,127 (USD 23,600)	\$ 2,345,252 (USD 73,600)	23,600	100.00	\$ 4,132,961	(\$ 110,130)	(\$ 110,130)	Note 3
	Brightech International Co., Ltd.	Republic of Mauritius	Investment	207,969 (USD 6,145)	207,969 (USD 6,145)	6,145	100.00	63,094	(2,418)	(2,418)	Note 3
	AMPAK Technology Inc.	Hsinchu County, Taiwan	Telecommunications	510,303	510,303	20,001	30.20	1,132,677	64,764	16,581 (Note 1)	
	Wi Tek Investment Co., Ltd.	Cayman Islands	Investment	132,155 (USD 4,000)	132,155 (USD 4,000)	4,000	100.00	(2,385)	(963)	(963)	
	BROWAN Communications Incorporation	Hsinchu County, Taiwan	Telecommunications	442,154	442,154	20,214	50.44	616,928	9,775	2,933	Note 3
	Gemtek Vietnam Co., Ltd.	Vietnam	Telecommunications	1,227,684 (USD 40,000)	1,227,684 (USD 40,000)	-	100.00	1,887,190	60,526	60,526	Note 3
	ANTEK NETWORKS INC	New Taipei City, Taiwan	Telecommunications	10,800	9,000	1,080	16.62	6,428	(8,847)	(1,405)	
	Genix Networks Inc.	The United State	Telecommunications	30,720 (USD 1,000)	30,720 (USD 1,000)	1,000	90.91	41,268	13,125	11,932	Note 3
	BandRich Inc.	New Taipei City, Taiwan	Telecommunications	55,000	55,000	5,500	27.04	1,796	10	3	
	5V Technologies, Ltd.	Taipei City, Taiwan	Telecommunications	13,500	13,500	1,350	97.92	67,958	(431)	(605)	Note 3
G-Technology Investment Co., Ltd.	Ampak International Holdings Ltd.	Independent State of Samoa	Investment	1,099,843 (USD 35,561)	1,099,843 (USD 35,561)	36,000	100.00	1,261,989 (USD 39,437)	(1,074) (USD -34)	(1,074) (USD -34)	Note 3
	Gemtek CZ., s.r.o.	Czech Republic	Telecommunications	25,351 (USD 692)	25,351 (USD 692)	12,000	100.00	(10,689) (USD -334)	(4,437) (USD -141)	(4,437) (USD -141)	Note 3
	Primax Communication (B.V.I.) Inc.	British Virgin Islands	Investment	73,886 (USD 2,297)	73,886 (USD 2,297)	2,350	100.00	15,311 (USD 478)	(587) (USD -19)	(587) (USD -19)	Note 3
	PT. South Ocean	Indonesia	Telecommunications	7,838 (USD 238)	7,838 (USD 238)	24	95.00	2,936 (USD 92)	- USD -	- USD -	
	Free PP Worldwide Co., Ltd.	Seychelles	Investment	30,260 (USD 1,000)	30,260 (USD 1,000)	1,002	30.00	23,834 (USD 745)	(5,317) (USD -169)	(1,595) (USD -51)	
										(Note 2)	

Note 1: The net profit of the invested company of NT\$19,559,000 is recognized based on the shareholding ratio minus the current period amortization adjustment of NT\$2,978,000 for the identified intangible assets.

Note 2: The net loss of the invested company of NT\$422,000 is recognized based on the shareholding ratio, minus the current period amortization adjustment of NT\$183,000 for the identified intangible assets.

Note 3: Investment transactions between reinvested companies have been completely eliminated when preparing consolidated statements.

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE THREE MONTHS
ENDED MARCH 31, 2024

TABLE 6

Unit: Unless otherwise stated, all units are in thousands of NTD/USD

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Beginning of this period Accumulated remittance from Taiwan investment amount	Investment Flow		End of current period Remit accumulated investment amount from Taiwan	Investee company Profit and loss for the current period	The company's direct or indirect investment shareholding ratio	Investment Gain (Loss)	Carrying Amount at the End of the Period	As of this period Investment income repatriated	Note
					Outflow	Inflow							
Gemtek Electronics (Suzhou) Co. Ltd.	Manufacturing of wireless telecommunication products such as wireless network cards and wireless gateways	\$ 267,200 (USD 8,350)	An investee company – Brightech International Co Ltd & Primx Communication (BVI) Inc Reinvest in mainland China companies	\$ 266,208 (USD 8,319)	\$ -	\$ -	\$ 266,208 (USD 8,319)	(\$ 3,005) (USD 96)	100.00	(\$ 3,005) (USD 96)	\$ 78,359 (USD 2,449)	\$ -	Note 3 & 4
Gemtek Electronics (Kunshan) Co., Ltd	Manufacturing of wireless telecommunication products such as wireless network cards and wireless gateways	480,000 (USD 15,000)	An investee company – G-Technology Investment Co Ltd. Reinvest in mainland China companies	480,000 (USD 15,000)	-	-	480,000 (USD 15,000)	(14,721) (USD -468)	100.00	(14,721) (USD -468)	903,664 (USD 28,239)	-	Note 3 & 4
Browan Communications (Xi'An) Inc.	R&D, production , sales and provision of technical consulting and related services for wireless network products	128,000 (USD 4,000)	An investee company – Wi Tek Investment Co Ltd. Reinvest in mainland China companies	128,000 (USD 4,000)	-	-	128,000 (USD 4,000)	(963) (USD -31)	100.00	(963) (USD -31)	(2,391) (USD -75)	-	
Gemtek Electronics (ChangShu) Co., Ltd.	R&D, production , sales and provision of technical consulting and related services for wireless network products	1,152,000 (USD 36,000)	An investee company – G-Technology Investment Co Ltd. Reinvest in mainland China companies	1,152,000 (USD 36,000)	-	-	1,152,000 (USD 36,000)	(1,074) (USD -34)	100.00	(1,074) (USD -34)	1,261,989 (USD 39,437)	-	Note 3 & 4

Accumulated remittances from Taiwan at the end of this period Amount of investment in mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 2,004,160 USD 63,880 (Note 1)	\$ 2,012,160 USD 62,880	\$ 7,874,128 (Note 4)

Note 1: (1) The amount of investment remitted at the end of the period exceeded the investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs by USD 1,000,000, which was remitted by AMPAK Technology Co., Ltd., the original parent company of AMBER Electronic Technology (Changshu) Co., Ltd. in previous years.

(2) In July 2009, the company acquired AMPAK International, the overseas holding company of AMPAK Electronic Technology (Changshu) Co., Ltd., through the overseas company G-Technology Investment Co., Ltd. for US\$561,000 (equivalent to \$NT17,413,000). Holdings Ltd. 100% equity, approved by the Investment Review Committee of the Ministry of Economic Affairs No. 09800283840.

(3) The conversion exchange rate is based on the average spot buying/selling exchange rate of the Bank of Taiwan on March 31, 2024.

Note 2: For major transactions with mainland investee companies directly or indirectly through third-region entities: please refer to Note 3, 4 and 7.

Note 3: Calculated based on the investee company's financial statements reviewed by accountants on March 31, 2024.

Note 4: The upper limit of the cumulative amount of the company's investment in mainland China is calculated based on 60% of the consolidated net equity value.

Note 5: It has been eliminated when preparing the consolidated financial statements.

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY, AND THE CIRCUMSTANCES AND AMOUNTS OF ANY SIGNIFICANT TRANSACTIONS BETWEEN THEM

FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 7

Unit: Unless otherwise stated, all units are in thousands of NTD

No.	Name of Company Engaged in Business Transaction	Counterparty	Relationship	Business Transaction Status			
				Account	Amount	Transaction Terms	% to Total Asset
0	<u>January 1 to March 31, 2024</u> Gemtek Technologies Co., Ltd.	Gemtek Electronics(Kunshan) Co., Ltd	Parent company to subsidiary	Sales revenue—processing expense	\$ 1,946,488	Note 1	34%
				Accounts payable	1,479,829	Note 1	6%
		Gemtek CZ., s.r.o.	Parent company to subsidiary	Sales revenue—processing expense	38,367	Note 1	1%
				Other receivables	43,627	Note 1	-
		Gemtek Vietnam Co., Ltd.	Parent company to subsidiary	Sales revenue—processing expense	2,857,266	Note 1	50%
				Accounts receivable	1,332,326	Note 1	6%
		BROWAN Communications Incorporation	Parent company to subsidiary	Sales revenue—processing expense	10,755	Note 1	-
1	Gemtek Electronics (Suzhou) Co. Ltd.	AMBER Electronics(ChangShu) Co., Ltd.	Parent company to subsidiary	Accounts payable	11,403	Note 1	-
		Gemtek Electronics(Kunshan) Co., Ltd	Subsidiary to subsidiary	Other receivables	560,511	Note 2	2%
1	AMBER Electronics(ChangShu) Co., Ltd.	Gemtek Electronics(Kunshan) Co., Ltd	Subsidiary to subsidiary	Other receivables	72,732	Note 2	-
1	AMBER Electronics(ChangShu) Co., Ltd.	Gemtek Electronics(Kunshan) Co., Ltd	Subsidiary to subsidiary	Other receivables	440,800	Note 2	2%

Note 1: The company purchases goods from related parties or entrusts related parties to process and then repurchase finished products.

This is part of the group's strategic division of labor. There is no significant object for comparison in its transaction price. The payment period is based on the actual asset status of the company.

Note 2: Subject to agreement between both parties.

Note 3: All transactions listed in the above table have been eliminated when preparing consolidated financial statements.