

Gemtek Technologies Co., Ltd.
and Subsidiary Companies

Consolidated Financial
Statements and Audit Report
For the Three Months Ended June 30,
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 June 30, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to June 30 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 Note 13 of the consolidated financial statements, the financial statements of the non-significant subsidiaries included in the above financial statements for the same period have not been reviewed by accountants. Their total assets as of June 30, 2024 and 2023 are NT\$. 758,588 thousand yuan and 866,841 thousand yuan, accounting for 3.10% and 3.49% of the total consolidated assets respectively; the total liabilities were NT\$51,821 thousand and NT\$200,482 thousand respectively, accounting for 0.47% and 1.69% of the total consolidated liabilities respectively; its 2024 and 2023 From April 1 to June 30, 2024, the total comprehensive profits and losses from January 1 to June 30, 2023 were NT\$ (7,057) thousand, (8,305) thousand, NT\$2,718 thousand and (36,222) thousand yuan, accounting for (1.70%), 2.21%, 0.54% and 110.29% of the total consolidated comprehensive profit and loss respectively.

As stated in Note 14 to the consolidated financial statements, the balance of investments using the equity method as of June 30, 2024 was NT\$3,808,000, and its related investments using the equity method as of June 30, 2024 and 2023 The balances are NT\$34,659,000 and NT\$37,945,000 respectively, and are recognized using the equity method from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2023. The shares of net investment (profit) and loss are NT\$2,222,000, (3,857),000, (6,182),000 and (6,548),000, respectively, as well as the transfers disclosed in Notes 3 and 4 of the consolidated financial statements. Relevant information about investment enterprises is recognized and disclosed based on the financial statements of the invested company for the same period that have not been reviewed by accountants.

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 June 30, 2024 and 2023, and the consolidated financial performance and consolidated cash flow from January 1 to June 30, 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: August 9, 2024

GEMTEK TECHNOLOGY CO., LTD.
Parent Company and Subsidiaries Balance
Sheets June 30,2024 and 2023
(Expressed in thousands of New Taiwan
Dollars)

Code	Assets	June 30, 2024		December 31,2023		June 30,2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (note 4 and 6)	\$ 4,075,031	17	\$ 2,945,341	14	\$ 1,786,537	7
1110	Financial assets at fair value through profit or loss						
	- current (note 4 and 7)	225,034	1	309,590	2	-	-
1136	Financial assets at amortized cost-current (note 4, 9 and 31)	244,656	1	273,271	1	227,373	1
1150	Notes receivable(note 4, 10 and 24)	910	-	-	-	-	-
1170	Accounts receivable, net(note 4, 10 and 24)	8,016,906	33	6,748,271	31	9,081,495	36
1180	Accounts receivable from related parties (note 4, 24 and 30)	47,242	-	80,086	-	80,206	-
1200	Other receivables (note 4 and 30)	129,020	-	52,942	-	193,209	1
1220	Current tax assets (note 4 and 26)	8,562	-	6,886	-	212	-
130X	Inventories (note 4 and 11)	3,102,911	13	3,008,915	14	4,194,765	17
1460	Non-current Assets Held for Sale (note 4 and 12)	-	-	16,398	-	469,592	2
1470	Other current assets (note 4 and 18)	86,721	-	84,262	-	219,417	1
11XX	Total current assets	<u>15,936,993</u>	<u>65</u>	<u>13,525,962</u>	<u>62</u>	<u>16,252,806</u>	<u>65</u>
	NON-CURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income - non-current (note 4 and 8)	2,743,879	11	2,798,037	13	2,958,150	12
1535	Financial assets at amortized cost - non-current (note 4, 9 and 31)	56,955	-	28,252	-	20,000	-
1550	Investments accounted for using the equity method (note 4 ,13 and 14)	1,187,336	5	1,218,926	6	1,182,956	5
1600	Property, plant and equipment (note 4 and 15)	3,519,021	15	3,411,716	15	3,537,031	14
1755	Right-of-use assets (note 4 and 16)	344,435	2	335,961	2	360,295	2
1805	Goodwill (note 4 and 17)	245,224	1	245,224	1	265,224	1
1821	Other intangible assets	40,264	-	48,366	-	56,709	-
1840	Deferred tax assets (note 4 and 26)	78,172	-	86,400	-	41,406	-
1990	Other non-current assets (note 4 and 18)	285,976	1	271,284	1	192,080	1
15XX	Total non-current assets	<u>8,501,262</u>	<u>35</u>	<u>8,444,166</u>	<u>38</u>	<u>8,613,851</u>	<u>35</u>
1XXX	Total assets	<u>\$ 24,438,255</u>	<u>100</u>	<u>\$ 21,970,128</u>	<u>100</u>	<u>\$ 24,866,657</u>	<u>100</u>
Code	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (note 19)	\$ 1,605,463	7	\$ 951,855	4	\$ 1,658,630	7
2120	Current financial liabilities at fair value through profit or loss (note 7)	-	-	1,806	-	4,320	-
2130	Contract liabilities - current (note 4 and 24)	280,087	1	388,615	2	395,803	2
2170	Accounts payable	6,119,527	25	4,805,480	22	6,002,727	24
2219	Other payables (note 21 and 30)	1,411,461	6	778,239	4	1,521,522	6
2230	Current tax liabilities (note 4 and 26)	76,597	-	192,257	1	43,057	-
2280	Current lease liabilities (note 4 and 16)	93,475	-	94,742	-	19,129	-
2321	Current portion of convertible corporate bonds due within one year or one operating period (note 20)	954,213	4	-	-	-	-
2399	Other current liabilities (note 21)	67,648	-	55,540	-	486,971	2
21XX	Total current liabilities	<u>10,608,471</u>	<u>43</u>	<u>7,268,534</u>	<u>33</u>	<u>10,132,159</u>	<u>41</u>
	NON-CURRENT LIABILITIES						
2530	Bonds Payable (note 20)	-	-	1,226,783	6	1,412,373	6
2570	Deferred tax liabilities (note 4 and 26)	397,408	2	261,668	1	306,700	1
2580	Non-current lease liabilities (note 4 and 16)	3,131	-	5,806	-	13,084	-
2670	Other non-current liabilities (note 14 and 21)	14,448	-	11,746	-	1,746	-
25XX	Total non-current liabilities	<u>414,987</u>	<u>2</u>	<u>1,506,003</u>	<u>7</u>	<u>1,733,903</u>	<u>7</u>
2XXX	Total liabilities	<u>11,023,458</u>	<u>45</u>	<u>8,774,537</u>	<u>40</u>	<u>11,866,062</u>	<u>48</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (note 4, 23 and 28)						
	Share capital						
3110	Ordinary shares	4,120,118	17	4,001,211	18	3,944,745	16
3140	Capital collected in advance	37,167	-	54,846	-	-	-
3200	Capital surplus	5,525,295	23	5,329,633	24	5,114,278	21
	Retained earnings						
3310	Legal reserve	1,054,650	4	1,003,186	5	1,003,186	4
3320	Special reserve	195,638	1	195,638	1	195,638	1
3350	Unappropriated earnings	1,298,510	5	1,591,682	7	1,352,547	5
3300	Total retained earnings	<u>2,548,798</u>	<u>10</u>	<u>2,790,506</u>	<u>13</u>	<u>2,551,371</u>	<u>10</u>
3490	Other equity	827,440	3	663,200	3	997,480	4

31XX	Total equity attributable to owners of parent	13,058,818	53	12,839,396	58	12,607,874	51
36XX	Non-controlling interests (note 23)	<u>355,979</u>	<u>2</u>	<u>356,195</u>	<u>2</u>	<u>392,721</u>	<u>1</u>
3XXX	Total equity	<u>13,414,797</u>	<u>55</u>	<u>13,195,591</u>	<u>60</u>	<u>13,000,595</u>	<u>52</u>
	Total liabilities and equity	<u>\$ 24,438,255</u>	<u>100</u>	<u>\$ 21,970,128</u>	<u>100</u>	<u>\$ 24,866,657</u>	<u>100</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 August 9, 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

IncomeFor January 1 to June 30,2024

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

代 碼		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		金 額	%	金 額	%	金 額	%	金 額	%
4000	Operating Revenue (note 4,24, and 30)	\$ 7,609,850	100	\$ 7,013,592	100	\$ 13,370,804	100	\$ 14,076,601	100
5000	Operating Costs (note 11, 22, 25 and 30)	(6,714,135)	(88)	(6,144,100)	(88)	(11,785,670)	(88)	(12,566,853)	(90)
5900	Gross Profit	895,715	12	869,492	12	1,585,134	12	1,509,748	10
	Operating Expenses (note 22, 25 and 30)								
6100	Selling Expenses	(137,293)	(2)	(132,752)	(2)	(265,276)	(2)	(250,995)	(2)
6200	General and Administrative Expenses	(180,048)	(2)	(185,276)	(2)	(343,425)	(3)	(348,009)	(2)
6300	Research and development expenses	(309,003)	(4)	(270,127)	(4)	(584,039)	(4)	(502,476)	(4)
6450	Expected Credit Losses Recognized on Receivables	3,980	-	-	-	(1,446)	-	(53,018)	-
6000	Total Operating Expenses	(622,364)	(8)	(588,155)	(8)	(1,194,186)	(9)	(1,154,498)	(8)
6900	Profit from Operations	273,351	4	281,337	4	390,948	3	355,250	2
	Non-operating Income and Expenses								
7100	Interest Income (note 25)	34,691	-	15,869	-	53,202	1	24,734	-
7010	Other Income (note 25 and 30)	5,176	-	14,148	-	18,549	-	22,746	-
7020	Other gains and losses (note 25)	86,145	1	86,569	1	165,579	1	92,974	1
7050	Finance costs (note 25)	(27,401)	-	(40,014)	-	(62,090)	-	(68,862)	-
7060	Share of profit of subsidiaries and associates (note 4 and 14)	12,946	-	17,225	1	25,567	-	24,928	-
7000	Total non-operating income and expenses	111,557	1	93,797	2	200,807	2	96,520	1
7900	Profit before income tax	384,908	5	375,134	6	591,755	5	451,770	3
7950	Income tax (note 4 and 26)	(86,534)	(1)	(70,724)	(1)	(218,356)	(2)	(101,595)	-
8200	Net profit for the period	298,374	4	304,410	5	373,399	3	350,175	3
	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	67,303	1	(625,464)	(9)	(106,430)	(1)	(328,291)	(2)
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of the financial statements of foreign operations	61,747	-	(55,146)	(1)	299,456	2	(54,763)	(1)
8370	Share of other comprehensive income/(loss) of subsidiaries and associates accounted for using the equity method	(23)	-	50	-	(95)	-	36	-

8399	Income tax related to items that may be reclassified subsequently to profit or loss (note 26)	(<u>12,341</u>)	<u>-</u>	<u>-</u>	<u>-</u>	(<u>59,840</u>)	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>116,686</u>	<u>1</u>	(<u>680,560</u>)	(<u>10</u>)	<u>133,091</u>	<u>1</u>	(<u>383,018</u>)	(<u>3</u>)
8500	Total comprehensive income	<u>\$ 415,060</u>	<u>5</u>	(<u>\$ 376,150</u>)	(<u>5</u>)	<u>\$ 506,490</u>	<u>4</u>	(<u>\$ 32,843</u>)	<u>-</u>
	Profit, attributable to:								
8610	Profit, attributable to owners of parent	\$ 302,912	4	\$ 310,552	4	\$ 373,868	3	\$ 372,091	2
8620	Loss attributable to non-controlling interests	(<u>4,538</u>)	<u>-</u>	(<u>6,142</u>)	<u>-</u>	(<u>469</u>)	<u>-</u>	(<u>21,916</u>)	<u>-</u>
8600		<u>\$ 298,374</u>	<u>4</u>	<u>\$ 304,410</u>	<u>4</u>	<u>\$ 373,399</u>	<u>3</u>	<u>\$ 350,175</u>	<u>2</u>
	Total comprehensive profit and loss is attributable to:								
8710	Comprehensive income, attributable to owners of parent	\$ 419,576	5	(\$ 370,008)	(5)	\$ 506,798	4	(\$ 10,927)	-
8720	Comprehensive loss attributable to non-controlling interests	(<u>4,516</u>)	<u>-</u>	(<u>6,142</u>)	<u>-</u>	(<u>308</u>)	<u>-</u>	(<u>21,916</u>)	<u>-</u>
8700		<u>\$ 415,060</u>	<u>5</u>	(<u>\$ 376,150</u>)	(<u>5</u>)	<u>\$ 506,490</u>	<u>4</u>	(<u>\$ 32,843</u>)	<u>-</u>
	Earnings per share (note 27)								
9750	Basic earnings per share	<u>\$ 0.74</u>		<u>\$ 0.79</u>		<u>\$ 0.92</u>		<u>\$ 0.95</u>	
9850	Diluted earnings per share	<u>\$ 0.68</u>		<u>\$ 0.70</u>		<u>\$ 0.85</u>		<u>\$ 0.83</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 August 9, 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 June 30, 2024
(Expressed in thousands of New Taiwan Dollars)

		Other Equity (Note 23 and 28)												
		Share Capital (Note 23)			Capital Reserve	Retained Earnings (Note 23)			Statements of	Unrealized Valuation			Non-controlling Equity	
Code		Number of shares (thousands of shares)	Amount	Capital received in advance	(NOTE 23)	Legal Reserve	Special Reserve	unappropriated Earnings	On translation of financial statements	Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive income	Unearned Employee Compensation	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
B1	Appropriation of 2022 earnings													
B5	Legal reserve	-	-	-	-	59,418	-	(59,418)	-	-	-	-	-	-
	Cash dividends to shareholders of the Company	-	-	-	-	-	-	(591,712)	-	-	-	-	-	(591,712)
	Subtotal	-	-	-	-	59,418	-	(651,130)	-	-	-	-	-	(591,712)
D1	Net profit for January 1 to June 30, 2023	-	-	-	-	-	-	372,091	-	-	-	-	(21,916)	350,175
D3	Other comprehensive income for January 1 to June 30, 2023	-	-	-	-	-	-	-	(54,727)	(328,291)	-	(383,018)	-	(383,018)
D5	Total comprehensive income/(loss) for January 1 to June 30, 2023	-	-	-	-	-	-	372,091	(54,727)	(328,291)	-	(383,018)	(21,916)	(32,843)
M7	Changes in ownership of the equity subsidiaries	-	-	-	951	-	-	-	-	-	-	-	-	951
I1	The Company's issuance of convertible corporate bonds recognizes equity components	-	-	-	133,101	-	-	-	-	-	-	-	-	133,101
N1	Cancelation of restricted share plan for employees	(172)	(1,720)	-	(2,839)	-	-	-	-	-	4,559	4,559	-	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive profit or loss	-	-	-	-	-	-	(96,590)	-	96,590	-	96,590	-	-
O1	Changes of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	108,817	108,817
T1	Share-based payment expenses	-	-	-	-	-	-	-	-	-	3,419	3,419	-	3,419
Z1	Balance At June 30, 2023	394,474	\$ 3,944,745	\$ -	\$ 5,114,278	\$ 1,003,186	\$ 195,638	\$ 1,352,547	(\$ 402,614)	\$ 1,400,811	(\$ 717)	\$ 997,480	\$ 392,721	\$ 13,000,595
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
B1	Appropriation of 2023 earnings													
B5	Legal reserve	-	-	-	-	51,464	-	(51,464)	-	-	-	-	-	-
	Cash dividends to shareholders of the Company	-	-	-	-	-	-	(615,576)	-	-	-	-	-	(615,576)
	Subtotal	-	-	-	-	51,464	-	(667,040)	-	-	-	-	-	(615,576)
D1	Net profit for January 1 to June 30, 2024	-	-	-	-	-	-	373,868	-	-	-	-	(469)	373,399
D3	Other comprehensive income/(loss) for January 1 to June 30, 2024	-	-	-	-	-	-	-	239,360	(106,430)	-	132,930	161	133,091
D5	Total comprehensive income/(loss) for January 1 to June 30, 2024	-	-	-	-	-	-	373,868	239,360	(106,430)	-	132,930	(308)	506,490

M7	Changes in ownership of the equity subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,901</u>
I1	Corporate bond converted to ordinary shares	<u>11,891</u>	<u>118,907</u>	<u>(17,679)</u>	<u>182,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,989</u>
O1	Changes of non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
T1	Share-based payment expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,310</u>	<u>31,310</u>	<u>-</u>	<u>-</u>	<u>31,310</u>
Z1	Balance At June 30, 2024	<u>412,012</u>	<u>\$ 4,120,118</u>	<u>\$ 37,167</u>	<u>\$ 5,525,295</u>	<u>\$ 1,054,650</u>	<u>\$ 195,638</u>	<u>\$ 1,298,510</u>	<u>(\$ 189,612)</u>	<u>\$ 1,090,237</u>	<u>(\$ 73,185)</u>	<u>\$ 827,440</u>	<u>\$ 355,979</u>	<u>\$ 13,414,797</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 August 9, 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 FlowsFor

January 1 to June 31,2024

(Expressed in thousands of New Taiwan Dollars)

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax	\$ 591,755	\$ 451,770
A20010	Adjustments for:		
A20100	Depreciation expense	281,565	245,528
A20200	Amortization expense	96,365	90,733
A20300	Expected credit losses recognized on receivables expense	1,446	53,018
A20400	Net (gain)/loss on fair value changes of financial [assets/liabilities] at fair value through profit or loss	706	(4,064)
A20900	Finance costs	62,090	68,862
A21200	Interest income	(53,202)	(24,734)
A21900	Share-based payment expenses	31,520	3,456
A22300	Share of profit of subsidiaries and associates	(25,567)	(24,928)
A22500	Loss on disposal of property, plant and equipment	46,801	14,516
A23000	Gain on disposal of non-current assets held for sale	(20,620)	-
A23800	Reversal of write-down of inventories	(40,157)	25,608
A24100	Net gain on foreign currency exchange	(76,406)	(75,335)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(910)	-
A31150	Accounts receivable	(1,154,978)	385,811
A31160	Accounts receivable from related parties	33,189	(20,271)
A31180	Other receivables	(6,680)	(292,011)
A31200	Inventories	89,314	395,272
A31240	Other current assets	(1,394)	21,725
A31990	Prepaid pension	(1,074)	(1,108)
A32125	Contract liabilities	(97,189)	66,439
A32150	Accounts payable	1,128,367	(1,167,516)
A32160	Accounts payable to related parties	-	1,604
A32180	Other payables	(16,756)	(57,737)
A32190	Other payables - related parties	(5,326)	2,242
A32230	Other current liabilities	(537)	436,892
A33000	Cash generated from operations	862,322	595,772
A33100	Interest received	53,806	27,481

(Continued)

(Brought forward)

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
A33300	Interest paid	(\$ 48,546)	(\$ 54,455)
A33500	Income tax paid	(191,724)	(92,525)
AAAA	Net cash generated from operating activities	<u>675,858</u>	<u>476,273</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00040	Acquiring financial assets measured at amortized cost	(88)	(224,141)
B00100	Acquisition of financial assets measured at fair value through profit or loss	(20,204)	-
B00200	Disposal of financial assets measured at fair value through profit or loss	121,223	-
B01800	Acquisition of investment accounted for using equity method	(1,800)	-
B02000	Increase in prepaid long-term investments	(112,000)	-
B02600	Proceeds from disposal of non-current assets held for sale	37,320	-
B02700	Acquisition of property, plant and equipment	(347,371)	(252,768)
B02800	Proceeds from disposal of property, plant and equipment	49,932	67,776
B03700	(Increase) decrease in refundable deposits	(322)	1,383
B06700	Decrease (increase) in other non-current assets	<u>10,817</u>	(<u>125,410</u>)
BBBB	Net cash used in investing activities	(<u>262,493</u>)	(<u>533,160</u>)
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase (decrease) in short-term borrowings	642,916	(867,575)
C01200	Issuance of convertible corporate bonds	-	1,551,957
C04020	Repayment of the principal portion of lease liabilities	(9,011)	(8,704)
C04300	(Decrease) increased in other non-current liabilities	(6,871)	41
C05800	Changes in non-controlling interests	(<u>6</u>)	<u>108,817</u>
CCCC	Net cash generated from financing activities	<u>627,028</u>	<u>784,536</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>89,297</u>	<u>49,387</u>

EEEE	NET IECREASE IN CASH AND CASH EQUIVALENTS	1,129,690	777,036
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,945,341</u>	<u>1,009,501</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,075,031</u>	<u>\$ 1,786,537</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 August 9, 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 June 30,
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 August 9, 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
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (note 1)

Note 1: 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.

Amendment to IAS 21 "Lack of Convertibility"

The amendment stipulates that a currency is convertible when an enterprise is able to exchange one currency for another currency through an exchange transaction with enforceable rights and obligations established through the market or exchange mechanism within the time frame of normal administrative delays. When currencies are not convertible on the measurement date, the combined company should estimate spot exchange rates to reflect the exchange rates that would be used by market participants to conduct orderly transactions on the measurement date, taking into account prevailing economic conditions. In such cases, the combined company should also disclose information that enables users of financial statements to assess how the lack of currency convertibility has affected or is expected to affect its results of operations, financial position and cash flows.

(3) IFRS accounting standards that have been issued by the IASB but have not yet been approved by the Financial Supervisory Commission and issued as effective

New, Amended and Revised Standards and Interpretations	Effective Date per IASB (note 1)
"Annual Improvement of IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Asset sales or contributions between investors and their affiliates or joint ventures"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries not publicly accountable: Disclosure"	January 1, 2027

Note 1: Unless otherwise stated, the above newly released/amended/revised standards or interpretations are effective for the annual reporting period starting after each respective date.

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 matters, and classify and aggregate them on the basis of common characteristics so that the main Each line item presented in the financial statements 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 merged company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the merged company's overall financial performance to users of financial statements, it should include a single note in the financial statements. Disclose 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 income tax and non-controlling interest effects of related reconciliation items.

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 its 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. Non-current assets to be sold

The carrying amount of a non-current asset (or disposal group) is classified as held for sale when it is expected to be recovered primarily through a sale transaction rather than continued use. To qualify for this classification, non-current assets (or disposal groups) must be available for immediate sale in their current condition, and their sale must be highly probable. A sale is considered highly probable when an appropriate level of management is committed to a plan to sell the asset and the sale is expected to be completed within one year from the classification date.

2. Determine benefits and post-retirement benefits

The pension cost during the interim period is calculated based on the actuarially determined pension cost rate at the end of the previous year, from the beginning of the year to the end of the current period, and takes into account the significant market fluctuations in the current period, as well as major plan amendments, liquidations or other major changes. Adjustments will be made for one-time matters.

3. Income tax expenses

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on interim pre-tax benefits at the tax rate applicable to the expected total earnings for the year.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 2,413	\$ 2,753	\$ 1,856
Checking accounts and demand deposits	3,027,918	1,886,955	1,659,195
Cash equivalents			
Time deposits with original maturities of less than 3 months	1,044,700	1,055,633	125,486
	<u>\$ 4,075,031</u>	<u>\$ 2,945,341</u>	<u>\$ 1,786,537</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative assets	\$ 224,637	\$ 309,590	\$ -
Hybrid Financial Assets			
— Convertible Bonds	397	-	-
	<u>\$ 225,034</u>	<u>\$ 309,590</u>	<u>\$ -</u>
<u>Financial liabilities - current</u>			
Designated at fair value through profit or loss measure			
Corporate debt payable			
-Conversion option	\$ -	\$ 1,806	\$ 4,320

VIII. Financial assets measured at fair value through other comprehensive gains and losses

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Non-current</u>			
Domestic Investments			
Listed shares	\$ 2,591,658	\$ 2,641,777	\$ 2,851,297
Unlisted shares	<u>98,432</u>	<u>98,390</u>	<u>46,495</u>
Total	<u>2,690,090</u>	<u>2,740,167</u>	<u>2,897,792</u>
Overseas Investment			
Listed shares	8,668	6,738	5,032
Unlisted shares	<u>45,121</u>	<u>51,132</u>	<u>55,326</u>
Total	<u>53,789</u>	<u>57,870</u>	<u>60,358</u>
	<u>\$ 2,743,879</u>	<u>\$ 2,798,037</u>	<u>\$ 2,958,150</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 aforementioned long-term investment plan, and therefore chooses to designate these investments as measured at fair value through other comprehensive profits and losses.

IX. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Domestic Investment			
Time deposits with original maturities of more than 3 months	<u>\$ 244,656</u>	<u>\$ 273,271</u>	<u>\$ 227,373</u>
<u>Non-current</u>			
Domestic Investment			
Time deposits with original maturities of more than 3 months	<u>\$ 56,955</u>	<u>\$ 28,252</u>	<u>\$ 20,000</u>

For information on pledges of financial assets measured at amortized cost, please refer to Note 31.

X. ACCOUNTS RECEIVABLE

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Bills Receivable</u>			
Occurs due to business	\$ <u>910</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Accounts Receivable</u>			
At amortized cost			
Total carrying amount	\$ 8,054,196	\$ 6,784,115	\$ 9,119,958
Less: Allowance for impairment loss	(<u>37,290</u>)	(<u>35,844</u>)	(<u>38,463</u>)
	\$ <u>8,016,906</u>	\$ <u>6,748,271</u>	\$ <u>9,081,495</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:

June 30, 2024

	Not Overdue	Less than 180 Days	181 ~ 365 Days	Over 366 Days	Total
Expected Credit Loss					
Rate	0.01%	3.45%	-	100%	
Gross carrying amount	\$ 8,008,194	\$ 10,673	\$ 410	\$ 35,829	\$ 8,055,106
Loss allowance					
(Lifetime ECL)	(<u>1,093</u>)	(<u>368</u>)	<u>-</u>	(<u>35,829</u>)	(<u>37,290</u>)
Amortized cost	<u>\$ 8,007,101</u>	<u>\$ 10,305</u>	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ 8,017,816</u>

December 31, 2023

	Not Overdue	Less than 180 Days	181 ~ 365 Days	Over 366 Days	Total
Expected Credit Loss					
Rate	-	0.00%	-	100%	
Gross carrying amount	\$ 6,622,777	\$ 125,498	\$ -	\$ 35,840	\$ 6,784,115
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>

June 30, 2023

	Not Overdue	Less than 180 Days	181 ~ 365 Days	Over 366 Days	Total
Expected Credit Loss					
Rate	-	-	-	100%	
Gross carrying amount	\$ 8,864,539	\$ 216,956	\$ -	\$ 38,463	\$ 9,119,958
Loss allowance					
(Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	(<u>38,463</u>)	(<u>38,463</u>)
Amortized cost	<u>\$ 8,864,539</u>	<u>\$ 216,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,081,495</u>

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance, beginning of year	\$ 35,844	\$ 7,941
Add: Provision for impairment losses in the current period	1,446	53,018
Less: This period is reclassified to collections	-	(22,419)
Less: Foreign currency exchange difference	-	(77)
Balance, end of year	<u>\$ 37,290</u>	<u>\$ 38,463</u>

XI. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 408,173	\$ 296,742	\$ 563,652
Work in process	559,997	343,706	510,848
Raw materials and supplies	2,040,140	2,232,158	3,061,604
Inventory in transit	<u>94,601</u>	<u>136,309</u>	<u>58,661</u>
	<u>\$ 3,102,911</u>	<u>\$ 3,008,915</u>	<u>\$ 4,194,765</u>

The cost of goods sold related to inventory from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2023, is 6,714,135 thousand yuan, 6,144,100 thousand yuan, 11,785,670 thousand yuan and 12,566,853 thousand yuan. Cost of goods sold including inventory depreciation and sluggish losses (recovery profits) were (72,532) thousand yuan, 3,903 thousand yuan, (40,157) thousand yuan and 25,608 thousand yuan respectively. Inventory depreciation and sluggish recovery profits are mainly caused by the sale of inventory for which depreciation losses have been provided.

XII. Non-current assets for sale

	June 30, 2024	December 31, 2023	June 30, 2023
Property, Plant and Equipment	\$ -	\$ -	\$ 438,354
Right-of-use assets – land	<u>-</u>	<u>16,398</u>	<u>31,238</u>

\$ - \$ 16,398 \$ 469,592

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 June 30, 2024, the merged company has completed the delivery procedures and removed related assets. The disposal price is 37,320 thousand yuan and the disposal profits are 20,620 thousand yuan.

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		
			June 30, 2024	December 31, 2023	June 30, 2023
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.	Investment	-	-	100%
Gemtek Technologies Co., Ltd.	Gemtek Vietnam Co., Ltd.	Telecommunications	100%	100%	100%
Gemtek Technologies Co., Ltd.	BROWAN Communications Incorporation	Telecommunications	50.44%	50.44%	35.73%
Gemtek Technologies Co., Ltd.	5V Technologies, Ltd.	Telecommunications	97.92%	97.92%	-
Gemtek Technologies Co., Ltd.	Genix Networks Inc. (Formerly known as Lionix Networks Inc.)	Telecommunications	90.91%	90.91%	-
Gemtek Investment Co., Ltd.	5V Technologies, Ltd.	Telecommunications	-	-	97.92%
Gemtek Investment Co., Ltd.	BROWAN Communications Incorporation	Telecommunications	-	-	14.71%
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.,	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.	Telecom mu nicatio ns	100%	100%	100%
Primax Communication (B.V.I.) Inc.	Gemtek Electronics Suzhou Co.Ltd.	Telecom mu nicatio ns	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 cash capital increases of Gemtek Vietnam Co., Ltd. on June 4, 2024 and September 28, 2023, totaling 323,950 thousand yuan (USD 10,000 thousand) and 319,300 thousand yuan (USD 10,000 thousand) respectively. The company subscribes 100% and holds 100% of the shares.

Except for the above-mentioned subsidiaries included in the consolidated financial statements of June 30, 2024 and 2023, except Prolo 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		
			June 30, 2024	December 31, 2023	June 30, 2023
Gemtek Technologies Co., Ltd.	Wi Tek Investment Co., Ltd.	Investment	100%	100%	100%
G-Technology Investment Co., Ltd.	PT. South Ocean	Telecommunications	95%	95%	95%
Wi Tek Investment Co., Ltd.	Browan Communications (Xi'An) Inc.	Telecommunications	100%	100%	100%

On June 30, 2024, December 31, and June 30, 2023, the combined company held 100% of the shares of Wi Tek Investment Co., Ltd., and its total assets were NTD6,000 thousand, 6,000 thousand, and 720 thousand, respectively, accounting for 0%, 0% and 0.003% of the consolidated assets respectively. The operating income was all 0, accounting for 0% of the total consolidated operating income. Therefore, the company was not incorporated into the consolidated financial statements.

On June 30, 2024, December 31, and June 30, 2023, the combined company held 95% of the shares of PT. South Ocean, and its total assets were NTD2,977 thousand, 2,818 thousand and 2,858 thousand respectively, accounting for The consolidated assets were all 0.01%, and the operating income was 0, accounting

for 0% of the total consolidated operating income, so the company was not included in the consolidated financial statements.

On June 30, 2024, December 31, 2023 and June 30, 2023, the merged company held 100% of the shares of Pro Communication (Xi'an) Co., Ltd. through Wi Tek Investment Co., Ltd., and its total assets were respectively NTD8,740 thousand, 10,616 thousand and 8,215 thousand, accounting for 0.04%, 0.05% and 0.03% of the consolidated assets respectively. The operating income from January 1 to June 30, 2024 and 2023 are NTD1,020 thousand and 799 thousand respectively, accounting for 0.04%, 0.05% and 0.03% of the consolidated assets. The total operating income was 0.008% and 0.006% respectively, so the company was not included in the consolidated financial statements.

XIV. Investments using the equity method

	June 30, 2024	December 31, 2023	June 30, 2023
Investment in subsidiaries	\$ 2,977	\$ 2,818	\$ 3,578
Investment in associates	<u>1,184,359</u>	<u>1,216,108</u>	<u>1,179,378</u>
	<u>\$ 1,187,336</u>	<u>\$ 1,218,926</u>	<u>\$ 1,182,956</u>

(I) Investment in subsidiaries

	June 30, 2024	December 31, 2023	June 30, 2023
Unlisted Company			
Wi Tek Investment Co., Ltd.	(\$ 3,808)	(\$ 1,350)	\$ 720
PT. South Ocean	<u>2,977</u>	<u>2,818</u>	<u>2,858</u>
	(831)	1,468	3,578
Add: Account for other liabilities	<u>3,808</u>	<u>1,350</u>	<u>-</u>
	<u>\$ 2,977</u>	<u>\$ 2,818</u>	<u>\$ 3,578</u>

Proportion of ownership and voting rights:

	June 30, 2024	December 31, 2023	June 30, 2023
WiTek Investment Co., Ltd.	100%	100%	100%
PT. South Ocean	95%	95%	95%

The profit and loss and other comprehensive profit and loss shares of subsidiaries that adopt the equity method from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, are based on the undisclosed profits and losses of each subsidiary during the same period. Recognition of financial reports reviewed by accountants.

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

(II) Investments in associates

	June 30, 2024	December 31, 2023	June 30, 2023
Material associate			
AMPAK			
Technology	\$ 1,152,677	\$ 1,185,921	\$ 1,145,011
Individually insignificant associated enterprises			
Free PP Worldwide Co.,Ltd.	23,795	22,516	24,852
BANDR ICH, INC.	1,592	1,792	2,418
ANTEK NETWORKS	6,295	5,879	7,097
	<u>\$ 1,184,359</u>	<u>\$ 1,216,108</u>	<u>\$ 1,179,378</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 NTD1,800, and the company's shareholding ratio increased from 15.25% to 16.62%.

1. Material associate:

	Proportion of ownership and voting rights		
	December 31,		
Company Name	June 30, 2024	2023	June 30, 2023
AMPAK	30.20%	30.20%	30.20%

Technology Inc.

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

Company Name	Proportion of ownership and voting rights		
	June 30, 2024	December 31, 2023	June 30, 2023
AMPAK Technology Inc.	<u>\$ 2,830,084</u>	<u>\$ 2,400,071</u>	<u>\$ 1,680,050</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.

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 2,524,547	\$ 2,038,225	\$ 2,396,716
Non-current assets	1,015,304	995,860	934,767
Current liabilities	(1,024,422)	(698,103)	(1,205,311)
Non-current liabilities	(653,836)	(384,031)	(319,333)
Equity	<u>\$ 1,861,593</u>	<u>\$ 1,951,951</u>	<u>\$ 1,806,839</u>
Proportion of the Group's ownership	30.20%	30.20%	30.20%
Equity attributable to the Group	\$ 562,203	\$ 589,489	\$ 545,665
Goodwill	<u>590,474</u>	<u>596,432</u>	<u>599,346</u>
Carrying amount	<u>\$ 1,152,677</u>	<u>\$ 1,185,921</u>	<u>\$ 1,145,011</u>

January 1 to June

January 1 to June

	30, 2024	30, 2023
Operating revenue	<u>\$ 1,127,249</u>	<u>\$ 1,021,131</u>
Net profit for the year	\$ 124,850	\$ 123,938
Other comprehensive income	(<u>19,876</u>)	<u>5,056</u>
Total comprehensive income for the year	<u>\$ 104,974</u>	<u>\$ 128,994</u>

2. Aggregate information of associates that are not individually material

	January 1 to June 30, 2024	January 1 to June 30, 2023
Share of the merged company		
Total comprehensive profit and loss	(\$ <u>3,819</u>)	(\$ <u>3,938</u>)

The profit and loss and other comprehensive profit and loss shares of affiliated enterprises that adopt the equity method from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, except for Zhengji Technology Co., Ltd. Except for the recognition based on financial reports reviewed by accountants for the same period, the rest are recognized based on financial reports not reviewed by accountants for the same period.

XV. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Equipment	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	112,308	82,157	58,033	252,768
Disposals	-	-	(124,529)	(277,051)	-	(401,580)
Reclassification	-	112,918	194,903	8,223	(316,044)	-
Reclassify to Pending Sale	-	(861,222)	-	(52,770)	-	(913,992)
Effect of foreign currency exchange differences	-	(25,181)	(301,074)	58,704	(54,715)	(322,266)
Balance on June 30, 2023	<u>\$ 368,719</u>	<u>\$ 2,517,804</u>	<u>\$ 2,491,554</u>	<u>\$ 1,334,694</u>	<u>\$ 39,084</u>	<u>\$ 6,751,855</u>

(Continued)

(Brought forward)

	Land	Buildings	Machinery and Equipment	Other Equipment	Unfinished project and equipment to be inspected	Total
<u>Accumulated depreciation and impairment</u>						
Balance on January 01, 2023	\$ -	\$ 1,613,994	\$ 1,411,880	\$ 1,068,546	\$ -	\$ 4,094,420
Disposals	-	-	(98,615)	(220,673)	-	(319,288)
Depreciation expenses	-	57,480	102,670	74,904	-	235,054
Reclassify to Pending Sale	-	(447,254)	-	(28,384)	-	(475,638)
Effect of foreign currency exchange differences	-	(18,753)	(282,936)	(18,035)	-	(319,724)
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 1,205,467</u>	<u>\$ 1,132,999</u>	<u>\$ 876,358</u>	<u>\$ -</u>	<u>\$ 3,214,824</u>
Net value on June 30, 2023	<u>\$ 368,719</u>	<u>\$ 1,312,337</u>	<u>\$ 1,358,555</u>	<u>\$ 458,336</u>	<u>\$ 39,084</u>	<u>\$ 3,537,031</u>
<u>Cost</u>						
Balance on January 01, 2024	\$ 368,719	\$ 2,551,810	\$ 2,521,759	\$ 1,360,056	\$ 83,700	\$ 6,886,044
Additions	-	184,297	102,380	41,622	19,072	347,371
Disposals	-	-	(200,945)	(194,124)	-	(395,069)
Reclassification	-	7,216	9,207	5,914	(15,127)	7,210
Effect of foreign currency exchange differences	-	58,076	133,567	37,746	4,620	234,009
Balance on June 30, 2024	<u>\$ 368,719</u>	<u>\$ 2,801,399</u>	<u>\$ 2,565,968</u>	<u>\$ 1,251,214</u>	<u>\$ 92,265</u>	<u>\$ 7,079,565</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 01, 2024	\$ -	\$ 1,248,279	\$ 1,310,831	\$ 915,218	-	\$ 3,474,328
Disposals	-	-	(164,176)	(134,160)	-	(298,336)
Reclassification	-	-	-	3,190	-	3,190
Depreciation expense	-	47,600	147,819	75,981	-	271,400
Effect of foreign currency exchange differences	-	26,396	60,512	23,054	-	109,962
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 1,322,275</u>	<u>\$ 1,354,986</u>	<u>\$ 883,283</u>	<u>\$ -</u>	<u>\$ 3,560,544</u>
Net value on December 31, 2023 and January 1, 2024	<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>
Net value on June 30, 2024	<u>\$ 368,719</u>	<u>\$ 1,479,124</u>	<u>\$ 1,210,982</u>	<u>\$ 367,931</u>	<u>\$ 92,265</u>	<u>\$ 3,519,021</u>

There is no indication of impairment from January 1 to June 30, 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 building	50 years
Others	3 ~ 50 years
Machinery and Equipment	2 ~ 10 years
Other Equipment	2~10 years

XVI. LEASE ARRANGEMENTS

(I) Right-of-use Assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Carrying amount of right-of-use assets			
Land	\$ 330,886	\$ 314,238	\$ 329,191
Buildings	11,967	19,262	27,362
Transportation equipment	<u>1,582</u>	<u>2,461</u>	<u>3,742</u>
	<u>\$ 344,435</u>	<u>\$ 335,961</u>	<u>\$ 360,295</u>
	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>
Additions to right-of-use assets			<u>\$ 826</u>
Depreciation charge for right-of-use assets			<u>\$ 13,076</u>
Land	\$ 555	\$ 668	\$ 1,095
Buildings	3,944	3,853	7,782
Transportation equipment	<u>660</u>	<u>730</u>	<u>1,288</u>
	<u>\$ 5,159</u>	<u>\$ 5,251</u>	<u>\$ 10,165</u>
			<u>\$ 10,474</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 June 30, 2023.

(II) Lease Liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts			
Current	<u>\$ 93,475</u>	<u>\$ 94,742</u>	<u>\$ 19,129</u>
Non-current	<u>\$ 3,131</u>	<u>\$ 5,806</u>	<u>\$ 13,084</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Buildings	0.67%~4.34%	0.67%~4.34%	0.69%~4.34%
Transportation equipment	0.67%~7.80%	0.67%~4.41%	0.67%~4.31%

(III) Other lease information

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Total cash outflow for leases	(<u>\$ 4,623</u>)	(<u>\$ 4,648</u>)	(<u>\$ 9,176</u>)	(<u>\$ 9,034</u>)

XVII. GOODWILL

	June 30, 2024	December 31, 2023	June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Prepaid expenses	\$ 33,400	\$ 33,574	\$ 21,787
Prepayments	15,357	12,483	134,319
Temporary Payments	5,600	5,276	11,155
Offset Against Business			
Tax Payable	<u>32,364</u>	<u>32,929</u>	<u>52,156</u>
	<u>\$ 86,721</u>	<u>\$ 84,262</u>	<u>\$ 219,417</u>
<u>Non-current</u>			
Deferred expenses	\$ 90,851	\$ 102,871	\$ 86,592
Refundable deposits	6,558	6,236	6,866
Collection of payments	219,160	219,160	219,160
Allowance for overdue			
receivables	(219,160)	(219,160)	(219,160)
Net defined benefit assets	24,954	23,880	20,733
Prepayments for business			
facilities	51,613	138,139	47,169
Prepaid investment	112,000	-	30,720
Others	<u>-</u>	<u>158</u>	<u>-</u>
	<u>\$ 285,976</u>	<u>\$ 271,284</u>	<u>\$ 192,080</u>

XIX. BORROWINGS

Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured</u>			
<u>borrowings</u>			
Line of credit borrowings	<u>\$ 1,605,463</u>	<u>\$ 951,855</u>	<u>\$ 1,658,630</u>

Rate of interest per annum (%)	3.20%~5.72%	5.90%~6.45%	1.75%~5.88%
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XX. BONDS PAYABLE

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
6th Domestic unsecured convertible bonds	\$ 954,213	\$ 1,226,783	\$ 1,412,373
Less: listed as part due within one year	(<u>954,213</u>)	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,226,783</u>	<u>\$ 1,412,373</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%	<u>2,186</u>
Components of liabilities as of June 30, 2023	<u>\$ 1,412,373</u>
Components of liabilities as of January 31, 2024	\$ 1,226,783
Interest calculated at an effective interest rate of 2.02%	11,419
Conversion of corporate bonds payable into ordinary shares	(<u>283,989</u>)
Components of liabilities as of June 30, 2024	<u>\$ 954,213</u>

XXI. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Other</u>			
<u>payables-current</u>			
Other expenses payable	\$ 272,949	\$ 224,568	\$ 419,816
Salaries and bonuses payable	520,701	546,117	507,253
Dividends payable	615,576	-	591,712
Other payables - related parties (Note 30)	2,235	7,554	2,741
	<u>\$ 1,411,461</u>	<u>\$ 778,239</u>	<u>\$ 1,521,522</u>
<u>Other liabilities—</u>			
<u>current</u>			
Advance payment for real estate	\$ -	\$ -	\$ 430,956
Temporary	52,607	41,984	42,465
Others	15,041	13,556	13,550
	<u>\$ 67,648</u>	<u>\$ 55,540</u>	<u>\$ 486,971</u>
<u>Other liabilities—</u>			
<u>non-current</u>			
Deposits received	\$ 793	\$ 1,338	\$ 1,746
Long-term investment loan balance	3,808	1,350	-
Restoration obligation liability provision	9,573	9,058	-
Others	274	-	-
	<u>\$ 14,448</u>	<u>\$ 11,746</u>	<u>\$ 1,746</u>

XXII. RETIREMENT BENEFIT PLANS

The pension expenses related to defined benefit plans recognized from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 are based on December 31, 2023 and 2022. The calculation of the pension cost rate determined by the daily actuarial calculation is NT\$53,000, NT\$61,000, NT\$105,000 and NT\$123,000 respectively.

XXIII. EQUITY

(I) Share capital

	June 30, 2024	December 31, 2023	June 30, 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>412,012</u>	<u>400,121</u>	<u>394,474</u>
Issued capital	<u>\$ 4,120,118</u>	<u>\$ 4,001,211</u>	<u>\$ 3,944,745</u>
Capital received in advance	<u>37,167</u>	<u>54,846</u>	<u>-</u>
	<u>\$ 4,157,285</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, 6,406 thousand shares and 3,717 thousand shares respectively, and the numbers will be calculated as of November 10, 2023 respectively. Date, March 13, 2024, May 10, 2024 and August 15, 2024 are the base dates for capital increase.

(II) Capital Surplus

	June 30, 2024	December 31, 2023	June 30, 2023
Stock issue premium	\$ 970,862	\$ 970,862	\$ 970,862
Corporate bond conversion premium	4,050,784	3,868,023	3,740,045
Recognition of changes in ownership interests in subsidiaries	41,030	39,240	37,075
Recognition of changes in investment in subsidiaries and associates by using the equity method	168,887	157,776	157,820
Employee restricted stock	142,568	142,568	57,312
Expired share option	150,691	150,691	150,691
Others	473	473	473
	<u>\$ 5,525,295</u>	<u>\$ 5,329,633</u>	<u>\$ 5,114,278</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>

(IV) Special Reserve

	June 30, 2024	December 31, 2023	June 30, 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 June 30, 2024	January 1 to June 30, 2023
Beginning balance	<u>(\$ 428,972)</u>	<u>(\$ 347,887)</u>
Produced in the current period		
Conversion differences for foreign operating organizations	239,455	(54,763)
Shares of subsidiaries and affiliates using the equity method	(<u>95</u>)	<u>36</u>
Ending balance	<u>(\$ 189,612)</u>	<u>(\$ 402,614)</u>

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	<u>\$ 1,196,667</u>	<u>\$ 1,632,512</u>
Produced in the current period		
Unrealized gains and losses		
equity instruments	(106,430)	(328,291)
Ending balance	<u>-</u>	<u>96,590</u>
Beginning balance	<u>\$ 1,090,237</u>	<u>\$ 1,400,811</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 June 30, 2024	January 1 to June 30, 2023
Beginning balance	<u>(\$ 104,495)</u>	<u>(\$ 8,695)</u>
Cancelled for the year	-	4,559
Recognition of share-based benefits	<u>31,310</u>	<u>3,419</u>
Ending balance	<u>(\$ 73,185)</u>	<u>(\$ 717)</u>

(VI) Non-controlling interests

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 356,195	\$ 305,820
Exchange differences in the translation of financial statements of foreign operating institutions	161	-
Net profit for this period	(469)	(21,916)
Subsidiaries restrict employee rights and non-controlling interests related to new shares	(6)	(40,061)
Ending balance	-	148,857
Beginning balance	<u>98</u>	<u>21</u>
Exchange differences in the translation of financial statements of foreign operating institutions	<u>\$ 355,979</u>	<u>\$ 392,721</u>

XXIV. REVENUE

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue from contracts				
Revenue from product sales	<u>\$ 7,609,850</u>	<u>\$ 7,013,592</u>	<u>\$13,370,804</u>	<u>\$14,076,601</u>

(I) Contract balance

	June 30, 2024	December 31, 2023	June 30, 2023	January 31, 2023
Notes receivable (Note 10)	\$ 910	\$ -	\$ -	\$ -
Accounts receivable (Note 10)	8,016,906	6,748,271	9,081,495	9,305,116
Accounts receivable - related parties (Note 30)	<u>47,242</u>	<u>80,086</u>	<u>80,206</u>	<u>63,000</u>
	<u>\$ 8,065,058</u>	<u>\$ 6,828,357</u>	<u>\$ 9,161,701</u>	<u>\$ 9,368,116</u>

Contract liabilities
- current

Product sales	\$ 280,087	\$ 388,615	\$ 395,803	\$ 325,857
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(II) Breakdown of customer contract revenue

Please refer to Note 35 for revenue breakdown information.

XXV. PROFIT BEFORE INCOME TAX

(I) Interest income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Bank deposit	\$ 34,691	\$ 15,869	\$ 53,202	\$ 24,734

(II) Other income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Rental incomes	\$ 376	\$ 2,477	\$ 1,014	\$ 4,933
Other income	4,800	11,671	17,535	17,813
	\$ 5,176	\$ 14,148	\$ 18,549	\$ 22,746

(III) Other gains and losses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Gain (loss) on financial assets and liabilities measured at FVTPL	(\$ 829)	\$ 4,064	(\$ 706)	\$ 4,064
Foreign currency exchange loss	73,899	157,448	199,527	156,419
Loss on disposal of property, plant and equipment	(796)	(22,278)	(46,801)	(14,516)
Gains from disposal of non-current assets to be sold	20,620	-	20,620	-

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
(Note 12)				
Others	(<u>6,749</u>) <u>\$ 86,145</u>	(<u>52,665</u>) <u>\$ 86,569</u>	(<u>7,061</u>) <u>\$ 165,579</u>	(<u>52,993</u>) <u>\$ 92,974</u>
(IV) Finance costs				
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest on convertible bond	\$ 5,259	\$ 2,186	\$ 11,419	\$ 2,186
Interest on bank loans	22,065	37,675	50,506	66,346
Interest on lease liabilities	<u>77</u> <u>\$ 27,401</u>	<u>153</u> <u>\$ 40,014</u>	<u>165</u> <u>\$ 62,090</u>	<u>330</u> <u>\$ 68,862</u>
(V) Depreciation and amortization				
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Property, plant and equipment	\$ 138,770	\$ 115,986	\$ 271,400	\$ 235,054
Right-of-use assets	5,159	5,251	10,165	10,474
Deferred expenses	<u>39,582</u> <u>\$ 183,511</u>	<u>38,877</u> <u>\$ 160,114</u>	<u>96,365</u> <u>\$ 377,930</u>	<u>90,733</u> <u>\$ 336,261</u>
Depreciation Expenses by Function				
Operating costs	\$ 105,542	\$ 61,585	\$ 207,779	\$ 147,741
Operating expenses	<u>38,387</u> <u>\$ 143,929</u>	<u>59,652</u> <u>\$ 121,237</u>	<u>73,786</u> <u>\$ 281,565</u>	<u>97,787</u> <u>\$ 245,528</u>
Amortization expenses by function				
Operating costs	\$ 18,668	\$ 17,071	\$ 37,272	\$ 34,618
Operating expenses	<u>20,914</u> <u>\$ 39,582</u>	<u>21,806</u> <u>\$ 38,877</u>	<u>59,093</u> <u>\$ 96,365</u>	<u>56,115</u> <u>\$ 90,733</u>

(VI) Employee Benefits Expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Post-employment benefits				
Defined contribution plans	\$ 17,738	\$ 18,028	\$ 35,148	\$ 39,491
Defined benefit plans (Note 22)	<u>53</u>	<u>61</u>	<u>105</u>	<u>123</u>
	<u>17,791</u>	<u>18,089</u>	<u>35,253</u>	<u>39,614</u>
Share-based payments				
Equity-settled	<u>15,707</u>	<u>1,739</u>	<u>31,520</u>	<u>3,456</u>
Other employee benefit	<u>739,311</u>	<u>703,812</u>	<u>1,425,286</u>	<u>1,386,287</u>
Total employee benefits expenses	<u>\$ 772,809</u>	<u>\$ 723,640</u>	<u>\$ 1,492,059</u>	<u>\$ 1,429,357</u>
Employee benefits expense by function				
Operating costs	\$ 369,661	\$ 321,114	\$ 707,460	\$ 734,323
Operating expenses	<u>403,148</u>	<u>402,526</u>	<u>784,599</u>	<u>695,034</u>
	<u>\$ 772,809</u>	<u>\$ 723,640</u>	<u>\$ 1,492,059</u>	<u>\$ 1,429,357</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 before deducting the distribution of employee and director remuneration in the current year to employee remuneration and director remuneration respectively. The estimated employee remuneration and director remuneration from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 are as follows:

Estimated listing ratio

	January 1 to June 30, 2024	January 1 to June 30, 2023
Employee compensation	13.5%	13.5%
Remuneration of Directors	1.8%	1.8%

Amount

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Employee compensation	<u>\$ 56,609</u>	<u>\$ 59,061</u>	<u>\$ 72,958</u>	<u>\$ 71,376</u>
Remuneration of Directors	<u>\$ 7,548</u>	<u>\$ 7,875</u>	<u>\$ 9,728</u>	<u>\$ 9,517</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 as follows:

	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: :

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Current income tax				
In respect of the current year	\$ 57,667	\$ 33,991	\$ 164,229	\$ 53,092
Deferred tax	(<u>29,755</u>)	<u>-</u>	(<u>29,755</u>)	<u>-</u>
In respect of the current year	27,912	33,991	134,474	53,092
Income tax expense recognized in profit or loss				
Current income tax	<u>58,622</u>	<u>36,733</u>	<u>83,882</u>	<u>48,503</u>
In respect of the current year	<u>\$ 86,534</u>	<u>\$ 70,724</u>	<u>\$ 218,356</u>	<u>\$ 101,595</u>

2. Income tax recognized in other comprehensive profits and losses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
<u>Deferred income tax</u>				
Produced in the current period				
-Conversion for foreign operating organizations	<u>\$ 12,341</u>	<u>\$ -</u>	<u>\$ 59,840</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

Net profit for this period

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net profit attributable to the owners of the company	\$ 302,912	\$ 310,552	\$ 373,868	\$ 372,091
Impact of potentially dilutive common shares:				
Convertible corporate bonds after tax				
Interest	<u>4,207</u>	<u>1,749</u>	<u>9,135</u>	<u>1,749</u>
Used to calculate diluted earnings per share of continuing operating units.	<u>\$ 307,119</u>	<u>\$ 312,301</u>	<u>\$ 383,003</u>	<u>\$ 373,840</u>

Number of shares

Unit: Thousand shares

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Weighted average number of common shares used to calculate basic earnings per	408,802	393,112	405,527	393,112

share				
Impact of potentially dilutive common shares:				
Convert corporate bonds	39,796	51,195	39,796	51,195
Restrictions on employee rights in new shares	4,300	1,362	4,300	1,362
employee compensation	<u>1,982</u>	<u>2,160</u>	<u>3,197</u>	<u>3,813</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>454,880</u>	<u>447,829</u>	<u>452,820</u>	<u>449,482</u>

If the merged company can choose to pay employee compensation in stocks or cash, when calculating diluted earnings per share, it is assumed that the employee compensation will be in the form of stock issuance, and the weighted average number of outstanding shares will be included when the potential ordinary shares have a dilutive effect. Calculate diluted earnings per share. When calculating diluted earnings per share before deciding on the number of shares to distribute employee compensation in the following year, the dilutive effect of these potential ordinary shares will also continue to be considered.

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

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
– Financial product	\$ -	\$ 224,637	\$ -	\$ 224,637
- Corporate bond conversion option	\$ -	\$ -	\$ 397	\$ 397
	<u>\$ -</u>	<u>\$ 224,637</u>	<u>\$ 397</u>	<u>\$ 225,034</u>
<u>Through other comprehensive profit and loss</u>				
<u>Financial assets measured at FVTPL</u>				
Equity Instrument				
Investment				
– Domestic and foreign listed (over-the-counter) stocks	\$ 2,600,326	\$ -	\$ -	\$ 2,600,326
– Domestic and foreign unlisted (counter) stocks	-	-	143,553	143,553
Total	<u>\$ 2,600,326</u>	<u>\$ -</u>	<u>\$ 143,553</u>	<u>\$ 2,743,879</u>

December 31, 2023

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

Financial liabilitiesat FVTPL

-Corporate bond
conversion
option

\$ -	\$ -	\$ 1,806	\$ 1,806
------	------	----------	----------

Through othercomprehensive profitand lossFinancial assetsmeasured at FVTPEquity InstrumentInvestment

— Domestic and
foreign listed
(over-the-counte
r) stocks

\$ 2,648,515	\$ -	\$ -	\$ 2,648,515
--------------	------	------	--------------

— Domestic and
foreign unlisted
(counter) stocks

-	-	149,522	149,522
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Total

\$ 2,648,515	\$ -	\$ 149,522	\$ 2,798,037
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June 30, 2023

Level 1

Level 2

Level 3

Total

Financial liabilitiesat FVTPL

-Corporate bond
conversion
option

\$ -	\$ -	\$ 4,320	\$ 4,320
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Through othercomprehensive profitand lossFinancial assetsmeasured at FVTPEquity InstrumentInvestment

— Domestic and
foreign listed
(over-the-counte
r) stocks

\$ 2,856,329	\$ -	\$ -	\$ 2,856,329
--------------	------	------	--------------

— Domestic and
foreign unlisted
(counter) stocks

-	-	101,821	101,821
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Total

\$ 2,856,329	\$ -	\$ 101,821	\$ 2,958,150
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There is no transfer between Level 1 and Level 2 fair value measurements from January 1 to June 30, 2024 and 2023.

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

Financial Instruments	Valuation Techniques and Inputs
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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Fair value through profit or loss	\$ 225,034	\$ 309,590	\$ -
Financial assets measured at fair value through other comprehensive profit or loss	2,743,879	2,798,037	2,958,150
Financial assets measured at amortized cost (Note 1)	12,577,278	10,134,399	11,395,686
<u>Financial liabilities</u>			
Measured at fair value through profit or loss	-	1,806	4,320
Measured at amortized cost (Note 2)	10,091,457	7,763,695	10,596,998

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 June 30, 2024	January 1 to June 30, 2023
Profit or Loss	\$ 24,811	\$ 37,548

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:

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Fair value interest</u>			
<u>rate risk</u>			
—Financial assets	\$ 1,346,311	\$ 1,357,156	\$ 372,970
—Financial liabilities	2,559,676	2,178,638	3,071,003
<u>Cash flow interest</u>			
<u>rate risk</u>			
-Financial assets	3,027,807	1,886,955	1,659,084
-Financial liabilities	-	-	-

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding on the balance sheet date is all outstanding during the reporting period. The rate of change used

within the Group when reporting interest rates to key management is -100 basis points for an increase or decrease in interest rates, which also represents management's assessment of the reasonably possible range of changes 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 June 30, 2024 and 2023 will increase/decrease by NTD15,139,000 and NTD8 , 295,000, 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 did not change significantly in the two periods from January 1 to June 30 in 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 the equity price increases/decreases by 1%, the pre-tax profit and loss from January 1 to June 30, 2024

and 2023 will increase/decrease by NTD2 respectively due to the increase/decrease in the fair value of financial assets measured at fair value through profit and loss. 246,000 and 0. Other comprehensive gains and losses before tax from January 1 to June 30, 2024 and 2023 will increase/decrease by NTD27 respectively due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive gains and losses. 439 thousand and NTD29,582 thousand.

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 defaults on its contractual obligations, resulting in financial losses to the Group. As of the balance sheet date, the maximum credit risk exposure of the combined company that may result in financial losses due to the failure of the counterparty to perform its obligations and the financial guarantee provided by the combined company mainly comes from: the carrying amount of financial assets recognized in the consolidated balance sheet.

The policy adopted by the merged company is to only conduct transactions with reputable parties and to obtain sufficient guarantees when necessary to mitigate the risk of financial losses due to default.

3. Liquidity risk

The combined company manages and maintains sufficient cash and cash equivalents to support the group's operations and mitigate the impact of cash flow fluctuations. The management of the merged company monitors the use of bank financing lines and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the combined company. As of June 30, 2024, December 31, and June 30, 2023, for the unused financing quota of the combined company, please refer to the description of the financing quota in (3) below.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contract maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flow of financial liabilities (including principal and estimated interest) based on the earliest date when the combined company may be required to repay. Therefore, the bank borrowings for which the merged company may be required to repay immediately are within the earliest period in the table below, without considering the probability of the bank immediately executing the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

For interest cash flows paid at floating interest rates, the undiscounted interest amount is derived based on the yield curve at the balance sheet date.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years
<u>Non-derivativ</u>				

e financial
liabilities

Non-interest

bearing	\$ 6,424,845	\$ 627,471	\$ 478,672	\$ -
Lease liabilities	1,967	4,191	88,230	3,160
Fixed interest instrument	<u>974,385</u>	<u>631,963</u>	<u>954,213</u>	<u>-</u>
	<u>\$ 7,401,197</u>	<u>\$ 1,263,625</u>	<u>\$ 1,521,115</u>	<u>\$ 3,160</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months – 1 Year	1-5 Years
<u>Non-derivativ</u> <u>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	<u>954,959</u>	<u>-</u>	<u>-</u>	<u>1,226,783</u>
	<u>\$ 5,799,288</u>	<u>\$ 516,149</u>	<u>\$ 314,854</u>	<u>\$ 1,230,840</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months – 1 Year	1-5 Years
<u>Non-derivativ</u> <u>e financial</u> <u>liabilities</u>				
Non-interest				
bearing	\$ 5,347,609	\$ 1,841,656	\$ 334,984	\$ -
Lease liabilities	1,648	3,256	14,650	13,236
Fixed interest instrument	<u>1,663,728</u>	<u>-</u>	<u>-</u>	<u>1,412,373</u>
	<u>\$ 7,012,985</u>	<u>\$ 1,844,912</u>	<u>\$ 349,634</u>	<u>\$ 1,425,609</u>

The aforementioned non-derivative financial liabilities were calculatedly 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

June 30, 2024 December 31, June 30, 2023

		2023	
Unsecured bank borrowing limit			
- Amount used	\$ 1,605,463	\$ 951,855	\$ 1,658,630
- Unspent amount	<u>10,709,112</u>	<u>9,240,990</u>	<u>8,433,540</u>
	<u>\$12,314,575</u>	<u>\$10,192,845</u>	<u>\$10,092,170</u>

XXX. TRANSACTIONS WITH RELATED PARTIES

Transactions, account balances, income and losses between the Company and its subsidiaries (which are related parties of the Company) are all eliminated on consolidation and are therefore not disclosed in this note. Except as disclosed in other notes, the transactions between the merged company and other related parties are as follows.

(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>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Associate				
Others	<u>\$ 17,733</u>	<u>\$ 43,625</u>	<u>\$ 39,253</u>	<u>\$ 64,237</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	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivables – related parties	Associates			
	AMPAK Technology Inc.	46,433	\$ 77,526	71,746
		<u>809</u>	<u>2,560</u>	<u>8,460</u>
	SparkLAN Communications, Inc.			
		<u>\$ 47,242</u>	<u>\$ 80,086</u>	<u>\$ 80,206</u>

There is no collection guarantee for outstanding amounts receivable from related parties. No provision for losses has been made for amounts receivable from related parties from January 1 to June 30, 2024 and 2023.

(IV) Other Receivables from Related Parties

Type/Name of Related Party	June 30, 2024	December 31, 2023	June 30, 2023
Associate			
AMPAK Technology Inc.	\$ 70,041	\$ 382	\$ 130,363
Others	<u>233</u>	<u>160</u>	<u>114</u>
	<u>\$ 70,274</u>	<u>\$ 542</u>	<u>\$ 130,477</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

Type/Name of Related Party	June 30, 2024	December 31, 2023	June 30, 2023
Associate			
Others	<u>\$ 2,235</u>	<u>\$ 7,554</u>	<u>\$ 2,741</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	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
<u>Rent income</u>				
Associates				
AMPAK Technology Inc.	\$ 36	\$ 867	\$ 95	\$ 1,718
Others	9	79	56	155
	<u>\$ 45</u>	<u>\$ 946</u>	<u>\$ 151</u>	<u>\$ 1,873</u>
<u>Other income</u>				
Associate	\$ -	\$ 151	\$ -	\$ 302

Rental income of the Group collected from associates were based on the marketprice.

(VII) Compensation of key management personnel

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	\$ 15,022	\$ 23,568	\$ 37,781	\$ 37,168
Post-employment benefits	236	331	573	668
	<u>\$ 15,258</u>	<u>\$ 23,899</u>	<u>\$ 38,354</u>	<u>\$ 37,836</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:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Pledged bank deposits (included in financial assets measured at amortized cost)	<u>\$ 27,007</u>	<u>\$ 28,252</u>	<u>\$ 23,232</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 June 30, 2024, December 31, 2023 and June 30, 2023, the combined company's tariff performance guarantee or factory construction deposit were NTD27,007 thousand, NTD28,252 thousand and NTD23,232 thousand 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:

June 30, 2024

<u>Foreign Currency Asset</u>	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Monetary Items</u>			
USD	\$ 257,156	32.45 (USD:NTD)	\$ 8,344,723
USD	72,435	7.1268 (USD:RMB)	<u>2,350,504</u>
			<u>\$ 10,695,227</u>

(Continued)

(Brought forward)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Non-monetary Items</u>			
Investments accounted for using equity method			
USD	\$ 708	32.45 (USD:NTD)	\$ 22,964
Financial assets measured at fair value through other comprehensive profit or loss			
USD	1,658	32.45 (USD:NTD)	53,789
			<u>\$ 76,753</u>
<u>Foreign Currency Liabilities</u>			
<u>Monetary Items</u>			
USD	185,715	32.45 (USD:NTD)	\$ 6,026,436
USD	67,418	7.1268 (USD:RMB)	2,187,725
			<u>\$ 8,214,161</u>

December 31, 2023

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

<u>Non-monetary</u>	781		\$ 23,983
<u>Items</u>		30.71 (USD:NTD)	
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			
<u>Monetary Items</u>			
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>

June 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign Currency Asset			
<u>Monetary Items</u>			
USD	\$ 319,411	31.14 (USD:NTD)	\$ 9,946,472
USD	104,585	7.2258 (USD:RMB)	<u>3,256,766</u>
			<u>\$ 13,203,238</u>
<u>Non-monetary Items</u>			
Investments accounted for using equity method			
USD	913	31.14 (USD:NTD)	\$ 28,429
Financial assets measured at fair value through profit or loss			
USD	1,938	31.14 (USD:NTD)	<u>60,358</u>
			<u>\$ 88,787</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	207,574	31.14 (USD:NTD)	\$ 6,463,849
USD	95,845	7.2258 (USD:RMB)	<u>2,984,611</u>
			<u>\$ 9,448,460</u>

Please refer to the consolidated comprehensive income statement for the total realized and unrealized foreign currency exchange gains and losses of the combined company from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023. Foreign currency transactions and the functional currencies of the Company's subsidiaries are diverse, so 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:

<u>Segment Revenue</u>	<u>Segment Profit</u>
------------------------	-----------------------

	January 1 to June 30, 2024	January 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Wireless telecommunication products department Central administration cost	<u>\$13,370,804</u>	<u>\$14,076,601</u>	\$ 734,373	\$ 703,259
Interest income			(343,425)	(348,009)
Other income			53,202	24,734
Other gains and losses			18,549	22,746
Finance cost			165,579	92,974
Share of profit of subsidiaries and associates			(62,090)	(68,862)
Profit before income tax			<u>25,567</u>	<u>24,928</u>
			<u>\$ 591,755</u>	<u>\$ 451,770</u>

The departmental income reported above is generated from transactions with external customers. There are no inter-segment sales from January 1 to June 30, 2024 and 2023.

Departmental interests refer to the profits earned by each department, excluding apportioned headquarters management costs, interest income, other income, other profits 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 SIX MONTHS ENDED JUNE 30, 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 (Suzhou) Co. Ltd.	Gemtek Electronics (Kunshan) Co., Ltd.	Short-term financing	Yes	\$ 74,036	\$ 73,343	\$ -	1.65%	2	\$ -	Operating capital	\$ -	-	-	\$ 79,152	\$ 79,152
2	AMBER Electronics (Changshu) Co., Ltd.	Gemtek Electronics (Kunshan) Co., Ltd.	Short-term financing	Yes	448,700	444,500	444,500	1.65%	2	-	Operating capital	-	-	-	1,286,955	1,286,955
3	AMBER Electronics (Changshu) Co., Ltd.	Gemtek Technology Co.	Other receivables	Yes	570,058	568,394	568,394	-	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 = 1:32.45; RMB: New Taiwan dollar = 1:4.445

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

JUNE 30, 2024

TABLE 2

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

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	\$ 20,763	0.67%	\$ 20,763	
	Green Packet Bhd.	None	"	26,273	8,668	2.81%	8,668	Preferred stock
	Greenwave holding, Inc.	None	"	3,965	9,033	0.96%	9,033	
	AIPTEK, Inc.	None	"	29	477	0.11%	477	
	Polaris Group	None	"	8,675	609,179	1.17%	609,179	
	PYRAS TECHNOLOGY INC.	The Corporation serves as corporate director	"	3,200	35,200	16.10%	35,200	
	GaN Power Technology Co., Ltd.	None	"	2,500	22,900	5.49%	22,900	Common stock / Preferred stock
	AVIX TECHNOLOGY INC.	The Corporation serves as corporate director	"	600	32,580	6.00%	32,580	
	LIONIC CORP.	The Corporation serves as corporate director	"	1,425	7,752	6.47%	7,752	
	SKSpruce Holding Limited	None	"	2,241	22,532	2.32%	22,532	
G-Technology Investment Co., Ltd.	<u>Stock</u>							
	Polaris Group	None	Financial assets measured at fair value through other comprehensive profit or loss – non-current	26,467	1,961,239 (USD 60,439)	3.56%	1,961,239 (USD 60,439)	
	GREENWAVE HOLDING INC	None	"	16,710	13,556 (USD 418)	4.05%	13,556 (USD 418)	Preferred stock
	UBITUS Inc.	None	"	200	-	2.32%	-	
AMBER Electronics (ChangShu) Co., Ltd.	<u>Fund</u>							
AMBER Electronics	Financial products	None	Financial assets	48,500	224,637	-	224,637	

(ChangShu) Co., Ltd.			measured at fair value through profit or loss – Current		(RMB 49,336)		(RMB 49,336)	
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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 = 1:32.45; RMB: NTD = 1:4.445.

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 SIX MONTHS ENDED JUNE 30, 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	\$ 3,958,302	24%	Note 1	Note 1	Note 1	(\$ 1,889,040)	(43%)	Note 2
Gemtek Technologies Co., Ltd.	Gemtek Vietnam Co., Ltd.	Subsidiary	Purchase and processing expenses	7,293,719	44%	Note 1	Note 1	Note 1	(153,533)	(3%)	Note 2
Gemtek Electronics(Kunshan)Co., Ltd.	Gemtek Technologies Co., Ltd.	Parent company	Sale and processing income	(3,958,302)	(82%)	Note 1	Note 1	Note 1	1,889,040	82%	Note 2
Gemtek Vietnam Co., Ltd.	Gemtek Technologies Co., Ltd.	Parent company	Sale and processing income	(7,293,719)	(99%)	Note 1	Note 1	Note 1	153,533	86%	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

June 30, 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	\$ 1,889,040	3.38	\$ -	-	\$ 1,304,917	\$ -
Gemtek Technologies Co.,Ltd.	Gemtek Technologies Co.,Ltd.	Parent company	153,533	4.78	-	-	153,533	-

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 SIX MONTHS ENDED JUNE 30, 2024

TABLE 5

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	\$ 4,302,000	(\$ 33,088)	(\$ 33,088)	Note 3
	Brightech International Co., Ltd.	Republic of Mauritius	Investment	207,969 (USD 6,145)	207,969 (USD 6,145)	6,145	100.00	63,732	(2,381)	(2,381)	Note 3
	AMPAK Technology Inc.	Hsinchu County, Taiwan	Telecommunications	510,303	510,303	20,001	30.20	1,152,677	124,850	31,749 (Note 1)	
	Wi Tek Investment Co., Ltd.	Cayman Islands	Investment	132,155 (USD 4,000)	132,155 (USD 4,000)	4,000	100.00	(3,808)	(2,363)	(2,363)	
	BROWAN Communications	Hsinchu County, Taiwan	Telecommunications	442,154	442,154	20,214	50.44	611,397	2,718	(2,624)	Note 3
	Gemtek Vietnam Co., Ltd.	Vietnam	Telecommunications	1,551,634 (USD 50,000)	1,227,684 (USD 40,000)	-	100.00	2,403,514	225,866	225,866	Note 3
	ANTEK NETWORKS INC	New Taipei City, Taiwan	Telecommunications	10,800	9,000	1,080	16.62	6,295	(9,649)	(1,538)	
	Genix Networks Inc.	The United State	Telecommunications	30,720 (USD 1,000)	30,720 (USD 1,000)	1,000	90.91	49,674	22,123	20,112	Note 3
	BandRich Inc.	New Taipei City, Taiwan	Telecommunications	55,000	55,000	5,500	27.04	1,592	(744)	(201)	
	5V Technologies, Ltd.	Taipei City, Taiwan	Telecommunications	13,500	13,500	1,350	97.92	72,625	4,631	4,352 (Note 2)	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	1,286,955 (USD 39,660)	11,852 (USD 365)	11,852 (USD 365)	Note 3
	Gemtek CZ., s.r.o.	Czech Republic	Telecommunications	25,351 (USD 692)	25,351 (USD 692)	12,000	100.00	(9,188) (USD -283)	(2,775) (USD -90)	(2,775) (USD -90)	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	15,466 (USD 477)	(578) (USD -18)	(578) (USD -18)	Note 3
	PT. South Ocean	Indonesia	Telecommunications	7,838 (USD 238)	7,838 (USD 238)	24	95.00	2,977 (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	23,795 (USD 733)	(6,935) (USD -219)	(2,080) (USD -66)	

Note 1: The net profit of the invested company of NTD37,705,000 is recognized based on the shareholding ratio, minus the amount of adjustment for the amortization of the identified intangible assets for the period, NTD5,956,000.

Note 2: The net profit of the invested company of NTD4,535,000 is recognized based on the shareholding ratio, minus the amount of adjustment for the amortization of the identified intangible assets for the period, NTD183,000.

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

GEMTEK TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE SIX MONTHS ENDED
JUNE 30, 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	\$ 270,958 (USD 8,350)	An investee company – Brightech International Co Ltd & Primx Communication (BVI) Inc Reinvest in mainland China companies	\$ 269,952 (USD 8,319)	\$ -	\$ -	\$ 269,952 (USD 8,319)	(\$ 2,960) (USD -94)	100.00	(\$ 2,960) (USD -94)	\$ 79,152 (USD 2,439)	\$ -	Note 3&4
Gemtek Electronics (Kunshan) Co., Ltd.	Manufacturing of wireless telecommunication products such as wireless network cards and wireless gateways	486,750 (USD 15,000)	An investee company – G-Technology Investment Co Ltd. Reinvest in mainland China companies	486,750 (USD 15,000)	-	-	486,750 (USD 15,000)	42,439 (USD 1,299)	100.00	42,439 (USD 1,299)	969,435 (USD 29,875)	-	Note 3&4
Browan Communications (Xi'an) Inc.	R&D, production, sales and provision of technical consulting and related services for wireless network products	129,800 (USD 4,000)	An investee company – Wi Tek Investment Co Ltd. Reinvest in mainland China companies	129,800 (USD 4,000)	-	-	129,800 (USD 4,000)	(2,363) (USD -74)	100.00	(2,363) (USD -74)	(3,814) (USD -118)	-	
Gemtek Electronics (Changshu) Co., Ltd.	R&D, production, sales and provision of technical consulting and related services for wireless network products	1,168,200 (USD 36,000)	An investee company – G-Technology Investment Co Ltd. Reinvest in mainland China companies	1,168,200 (USD 36,000)	-	-	1,168,200 (USD 36,000)	11,852 (USD 365)	100.00	11,852 (USD 365)	1,286,955 (USD 39,660)	-	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
\$ 2,072,906 USD 63,880 (Note 1)	\$ 2,040,456 USD 62,880	\$ 7,835,290

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 June 30, 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 June 30, 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 SIX MONTHS ENDED JUNE 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 JUNE 30, 2024</u> Gemtek Technologies Co., Ltd.	Gemtek Electronics(Kunshan) Co., Ltd	Parent company to subsidiary	Cost of goods sold - processing fee	\$ 3,958,302	Note 1	30%
		Gemtek CZ., s.r.o.	Parent company to subsidiary	Accounts payable	1,889,040	Note 1	8%
				Cost of goods sold - processing fee	77,123	Note 1	1%
		Gemtek Vietnam Co., Ltd.	Parent company to subsidiary	Other receivables	40,434	Note 1	-
				Cost of goods sold - processing fee	7,293,719	Note 1	55%
		BROWAN Communications Incorporation	Parent company to subsidiary	Accounts payable	153,533	Note 1	1%
1	AMBER Electronics(ChangShu) Co., Ltd.	AMBER Electronics(ChangShu) Co., Ltd.	Parent company to subsidiary	Cost of goods sold - processing fee	32,431	Note 1	-
				Other accounts payable	568,394	Note 2	2%
		Gemtek Electronics(Kunshan) Co., Ltd.	Subsidiary to subsidiary	Other receivables	444,500	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.