

**Global Lighting Technologies Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Global Lighting Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Global Lighting Technologies Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021, and for the six months ended June 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2022. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter in the audit of the Group's consolidated financial statements for the six months ended June 30, 2022 is stated below:

Validity of Occurrence of Sales Revenue from Specific Customers

Since the Group is a listed company, management may be under pressure to meet the financial targets. Furthermore, operating revenue is one of the important indicators to measure the Group's profitability and operating performance, and recognition of revenue is inherently a higher risk. The amount of revenue from specific customers for the six months ended June 30, 2022 was \$1,544,341 thousand, which accounted for 36% of the consolidated operating revenue, the impact of the sales on the consolidated financial statements was significant. Therefore, we identified the validity of occurrence of sales revenue from specific customers as a key audit matter for the six months ended June 30, 2022.

Refer to Note 4 to the consolidated financial statements for the year ended December 31, 2021 for details on accounting policies. Refer to Note 21 to the consolidated financial statements for relevant disclosures of revenue recognition. Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

1. We obtained an understanding of the internal controls related to the aforementioned sales, assessed the design of the controls, determined that controls had been implemented and tested the operating effectiveness of these controls.
2. We performed substantive testing of the aforementioned sales, selected appropriate samples and checked them against the external transaction documents and the recovery of receivables. We verified the validity of the occurrence of the transactions and also checked for any abnormalities in payment collections.
3. We checked for significant sales returns after the balance sheet date and confirmed that there were no major abnormalities to indicate any misstatements on revenue recognition.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 16, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022		December 31, 2021		June 30, 2021	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,744,538	40	\$ 3,988,556	33	\$ 4,206,995	35
Financial assets at amortized cost (Note 7)	235	-	7,800	-	270,242	2
Notes receivable (Notes 9 and 21)	19	-	28	-	12	-
Accounts receivable (Notes 9 and 21)	1,484,036	13	2,470,246	20	2,286,215	19
Accounts receivable - related parties (Notes 21 and 28)	42,458	-	41,599	-	27,010	-
Other receivables (Note 9)	2,013	-	3,286	-	3,044	-
Other receivables - related parties (Note 28)	-	-	1,189	-	-	-
Current tax assets (Note 4)	25	-	-	-	6,425	-
Inventories (Note 10)	1,341,352	11	1,303,340	11	1,015,950	9
Prepayments	30,453	-	29,985	-	33,557	-
Other current assets (Notes 11 and 29)	165,614	1	157,284	1	161,212	1
Total current assets	7,810,743	65	8,003,313	65	8,010,662	66
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	285,406	3	279,175	2	13,300	-
Property, plant and equipment (Note 14)	3,096,668	26	3,239,528	27	3,361,971	28
Right-of-use assets (Note 15)	682,769	6	690,596	6	703,380	6
Deferred tax assets (Note 4)	36,929	-	37,432	-	34,653	-
Prepayments for equipment (Note 25)	2,725	-	3,891	-	2,608	-
Net defined benefit assets (Note 4)	6,679	-	6,369	-	6,515	-
Other non-current assets (Notes 11 and 29)	19,214	-	21,928	-	19,479	-
Total non-current assets	4,130,390	35	4,278,919	35	4,141,906	34
TOTAL	\$ 11,941,133	100	\$ 12,282,232	100	\$ 12,152,568	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 16 and 29)	\$ 598,000	5	\$ 798,000	7	\$ 928,000	8
Contract liabilities (Note 21)	5,977	-	3,615	-	5,336	-
Accounts payable	1,529,482	13	2,134,972	17	1,845,276	15
Accounts payable - related parties (Note 28)	172,075	1	125,980	1	117,286	1
Other payables (Note 17)	1,064,160	9	451,252	4	1,163,704	10
Other payables - related parties (Note 28)	6,301	-	8,211	-	8,385	-
Current tax liabilities (Note 4)	63,309	1	71,250	1	15,714	-
Lease liabilities (Notes 15 and 28)	25,774	-	25,007	-	24,655	-
Long-term borrowings - current portion (Note 16)	90,000	1	-	-	-	-
Other current liabilities	5,724	-	8,396	-	9,775	-
Total current liabilities	3,560,802	30	3,626,683	30	4,118,131	34
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	180,000	1	270,000	2	208,000	2
Provision for employee benefits (Note 4)	9,250	-	8,591	-	14,039	-
Deferred tax liabilities (Note 4)	3,877	-	1,563	-	1,579	-
Lease liabilities (Notes 15 and 28)	666,091	6	672,798	5	683,694	5
Long-term deferred revenue (Note 19)	74,334	1	82,236	1	91,422	1
Total non-current liabilities	933,552	8	1,035,188	8	998,734	8
Total liabilities	4,494,354	38	4,661,871	38	5,116,865	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Share capital	1,288,641	11	1,309,371	11	1,309,371	11
Capital surplus	2,348,423	19	2,383,809	19	2,383,809	20
Retained earnings						
Special reserve	350,711	3	267,197	2	267,197	2
Unappropriated earnings	3,570,527	30	4,105,816	34	3,426,705	28
Total retained earnings	3,921,238	33	4,373,013	36	3,693,902	30
Other equity	(111,523)	(1)	(350,711)	(3)	(351,379)	(3)
Treasury shares	-	-	(95,121)	(1)	-	-
Total equity attributable to owners of the Company	7,446,779	62	7,620,361	62	7,035,703	58
Total equity	7,446,779	62	7,620,361	62	7,035,703	58
TOTAL	\$ 11,941,133	100	\$ 12,282,232	100	\$ 12,152,568	100

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 1,839,759	100	\$ 2,729,857	100	\$ 4,281,803	100	\$ 5,400,389	100
OPERATING COSTS (Notes 10, 22 and 28)	<u>1,623,377</u>	<u>88</u>	<u>2,244,353</u>	<u>82</u>	<u>3,610,519</u>	<u>84</u>	<u>4,379,692</u>	<u>81</u>
GROSS PROFIT	<u>216,382</u>	<u>12</u>	<u>485,504</u>	<u>18</u>	<u>671,284</u>	<u>16</u>	<u>1,020,697</u>	<u>19</u>
OPERATING EXPENSES (Notes 22 and 28)								
Selling and marketing	48,051	3	65,966	3	105,683	2	136,612	3
General and administrative	78,365	4	86,104	3	168,219	4	182,254	3
Research and development	<u>63,196</u>	<u>3</u>	<u>49,499</u>	<u>2</u>	<u>117,930</u>	<u>3</u>	<u>102,643</u>	<u>2</u>
Total operating expenses	<u>189,612</u>	<u>10</u>	<u>201,569</u>	<u>8</u>	<u>391,832</u>	<u>9</u>	<u>421,509</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>26,770</u>	<u>2</u>	<u>283,935</u>	<u>10</u>	<u>279,452</u>	<u>7</u>	<u>599,188</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	5,148	-	2,511	-	6,926	-	4,706	-
Other income (Note 19)	5,216	-	5,511	-	10,768	-	27,024	-
Other gains and losses	70,398	4	(15,556)	-	87,885	2	(13,194)	-
Finance costs (Note 28)	<u>(4,322)</u>	<u>-</u>	<u>(4,771)</u>	<u>-</u>	<u>(8,554)</u>	<u>-</u>	<u>(9,619)</u>	<u>-</u>
Total non-operating income and expenses	<u>76,440</u>	<u>4</u>	<u>(12,305)</u>	<u>-</u>	<u>97,025</u>	<u>2</u>	<u>8,917</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	103,210	6	271,630	10	376,477	9	608,105	11
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(47,421)</u>	<u>(3)</u>	<u>(1,476)</u>	<u>-</u>	<u>(71,253)</u>	<u>(2)</u>	<u>(12,469)</u>	<u>-</u>
NET PROFIT	<u>55,789</u>	<u>3</u>	<u>270,154</u>	<u>10</u>	<u>305,224</u>	<u>7</u>	<u>595,636</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	(1,417)	-	(110)	-	(6,009)	-	2,471	-
Exchange differences on translation to the presentation currency (Note 20)	<u>290,754</u>	<u>16</u>	<u>(180,961)</u>	<u>(7)</u>	<u>552,084</u>	<u>13</u>	<u>(165,188)</u>	<u>(3)</u>
	<u>289,337</u>	<u>16</u>	<u>(181,071)</u>	<u>(7)</u>	<u>546,075</u>	<u>13</u>	<u>(162,717)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 20)	<u>(229,360)</u>	<u>(13)</u>	<u>100,011</u>	<u>4</u>	<u>(306,887)</u>	<u>(7)</u>	<u>78,535</u>	<u>1</u>
Total other comprehensive income (loss)	<u>59,977</u>	<u>3</u>	<u>(81,060)</u>	<u>(3)</u>	<u>239,188</u>	<u>6</u>	<u>(84,182)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 115,766</u>	<u>6</u>	<u>\$ 189,094</u>	<u>7</u>	<u>\$ 544,412</u>	<u>13</u>	<u>\$ 511,454</u>	<u>9</u>

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GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE								
TO:								
Owners of the Company	\$ 55,789	3	\$ 270,154	10	\$ 305,224	7	\$ 595,636	11
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>\$ 55,789</u>	<u>3</u>	<u>\$ 270,154</u>	<u>10</u>	<u>\$ 305,224</u>	<u>7</u>	<u>\$ 595,636</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE								
TO:								
Owners of the Company	\$ 115,766	6	\$ 189,094	7	\$ 544,412	13	\$ 511,454	9
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>\$ 115,766</u>	<u>6</u>	<u>\$ 189,094</u>	<u>7</u>	<u>\$ 544,412</u>	<u>13</u>	<u>\$ 511,454</u>	<u>9</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 0.43</u>		<u>\$ 2.06</u>		<u>\$ 2.37</u>		<u>\$ 4.55</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 2.06</u>		<u>\$ 2.36</u>		<u>\$ 4.53</u>	

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

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Note 20)							
	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	Total Equity
			Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2021	\$ 1,309,371	\$ 2,383,809	\$ 173,867	\$ 3,644,553	\$ (258,846)	\$ (8,351)	\$ -	\$ 7,244,403
Appropriation of 2020 earnings								
Special reserve	-	-	93,330	(93,330)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(720,154)	-	-	-	(720,154)
Net profit for the six months ended June 30, 2021	-	-	-	595,636	-	-	-	595,636
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax	-	-	-	-	(86,653)	2,471	-	(84,182)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	595,636	(86,653)	2,471	-	511,454
BALANCE AT JUNE 30, 2021	<u>\$ 1,309,371</u>	<u>\$ 2,383,809</u>	<u>\$ 267,197</u>	<u>\$ 3,426,705</u>	<u>\$ (345,499)</u>	<u>\$ (5,880)</u>	<u>\$ -</u>	<u>\$ 7,035,703</u>
BALANCE AT JANUARY 1, 2022	\$ 1,309,371	\$ 2,383,809	\$ 267,197	\$ 4,105,816	\$ (344,626)	\$ (6,085)	\$ (95,121)	\$ 7,620,361
Appropriation of 2021 earnings								
Special reserve	-	-	83,514	(83,514)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(644,320)	-	-	-	(644,320)
Net profit for the six months ended June 30, 2022	-	-	-	305,224	-	-	-	305,224
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	245,197	(6,009)	-	239,188
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	305,224	245,197	(6,009)	-	544,412
Buy-back of ordinary shares	-	-	-	-	-	-	(73,674)	(73,674)
Cancellation of treasury shares	(20,730)	(35,386)	-	(112,679)	-	-	168,795	-
BALANCE AT JUNE 30, 2022	<u>\$ 1,288,641</u>	<u>\$ 2,348,423</u>	<u>\$ 350,711</u>	<u>\$ 3,570,527</u>	<u>\$ (99,429)</u>	<u>\$ (12,094)</u>	<u>\$ -</u>	<u>\$ 7,446,779</u>

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 376,477	\$ 608,105
Adjustments for:		
Depreciation expense	208,935	200,805
Interest expense	8,554	9,619
Interest income	(6,926)	(4,706)
Dividend income	-	(10,438)
Loss on inventories valuation and obsolescence	13,841	14,355
Gain on disposal of property, plant and equipment	(270)	(484)
Net loss (gain) on foreign currency exchanges	25,086	(6,497)
Amortization of long-term deferred revenue	(9,937)	(9,736)
Other income (Note 22)	-	(5,862)
Net changes in operating assets and liabilities		
Notes receivable	9	(12)
Accounts receivable	1,054,220	487,547
Accounts receivable - related parties	(95)	20,450
Other receivables	1,629	4,354
Other receivables - related parties	1,213	325
Inventories	(23,772)	(55,326)
Prepayments	(42)	(1,125)
Other current assets	(8,189)	(1,783)
Net defined benefit assets	(310)	(295)
Contract liabilities	2,291	94
Accounts payable	(670,208)	(662,727)
Accounts payable - related parties	46,085	7,567
Other payables	(71,573)	(27,973)
Other payables - related parties	(1,962)	(6,456)
Other current liabilities	(2,876)	3,052
Provision for employee benefits	659	1,128
Cash generated from operations	942,839	563,981
Interest received	6,581	4,909
Interest paid	(8,696)	(9,753)
Income tax paid	(77,082)	(105,762)
Net cash generated from operating activities	<u>863,642</u>	<u>453,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	18,267
Acquisition of financial assets at amortized cost	-	(273,047)
Principal from financial assets measured at amortized cost	7,796	204,814
Payments for property, plant and equipment (Note 25)	(32,895)	(152,508)
Proceeds from disposal of property, plant and equipment	282	484

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GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2022	2021
Decrease (increase) in refundable deposits	\$ 2,556	\$ (11)
Increase in other non-current assets	-	(19)
Dividends received	<u>-</u>	<u>10,438</u>
Net cash used in investing activities	<u>(22,261)</u>	<u>(191,582)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,746,000	3,158,000
Decrease in short-term borrowings	(1,946,000)	(3,090,000)
Proceeds from long-term borrowings	-	208,000
Repayments of long-term borrowings	-	(219,000)
Repayment of the principal portion of lease liabilities	(12,662)	(12,371)
Payments for buy-back of ordinary shares	<u>(73,674)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(286,336)</u>	<u>44,629</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>200,937</u>	<u>(63,776)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	755,982	242,646
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,988,556</u>	<u>3,964,349</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,744,538</u>	<u>\$ 4,206,995</u>

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

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Global Lighting Technologies Inc. (the “Company”, and its subsidiaries collectively referred to as the “Group”) was incorporated in the Cayman Islands on July 28, 2000. The Group is mainly engaged in the design, manufacturing, and sales of applications of light guide plates, development of optical molds and the manufacturing, and sales of plastic components. The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since July 28, 2011.

The functional currency of the Company is the United States dollar. As the Company’s shares are listed on the TWSE, for greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 15, 2022.

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

- a. Initial application of the amendments to 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)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and provision for employee benefits and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. 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
- c. Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12, Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

Other Significant Accounting Policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

- a. Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

- b. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting judgments and key sources of estimation uncertainty of these consolidated financial statements are the same as the consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 2,999	\$ 2,170	\$ 2,304
Checking accounts and demand deposits	4,563,219	3,899,846	4,135,041
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>178,320</u>	<u>86,540</u>	<u>69,650</u>
	<u>\$ 4,744,538</u>	<u>\$ 3,988,556</u>	<u>\$ 4,206,995</u>

7. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 235</u>	<u>\$ 7,800</u>	<u>\$ 270,242</u>

The interest rates for time deposits with original maturities of more than 3 months were approximately 1.07%, 0.58% and 0.33% per annum as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Top Taiwan XIII Venture Capital Co., Ltd.	\$ 98,600	\$ 99,200	\$ -
Chi Lin Optoelectronics Co., Ltd.	<u>8,486</u>	<u>13,895</u>	<u>13,300</u>
	<u>107,086</u>	<u>113,095</u>	<u>13,300</u>
Foreign investments			
Unlisted shares			
Sensel Inc.	<u>178,320</u>	<u>166,080</u>	<u>-</u>
	<u>\$ 285,406</u>	<u>\$ 279,175</u>	<u>\$ 13,300</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In March 2021, the Group received the capital reduction refund of \$18,267 thousand from Chi Lin Optoelectronics Co., Ltd., with a capital reduction ratio of 70%.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 19	\$ 28	\$ 12
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 19</u>	<u>\$ 28</u>	<u>\$ 12</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,484,036	\$ 2,470,246	\$ 2,286,215
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,484,036</u>	<u>\$ 2,470,246</u>	<u>\$ 2,286,215</u>
<u>Other receivables</u>			
At amortized cost	<u>\$ 2,013</u>	<u>\$ 3,286</u>	<u>\$ 3,044</u>

a. Notes receivable and accounts receivable

The average credit period of sales of goods was 60 to 90 days. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher, and credit exposure is controlled by counterparty limits that are reviewed and approved annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

	June 30, 2022	December 31, 2021	June 30, 2021
	<u>Not Past Due</u>	<u>Not Past Due</u>	<u>Not Past Due</u>
Expected credit loss rate	0%	0%	0%
Gross carrying amount	\$ 19	\$ 28	\$ 12
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 19</u>	<u>\$ 28</u>	<u>\$ 12</u>

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

June 30, 2022

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 1,453,282	\$ 26,782	\$ 2,945	\$ 990	\$ 37	\$ -	\$ -	\$ 1,484,036
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 1,453,282</u>	<u>\$ 26,782</u>	<u>\$ 2,945</u>	<u>\$ 990</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,484,036</u>

December 31, 2021

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 2,262,797	\$ 196,526	\$ 10,911	\$ 12	\$ -	\$ -	\$ -	\$ 2,470,246
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 2,262,797</u>	<u>\$ 196,526</u>	<u>\$ 10,911</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,470,246</u>

June 30, 2021

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	
Gross carrying amount	\$ 2,191,106	\$ 82,117	\$ 12,918	\$ 20	\$ 54	\$ -	\$ -	\$ 2,286,215
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 2,191,106</u>	<u>\$ 82,117</u>	<u>\$ 12,918</u>	<u>\$ 20</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,286,215</u>

For the six months ended June 30, 2022 and 2021, the loss allowance of accounts receivable were as follows:

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ -	\$ 259
Less: Amounts written off	-	(254)
Foreign exchange gains and losses	-	(5)
Balance at June 30	<u>\$ -</u>	<u>\$ -</u>

b. Other receivables

Other receivables comprise value-added tax refund receivable and outstanding interest receivables from banks. The Group only transacts with counterparties that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group continues to engage in enforcement activity to trace the conditions of the receivables with reference to the past default experience of the debtor and an analysis of the debtor's current financial position, in determining whether the credit risk of other receivables has increased significantly since initial recognition as well as for measuring the expected credit losses. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

10. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Raw materials	\$ 661,745	\$ 471,742	\$ 558,642
Work in process	64,617	60,114	46,470
Finished goods	579,425	669,862	369,308
Inventory in transit	<u>35,565</u>	<u>101,622</u>	<u>41,530</u>
	<u>\$ 1,341,352</u>	<u>\$ 1,303,340</u>	<u>\$ 1,015,950</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Cost of inventories sold	\$ 1,616,170	\$ 2,233,061	\$ 3,596,678	\$ 4,365,337
Inventory write-downs	<u>7,207</u>	<u>11,292</u>	<u>13,841</u>	<u>14,355</u>
	<u>\$ 1,623,377</u>	<u>\$ 2,244,353</u>	<u>\$ 3,610,519</u>	<u>\$ 4,379,692</u>

11. OTHER ASSETS

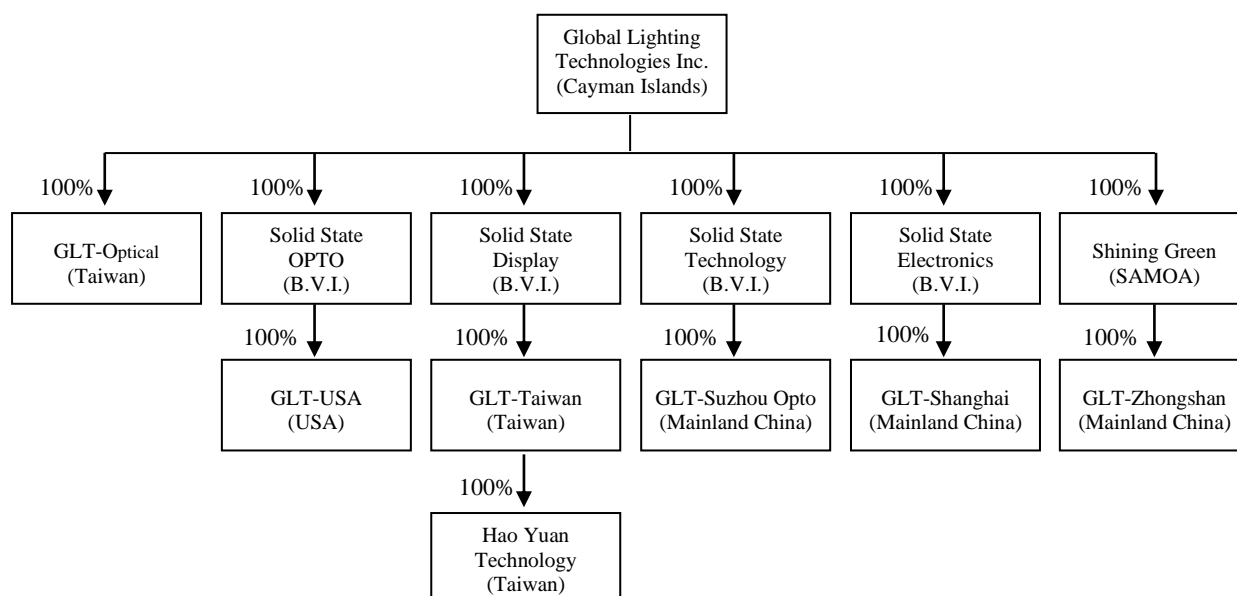
	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Other financial assets - restricted assets (Note 29)	\$ 163,460	\$ 152,240	\$ 153,439
Others	<u>2,154</u>	<u>5,044</u>	<u>7,773</u>
	<u>\$ 165,614</u>	<u>\$ 157,284</u>	<u>\$ 161,212</u>
<u>Non-current</u>			
Other financial assets - restricted assets (Note 29)	\$ 17,904	\$ 18,135	\$ 18,119
Refundable deposits	<u>1,310</u>	<u>3,793</u>	<u>1,360</u>
	<u>\$ 19,214</u>	<u>\$ 21,928</u>	<u>\$ 19,479</u>

12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2022	December 31, 2021	June 30, 2021
Global Lighting Technologies Inc. (Cayman)	Solid State OPTO Limited (BVI) (Solid State OPTO)	Holding company engaged in the sale of products	100	100	100
	Solid State Display Limited (BVI) (Solid State Display)	Holding company engaged in the sale of products	100	100	100
	Solid State Technology Limited (BVI) (Solid State Technology)	Holding company engaged in the sale of products	100	100	100
	Solid State Electronics Limited (BVI) (Solid State Electronics)	Holding company engaged in the sale of products	100	100	100
	Shining Green Limited (Shining Green)	Holding company	100	100	100
	GLT Optical Inc. (GLT-Optical) (Note)	Design, production, and sale of applications of light guide plates	100	100	100
Solid State OPTO	Global Lighting Technologies Inc. (GLT-USA)	Design and sale of applications of light guide plates	100	100	100
Solid State Display	Global Lighting Technologies Inc. (GLT-Taiwan)	Design, production, and sale of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	100	100	100
Solid State Technology	Suzhou Opto Technologies Inc. (GLT-Suzhou Opto)	Design, production, and sale of applications of light guide plates and monitor, design of optical molds, and production and sale of plastic products for electronic use	100	100	100
Solid State Electronics	Shanghai Global Lighting Technologies Inc. (GLT-Shanghai)	Design, production, and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components	100	100	100
Shining Green	Zhongsan Global Lighting Technology Limited Co. (GLT-Zhongsan)	Production, and sale of applications of light guide plates	100	100	100
Global Lighting Technologies Inc. (Taiwan)	Hao Yuan Technology Limited Co. (Hao Yuan Technology)	Investment industry; wholesale and retail sale of electronic materials	100	100	100

Note: In order to strengthen GLT-Optical's financial structure and in consideration of its future operational development needs, the Company's board of directors resolved to increase investment in amount of \$200,000 thousand in GLT-Optical on December 28, 2021. The procedure for alteration registration had been completed on March 14, 2022. In order to improve the financial structure of GLT-Optical, the Company's board of directors resolved to reduce the capital to offset a deficit on June 10, 2022. The amount of reduction was \$200,000 thousand, and the total paid-in capital after the reduction was \$500,894 thousand. The procedure for registration of change had been completed on June 24, 2022.

As of June 30, 2022, the investment relationships and shareholding proportions of the Group are as follows:



13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Associates that is not individually material</u>			
Unlisted shares			
Asensetek Incorporation	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

Proportion of the Group's ownership:

	June 30, 2022	December 31, 2021	June 30, 2021
Asensetek Incorporation	27.15%	27.15%	27.15%

Due to continuous operating losses of Asensetek Incorporation, the Group has recognized the full carrying amount of the investment for impairment losses after assessing the recoverable amount in the previous year.

The Group's investments accounted for using the equity method for the six months ended June 30, 2022 and 2021 and the share of profit or loss and other comprehensive income from the investments were recognized based on the unreviewed financial statements; however, the Group considered that there was no significant impact on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to be Inspected or under Construction	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 167,176	\$ 2,497,457	\$ 3,095,473	\$ 64,935	\$ 193,808	\$ 410,422	\$ 56,928	\$ 6,486,199
Additions	-	2,418	11,100	-	-	5,985	21,326	40,829
Disposals	-	(5,088)	(3,475)	-	-	(682)	-	(9,245)
Reclassifications	-	11,821	6,806	-	-	10,150	(28,777)	-
Effects of foreign currency exchange differences	-	13,823	24,500	1,225	4,657	4,201	39	48,445
Balance at June 30, 2022	<u>167,176</u>	<u>2,520,431</u>	<u>3,134,404</u>	<u>66,160</u>	<u>198,465</u>	<u>430,076</u>	<u>49,516</u>	<u>6,566,228</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	-	785,819	1,986,389	52,036	92,661	329,766	-	3,246,671
Depreciation expenses	-	43,567	118,057	6,305	3,983	22,030	-	193,942
Disposals	-	(5,076)	(3,475)	-	-	(682)	-	(9,233)
Reclassifications	-	-	(7,651)	-	-	7,651	-	-
Effects of foreign currency exchange differences	-	7,387	22,841	976	2,763	4,213	-	38,180
Balance at June 30, 2022	<u>-</u>	<u>831,697</u>	<u>2,116,161</u>	<u>59,317</u>	<u>99,407</u>	<u>362,978</u>	<u>-</u>	<u>3,469,560</u>
Carrying amount at June 30, 2022	<u>\$ 167,176</u>	<u>\$ 1,688,734</u>	<u>\$ 1,018,243</u>	<u>\$ 6,843</u>	<u>\$ 99,058</u>	<u>\$ 67,098</u>	<u>\$ 49,516</u>	<u>\$ 3,096,668</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 167,176</u>	<u>\$ 1,711,638</u>	<u>\$ 1,109,084</u>	<u>\$ 12,899</u>	<u>\$ 101,147</u>	<u>\$ 80,656</u>	<u>\$ 56,928</u>	<u>\$ 3,239,528</u>
<u>Cost</u>								
Balance at January 1, 2021	\$ 167,176	\$ 2,424,678	\$ 3,058,537	\$ 51,345	\$ 194,471	\$ 401,305	\$ 175,163	\$ 6,472,675
Additions	-	13,325	13,956	8,247	-	14,326	99,937	149,791
Disposals	-	-	(346)	(355)	-	(6,928)	-	(7,629)
Reclassifications	-	26,782	27,560	-	-	2,162	(56,504)	-
Effects of foreign currency exchange differences	-	(8,605)	(20,872)	(688)	(2,516)	(7,282)	(89)	(40,052)
Balance at June 30, 2021	<u>167,176</u>	<u>2,456,180</u>	<u>3,078,835</u>	<u>58,549</u>	<u>191,955</u>	<u>403,583</u>	<u>218,507</u>	<u>6,574,785</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	-	704,025	1,933,696	41,824	85,214	298,915	-	3,063,674
Depreciation expenses	-	42,399	111,278	4,713	4,283	23,325	-	185,998
Disposals	-	-	(346)	(355)	-	(6,928)	-	(7,629)
Effects of foreign currency exchange differences	-	(4,547)	(19,134)	(543)	(1,248)	(3,757)	-	(29,229)
Balance at June 30, 2021	<u>-</u>	<u>741,877</u>	<u>2,025,494</u>	<u>45,639</u>	<u>88,249</u>	<u>311,555</u>	<u>-</u>	<u>3,212,814</u>
Carrying amount at June 30, 2021	<u>\$ 167,176</u>	<u>\$ 1,714,303</u>	<u>\$ 1,053,341</u>	<u>\$ 12,910</u>	<u>\$ 103,706</u>	<u>\$ 92,028</u>	<u>\$ 218,507</u>	<u>\$ 3,361,971</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	10-50 years
Decorating constructions	3-50 years
Machine equipment	1-11 years
Molding equipment	1-7 years
Leasehold improvements	1-25 years
Other equipment	1-10 years

There was no indication of impairment of the property, plant and equipment for the six months ended June 30, 2022 and 2021.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022		December 31, 2021		June 30, 2021
<u>Carrying amount</u>					
Land	\$ 416,229		\$ 419,877		\$ 424,866
Buildings	218,745		222,561		229,258
Land use rights	43,683		43,541		43,849
Transportation equipment	478		724		979
Other equipment	<u>3,634</u>		<u>3,893</u>		<u>4,428</u>
	<u>\$ 682,769</u>		<u>\$ 690,596</u>		<u>\$ 703,380</u>
	For the Three Months Ended		For the Six Months Ended		
	June 30		June 30		
	2022	2021	2022	2021	
Addition of right-of-use assets			<u>\$ 1,346</u>		<u>\$ 13,241</u>
Depreciation charge for right-of-use assets					
Land	\$ 2,500	\$ 2,495	\$ 4,994		\$ 4,989
Buildings	4,307	4,168	8,544		8,387
Land use rights	338	328	672		660
Transportation equipment	129	127	256		254
Other equipment	<u>270</u>	<u>257</u>	<u>527</u>		<u>517</u>
	<u>\$ 7,544</u>	<u>\$ 7,375</u>	<u>\$ 14,993</u>		<u>\$ 14,807</u>

Except for the recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the six months ended June 30, 2022 and 2021.

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 25,774</u>	<u>\$ 25,007</u>	<u>\$ 24,655</u>
Non-current	<u>\$ 666,091</u>	<u>\$ 672,798</u>	<u>\$ 683,694</u>

The discount rates for lease liabilities were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Land	1.555%	1.555%	1.555%
Buildings	1.750%-4.750%	1.750%-4.750%	1.750%-4.750%
Transportation equipment	0.780%-1.333%	0.780%-1.333%	0.780%-1.333%
Other equipment	6.910%	6.910%	6.910%

c. Material leasing activities and terms

The Group leases certain land and buildings for the use of plants and office spaces with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leased assets at the end of the lease terms.

The Group also leases certain transportation equipment and other equipment with lease terms of 3 to 5 years. The Group does not have bargain purchase options to acquire the transportation equipment at the end of the lease terms.

Land use rights are amortized using the straight-line method over 50 years.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	<u>\$ 3,145</u>	<u>\$ 2,298</u>	<u>\$ 5,883</u>	<u>\$ 4,949</u>
Expenses relating to low-value asset leases	<u>\$ 328</u>	<u>\$ 336</u>	<u>\$ 710</u>	<u>\$ 662</u>
Total cash outflow for leases			<u>\$ (25,192)</u>	<u>\$ (23,979)</u>

The Group's leases of certain office space, dormitories and parking lots qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

16. BORROWINGS

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Secured borrowings (Note 29)</u>			
Bank loan	\$ 148,000	\$ 148,000	\$ 148,000
<u>Unsecured borrowings</u>			
Line of credit borrowing	<u>450,000</u>	<u>650,000</u>	<u>780,000</u>
	<u>\$ 598,000</u>	<u>\$ 798,000</u>	<u>\$ 928,000</u>

The range of interest rates on bank loans was 0.84%-1.08%, 0.60%-0.64% and 0.73% per annum at June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

b. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Unsecured borrowings</u>			
Chinatrust Commercial Bank	\$ 270,000	\$ 270,000	\$ 208,000
Less: Current portion	<u>(90,000)</u>	<u>-</u>	<u>-</u>
Long-term borrowings	<u>\$ 180,000</u>	<u>\$ 270,000</u>	<u>\$ 208,000</u>

In February 2021, GLT-Optical signed a non-revolving loan contract with Chinatrust Commercial Bank for total credit facilities of \$270,000 thousand based on “Action Plan for Accelerated Investment by SMEs” by the Ministry of Economic Affairs. The period is from February 2021 to February 2024. Since the end date of the grace period is in February 2023, the principal will be repaid in each monthly installment. In accordance with the terms of the contract, GLT-Taiwan, the joint guarantor, shall maintain specific financial ratios in the financial statements each year during the loan period. GLT-Optical applied for interest subsidy according to the aforementioned plan. The interest rate during the subsidy period is reduced by 0.845% from the 2-year time savings deposit variable interest rate of Chunghwa Post Co., and the minimum charge is 0%; After the subsidy period expires, the interest rate will return to 2-year time savings deposit variable interest rate of Chunghwa Post Co. plus 0.255%. As of June 30, 2022, December 31, 2021 and June 30, 2021, the interest rates of the loan were 0.375%, 0% and 0% per annum, respectively.

17. OTHER PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Payable for dividends	\$ 644,320	\$ -	\$ 720,154
Payable for salaries or bonuses	302,573	312,555	302,595
Payable for commission	19,779	41,610	32,237
Payable for purchase equipment	18,019	11,251	22,037
Payable for tax	5,320	7,620	4,008
Others	<u>74,149</u>	<u>78,216</u>	<u>82,673</u>
	<u>\$ 1,064,160</u>	<u>\$ 451,252</u>	<u>\$ 1,163,704</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

GLT-Taiwan and GLT-Optical adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

GLT-Shanghai, GLT-Suzhou and GLT-Zhongshan, the Group's subsidiaries in mainland China, are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits, the contribution ratios were 16%, 16% and 15%, respectively. GLT-USA, the Group's subsidiary in the U.S allocates pension according to the 401(K) plan.

There were no pension plans for Global Lighting Technologies (Cayman), Solid State OPTO, Solid State Display, Solid State Technology, Solid State Electronics, Shining Green and Hao Yuan Technology since these companies had no regular employees.

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Operating costs	<u>\$ 14,632</u>	<u>\$ 12,287</u>	<u>\$ 29,216</u>	<u>\$ 25,837</u>
Operating expenses	<u>\$ 7,765</u>	<u>\$ 3,250</u>	<u>\$ 11,642</u>	<u>\$ 6,715</u>

b. Defined benefit plan

For the three months and six months ended June 30, 2022 and 2021, the pension expenses of defined benefit plans were \$330 thousand, \$564 thousand, \$659 thousand, and \$1,128 thousand respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

19. LONG-TERM DEFERRED REVENUE

In 2006 to 2008, the Group received a government grant for relocating its factory in accordance with the Suzhou government land planning policy. The subsidy was recognized as long-term deferred revenue, which is amortized and recognized as realized long-term deferred revenue over its estimated useful life (under the line item of non-operating income and expenses - other income).

Since July 2019, the Group received testing equipment donated from non-shareholders, which were recognized as long-term deferred revenue, and the realized long-term deferred revenue (under the line item of non-operating income and expense - other income) is amortized over the estimated useful life of the testing equipment.

As of June 30, 2022, December 31, 2021 and June 30, 2021, long-term deferred revenue was \$74,334 thousand, \$82,236 thousand and \$91,422 thousand, respectively.

The Group's realized long-term deferred revenue recognized as other income and government grants related to income are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Realized long-term deferred revenue	\$ 5,080	\$ 4,830	\$ 9,937	\$ 9,736
Received from government grants related to income	<u>109</u>	<u>696</u>	<u>334</u>	<u>6,607</u>
	<u>\$ 5,189</u>	<u>\$ 5,526</u>	<u>\$ 10,271</u>	<u>\$ 16,343</u>

20. EQUITY

a. Share capital - ordinary shares

	June 30, 2022	December 31, 2021	June 30, 2021
Number of shares authorized (in thousands)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Shares authorized	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>
Number of shares issued and fully paid (in thousands)	<u>128,864</u>	<u>130,937</u>	<u>130,937</u>
Shares issued and fully paid	<u>\$ 1,288,641</u>	<u>\$ 1,309,371</u>	<u>\$ 1,309,371</u>

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

On February 24, 2022, the Company's board of directors resolved to cancel 2,073 thousand treasury shares and set the base date for capital reduction as February 25, 2022. Therefore, the Company decreased the ordinary share capital by \$20,730 thousand, decreased the capital surplus by \$35,386 thousand and decreased the retained earnings by \$112,679 thousand. As of June 30, 2022, the Company's paid-in capital was \$1,288,641 thousand, divided into 128,864 thousand shares with par value of NT\$10.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital</u>			
Issuance of ordinary shares	\$ 2,199,672	\$ 2,235,058	\$ 2,235,058
Expiry of employee share options	85,068	85,068	85,068
Donations	39,702	39,702	39,702
<u>May be used to offset a deficit only</u>			
Share of changes in capital surplus of associates	<u>23,981</u>	<u>23,981</u>	<u>23,981</u>
	<u>\$ 2,348,423</u>	<u>\$ 2,383,809</u>	<u>\$ 2,383,809</u>

The capital surplus from shares issued in excess of par could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years and setting aside as special reserve in accordance with the laws and regulations. The current year's distributable earnings are the current year's net profit after deduction of the aforementioned amounts plus the accumulated undistributed retained earnings. The board of directors may approve all or part of the distributable surplus in the current year to be distributed as dividends (including cash dividends or share dividends) in the current year in consideration of financial, business and other operating factors. However, dividends to be distributed for the current year should not be lower than 10% of the net profit after tax for the current year if the profit has not been used to offset losses or set aside as special reserve. Additionally, cash dividends should not be lower than 10% of the total dividends to be distributed for the current year. For policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 22(g).

When a special reserve is appropriated for cumulative net debit balance reserves from prior period during surplus distribution, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amended, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2021 and 2020 that had been resolved by the shareholders in their meetings on May 26, 2022 and August 26, 2021, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Special reserve	\$ 83,514	\$ 93,330
Cash dividends	\$ 644,320	\$ 720,154
Cash dividends per share (NT\$)	\$ 5.0	\$ 5.5
d. Other equity items		
<u>Exchange differences on the translation of the financial statements of foreign operations</u>		
	For the Six Months Ended	
	June 30	
	2022	2021
Balance at January 1	\$ (344,626)	\$ (258,846)
Recognized for the period		
Exchange differences on translation to the presentation currency	552,084	(165,188)
Exchange differences on the translation of the financial statements of foreign operations	<u>(306,887)</u>	<u>78,535</u>
Balance at June 30	<u>\$ (99,429)</u>	<u>\$ (345,499)</u>
<u>Unrealized gain (loss) on financial assets at FVTOCI</u>		
	For the Six Months Ended	
	June 30	
	2022	2021
Balance at January 1	\$ (6,085)	\$ (8,351)
Recognized for the period		
Unrealized gain (loss)	<u>(6,009)</u>	<u>2,471</u>
Balance at June 30	<u>\$ (12,094)</u>	<u>\$ (5,880)</u>
e. Treasury shares		
		For the Six
		Months Ended
		June 30, 2022
Number of shares at January 1, 2022		1,198
Buy-back during the period		875
Cancelled during the period		<u>(2,073)</u>
Number of shares at June 30, 2022		<u><u>-</u></u>

In order to safeguard the Company's credit and shareholders' rights and interests, the Company's board of directors resolved on November 4, 2021 to repurchase 6,000 thousand ordinary shares of the Company from the centralized securities exchange market from November 5, 2021 to January 4, 2022. The repurchase price ranges from \$57.40 to \$119.50 per share. As of December 31, 2021, 1,198 thousand treasury shares have been repurchased, with an amount of \$95,121 thousand. As of January 4, 2022, the Company had repurchased 875 thousand shares with a total amount of \$73,674 thousand. On February 24, 2022, the Company's board of directors resolved to cancel 2,073 thousand treasury shares and set the base date for capital reduction as February 25, 2022.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

21. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 1,833,498	\$ 2,723,935	\$ 4,269,149	\$ 5,388,923
Revenue from commission	<u>6,261</u>	<u>5,922</u>	<u>12,654</u>	<u>11,466</u>
	<u>\$ 1,839,759</u>	<u>\$ 2,729,857</u>	<u>\$ 4,281,803</u>	<u>\$ 5,400,389</u>

a. Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Notes receivable (Note 9)	<u>\$ 19</u>	<u>\$ 28</u>	<u>\$ 12</u>	<u>\$ -</u>
Accounts receivable (Note 9)	<u>\$ 1,484,036</u>	<u>\$ 2,470,246</u>	<u>\$ 2,286,215</u>	<u>\$ 2,805,135</u>
Accounts receivable - related parties (Note 28)	<u>\$ 42,458</u>	<u>\$ 41,599</u>	<u>\$ 27,010</u>	<u>\$ 47,834</u>
Contract liabilities				
Sale of goods	<u>\$ 5,977</u>	<u>\$ 3,615</u>	<u>\$ 5,336</u>	<u>\$ 5,311</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

Revenue recognized in the current year from the satisfaction of performance obligations of contract liabilities at the beginning of the year is as follows:

	For the Six Months Ended June 30	
	2022	2021
From contract liabilities at the beginning of the year		
Sale of goods	<u>\$ 3,615</u>	<u>\$ 5,311</u>

b. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Applications of light guide plates	\$ 1,565,068	\$ 2,468,883	\$ 3,696,179	\$ 4,872,369
Plastic components	268,430	255,052	572,970	516,554
Revenue from commission	<u>6,261</u>	<u>5,922</u>	<u>12,654</u>	<u>11,466</u>
	<u>\$ 1,839,759</u>	<u>\$ 2,729,857</u>	<u>\$ 4,281,803</u>	<u>\$ 5,400,389</u>

22. NET PROFIT

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Bank deposits	<u>\$ 5,148</u>	<u>\$ 2,511</u>	<u>\$ 6,926</u>	<u>\$ 4,706</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Long-term deferred revenue allocated due to non-shareholders' asset donation (Note 19)	\$ 4,380	\$ 4,150	\$ 8,543	\$ 8,368
Government grants (Note 19)	809	1,376	1,728	7,975
Dividends	-	-	-	10,438
Others	<u>27</u>	<u>(15)</u>	<u>497</u>	<u>243</u>
	<u>\$ 5,216</u>	<u>\$ 5,511</u>	<u>\$ 10,768</u>	<u>\$ 27,024</u>

The government grants included the loan of US\$207 thousand of GLT-USA which was approved by the authorized bank of Small Business Administration (SBA) in July 2020. GLT-USA has obtained the loan forgiveness in March 2021 and recognized \$5,862 thousand to other income - government grants.

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Net gain (loss) on foreign currency exchange	\$ 70,397	\$ (16,040)	\$ 87,615	\$ (13,678)
Gain on disposal of property, plant and equipment	<u>1</u>	<u>484</u>	<u>270</u>	<u>484</u>
	<u>\$ 70,398</u>	<u>\$ (15,556)</u>	<u>\$ 87,885</u>	<u>\$ (13,194)</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on lease liabilities	\$ 2,963	\$ 3,055	\$ 5,937	\$ 5,997
Interest on bank loans	<u>1,359</u>	<u>1,716</u>	<u>2,617</u>	<u>3,622</u>
	<u>\$ 4,322</u>	<u>\$ 4,771</u>	<u>\$ 8,554</u>	<u>\$ 9,619</u>

e. Depreciation

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Property, plant and equipment	\$ 96,862	\$ 92,916	\$ 193,942	\$ 185,998
Right-of-use assets	<u>7,544</u>	<u>7,375</u>	<u>14,993</u>	<u>14,807</u>
	<u>\$ 104,406</u>	<u>\$ 100,291</u>	<u>\$ 208,935</u>	<u>\$ 200,805</u>
An analysis of depreciation by function				
Operating costs	\$ 85,349	\$ 80,644	\$ 170,360	\$ 161,691
Operating expenses	<u>19,057</u>	<u>19,647</u>	<u>38,575</u>	<u>39,114</u>
	<u>\$ 104,406</u>	<u>\$ 100,291</u>	<u>\$ 208,935</u>	<u>\$ 200,805</u>

f. Employee benefit expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Post-employment benefit (Note 18)				
Defined contribution plans	\$ 22,397	\$ 15,537	\$ 40,858	\$ 32,552
Defined benefit plans	330	564	659	1,128
Payroll expenses	203,112	206,312	421,202	442,245
Labor and health insurance expenses	17,064	15,259	35,073	32,655
Remuneration of directors	1,812	5,045	6,467	10,829
Other employee benefits	<u>18,102</u>	<u>13,807</u>	<u>36,200</u>	<u>30,293</u>
Total employee benefit expenses	<u>\$ 262,817</u>	<u>\$ 256,524</u>	<u>\$ 540,459</u>	<u>\$ 549,702</u>
An analysis of employee benefit expense by function				
Operating costs	\$ 184,645	\$ 170,073	\$ 370,643	\$ 366,537
Operating expenses	<u>78,172</u>	<u>86,451</u>	<u>169,816</u>	<u>183,165</u>
	<u>\$ 262,817</u>	<u>\$ 256,524</u>	<u>\$ 540,459</u>	<u>\$ 549,702</u>

g. Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates between 1% to 15% and not higher than 1.5% of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the six months ended June 30, 2022 and 2021 which estimated based on the profit before income tax without considering the effect of employees' compensation and remuneration of directors, were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2022	2021
Employees' compensation	5.0%	5.0%
Remuneration of directors	1.5%	1.5%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
	Cash	Cash	Cash	Cash
Employees' compensation	\$ 2,983	\$ 14,447	\$ 16,322	\$ 31,852
Remuneration of directors	895	4,334	4,897	9,556

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 which had been approved by the Company's board of directors on February 24, 2022 and March 5, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Employees' compensation	\$ 68,189	\$ 72,463
Remuneration of directors	20,457	21,739

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Foreign currency exchange gains	\$ 191,704	\$ 18,372	\$ 242,863	\$ 71,867
Foreign currency exchange losses	<u>(121,307)</u>	<u>(34,412)</u>	<u>(155,248)</u>	<u>(85,545)</u>
Net gain (loss)	<u>\$ 70,397</u>	<u>\$ (16,040)</u>	<u>\$ 87,615</u>	<u>\$ (13,678)</u>

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 46,429	\$ 7,981	\$ 69,242	\$ 18,216
Unappropriated retained earnings	2,741	-	2,741	-
Adjustments from previous years	(4,061)	(3,007)	(4,061)	(3,007)
Deferred tax				
In respect of the current period	<u>2,312</u>	<u>(3,498)</u>	<u>3,331</u>	<u>(2,740)</u>
Income tax expense recognized in profit or loss	<u>\$ 47,421</u>	<u>\$ 1,476</u>	<u>\$ 71,253</u>	<u>\$ 12,469</u>

The income tax rates of the entities in the Group based on the operating jurisdictions of the respective entities are as follows:

- 1) GLT-USA: 21%
- 2) GLT-Taiwan, GLT-Optical and Hao Yun Technology: 20%
- 3) GLT-Shanghai and GLT-Zhongshan: 25%
- 4) GLT-Suzhou Opto: For the six months ended June 30, 2022 is 25%; for the six months ended June 30, 2021 and qualified as a high-tech enterprise is 15%

b. Income tax assessments

Income tax returns of GLT-Taiwan, GLT-Optical and Hao Yuan Technology through 2020 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Profit for the year attributable to owners of the Company	<u>\$ 55,789</u>	<u>\$ 270,154</u>	<u>\$ 305,224</u>	<u>\$ 595,636</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	128,883	130,937	128,883	130,937
Effect of potentially dilutive ordinary shares:				
Employees' compensation	<u>51</u>	<u>146</u>	<u>553</u>	<u>571</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>128,934</u>	<u>131,083</u>	<u>129,436</u>	<u>131,508</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CASH FLOW INFORMATION

a. Partial non-cash transactions

In addition to those disclosed in other notes, for the six months ended June 30, 2022 and 2021, the Group entered into the following partial non-cash investing and financing activities, which were not reflected in the consolidated statements of cash flows:

1) Partial cash payments for the acquisition of property, plant and equipment

	For the Six Months Ended June 30	
	2022	2021
Purchase of property, plant and equipment	\$ 40,829	\$ 149,791
Net change in prepayments for purchases of equipment	(1,166)	(23,930)
Net change in payables for purchase of equipment	<u>(6,768)</u>	<u>26,647</u>
Cash paid	<u>\$ 32,895</u>	<u>\$ 152,508</u>

2) The cash dividends approved in the shareholders' meetings or electronic voting were not yet distributed as of June 30, 2022 and 2021 (refer to Notes 17 and 20).

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2022

	Balance at January 1, 2022	Cash Flows	Non-cash Changes		Balance at June 30, 2022
			New Leases	Effects of Foreign Currency Exchange Differences	
Short-term borrowings	\$ 798,000	\$ (200,000)	\$ -	\$ -	\$ 598,000
Long-term borrowings (including current portion)	270,000	-	-	-	270,000
Lease liabilities	<u>697,805</u>	<u>(12,662)</u>	<u>1,346</u>	<u>5,376</u>	<u>691,865</u>
	<u>\$ 1,765,805</u>	<u>\$ (212,662)</u>	<u>\$ 1,346</u>	<u>\$ 5,376</u>	<u>\$ 1,559,865</u>

For the six months ended June 30, 2021

	Balance at January 1, 2021	Cash Flows	Non-cash Changes			Balance at June 30, 2021
			New Leases	Transferred to Other Income	Effects of Foreign Currency Exchange Differences	
Short-term borrowings	\$ 860,000	\$ 68,000	\$ -	\$ -	\$ -	\$ 928,000
Long-term borrowings (including current portion)	224,884	(11,000)	-	(5,862)	(22)	208,000
Lease liabilities	<u>710,591</u>	<u>(12,371)</u>	<u>13,241</u>	<u>-</u>	<u>(3,112)</u>	<u>708,349</u>
	<u>\$ 1,795,475</u>	<u>\$ 44,629</u>	<u>\$ 13,241</u>	<u>\$ (5,862)</u>	<u>\$ (3,134)</u>	<u>\$ 1,844,349</u>

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except for the following disclosures, the management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 178,320	\$ 178,320
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>107,086</u>	<u>107,086</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,406</u>	<u>\$ 285,406</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 166,080	\$ 166,080
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>113,095</u>	<u>113,095</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,175</u>	<u>\$ 279,175</u>

June 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,300</u>	<u>\$ 13,300</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2022

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ 279,175
Recognized in other comprehensive income	(6,009)
Effects of foreign currency exchange differences	<u>12,240</u>
Balance at June 30, 2022	<u>\$ 285,406</u>

For the six months ended June 30, 2021

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	\$ 29,096
Refund of capital reduction	(18,267)
Recognized in other comprehensive income	<u>2,471</u>
Balance at June 30, 2021	<u>\$ 13,300</u>

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

The fair values of financial assets and financial liabilities are evaluated using the market approach based on the analysis of comparable companies and asset-based approach.

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
Financial assets at FVTOCI	\$ 285,406	\$ 279,175	\$ 13,300
Financial assets at amortized cost (Note 1)	6,454,810	6,684,331	6,963,911
<u>Financial liabilities</u>			
Amortized cost (Note 2)	2,655,268	3,411,318	3,191,983

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, part of other receivables (excluding tax refund receivable), other receivables - related parties, refundable deposits (presented in other non-current assets) and other financial assets (presented in other current and non-current assets).

Note 2: The balances include financial liabilities measured at amortized cost, which comprise accounts payable, accounts payable - related parties, part of other payables (excluding payable for short-term employee benefits, payable for dividends, payable for commission and payable for business tax), other payables - related parties, short-term borrowings, long-term borrowings and long-term borrowings - current portion.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity investments, accounts receivable, accounts payable, long-term borrowings and short-term borrowings and lease liabilities. The Group's corporate treasury function 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, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar and Japanese yen.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar strengthening (weakening) 5% against the relevant currency.

	U.S. Dollar Impact		Japanese Yen Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
(Loss) profit	<u>\$ (69,887)</u>	<u>\$ (65,203)</u>	<u>\$ (134)</u>	<u>\$ (167)</u>

The result was mainly attributable to the exposure on bank deposits, accounts receivable and accounts payable in U.S. dollars and Japanese yen that were not hedged at the end of the year.

The Group's sensitivity to U.S. dollars increased during the current year due to the increase of foreign currency deposits; and the sensitivity to Japanese yen decreased during the current year due to the decrease of foreign currency deposits.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts.

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

	June 30, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	\$ 351,955	\$ 245,455	\$ 503,495
Financial liabilities	1,289,865	1,765,805	1,844,349
Cash flows interest rate risk			
Financial assets	4,435,157	3,794,442	4,018,353
Financial liabilities	270,000	-	-

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the six months ended June 30, 2022 would have increased/decreased by \$5,206 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the six months ended June 30, 2021 would have increased/decreased by \$5,023 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in variable rate deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2022 and 2021 would have increased/decreased by \$28,541 thousand and \$1,330 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices increased due to the increase in the equity securities held.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation, is primary from the book value of its financial assets.

The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's credit risk is concentrated in its top 10 customers.

The Group's concentration of credit risk of 91.13%, 93.92% and 93.96% in total trade receivables as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. Financial assets at fair value through other comprehensive income are exposed to liquidity risk since these assets have no active markets.

The Group manages liquidity risk by maintaining adequate bank balance and banking facilities, and continuously monitoring forecast and actual cash flows as well as the maturity profiles of financial assets and liabilities.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

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

June 30, 2022

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,431,587	\$ -	\$ -	\$ -
Fixed interest rate liabilities	598,903	-	-	-
Variable interest rate liabilities	91,810	181,000	-	-
Lease liabilities	<u>37,274</u>	<u>36,903</u>	<u>104,606</u>	<u>705,988</u>
	<u>\$ 3,159,574</u>	<u>\$ 217,903</u>	<u>\$ 104,606</u>	<u>\$ 705,988</u>

December 31, 2021

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,343,318	\$ -	\$ -	\$ -
Fixed interest rate liabilities	798,802	248,919	22,521	-
Lease liabilities	<u>36,640</u>	<u>36,404</u>	<u>105,070</u>	<u>717,345</u>
	<u>\$ 3,178,760</u>	<u>\$ 285,323</u>	<u>\$ 127,591</u>	<u>\$ 717,345</u>

June 30, 2021

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,776,137	\$ -	\$ -	\$ -
Fixed interest rate liabilities	929,004	87,329	121,780	-
Lease liabilities	<u>36,529</u>	<u>36,486</u>	<u>106,820</u>	<u>731,926</u>
	<u>\$ 3,741,670</u>	<u>\$ 123,815</u>	<u>\$ 228,600</u>	<u>\$ 731,926</u>

The amount of non-derivative financial liabilities would change due to the change in the floating interest rate as compared to the interest rate estimated on the balance sheet date.

b) Financing facilities

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Secured bank loan facilities</u>			
Amount used	\$ 148,000	\$ 148,000	\$ 148,000
Amount unused	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>
	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
<u>Unsecured bank loan facilities</u>			
Amount used	\$ 720,000	\$ 920,000	\$ 994,728
Amount unused	<u>448,600</u>	<u>338,400</u>	<u>637,452</u>
	<u>\$ 1,168,600</u>	<u>\$ 1,258,400</u>	<u>\$ 1,632,180</u>

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, transactions between the Group and other related parties are based on agreement. Details of the transactions are disclosed below.

a. The Group's related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Shinny Plastics Corp.	Other related party (the chairman of the Company and the chairman of Shinny Plastics are second-degree relatives)
Tony Material LLC	Related party in substance
Wistron Corporation	Other related party (juristic director of the Company)
Wistron InfoComm (Zhongshan) Corporation	Other related party (subsidiary of Wistron)
Weilian Electronic Technology (Zhongshan) Co., Ltd.	Other related party (subsidiary of Wistron)

b. Operating revenue

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Other related parties	\$ 27,983	\$ 12,713	\$ 57,330	\$ 39,536
Related party in substance	<u>-</u>	<u>509</u>	<u>338</u>	<u>957</u>
	<u>\$ 27,983</u>	<u>\$ 13,222</u>	<u>\$ 57,668</u>	<u>\$ 40,493</u>

The sales of goods to other related parties and the related party in substance were made at prices determined based on agreement; the payment term between the Group and other related parties or the related party in substance is open account 30-120 days, and is not significantly different from transactions between the Group and non-related parties

c. Purchases of goods (including processing fees)

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Other related parties	\$ 84,824	\$ 47,784	\$ 162,646	\$ 95,996
Related party in substance	<u>30,110</u>	<u>23,752</u>	<u>37,750</u>	<u>54,093</u>
	<u>\$ 114,934</u>	<u>\$ 71,536</u>	<u>\$ 200,396</u>	<u>\$ 150,089</u>

Purchases were made at the prices determined based on agreement with other related parties and related party in substance; the payment terms between the Group and other related parties, and between the Group and the related party in substance are within next month settlement 90 days and net 30 days, respectively, and are not significantly different from transactions between the Group and non-related parties.

d. Manufacturing and operating expenses

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Other related parties	\$ 6,447	\$ 7,228	\$ 13,386	\$ 15,729
Related party in substance	<u>5,375</u>	<u>5,537</u>	<u>10,899</u>	<u>12,737</u>
	<u>\$ 11,822</u>	<u>\$ 12,765</u>	<u>\$ 24,285</u>	<u>\$ 28,466</u>

The transactions were mainly the payments made for administration fees of the industrial park, utility expenses and mold charges to other related parties and related party in substance.

e. Receivables from related parties

Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
<u>Accounts receivable - related parties</u>			
Wistron InfoComm (Zhongshan)	\$ 42,423	\$ 40,956	\$ 26,089
Other related parties	35	540	384
Related party in substance	<u>-</u>	<u>103</u>	<u>537</u>
	<u>\$ 42,458</u>	<u>\$ 41,599</u>	<u>\$ 27,010</u>

The outstanding trade receivables from related parties are unsecured. As of June 30, 2022, December 31, 2021 and June 30, 2021, the accounts receivable from related parties were not overdue. For the six months ended June 30, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

Related Party Category/Name	Nature	June 30, 2022	December 31, 2021	June 30, 2021
<u>Other receivables - related parties</u>				
Shinny Plastics Corp.	Equipment	\$ -	\$ 941	\$ -
Weilian Electronic Technology (Zhongshan)	Rental income	<u>-</u>	<u>248</u>	<u>-</u>
		<u>\$ -</u>	<u>\$ 1,189</u>	<u>\$ -</u>

f. Payables to related parties

Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
<u>Accounts payable - related parties</u>			
Shinny Plastics Corp.	\$ 146,916	\$ 116,963	\$ 90,470
Related party in substance	<u>25,159</u>	<u>9,017</u>	<u>26,816</u>
	<u>\$ 172,075</u>	<u>\$ 125,980</u>	<u>\$ 117,286</u>
<u>Other payables - related parties</u>			
Tony material LLC	\$ 3,984	\$ 5,436	\$ 5,814
Wistron InfoComm (Zhongshan)	2,184	2,730	2,571
Other related parties	<u>133</u>	<u>45</u>	<u>-</u>
	<u>\$ 6,301</u>	<u>\$ 8,211</u>	<u>\$ 8,385</u>

g. Lease arrangements

Line Item	Related Party Category/Name	June 30, 2022	December 31,	
			2021	June 30, 2021
Lease liabilities	Wistron InfoComm (Zhongshan)	\$ <u>227,092</u>	\$ <u>229,655</u>	\$ <u>234,445</u>

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2022	2021	2022	2021
Interest expense	Wistron InfoComm (Zhongshan)	\$ <u>1,009</u>	\$ <u>1,040</u>	\$ <u>2,024</u>	\$ <u>2,104</u>

The Group leases a plant from Wistron InfoComm (Zhongshan), the terms of the transaction are negotiated by both the parties and the rent is paid monthly according to the lease agreement.

h. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 4,046	\$ 8,594	\$ 12,394	\$ 18,475
Post-employment benefits	<u>27</u>	<u>81</u>	<u>108</u>	<u>162</u>
	\$ <u>4,073</u>	\$ <u>8,675</u>	\$ <u>12,502</u>	\$ <u>18,637</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the import transactions in the Customs Administration, and for the lease of land from Hsinchu Science Park, Ministry of Science and Technology:

	June 30, 2022	December 31,	
		2021	June 30, 2021
Other financial assets - restricted assets (under other current and other non-current assets)	\$ <u>181,364</u>	\$ <u>170,375</u>	\$ <u>171,558</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of June 30, 2022 were as follows:

- a. GLT-Optical entered into a sales contract for the purchase of equipment of \$30,800 thousand. Unrecognized contract commitment was \$18,480 thousand.

b. Unrecognized commitments were as follows:

<u>Guarantor</u>	<u>Guaranteed Person</u>	<u>Guarantee Amount</u>
GLT-Taiwan	GLT-Optical	\$1,020,000 thousand
GLT-Taiwan	Solid State Electronics	US\$2,000 thousand (equivalent to approximately NT\$59,440 thousand)

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD:

In order to strengthen GLT-Optical's financial structure and in consideration of its future operational development needs, the Company's board of directors resolved to increase investment in an amount of \$350,000 thousand in GLT-Optical on August 15, 2022.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

June 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,336	29.7200 (USD:NTD)	\$ 1,347,390
USD	28,801	6.7114 (USD:RMB)	904,952
JPY	10,133	0.2182 (JPY:NTD)	2,211
JPY	2,493	0.0073 (JPY:USD)	544
<u>Financial liabilities</u>			
Monetary items			
USD	2,829	29.7200 (USD:NTD)	84,087
USD	24,523	6.7114 (USD:RMB)	770,511
JPY	308	0.2182 (JPY:NTD)	67

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 40,372	27.6800 (USD:NTD)	\$ 1,117,495
USD	57,193	6.3674 (USD:RMB)	1,583,101
JPY	10,186	0.2405 (JPY:NTD)	2,450
JPY	2,493	0.0087 (JPY:USD)	600

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 2,266	27.6800 (USD:NTD)	\$ 62,734
USD	38,554	6.3674 (USD:RMB)	1,067,180
JPY	52	0.2405 (JPY:NTD)	13
			(Concluded)

June 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 27,334	27.8600 (USD:NTD)	\$ 761,531
USD	52,797	6.4601 (USD:RMB)	1,470,921
JPY	35,987	0.2521 (JPY:NTD)	9,072
JPY	3,586	0.0090 (JPY:USD)	904

Financial liabilities

Monetary items			
USD	2,308	27.8600 (USD:NTD)	64,299
USD	31,016	6.4601 (USD:RMB)	864,096
JPY	25,265	0.2521 (JPY:NTD)	6,369
JPY	1,049	0.0090 (JPY:USD)	264

For the three months ended June 30, 2022 and 2021, and for the six months ended June 30, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were \$70,397 thousand, \$(16,040) thousand, \$87,615 thousand and \$(13,678) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 1 (attached)
- 2) Endorsements/guarantees provided: Table 2 (attached)
- 3) Marketable securities held (excluding investment in subsidiaries): Table 3 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
- 9) Trading in derivative instruments: None
- 10) Intercompany relationships and significant intercompany transactions: Table 8 (attached)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7 (attached)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8 (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

34. SEGMENT INFORMATION

The Group's reportable segments as follows:

- a. Department of light guide plates applications: Provide the service of manufacturing and sales of related application products such as light guide plates.

- b. Department of plastic components: Provide the service of design, manufacturing and sales of plastic components

Reportable segment income and loss is measured by pre-tax other comprehensive income (non-operating income and expense and income tax expenses are excluded). The amount is for chief operating decision maker to determine the allocation of resources to each department and evaluate the performance of each department.

Since the information on the segment assets and liabilities was not provided to the operational decision makers for reference or for decision-making purposes, the segment assets and liabilities were not disclosed.

- c. Segment revenue and results

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
<u>For the six months ended June 30, 2022</u>				
Revenue				
Revenue from external customers	\$ 3,696,179	\$ 585,624	\$ -	\$ 4,281,803
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 3,696,179</u>	<u>\$ 585,624</u>	<u>\$ -</u>	<u>\$ 4,281,803</u>
Segment income	<u>\$ 242,326</u>	<u>\$ 37,126</u>		\$ 279,452
Non-operating income and expenses				<u>97,025</u>
Profit before tax (continuing operations)				<u>\$ 376,477</u>
<u>For the six months ended June 30, 2021</u>				
Revenue				
Revenue from external customers	\$ 4,872,369	\$ 528,020	\$ -	\$ 5,400,389
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 4,872,369</u>	<u>\$ 528,020</u>	<u>\$ -</u>	<u>\$ 5,400,389</u>
Segment income (loss)	<u>\$ 583,350</u>	<u>\$ 15,838</u>		\$ 599,188
Non-operating income and expenses				<u>8,917</u>
Profit before tax (continuing operations)				<u>\$ 608,105</u>

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Financing Company's Aggregate Financing Limits (Note 2)
													Item	Value		
1	GLT-Suzhou Opto	GLT-Shanghai	Other receivables - related parties, current portion	Yes	\$ 22,219	\$ 22,152	\$ 22,152	1.75	2	\$ -	Operating turnover	\$ -	-	\$ -	\$ 623,118	\$ 623,118
2	GLT-Taiwan	GLT-Optical	Other receivables - related parties, current portion	Yes	350,532	301,076	301,076	0.80	2	-	Operating turnover	-	-	-	969,214	969,214
3	Solid State OPTO	GLT-Optical	Other receivables - related parties, current portion	Yes	202,096	142,656	142,656	-	2	-	Operating turnover	-	-	-	598,626	598,626
4	Solid State Technology	GLT-Optical	Other receivables - related parties, current portion	Yes	267,480	267,480	267,480	-	2	-	Operating turnover	-	-	-	2,337,041	2,337,041
5	GLT-USA	GLT-Optical	Other receivables - related parties, current portion	Yes	193,352	193,352	193,352	0.22	2	-	Operating turnover	-	-	-	335,249	335,249

Note 1: The nature of financing is numbered as follows:

- a. Business relationship
- b. Short-term financing needs

Note 2: The aggregate financing limit of loans made from the parent company to its subsidiaries in which the parent company directly or indirectly holds 100% of the voting shares is limited to 40% of the parent company's net worth based on its latest audited financial statements. For loans made between offshore subsidiaries (excluding subsidiaries in the Republic of China) in which the parent company directly or indirectly holds 100% of the voting shares, the financing limit is 80% of the lender's net worth based on its latest audited financial statements. The financing limit for each borrower in which the parent company directly or indirectly holds 100% of the voting shares is 10% of the parent company's net worth based on its latest audited financial statements. For loans made from offshore subsidiaries to each borrower in which the parent company holds, directly or indirectly, 100% of the voting shares is limited to 80% of the parent company's net worth based on its latest audited financial statements. For loans made between subsidiaries in the Republic of China, both the aggregate financing limit and financing limit for each borrower is limited to 40% of the lender's net worth based on its latest audited financial statements. For loans made from the lender to its ultimate parent company, both the aggregate financing limit and financing limit for each borrower is both 40% of the lender's net worth based on its latest audited financial statements. The financing limit for each borrower is the lender's aggregate financing limit.

Note 3: All intercompany transactions have been eliminated upon consolidation.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 2)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 2)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 2)
		Name	Relationship										
0	GLT-Taiwan	GLT-Optical (Note 3)	Subsidiary of Global Lighting Technologies Inc.	\$ 2,059,580	\$ 1,120,000	\$ 1,020,000	\$ 868,000	\$ 163,460	13.70	\$ 2,059,580	-	-	-
1	GLT-Taiwan	Solid State Electronics	Subsidiary of Global Lighting Technologies Inc.	2,059,580	59,440	59,440	-	-	0.80	2,059,580	-	-	-

Note 1: The total amount of endorsements and guarantees provided by GLT-Taiwan to the ultimate parent company and the subsidiaries in which the ultimate parent company directly and indirectly holds 100% of the voting rights and the limit for a single endorsement shall not exceed 85% of the net worth of GLT-Taiwan's lately audited or reviewed financial statements.

Note 2: Y is indicated for endorsements/guarantees provided by parent companies (listed companies) for its subsidiaries, endorsements/guarantees provided by subsidiaries for their parent companies (listed companies) and endorsements/guarantees provided for companies in mainland China.

Note 3: GLT-Taiwan provided endorsements/guarantees for GLT-Optical's bank loans. The table above details the information on endorsements/guarantees provided for GLT-Optical's loans from three different banks.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2022

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2022				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	Note
Global Lighting Technologies Inc.	<u>Shares</u> Sensel Inc.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	1,470,227	\$ 178,320	7.13	\$ 178,320	
GLT-Taiwan	<u>Shares</u> Top Taiwan XIII Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	10,000,000	98,600	11.63	98,600	
Hao Yuan Technology	<u>Shares</u> Chi Lin Optoelectronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	782,843	8,486	3.43	8,486	

Note: Unlisted equity investments are evaluated using the market approach based on the analysis of comparable companies and asset-based approach.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship (Note 1)	Transaction Details			Abnormal Transaction		Notes/Accounts Payable or Receivable		Note	
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
Solid State Technology	GLT-Shanghai	2	Sale	\$ (1,449,528)	100	Open account 60 days	Based on agreement	Based on agreement	\$ 724,109	100	Note 2
GLT-Shanghai	Solid State Technology	2	Purchase	1,449,528	54	Open account 60 days	Based on agreement	Based on agreement	(724,109)	50	Note 2
		2	Sale	(1,514,658)	50	Open account 120 days	Based on agreement	Based on agreement	1,176,355	73	Note 2
Solid State OPTO	GLT-Shanghai	2	Purchase	1,514,658	94	Open account 120 days	Based on agreement	Based on agreement	(1,176,355)	95	Note 2
GLT-Suzhou Opto	GLT-Taiwan	2	Sale	(108,546)	45	Open account 120 days	Based on agreement	Based on agreement	91,055	49	Note 2
GLT-Taiwan	GLT-Suzhou Opto	2	Purchase	108,546	15	Open account 120 days	Based on agreement	Based on agreement	(91,055)	18	Note 2
		2	Sale	(124,827)	12	Open account 60 days	Based on agreement	Based on agreement	65,031	11	Note 2
Solid State Technology	GLT-Taiwan	2	Purchase	124,827	4	Open account 60 days	Based on agreement	Based on agreement	(65,031)	12	Note 2
Solid State OPTO	GLT-USA	2	Sale	(134,867)	8	Open account 60 days	Based on agreement	Based on agreement	43,755	9	Note 2
GLT-USA	Solid State OPTO	2	Purchase	134,867	100	Open account 60 days	Based on agreement	Based on agreement	(43,755)	100	Note 2

Note 1: The relationships with related parties are divided into the following four types:

- a. Parent company to subsidiary
- b. Subsidiary to subsidiary
- c. Subsidiary to parent company
- d. Subsidiaries to non-related parties within the Group

Note 2: All intercompany transactions have been eliminated upon consolidation.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Solid State Technology	GLT-Shanghai	Subsidiary to subsidiary	\$ 724,109	3.21	\$ -	\$ -	\$ 64,130	\$ -
GLT-Shanghai	Solid State OPTO	Subsidiary to subsidiary	1,176,355	2.51	-	-	271,239	-
GLT-USA	GLT-Optical	Subsidiary to subsidiary	193,352	Note 2	-	-	-	-
Solid State OPTO	GLT-Optical	Subsidiary to subsidiary	142,656	Note 2	-	-	-	-
Solid State Technology	GLT-Optical	Subsidiary to subsidiary	267,480	Note 2	-	-	-	-
GLT-Taiwan	GLT-Optical	Subsidiary to subsidiary	301,076	Note 2	-	-	-	-

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: It is mainly due to other receivables - current portion, so the calculation of turnover rate is not applicable.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		June 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				June 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount (Notes 1 and 2)			
Global Lighting Technologies Inc.	Solid State OPTO	British Virgin Islands	Holding company engaged in the sale of products	\$ 295,719 (US\$ 9,950)	\$ 295,719 (US\$ 9,950)	9,950,167	100.00	\$ 748,282 (US\$ 25,178)	\$ (9,770) (US\$ (340))	\$ (9,770) (US\$ (340))	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products	1,044,484 (US\$ 35,144)	1,044,484 (US\$ 35,144)	35,144,141	100.00	2,575,179 (US\$ 86,648)	105,420 (US\$ 3,666)	102,197 (US\$ 3,554)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	319,490 (US\$ 10,750)	319,490 (US\$ 10,750)	10,750,000	100.00	2,726,258 (US\$ 91,731)	469,576 (US\$ 16,330)	486,539 (US\$ 16,920)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	194,993 (US\$ 6,561)	194,993 (US\$ 6,561)	6,561,000	100.00	1,523,083 (US\$ 51,248)	(1,098) (US\$ (38))	(10,644) (US\$ (360))	
	Shining Green	Independent state of Samoa	Holding company	445,800 (US\$ 15,000)	445,800 (US\$ 15,000)	15,000,000	100.00	186,677 (US\$ 6,281)	(49,943) (US\$ (1,737))	(49,247) (US\$ (1,713))	
	GLT-Optical	Republic of China	Design, production, and sales of applications of light guide plates	500,894	500,894	50,089,400	100.00	49,276 (US\$ 1,658)	(187,525) (US\$ (6,521))	(188,847) (US\$ (6,567))	
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	215,391 (US\$ 7,247)	215,391 (US\$ 7,247)	100	100.00	419,061 (US\$ 14,100)	457 (US\$ 16)	457 (US\$ 16)	
Solid State Display	GLT-Taiwan	Republic of China	Design, production, and sales of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	1,115,200	1,115,200	111,519,956	100.00	2,423,036 (US\$ 81,529)	126,379 (US\$ 4,395)	126,379 (US\$ 4,395)	
GLT-Taiwan	Hao Yuan Technology	Republic of China	Investment industry; wholesale and retail sale of electronic materials	15,991	15,991	1,400,000	100.00	8,853	33	33	
	Asensetek Incorporation	Republic of China	Manufacturing and selling of optical and precision equipment, electronic components, motors and electronic machinery	14,430	14,430	728,500	27.15	-	423	-	Note 3

Note 1: The calculations based on the investee's financial statements that have been audited by us for the same period, taking into considerations of the effect of unrealized gain or loss on intercompany transactions.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: Investment income (loss) was not calculated based on the audited financial statements.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2022

(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

Investor Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of June 30, 2022 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of June 30, 2022
					Outflow	Inflow						
GLT-Shanghai	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use	\$ 594,400 (US\$ 20,000)	Note 1, b.	\$ 594,400 (US\$ 20,000)	\$ -	\$ -	\$ 594,400 (US\$ 20,000)	\$ (2,749)	100	\$ (2,749)	\$ 1,376,558	\$ -
GLT-Suzhou Opto	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use	630,064 (US\$ 21,200)	Note 1, b.	630,064 (US\$ 21,200)	-	-	630,064 (US\$ 21,200)	20,781	100	20,781	778,897	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	445,800 (US\$ 15,000)	Note 1, b.	445,800 (US\$ 15,000)	-	-	445,800 (US\$ 15,000)	(49,943)	100	(49,943)	189,278	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,670,264 (US\$56,200 thousand)	Not applicable	Not applicable

Note 1: Investments are divided into three categories as follows:

- a. Direct investment
- b. Indirect investment through a holding company registered in a third region
- c. Others

Note 2: The calculations based on the investee's financial statements that have been audited by us for the same period.

Note 3: All intercompany transactions have been eliminated upon consolidation.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE SIX MONTHS ENDED JUNE 30, 2022
 (Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Solid State Electronics	GLT-Zhongshan	c	Accounts receivable	\$ 13,647	Open account 60 days	-
		GLT-Shanghai	c	Sales	15,091	Based on agreement	-
			c	Sales	211	Based on agreement	-
2	Solid State OPTO	GLT-USA	c	Accounts receivable	43,755	Open account 60 days	-
		GLT-Optical	c	Sales	134,867	Based on agreement	3
			c	Accounts receivable - current portion	142,656	Terms of financing	1
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable	724,109	Open account 60 days	6
		GLT-Optical	c	Other receivables	461	Open account 60 days	-
			c	Sales	1,449,528	Based on agreement	34
			c	Accounts receivable - current portion	267,480	Terms of financing	2
4	Solid State Display	GLT-Shanghai	c	Accounts receivable	1,153	Open account 60 days	-
		GLT-Taiwan	c	Sales	1,680	Based on agreement	-
			c	Dividends receivable	130,000	Based on agreement	1
5	GLT-Shanghai	Solid State OPTO	c	Accounts receivable	1,176,355	Open account 120 days	10
		GLT-Taiwan	c	Sales	1,514,658	Based on agreement	35
			c	Accounts receivable	9,276	Open account 120 days	-
			c	Sales	9,519	Based on agreement	-
6	GLT-Zhongshan	GLT-Taiwan	c	Accounts receivable	20,513	Open account 120 days	-
		GLT-Suzhou Opto	c	Sales	46,638	Based on agreement	1
			c	Accounts receivable	4	Open account 60 days	-
		GLT-Optical	c	Sales	659	Based on agreement	-
			c	Accounts receivable	401	Open account 120 days	-
			c	Gains on disposals of property, plant and equipment	134	-	-
7	GLT-Taiwan	GLT-Zhongshan	c	Other receivables	529	Open account 60 days	-
		GLT-Optical	c	Accounts receivable	157	Open account 60 days	-
			c	Sales	149	Based on agreement	-
		Solid State OPTO	c	Interest revenue	1,271	Based on agreement	-
			c	Accounts receivable - current portion	301,076	Terms of financing	3
			c	Accounts receivable	49,159	Open account 60 days	-
			c	Sales	85,581	Based on agreement	2

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
		Solid State Technology	c	Accounts receivable	\$ 65,031	Open account 60 days	1
		GLT-Suzhou Opto	c	Sales	124,827	Based on agreement	3
		GLT-Zhongshan	c	Accounts receivable	146	Open account 60 days	-
		GLT-Zhongshan	c	Sales	493	Based on agreement	-
		GLT-Zhongshan	c	Accounts receivable	21	Open account 60 days	-
		GLT-Zhongshan	c	Sales	20	Based on agreement	-
		Solid State Display	c	Accounts receivable	2,238	Open account 60 days	-
		Solid State Display	c	Sales	3,341	Based on agreement	-
8	GLT-Suzhou Opto	GLT-Taiwan	c	Accounts receivable	91,055	Open account 120 days	1
		GLT-Taiwan	c	Sales	108,546	Based on agreement	3
		Solid State Display	c	Accounts receivable	51,234	Open account 120 days	-
		Solid State Display	c	Sales	67,253	Based on agreement	2
		Solid State OPTO	c	Accounts receivable	8,383	Open account 120 days	-
		Solid State OPTO	c	Sales	9,530	Based on agreement	-
		GLT-Shanghai	c	Accounts receivable - current portion	22,152	Terms of financing	-
		GLT-Shanghai	c	Interest revenue	217	Based on agreement	-
9	GLT-Optical	GLT-Taiwan	c	Accounts receivable	22,877	Open account 60 days	-
		GLT-Taiwan	c	Sales	50,427	Based on agreement	1
		GLT-Zhongshan	c	Accounts receivable	36,598	Open account 60 days	-
		GLT-Zhongshan	c	Sales	56,319	Based on agreement	1
		GLT-Suzhou Opto	c	Accounts receivable	5,177	Open account 60 days	-
		GLT-Suzhou Opto	c	Sales	27,090	Based on agreement	1
		Solid State Display	c	Accounts receivable	135	Open account 60 days	-
		Solid State Display	c	Sales	264	Based on agreement	-
10	GLT-USA	GLT-Optical	c	Interest revenue	196	Based on agreement	-
		GLT-Optical	c	Accounts receivable - current portion	193,352	Terms of financing	2
		GLT-Suzhou Opto	c	Other receivables	33	Open account 60 days	-

Note 1: Companies are numbered as follows:

- a. Global Lighting Technologies Inc. is numbered as "0"
- b. Subsidiaries are numbered from "1" onward

Note 2: The flow of transactions is as follows:

- a. From GLT-Cayman to the subsidiary
- b. From the subsidiary to GLT-Cayman
- c. Between subsidiaries

Note 3: If the transaction amounts are related to the balance sheet accounts, the percentages are those of the year-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the total amounts of the year to the consolidated total sales.

Note 4: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 9**GLOBAL LIGHTING TECHNOLOGIES INC.****INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Lumina Global Limited	30,005,393	23.28
Wistron Corporation	20,914,430	16.22

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.