

**Global Lighting Technologies Inc. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2023 and 2022 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
Global Lighting Technologies Inc.

### Introduction

We have reviewed the accompanying consolidated balance sheets of Global Lighting Technologies Inc. and its subsidiaries (collectively, the “Group”) as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three 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”). 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. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended 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.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 8, 2023

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 review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.*

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| ASSETS   | March 31, 2023<br>(Reviewed) |            | December 31, 2022<br>(Audited) |            | March 31, 2022<br>(Reviewed) |            |
|--|------------------------------|------------|--------------------------------|------------|------------------------------|------------|
|  | Amount                       | %          | Amount                         | %          | Amount                       | %          |
| <b>CURRENT ASSETS</b>  |                              |            |                                |            |                              |            |
| Cash and cash equivalents (Note 6)   | \$ 4,664,616                 | 43         | \$ 4,690,814                   | 40         | \$ 4,122,766                 | 34         |
| Financial assets at amortized cost (Note 7)                                | -                            | -          | 3,800                          | -          | 8,031                        | -          |
| Notes receivable (Notes 9 and 21)  | 5                            | -          | 15                             | -          | -                            | -          |
| Accounts receivable (Notes 9 and 21)                                       | 1,031,685                    | 10         | 1,859,828                      | 16         | 2,301,244                    | 19         |
| Accounts receivable - related parties (Notes 21 and 28)                    | 20,351                       | -          | 26,736                         | -          | 47,349                       | -          |
| Other receivables (Note 9)   | 9,782                        | -          | 6,381                          | -          | 1,494                        | -          |
| Other receivables - related parties (Note 28)                              | -                            | -          | -                              | -          | 1,025                        | -          |
| Current tax assets (Note 4)  | 4,036                        | -          | 104                            | -          | -                            | -          |
| Inventories (Note 10)  | 1,020,867                    | 10         | 1,237,788                      | 10         | 1,326,821                    | 11         |
| Prepayments  | 21,796                       | -          | 21,596                         | -          | 34,256                       | -          |
| Other current assets (Notes 11 and 29)                                     | 123,202                      | 1          | 2,096                          | -          | 159,879                      | 1          |
| Total current assets   | <u>6,896,340</u>             | <u>64</u>  | <u>7,849,158</u>               | <u>66</u>  | <u>8,002,865</u>             | <u>65</u>  |
| <b>NON-CURRENT ASSETS</b>  |                              |            |                                |            |                              |            |
| Financial assets at fair value through other comprehensive income (Note 8) | 298,053                      | 3          | 279,327                        | 3          | 280,253                      | 2          |
| Property, plant and equipment (Note 14)                                    | 2,922,945                    | 27         | 2,975,406                      | 25         | 3,185,126                    | 26         |
| Right-of-use assets (Note 15)  | 661,072                      | 6          | 667,078                        | 6          | 693,062                      | 6          |
| Deferred tax assets (Note 4)   | 29,865                       | -          | 31,413                         | -          | 36,267                       | 1          |
| Prepayments for equipment (Note 25)  | 135                          | -          | 3,418                          | -          | 1,491                        | -          |
| Net defined benefit assets (Note 4)  | 13,522                       | -          | 13,387                         | -          | 6,525                        | -          |
| Other non-current assets (Notes 11 and 29)                                 | 18,770                       | -          | 19,257                         | -          | 19,184                       | -          |
| Total non-current assets   | <u>3,944,362</u>             | <u>36</u>  | <u>3,989,286</u>               | <u>34</u>  | <u>4,221,908</u>             | <u>35</u>  |
| <b>TOTAL</b>   | <u>\$ 10,840,702</u>         | <u>100</u> | <u>\$ 11,838,444</u>           | <u>100</u> | <u>\$ 12,224,773</u>         | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>  |                              |            |                                |            |                              |            |
| <b>CURRENT LIABILITIES</b>   |                              |            |                                |            |                              |            |
| Short-term borrowings (Notes 16 and 29)                                    | \$ 450,000                   | 4          | \$ 400,000                     | 3          | \$ 598,000                   | 5          |
| Contract liabilities (Note 21)   | 3,243                        | -          | 2,454                          | -          | 4,153                        | -          |
| Accounts payable   | 694,624                      | 7          | 1,476,484                      | 12         | 1,945,574                    | 16         |
| Accounts payable - related parties (Note 28)                               | 121,200                      | 1          | 153,579                        | 1          | 141,518                      | 1          |
| Other payables (Note 17)   | 316,919                      | 3          | 427,031                        | 4          | 396,597                      | 3          |
| Other payables - related parties (Note 28)                                 | 5,482                        | -          | 9,428                          | -          | 6,541                        | -          |
| Current tax liabilities (Note 4)   | 76,976                       | 1          | 85,562                         | 1          | 89,126                       | 1          |
| Lease liabilities (Notes 15 and 28)  | 26,170                       | -          | 25,930                         | -          | 25,748                       | -          |
| Long-term borrowings - current portion (Note 16)                           | 90,000                       | 1          | 82,500                         | 1          | 45,000                       | 1          |
| Other current liabilities  | 4,826                        | -          | 5,782                          | -          | 6,766                        | -          |
| Total current liabilities  | <u>1,789,440</u>             | <u>17</u>  | <u>2,668,750</u>               | <u>22</u>  | <u>3,259,023</u>             | <u>27</u>  |
| <b>NON-CURRENT LIABILITIES</b>   |                              |            |                                |            |                              |            |
| Long-term borrowings (Note 16)   | 165,000                      | 1          | 187,500                        | 2          | 225,000                      | 2          |
| Provision for employee benefits (Note 4)                                   | 8,132                        | -          | 7,826                          | -          | 8,920                        | -          |
| Deferred tax liabilities (Note 4)  | 2,897                        | -          | 2,743                          | -          | 1,417                        | -          |
| Lease liabilities (Notes 15 and 28)  | 647,227                      | 6          | 652,581                        | 5          | 674,785                      | 5          |
| Long-term deferred revenue (Note 19)                                       | 66,359                       | 1          | 67,279                         | 1          | 80,295                       | 1          |
| Total non-current liabilities  | <u>889,615</u>               | <u>8</u>   | <u>917,929</u>                 | <u>8</u>   | <u>990,417</u>               | <u>8</u>   |
| Total liabilities  | <u>2,679,055</u>             | <u>25</u>  | <u>3,586,679</u>               | <u>30</u>  | <u>4,249,440</u>             | <u>35</u>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>              |                              |            |                                |            |                              |            |
| Share capital  | <u>1,288,641</u>             | <u>12</u>  | <u>1,288,641</u>               | <u>11</u>  | <u>1,288,641</u>             | <u>10</u>  |
| Capital surplus  | <u>2,348,423</u>             | <u>21</u>  | <u>2,348,423</u>               | <u>20</u>  | <u>2,348,423</u>             | <u>19</u>  |
| Retained earnings  |                              |            |                                |            |                              |            |
| Special reserve  | 350,711                      | 3          | 350,711                        | 3          | 267,197                      | 2          |
| Unappropriated earnings  | 4,208,791                    | 39         | 4,307,696                      | 36         | 4,242,572                    | 35         |
| Total retained earnings  | <u>4,559,502</u>             | <u>42</u>  | <u>4,658,407</u>               | <u>39</u>  | <u>4,509,769</u>             | <u>37</u>  |
| Other equity   | <u>(34,919)</u>              | <u>-</u>   | <u>(43,706)</u>                | <u>-</u>   | <u>(171,500)</u>             | <u>(1)</u> |
| Total equity attributable to owners of the Company                         | <u>8,161,647</u>             | <u>75</u>  | <u>8,251,765</u>               | <u>70</u>  | <u>7,975,333</u>             | <u>65</u>  |
| Total equity   | <u>8,161,647</u>             | <u>75</u>  | <u>8,251,765</u>               | <u>70</u>  | <u>7,975,333</u>             | <u>65</u>  |
| <b>TOTAL</b>   | <u>\$ 10,840,702</u>         | <u>100</u> | <u>\$ 11,838,444</u>           | <u>100</u> | <u>\$ 12,224,773</u>         | <u>100</u> |

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 (Loss) Earnings Per Share)

(Reviewed, Not Audited)

|   | For the Three Months Ended March 31 |            |                  |            |
|---|-------------------------------------|------------|------------------|------------|
|   | 2023                                |            | 2022             |            |
|   | Amount                              | %          | Amount           | %          |
| OPERATING REVENUE (Notes 21 and 28)   | \$ 1,087,079                        | 100        | \$ 2,442,044     | 100        |
| OPERATING COSTS (Notes 10, 22 and 28)   | <u>1,021,884</u>                    | <u>94</u>  | <u>1,987,142</u> | <u>82</u>  |
| GROSS PROFIT  | <u>65,195</u>                       | <u>6</u>   | <u>454,902</u>   | <u>18</u>  |
| OPERATING EXPENSES (Notes 22 and 28)  |                                     |            |                  |            |
| Selling and marketing   | 33,682                              | 3          | 57,632           | 2          |
| General and administrative  | 73,583                              | 7          | 89,854           | 4          |
| Research and development  | 59,687                              | 5          | 54,734           | 2          |
| Expected credit loss (Note 9)   | <u>636</u>                          | <u>-</u>   | <u>-</u>         | <u>-</u>   |
| Total operating expenses  | <u>167,588</u>                      | <u>15</u>  | <u>202,220</u>   | <u>8</u>   |
| (LOSS) PROFIT FROM OPERATIONS   | <u>(102,393)</u>                    | <u>(9)</u> | <u>252,682</u>   | <u>10</u>  |
| NON-OPERATING INCOME AND EXPENSES<br>(Note 22)  |                                     |            |                  |            |
| Interest income   | 33,747                              | 3          | 1,778            | -          |
| Other income (Note 19)  | 1,529                               | -          | 5,552            | -          |
| Other gains and losses  | (23,866)                            | (2)        | 17,487           | 1          |
| Finance costs (Note 28)   | <u>(5,718)</u>                      | <u>(1)</u> | <u>(4,232)</u>   | <u>-</u>   |
| Total non-operating income and expenses   | <u>5,692</u>                        | <u>-</u>   | <u>20,585</u>    | <u>1</u>   |
| (LOSS) PROFIT BEFORE INCOME TAX   | (96,701)                            | (9)        | 273,267          | 11         |
| INCOME TAX EXPENSE (Notes 4 and 23)   | <u>(2,204)</u>                      | <u>-</u>   | <u>(23,832)</u>  | <u>(1)</u> |
| NET (LOSS) PROFIT   | <u>(98,905)</u>                     | <u>(9)</u> | <u>249,435</u>   | <u>10</u>  |
| OTHER COMPREHENSIVE (LOSS) INCOME   |                                     |            |                  |            |
| Items that will not be reclassified subsequently to<br>profit or loss:  |                                     |            |                  |            |
| Unrealized gain(loss) on investments in equity<br>instruments at fair value through other<br>comprehensive income (Note 20) | 20,286                              | 2          | (4,592)          | -          |
| Exchange differences on translation to the<br>presentation currency (Note 20)   | <u>(69,894)</u>                     | <u>(6)</u> | <u>261,330</u>   | <u>11</u>  |
|   | <u>(49,608)</u>                     | <u>(4)</u> | <u>256,738</u>   | <u>11</u>  |

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# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

(Reviewed, Not Audited)

|   | For the Three Months Ended March 31 |            |                   |           |
|---|-------------------------------------|------------|-------------------|-----------|
|   | 2023                                |            | 2022              |           |
|   | Amount                              | %          | Amount            | %         |
| Items that may be reclassified subsequently to profit or loss:                                  |                                     |            |                   |           |
| Exchange differences on translation of the financial statements of foreign operations (Note 20) | \$ 58,395                           | 5          | \$ (77,527)       | (3)       |
| Total other comprehensive income  | 8,787                               | 1          | 179,211           | 8         |
| <b>TOTAL COMPREHENSIVE (LOSS) INCOME</b>  | <b>\$ (90,118)</b>                  | <b>(8)</b> | <b>\$ 428,646</b> | <b>18</b> |
| <b>NET (LOSS) PROFIT ATTRIBUTABLE TO:</b>   |                                     |            |                   |           |
| Owners of the Company   | \$ (98,905)                         | (9)        | \$ 249,435        | 10        |
| Non-controlling interests   | -                                   | -          | -                 | -         |
|   | <u>\$ (98,905)</u>                  | <u>(9)</u> | <u>\$ 249,435</u> | <u>10</u> |
| <b>TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:</b>                                       |                                     |            |                   |           |
| Owners of the Company   | \$ (90,118)                         | (8)        | \$ 428,646        | 18        |
| Non-controlling interests   | -                                   | -          | -                 | -         |
|   | <u>\$ (90,118)</u>                  | <u>(8)</u> | <u>\$ 428,646</u> | <u>18</u> |
| <b>(LOSS) EARNINGS PER SHARE (Note 24)</b>  |                                     |            |                   |           |
| Basic   | \$ (0.77)                           |            | \$ 1.94           |           |
| Diluted   | \$ -                                |            | \$ 1.92           |           |

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) (Reviewed, Not Audited)

|  | 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, 2022   | \$ 1,309,371   | \$ 2,383,809        | \$ 267,197        | \$ 4,105,816            | \$ (344,626)   | \$ (6,085)  | \$ (95,121)     | \$ 7,620,361        |
| Net profit for the three months ended March 31, 2022   | -  | -                   | -                 | 249,435                 | -  | -   | -               | 249,435             |
| Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax | -  | -                   | -                 | -                       | 183,803  | (4,592)   | -               | 179,211             |
| Total comprehensive income (loss) for the three months ended March 31, 2022                    | -  | -                   | -                 | 249,435                 | 183,803  | (4,592)   | -               | 428,646             |
| Buy-back of ordinary shares  | -  | -                   | -                 | -                       | -  | -   | (73,674)        | (73,674)            |
| Cancellation of treasury shares  | (20,730)   | (35,386)            | -                 | (112,679)               | -  | -   | 168,795         | -                   |
| BALANCE AT MARCH 31, 2022  | <u>\$ 1,288,641</u>                                    | <u>\$ 2,348,423</u> | <u>\$ 267,197</u> | <u>\$ 4,242,572</u>     | <u>\$ (160,823)</u>  | <u>\$ (10,677)</u>  | <u>\$ -</u>     | <u>\$ 7,975,333</u> |
| BALANCE AT JANUARY 1, 2023   | \$ 1,288,641   | \$ 2,348,423        | \$ 350,711        | \$ 4,307,696            | \$ (19,592)  | \$ (24,114)   | \$ -            | \$ 8,251,765        |
| Net loss for the three months ended March 31, 2023   | -  | -                   | -                 | (98,905)                | -  | -   | -               | (98,905)            |
| Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax | -  | -                   | -                 | -                       | (11,499)   | 20,286  | -               | 8,787               |
| Total comprehensive (loss) income for the three months ended March 31, 2023                    | -  | -                   | -                 | (98,905)                | (11,499)   | 20,286  | -               | (90,118)            |
| BALANCE AT MARCH 31, 2023  | <u>\$ 1,288,641</u>                                    | <u>\$ 2,348,423</u> | <u>\$ 350,711</u> | <u>\$ 4,208,791</u>     | <u>\$ (31,091)</u>   | <u>\$ (3,828)</u>   | <u>\$ -</u>     | <u>\$ 8,161,647</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)

(Reviewed, Not Audited)

|   | For the Three Months Ended<br>March 31 |                |
|---|--|----------------|
|   | 2023                                   | 2022           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |  |                |
| (Loss) profit before income tax                         | \$ (96,701)                            | \$ 273,267     |
| Adjustments for:  |  |                |
| Depreciation expense                                    | 93,346                                 | 104,529        |
| Expected credit losses                                  | 636                                    | -              |
| Interest expense  | 5,718                                  | 4,232          |
| Interest income   | (33,747)                               | (1,778)        |
| Loss on inventories valuation and obsolescence          | 18,192                                 | 6,634          |
| Gain on disposal of property, plant and equipment       | (8)                                    | (269)          |
| Net loss on foreign currency exchanges                  | 4,629                                  | 21,926         |
| Amortization of long-term deferred revenue              | (1,237)                                | (4,857)        |
| Net changes in operating assets and liabilities         |  |                |
| Notes receivable  | 10                                     | 28             |
| Accounts receivable                                     | 826,281                                | 235,418        |
| Accounts receivable - related parties                   | 6,526                                  | (4,125)        |
| Other receivables                                       | (3,590)                                | 1,768          |
| Other receivables - related parties                     | -                                      | 204            |
| Inventories   | 200,787                                | 10,149         |
| Prepayments   | (180)                                  | (3,570)        |
| Other current assets                                    | 689                                    | (2,507)        |
| Net defined benefit assets                              | (135)                                  | (156)          |
| Contract liabilities                                    | 798                                    | 502            |
| Accounts payable  | (784,540)                              | (250,287)      |
| Accounts payable - related parties                      | (32,180)                               | 15,531         |
| Other payables  | (111,877)                              | (70,474)       |
| Other payables - related parties                        | (3,641)                                | (1,764)        |
| Other current liabilities                               | (950)                                  | (1,796)        |
| Provision for employee benefits                         | 306                                    | 329            |
| Cash generated from operations                          | 89,132                                 | 332,934        |
| Interest received                                       | 33,919                                 | 1,811          |
| Interest paid   | (5,732)                                | (4,440)        |
| Income tax paid   | (12,963)                               | (4,512)        |
| Net cash generated from operating activities            | <u>104,356</u>                         | <u>325,793</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |  |                |
| Payments for property, plant and equipment (Note 25)    | (25,750)                               | (11,766)       |
| Proceeds from disposal of property, plant and equipment | 191                                    | 280            |
| Decrease in refundable deposits                         | 29                                     | 2,572          |
| Increase in other financial assets - restricted assets  | (117,542)                              | -              |
| Net cash used in investing activities                   | <u>(143,072)</u>                       | <u>(8,914)</u> |

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# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|   | For the Three Months Ended<br>March 31 |                     |
|---|--|---------------------|
|   | 2023                                   | 2022                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |  |                     |
| Increase in short-term borrowings   | \$ 600,000                             | \$ 998,000          |
| Decrease in short-term borrowings   | (550,000)                              | (1,198,000)         |
| Repayments of long-term borrowings  | (15,000)                               | -                   |
| Repayment of the principal portion of lease liabilities                                       | (6,558)                                | (6,265)             |
| Payments for buy-back of ordinary shares  | <u>-</u>                               | <u>(73,674)</u>     |
| Net cash generated from (used in) financing activities  | <u>28,442</u>                          | <u>(279,939)</u>    |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE<br/>OF CASH HELD IN FOREIGN CURRENCIES</b> |  |                     |
|   | <u>(15,924)</u>                        | <u>97,270</u>       |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH<br/>EQUIVALENTS</b>                               | (26,198)                               | 134,210             |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br/>PERIOD</b>                           | <u>4,690,814</u>                       | <u>3,988,556</u>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                                     | <u>\$ 4,664,616</u>                    | <u>\$ 4,122,766</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 THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 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 May 8, 2023.

### 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 a material impact on the Group’s accounting policies.

- b. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

| <u>New, Amended and Revised Standards and Interpretations</u>  | <u>Effective Date<br/>Announced by IASB (Note 1)</u> |
|--|--|
| 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                             |
| Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”   | January 1, 2024 (Note 2)                             |
| 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, 2024                                      |
| Amendments to IAS 1 “Non-current Liabilities with Covenants”   | January 1, 2024                                      |

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **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, 2022.

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. MATERIAL 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, 2022.

## 6. CASH AND CASH EQUIVALENTS

|  | March 31, 2023      | December 31,<br>2022 | March 31, 2022      |
|--|---------------------|----------------------|---------------------|
| Cash on hand   | \$ 2,404            | \$ 2,405             | \$ 2,400            |
| Checking accounts and demand deposits                      | 4,479,152           | 4,319,529            | 3,973,737           |
| Cash equivalents   |                     |                      |                     |
| Time deposits with original maturities of 3 months or less | <u>183,060</u>      | <u>368,880</u>       | <u>146,629</u>      |
|  | <u>\$ 4,664,616</u> | <u>\$ 4,690,814</u>  | <u>\$ 4,122,766</u> |

## 7. FINANCIAL ASSETS AT AMORTIZED COST

|  | March 31, 2023 | December 31,<br>2022 | March 31, 2022  |
|--|----------------|----------------------|-----------------|
| <u>Current</u>   |                |                      |                 |
| Time deposits with original maturities of more than 3 months | <u>\$ -</u>    | <u>\$ 3,800</u>      | <u>\$ 8,031</u> |

The interest rates for time deposits with original maturities of more than 3 months were approximately 1.44% and 0.58%-0.82% per annum as of December 31, 2022 and March 31, 2022, respectively.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|   | March 31, 2023    | December 31,<br>2022 | March 31, 2022    |
|---|-------------------|----------------------|-------------------|
| <u>Non-current</u>                        |                   |                      |                   |
| Domestic investments                      |                   |                      |                   |
| Unlisted shares                           |                   |                      |                   |
| Top Taiwan XIII Venture Capital Co., Ltd. | \$ 105,700        | \$ 86,800            | \$ 97,700         |
| Chi Lin Optoelectronics Co., Ltd.         | <u>9,653</u>      | <u>8,267</u>         | <u>10,803</u>     |
|   | <u>115,353</u>    | <u>95,067</u>        | <u>108,503</u>    |
| Foreign investments                       |                   |                      |                   |
| Unlisted shares                           |                   |                      |                   |
| Sensel Inc.                               | <u>182,700</u>    | <u>184,260</u>       | <u>171,750</u>    |
|   | <u>\$ 298,053</u> | <u>\$ 279,327</u>    | <u>\$ 280,253</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.

## 9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

|                                     | March 31, 2023      | December 31,<br>2022 | March 31, 2022      |
|-------------------------------------|---------------------|----------------------|---------------------|
| <u>Notes receivable</u>             |                     |                      |                     |
| At amortized cost                   |                     |                      |                     |
| Gross carrying amount               | \$ 5                | \$ 15                | \$ -                |
| Less: Allowance for impairment loss | <u>-</u>            | <u>-</u>             | <u>-</u>            |
|                                     | <u>\$ 5</u>         | <u>\$ 15</u>         | <u>\$ -</u>         |
| <u>Accounts receivable</u>          |                     |                      |                     |
| At amortized cost                   |                     |                      |                     |
| Gross carrying amount               | \$ 1,032,320        | \$ 1,859,828         | \$ 2,301,244        |
| Less: Allowance for impairment loss | <u>(635)</u>        | <u>-</u>             | <u>-</u>            |
|                                     | <u>\$ 1,031,685</u> | <u>\$ 1,859,828</u>  | <u>\$ 2,301,244</u> |
| <u>Other receivables</u>            |                     |                      |                     |
| At amortized cost                   | <u>\$ 9,782</u>     | <u>\$ 6,381</u>      | <u>\$ 1,494</u>     |

### a. Notes receivable and accounts receivable

The average credit period of sales of goods was 60 to 120 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.

|                                | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|--------------------------------|-----------------------|--------------------------|-----------------------|
|                                | Not Past Due          | Not Past Due             | Not Past Due          |
| Expected credit loss rate      | 0%                    | 0%                       | 0%                    |
| Gross carrying amount          | \$ 5                  | \$ 15                    | \$ -                  |
| Loss allowance (Lifetime ECLs) | <u>-</u>              | <u>-</u>                 | <u>-</u>              |
| Amortized cost                 | <u>\$ 5</u>           | <u>\$ 15</u>             | <u>\$ -</u>           |

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

### March 31, 2023

|                               | 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%              | 100%          |                     |
| Gross carrying amount         | \$ 979,997        | \$ 48,146        | \$ 3,249        | \$ 29         | \$ 264         | \$ -            | \$ 635        | \$ 1,032,320        |
| Loss allowance (Lifetime ECL) | <u>-</u>          | <u>-</u>         | <u>-</u>        | <u>-</u>      | <u>-</u>       | <u>-</u>        | <u>(635)</u>  | <u>(635)</u>        |
| Amortized cost                | <u>\$ 979,997</u> | <u>\$ 48,146</u> | <u>\$ 3,249</u> | <u>\$ 29</u>  | <u>\$ 264</u>  | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ 1,031,685</u> |

### December 31, 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%              | 100%          |                     |
| Gross carrying amount         | \$ 1,730,811        | \$ 116,542        | \$ 11,392        | \$ 442        | \$ -           | \$ 641          | \$ -          | \$ 1,859,828        |
| Loss allowance (Lifetime ECL) | <u>-</u>            | <u>-</u>          | <u>-</u>         | <u>-</u>      | <u>-</u>       | <u>-</u>        | <u>-</u>      | <u>-</u>            |
| Amortized cost                | <u>\$ 1,730,811</u> | <u>\$ 116,542</u> | <u>\$ 11,392</u> | <u>\$ 442</u> | <u>\$ -</u>    | <u>\$ 641</u>   | <u>\$ -</u>   | <u>\$ 1,859,828</u> |

### March 31, 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%              | 100%          |                     |
| Gross carrying amount         | \$ 2,117,402        | \$ 168,656        | \$ 15,060        | \$ 126        | \$ -           | \$ -            | \$ -          | \$ 2,301,244        |
| Loss allowance (Lifetime ECL) | <u>-</u>            | <u>-</u>          | <u>-</u>         | <u>-</u>      | <u>-</u>       | <u>-</u>        | <u>-</u>      | <u>-</u>            |
| Amortized cost                | <u>\$ 2,117,402</u> | <u>\$ 168,656</u> | <u>\$ 15,060</u> | <u>\$ 126</u> | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ 2,301,244</u> |

For the three months ended March 31, 2023 and 2022, the loss allowance of accounts receivable were as follows:

|  | <b>For the Three Months Ended<br/>March 31</b> |             |
|--|--|-------------|
|  | <b>2023</b>                                    | <b>2022</b> |
| Balance at January 1                     | \$ -   | \$ -        |
| Add: Net remeasurement of loss allowance | 636  | -           |
| Foreign exchange gains and losses        | <u>(1)</u>                                     | <u>-</u>    |
| Balance at March 31                      | <u>\$ 635</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 March 31, 2023, December 31, 2022 and March 31, 2022, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

## 10. INVENTORIES

|                      | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|----------------------|-----------------------|------------------------------|-----------------------|
| Raw materials        | \$ 457,366            | \$ 464,223                   | \$ 327,210            |
| Work in process      | 40,872                | 28,036                       | 175,226               |
| Finished goods       | 501,909               | 679,783                      | 658,194               |
| Inventory in transit | <u>20,720</u>         | <u>65,746</u>                | <u>166,191</u>        |
|                      | <u>\$ 1,020,867</u>   | <u>\$ 1,237,788</u>          | <u>\$ 1,326,821</u>   |

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

|                          | <b>For the Three Months Ended<br/>March 31</b> |                     |
|--------------------------|--|---------------------|
|                          | <b>2023</b>                                    | <b>2022</b>         |
| Cost of inventories sold | \$ 1,003,692                                   | \$ 1,980,508        |
| Inventory write-downs    | <u>18,192</u>                                  | <u>6,634</u>        |
|                          | <u>\$ 1,021,884</u>                            | <u>\$ 1,987,142</u> |

## 11. OTHER ASSETS

|  | March 31, 2023    | December 31,<br>2022 | March 31, 2022    |
|--|-------------------|----------------------|-------------------|
| <u>Current</u>                                       |                   |                      |                   |
| Other financial assets - restricted assets (Note 29) | \$ 121,800        | \$ -                 | \$ 157,438        |
| Others   | <u>1,402</u>      | <u>2,096</u>         | <u>2,441</u>      |
|  | <u>\$ 123,202</u> | <u>\$ 2,096</u>      | <u>\$ 159,879</u> |
| <u>Non-current</u>                                   |                   |                      |                   |
| Other financial assets - restricted assets (Note 29) | \$ 17,511         | \$ 17,969            | \$ 17,904         |
| Refundable deposits                                  | <u>1,259</u>      | <u>1,288</u>         | <u>1,280</u>      |
|  | <u>\$ 18,770</u>  | <u>\$ 19,257</u>     | <u>\$ 19,184</u>  |

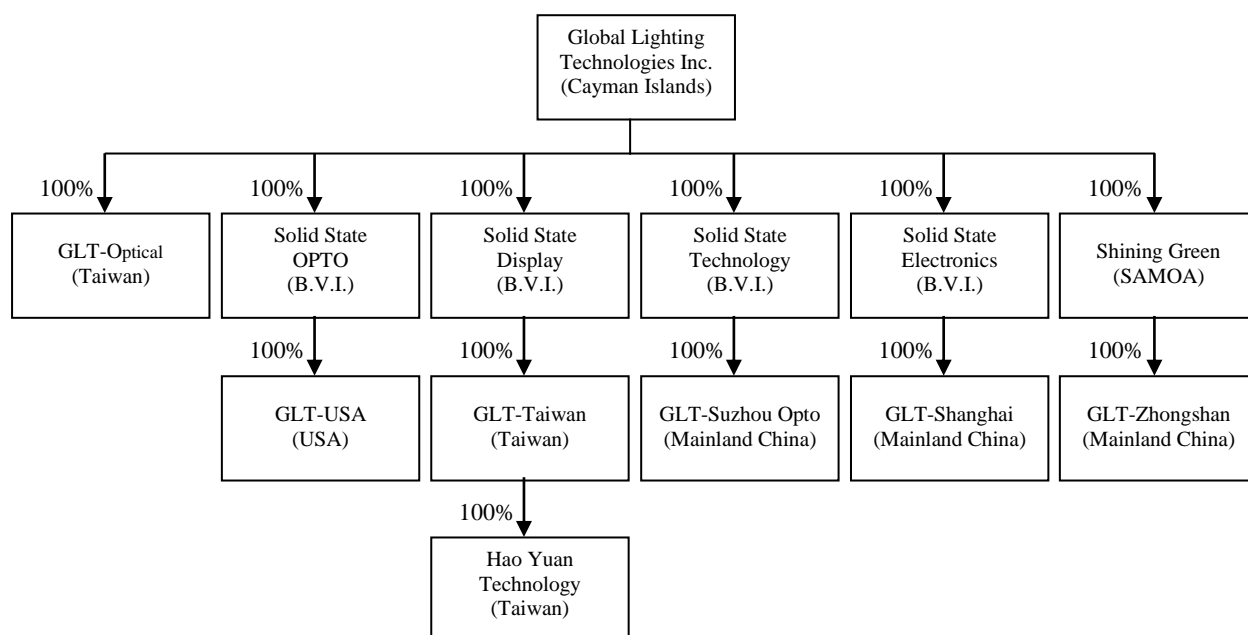
## 12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

| Investor                                   | Investee   | Nature of Activities  | Proportion of Ownership (%) |                      |                   |
|--|--|---|-----------------------------|----------------------|-------------------|
|  |  |   | March 31,<br>2023           | December 31,<br>2022 | March 31,<br>2022 |
| 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                              | Zhongshan Global Lighting Technology Limited Co. (GLT-Zhongshan) | 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, the Company's board of directors resolved to reduce the capital by \$600,000 thousand to offset a deficit on February 23, 2023. The total paid-in capital after the reduction was \$250,894 thousand. The procedure for alteration registration was completed on March 31, 2023. Meanwhile, 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 GLT-Optical by \$600,000 thousand on February 23, 2023, and set the base date for the increase of investment as May 3, 2023.



As of March 31, 2023, the investment relationships and shareholding proportions of the Group are as follows:



### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|   | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Associates that is not individually material</u> |                       |                          |                       |
| Unlisted shares                                     |                       |                          |                       |
| Asensetek Incorporation                             | \$ -                  | \$ -                     | \$ -                  |
| Proportion of the Group's ownership:                |                       |                          |                       |
|   | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
| 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 three months ended March 31, 2023 and 2022 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               |
|--|-------------------|---------------------|---------------------|-------------------|------------------------|------------------|---|---------------------|
| <b>Cost</b>  |                   |                     |                     |                   |                        |                  |   |                     |
| Balance at January 1, 2023                               | \$ 167,176        | \$ 2,518,718        | \$ 3,166,362        | \$ 67,276         | \$ 198,382             | \$ 414,014       | \$ 58,293                                       | \$ 6,590,221        |
| Additions  | -                 | 2,136               | 12,613              | -                 | 112                    | 1,025            | 14,939  | 30,825              |
| Disposals  | -                 | -                   | (1,704)             | -                 | -                      | (865)            | -   | (2,569)             |
| Reclassifications  | -                 | 1,830               | 5,071               | -                 | -                      | -                | (6,901)   | -                   |
| Effects of foreign currency exchange differences         | -                 | 3,677               | 6,361               | 329               | 699                    | 1,319            | 5   | 12,390              |
| Balance at March 31, 2023                                | <u>167,176</u>    | <u>2,526,361</u>    | <u>3,188,703</u>    | <u>67,605</u>     | <u>199,193</u>         | <u>415,493</u>   | <u>66,336</u>                                   | <u>6,630,867</u>    |
| <b>Accumulated depreciation and impairment</b>           |                   |                     |                     |                   |                        |                  |   |                     |
| Balance at January 1, 2023                               | -                 | 873,401             | 2,214,516           | 63,098            | 103,678                | 360,122          | -   | 3,614,815           |
| Depreciation expenses                                    | -                 | 21,792              | 54,173              | 1,531             | 1,930                  | 6,346            | -   | 85,772              |
| Disposals  | -                 | -                   | (1,704)             | -                 | -                      | (682)            | -   | (2,386)             |
| Reclassifications  | -                 | -                   | -                   | -                 | -                      | -                | -   | -                   |
| Effects of foreign currency exchange differences         | -                 | 2,092               | 6,073               | 305               | 227                    | 1,024            | -   | 9,721               |
| Balance at March 31, 2023                                | <u>-</u>          | <u>897,285</u>      | <u>2,273,058</u>    | <u>64,934</u>     | <u>105,835</u>         | <u>366,810</u>   | <u>-</u>  | <u>3,707,922</u>    |
| Carrying amount at March 31, 2023                        | <u>\$ 167,176</u> | <u>\$ 1,629,076</u> | <u>\$ 915,645</u>   | <u>\$ 2,671</u>   | <u>\$ 93,358</u>       | <u>\$ 48,683</u> | <u>\$ 66,336</u>                                | <u>\$ 2,922,945</u> |
| Carrying amount at December 31, 2022 and January 1, 2023 | <u>\$ 167,176</u> | <u>\$ 1,645,317</u> | <u>\$ 951,846</u>   | <u>\$ 4,178</u>   | <u>\$ 94,704</u>       | <u>\$ 53,892</u> | <u>\$ 58,293</u>                                | <u>\$ 2,975,406</u> |
| <b>Cost</b>  |                   |                     |                     |                   |                        |                  |   |                     |
| 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  | -                 | 370                 | 7,941               | -                 | -                      | 1,232            | 11,963  | 21,506              |
| Disposals  | -                 | (5,063)             | -                   | -                 | -                      | (540)            | -   | (5,603)             |
| Reclassifications  | -                 | -                   | 6,415               | -                 | -                      | 9,891            | (16,306)  | -                   |
| Effects of foreign currency exchange differences         | -                 | 27,472              | 48,224              | 2,419             | 7,163                  | 9,419            | 33  | 94,730              |
| Balance at March 31, 2022                                | <u>167,176</u>    | <u>2,520,236</u>    | <u>3,158,053</u>    | <u>67,354</u>     | <u>200,971</u>         | <u>430,424</u>   | <u>52,618</u>                                   | <u>6,596,832</u>    |
| <b>Accumulated depreciation and impairment</b>           |                   |                     |                     |                   |                        |                  |   |                     |
| Balance at January 1, 2022                               | -                 | 785,819             | 1,986,389           | 52,036            | 92,661                 | 329,766          | -   | 3,246,671           |
| Depreciation expenses                                    | -                 | 21,641              | 58,810              | 3,439             | 1,982                  | 11,208           | -   | 97,080              |
| Disposals  | -                 | (5,052)             | -                   | -                 | -                      | (540)            | -   | (5,592)             |
| Reclassifications  | -                 | -                   | (7,456)             | -                 | -                      | 7,456            | -   | -                   |
| Effects of foreign currency exchange differences         | -                 | 14,827              | 45,284              | 2,013             | 3,437                  | 7,986            | -   | 73,547              |
| Balance at March 31, 2022                                | <u>-</u>          | <u>817,235</u>      | <u>2,083,027</u>    | <u>57,488</u>     | <u>98,080</u>          | <u>355,876</u>   | <u>-</u>  | <u>3,411,706</u>    |
| Carrying amount at March 31, 2022                        | <u>\$ 167,176</u> | <u>\$ 1,703,001</u> | <u>\$ 1,075,026</u> | <u>\$ 9,866</u>   | <u>\$ 102,891</u>      | <u>\$ 74,548</u> | <u>\$ 52,618</u>                                | <u>\$ 3,185,126</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 impairment of the property, plant and equipment for the three months ended March 31, 2023 and 2022.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

|   | March 31, 2023    | December 31,<br>2022                           | March 31, 2022    |
|---|-------------------|--|-------------------|
| <u>Carrying amount</u>                      |                   |  |                   |
| Land  | \$ 408,723        | \$ 411,224                                     | \$ 417,383        |
| Buildings                                   | 206,214           | 209,614  | 226,492           |
| Land use rights                             | 42,703            | 42,829   | 44,822            |
| Transportation equipment                    | 548               | 220  | 602               |
| Other equipment                             | <u>2,884</u>      | <u>3,191</u>                                   | <u>3,763</u>      |
|   | <u>\$ 661,072</u> | <u>\$ 667,078</u>                              | <u>\$ 693,062</u> |
|   |                   | <b>For the Three Months Ended<br/>March 31</b> |                   |
|   |                   | <b>2023</b>                                    | <b>2022</b>       |
| Additions to right-of-use assets            |                   | <u>\$ 468</u>                                  | <u>\$ -</u>       |
| Depreciation charge for right-of-use assets |                   |  |                   |
| Land  |                   | \$ 2,502                                       | \$ 2,494          |
| Buildings                                   |                   | 4,315  | 4,237             |
| Land use rights                             |                   | 337  | 334               |
| Transportation equipment                    |                   | 141  | 127               |
| Other equipment                             |                   | <u>279</u>                                     | <u>257</u>        |
|   |                   | <u>\$ 7,574</u>                                | <u>\$ 7,449</u>   |

Except for the addition recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the three months ended March 31, 2023 and 2022.

### b. Lease liabilities

|                        | March 31, 2023    | December 31,<br>2022 | March 31, 2022    |
|------------------------|-------------------|----------------------|-------------------|
| <u>Carrying amount</u> |                   |                      |                   |
| Current                | \$ 26,170         | \$ 25,930            | \$ 25,748         |
| Non-current            | <u>\$ 647,227</u> | <u>\$ 652,581</u>    | <u>\$ 674,785</u> |

The discount rates for lease liabilities were as follows:

|                          | March 31, 2023 | December 31,<br>2022 | March 31, 2022 |
|--------------------------|----------------|----------------------|----------------|
| Land                     | 1.555%         | 1.555%               | 1.555%         |
| Buildings                | 1.750%-4.750%  | 1.750%-4.750%        | 1.750%-4.750%  |
| Transportation equipment | 0.780%-3.700%  | 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

|   | <b>For the Three Months Ended<br/>March 31</b> |                    |
|---|--|--------------------|
|   | <b>2023</b>                                    | <b>2022</b>        |
| Expenses relating to short-term leases      | <u>\$ 2,407</u>                                | <u>\$ 2,738</u>    |
| Expenses relating to low-value asset leases | <u>\$ 502</u>                                  | <u>\$ 382</u>      |
| Total cash outflow for leases               | <u>\$ (12,332)</u>                             | <u>\$ (12,359)</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

|                                     | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|-------------------------------------|-----------------------|------------------------------|-----------------------|
| <u>Secured borrowings (Note 29)</u> |                       |                              |                       |
| Bank loan                           | \$ 100,000            | \$ -                         | \$ 148,000            |
| <u>Unsecured borrowings</u>         |                       |                              |                       |
| Line of credit borrowing            | <u>350,000</u>        | <u>400,000</u>               | <u>450,000</u>        |
|                                     | <u>\$ 450,000</u>     | <u>\$ 400,000</u>            | <u>\$ 598,000</u>     |

The range of interest rates on bank loans was 1.60%-2.01%, 2.21% and 0.60%-0.64% per annum at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

b. Long-term borrowings

|                             | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|-----------------------------|-----------------------|------------------------------|-----------------------|
| <u>Unsecured borrowings</u> |                       |                              |                       |
| Chinatrust Commercial Bank  | \$ 255,000            | \$ 270,000                   | \$ 270,000            |
| Less: Current portion       | <u>(90,000)</u>       | <u>(82,500)</u>              | <u>(45,000)</u>       |
| Long-term borrowings        | <u>\$ 165,000</u>     | <u>\$ 187,500</u>            | <u>\$ 225,000</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. Furthermore, the period of loan contract was extended from November 2022 to maturity in February 2026. In accordance with the terms of the contract, the Company, 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 March 31, 2023, December 31, 2022 and March 31, 2022, the interest rates of the loan were 0.75%, 0.625% and 0.25% per annum, respectively.

## 17. OTHER PAYABLES

|                                  | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|----------------------------------|-----------------------|------------------------------|-----------------------|
| Payable for salaries and bonuses | \$ 211,544            | \$ 287,608                   | \$ 271,352            |
| Payable for purchase equipment   | 23,092                | 20,985                       | 18,591                |
| Payable for commission           | 6,867                 | 27,058                       | 28,843                |
| Payable for tax                  | 5,677                 | 6,704                        | 7,238                 |
| Others                           | <u>69,739</u>         | <u>84,676</u>                | <u>70,573</u>         |
|                                  | <u>\$ 316,919</u>     | <u>\$ 427,031</u>            | <u>\$ 396,597</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 14%, 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:

|                    | <b>For the Three Months Ended<br/>March 31</b> |                  |
|--------------------|--|------------------|
|                    | <b>2023</b>                                    | <b>2022</b>      |
| Operating costs    | <u>\$ 14,385</u>                               | <u>\$ 14,584</u> |
| Operating expenses | <u>\$ 4,041</u>                                | <u>\$ 3,877</u>  |

b. Defined benefit plan

For the three months ended March 31, 2023 and 2022, the pension expenses of defined benefit plans were \$306 thousand and \$329 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2022 and 2021, 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 March 31, 2023, December 31, 2022 and March 31, 2022, long-term deferred revenue was \$66,359 thousand, \$67,279 thousand and \$80,295 thousand, respectively.

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

|   | <b>For the Three Months Ended<br/>March 31</b> |                 |
|---|--|-----------------|
|   | <b>2023</b>                                    | <b>2022</b>     |
| Realized long-term deferred revenue               | \$ 1,237                                       | \$ 4,857        |
| Received from government grants related to income | <u>230</u>                                     | <u>225</u>      |
|   | <u>\$ 1,467</u>                                | <u>\$ 5,082</u> |

## 20. EQUITY

a. Share capital - ordinary shares

|   | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|---|-----------------------|------------------------------|-----------------------|
| 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>128,864</u>               | <u>128,864</u>        |
| Shares issued and fully paid                          | <u>\$ 1,288,641</u>   | <u>\$ 1,288,641</u>          | <u>\$ 1,288,641</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 March 31, 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

|  | March 31, 2023      | December 31,<br>2022 | March 31, 2022      |
|--|---------------------|----------------------|---------------------|
| May be used to offset a deficit,<br>distributed as cash dividends, or<br><u>transferred to share capital</u> |                     |                      |                     |
| Issuance of ordinary shares  | \$ 2,199,672        | \$ 2,199,672         | \$ 2,199,672        |
| 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<br>associates   | <u>23,981</u>       | <u>23,981</u>        | <u>23,981</u>       |
|  | <u>\$ 2,348,423</u> | <u>\$ 2,348,423</u>  | <u>\$ 2,348,423</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 2022 and 2021, which were proposed by the board of directors on February 23, 2023, and had been resolved by the shareholders in their meeting on May 26, 2022, were as follows:

|                                 | <u>Appropriation of Earnings</u>      |             |
|---------------------------------|---------------------------------------|-------------|
|                                 | <u>For the Year Ended December 31</u> |             |
|                                 | <u>2022</u>                           | <u>2021</u> |
| (Reversals) Special reserve     | \$ (307,005)                          | \$ 83,514   |
| Cash dividends                  | \$ 515,456                            | \$ 644,320  |
| Cash dividends per share (NT\$) | \$ 4.0                                | \$ 5.0      |

The appropriations of earnings for 2022 will be resolved by the shareholders in their meeting to be held on May 30, 2023.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

|  | <b>For the Three Months Ended<br/>March 31</b> |                     |
|--|--|---------------------|
|  | <b>2023</b>                                    | <b>2022</b>         |
| Balance at January 1   | \$ (19,592)                                    | \$ (344,626)        |
| Recognized for the period  |  |                     |
| Exchange differences on translation to the presentation<br>currency                          | (69,894)                                       | 261,330             |
| Exchange differences on the translation of the financial<br>statements of foreign operations | <u>58,395</u>                                  | <u>(77,527)</u>     |
| Balance at March 31  | <u>\$ (31,091)</u>                             | <u>\$ (160,823)</u> |

Unrealized gain (loss) on financial assets at FVTOCI

|                           | <b>For the Three Months Ended<br/>March 31</b> |                    |
|---------------------------|--|--------------------|
|                           | <b>2023</b>                                    | <b>2022</b>        |
| Balance at January 1      | \$ (24,114)                                    | \$ (6,085)         |
| Recognized for the period |  |                    |
| Unrealized gain (loss)    | <u>20,286</u>                                  | <u>(4,592)</u>     |
| Balance at March 31       | <u>\$ (3,828)</u>                              | <u>\$ (10,677)</u> |

e. Treasury shares

|                               | <b>For the Three<br/>Months Ended<br/>March 31, 2022</b> |
|-------------------------------|--|
| Number of shares at January 1 | 1,198  |
| Buy-back during the period    | 875  |
| Cancelled during the period   | <u>(2,073)</u>   |
| Number of shares at March 31  | <u>=====</u><br>-  |

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. The Company has accumulatively repurchased 2,073 thousand treasury shares with a total amount of \$168,795 thousand.

On February 24, 2022, the Company's board of directors resolved to cancel of 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

|                                       | <b>For the Three Months Ended<br/>March 31</b> |                     |
|---------------------------------------|--|---------------------|
|                                       | <b>2023</b>                                    | <b>2022</b>         |
| Revenue from contracts with customers |  |                     |
| Revenue from the sale of goods        | \$ 1,082,875                                   | \$ 2,435,651        |
| Revenue from commission               | <u>4,204</u>                                   | <u>6,393</u>        |
|                                       | <u>\$ 1,087,079</u>                            | <u>\$ 2,442,044</u> |

### a. Contract balances

|   | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> | <b>March 31,<br/>2022</b> | <b>January 1,<br/>2022</b> |
|---|---------------------------|------------------------------|---------------------------|----------------------------|
| Notes receivable (Note 9)                       | \$ <u>5</u>               | \$ <u>15</u>                 | \$ <u>-</u>               | \$ <u>28</u>               |
| Accounts receivable (Note 9)                    | \$ <u>1,031,685</u>       | \$ <u>1,859,828</u>          | \$ <u>2,301,244</u>       | \$ <u>2,470,246</u>        |
| Accounts receivable - related parties (Note 28) | \$ <u>20,351</u>          | \$ <u>26,736</u>             | \$ <u>47,349</u>          | \$ <u>41,599</u>           |
| Contract liabilities                            |                           |                              |                           |                            |
| Sale of goods                                   | \$ <u>3,243</u>           | \$ <u>2,454</u>              | \$ <u>4,153</u>           | \$ <u>3,615</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:

|  | <b>For the Three Months Ended<br/>March 31</b> |                 |
|--|--|-----------------|
|  | <b>2023</b>                                    | <b>2022</b>     |
| From contract liabilities at the beginning of the year |  |                 |
| Sale of goods  | \$ <u>2,454</u>                                | \$ <u>3,615</u> |

### b. Disaggregation of revenue

|                                    | <b>For the Three Months Ended<br/>March 31</b> |                     |
|------------------------------------|--|---------------------|
|                                    | <b>2023</b>                                    | <b>2022</b>         |
| Applications of light guide plates | \$ 907,476                                     | \$ 2,131,111        |
| Plastic components                 | 175,399  | 304,540             |
| Revenue from commission            | <u>4,204</u>                                   | <u>6,393</u>        |
|                                    | <u>\$ 1,087,079</u>                            | <u>\$ 2,442,044</u> |

## 22. NET (LOSS) PROFIT

### a. Interest income

|               | <b>For the Three Months Ended<br/>March 31</b> |                 |
|---------------|--|-----------------|
|               | <b>2023</b>                                    | <b>2022</b>     |
| Bank deposits | <u>\$ 33,747</u>                               | <u>\$ 1,778</u> |

### b. Other income

|   | <b>For the Three Months Ended<br/>March 31</b> |                 |
|---|--|-----------------|
|   | <b>2023</b>                                    | <b>2022</b>     |
| Government grants (Note 19)   | \$ 928   | \$ 919          |
| Long-term deferred revenue allocated due to non-shareholders'<br>asset donation (Note 19) | 539  | 4,163           |
| Others  | <u>62</u>                                      | <u>470</u>      |
|   | <u>\$ 1,529</u>                                | <u>\$ 5,552</u> |

### c. Other gains and losses

|   | <b>For the Three Months Ended<br/>March 31</b> |                  |
|---|--|------------------|
|   | <b>2023</b>                                    | <b>2022</b>      |
| Net (loss) gain on foreign currency exchange      | \$ (23,874)                                    | \$ 17,218        |
| Gain on disposal of property, plant and equipment | <u>8</u>                                       | <u>269</u>       |
|   | <u>\$ (23,866)</u>                             | <u>\$ 17,487</u> |

### d. Finance costs

|                               | <b>For the Three Months Ended<br/>March 31</b> |                 |
|-------------------------------|--|-----------------|
|                               | <b>2023</b>                                    | <b>2022</b>     |
| Interest on lease liabilities | \$ 2,865                                       | \$ 2,974        |
| Interest on bank loans        | <u>2,853</u>                                   | <u>1,258</u>    |
|                               | <u>\$ 5,718</u>                                | <u>\$ 4,232</u> |

e. Depreciation

|   | <b>For the Three Months Ended<br/>March 31</b> |                   |
|---|--|-------------------|
|   | <b>2023</b>                                    | <b>2022</b>       |
| Property, plant and equipment               | \$ 85,772                                      | \$ 97,080         |
| Right-of-use assets                         | <u>7,574</u>                                   | <u>7,449</u>      |
|   | <u>\$ 93,346</u>                               | <u>\$ 104,529</u> |
| <br>An analysis of depreciation by function |  |                   |
| Operating costs                             | \$ 73,589                                      | \$ 85,011         |
| Operating expenses                          | <u>19,757</u>                                  | <u>19,518</u>     |
|   | <u>\$ 93,346</u>                               | <u>\$ 104,529</u> |

f. Employee benefit expenses

|   | <b>For the Three Months Ended<br/>March 31</b> |                   |
|---|--|-------------------|
|   | <b>2023</b>                                    | <b>2022</b>       |
| Post-employment benefit (Note 18)                       |  |                   |
| Defined contribution plans                              | \$ 18,426                                      | \$ 18,461         |
| Defined benefit plans                                   | 306  | 329               |
| Payroll expenses  | 174,828  | 218,090           |
| Labor and health insurance expenses                     | 18,310   | 18,009            |
| Remuneration of directors                               | 1,080  | 4,655             |
| Other employee benefits                                 | <u>17,205</u>                                  | <u>18,098</u>     |
| <br>Total employee benefit expenses                     | <u>\$ 230,155</u>                              | <u>\$ 277,642</u> |
| <br>An analysis of employee benefit expense by function |  |                   |
| Operating costs   | \$ 153,482                                     | \$ 185,998        |
| Operating expenses                                      | <u>76,673</u>                                  | <u>91,644</u>     |
|   | <u>\$ 230,155</u>                              | <u>\$ 277,642</u> |

g. Employees' compensation and remuneration of directors

The Company accrued 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. For the three months ended March 31, 2023, there were no estimation for employees' compensation and remuneration of directors due to net loss before tax. The employees' compensation and remuneration of directors for the three months ended March 31, 2022 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

|                           | <b>For the Three<br/>Months Ended<br/>March 31, 2022</b> |
|---------------------------|--|
| Employees' compensation   | 5.0%   |
| Remuneration of directors | 1.5%   |

Amount

|                           | <b>For the Three<br/>Months Ended<br/>March 31, 2022</b> |
|---------------------------|--|
|                           | <b>Cash</b>  |
| Employees' compensation   | \$ 13,339  |
| Remuneration of directors | 4,002  |

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, 2022 and 2021 which had been approved by the Company's board of directors on February 23, 2023 and February 24, 2022, respectively, were as follows:

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2022</b>                           | <b>2021</b> |
|                           | <b>Cash</b>                           | <b>Cash</b> |
| Employees' compensation   | \$ 55,470                             | \$ 68,189   |
| Remuneration of directors | 16,641                                | 20,457      |

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, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

|                                  | <b>For the Three Months Ended<br/>March 31</b> |                  |
|----------------------------------|--|------------------|
|                                  | <b>2023</b>                                    | <b>2022</b>      |
| Foreign currency exchange gains  | \$ 60,069                                      | \$ 51,159        |
| Foreign currency exchange losses | <u>(83,943)</u>                                | <u>(33,941)</u>  |
| Net (loss) gain                  | <u>\$ (23,874)</u>                             | <u>\$ 17,218</u> |

## 23. INCOME TAXES

### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

|   | <b>For the Three Months Ended<br/>March 31</b> |                  |
|---|--|------------------|
|   | <b>2023</b>                                    | <b>2022</b>      |
| Current tax                                     |  |                  |
| In respect of the current period                | \$ 401   | \$ 22,813        |
| Deferred tax                                    |  |                  |
| In respect of the current period                | <u>1,803</u>                                   | <u>1,019</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 2,204</u>                                | <u>\$ 23,832</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: 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 2021 have been examined and cleared by the tax authorities.

## 24. (LOSS) EARNINGS PER SHARE

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

### Net (Loss) Profit for the Period

|  | <b>For the Three Months Ended<br/>March 31</b> |                   |
|--|--|-------------------|
|  | <b>2023</b>                                    | <b>2022</b>       |
| (Loss) profit for the period attributable to owners of the Company | <u>\$ (98,905)</u>                             | <u>\$ 249,435</u> |

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

|   | <b>For the Three Months Ended<br/>March 31</b> |                |
|---|--|----------------|
|   | <b>2023</b>                                    | <b>2022</b>    |
| Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share   | <u>128,864</u>                                 | 128,901        |
| Effect of potentially dilutive ordinary shares:   |  |                |
| Employees' compensation   |  | <u>812</u>     |
| Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share |  | <u>129,713</u> |

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be 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. The Group is net loss for the three months ended March 31, 2023, therefore is anti-dilutive and excluded from the computation of diluted earnings per share.

## 25. CASH FLOW INFORMATION

### a. Partial non-cash transactions

In addition to those disclosed in other notes, for the three months ended March 31, 2023 and 2022, the Group entered into the following partial non-cash investing activities, which were not reflected in the consolidated statements of cash flows:

|  | <b>For the Three Months Ended<br/>March 31</b> |                  |
|--|--|------------------|
|  | <b>2023</b>                                    | <b>2022</b>      |
| Partial cash payments for the acquisition of property, plant and equipment |  |                  |
| Purchase of property, plant and equipment                                  | \$ 30,825                                      | \$ 21,506        |
| Net change in prepayments for purchases of equipment                       | (3,283)  | (2,400)          |
| Net change in payables for purchase of equipment                           | <u>(1,792)</u>                                 | <u>(7,340)</u>   |
| Cash paid  | <u>\$ 25,750</u>                               | <u>\$ 11,766</u> |

### b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2023

|   | <b>Balance at<br/>January 1,<br/>2023</b> | <b>Cash Flows</b> | <b>Non-cash Changes</b> |   | <b>Balance at<br/>March 31,<br/>2023</b> |
|---|---|-------------------|-------------------------|---|--|
|   |   |                   | <b>New Leases</b>       | <b>Effects of<br/>Foreign<br/>Currency<br/>Exchange<br/>Differences</b> |  |
| Short-term borrowings                               | \$ 400,000                                | \$ 50,000         | \$ -                    | \$ -  | \$ 450,000                               |
| Long-term borrowings<br>(including current portion) | 270,000                                   | (15,000)          | -                       | -   | 255,000                                  |
| Lease liabilities                                   | <u>678,511</u>                            | <u>(6,558)</u>    | <u>468</u>              | <u>976</u>  | <u>673,397</u>                           |
|   | <u>\$ 1,348,511</u>                       | <u>\$ 28,442</u>  | <u>\$ 468</u>           | <u>\$ 976</u>   | <u>\$ 1,378,397</u>                      |

For the three months ended March 31, 2022

|   | <b>Balance at<br/>January 1,<br/>2022</b> | <b>Cash Flows</b>   | <b>Non-cash<br/>Changes<br/>Effects of<br/>Foreign<br/>Currency<br/>Exchange<br/>Differences</b> | <b>Balance at<br/>March 31,<br/>2022</b> |
|---|---|---------------------|--|--|
| Short-term borrowings                               | \$ 798,000                                | \$ (200,000)        | \$ -   | \$ 598,000                               |
| Long-term borrowings<br>(including current portion) | 270,000                                   | -                   | -  | 270,000                                  |
| Lease liabilities                                   | <u>697,805</u>                            | <u>(6,265)</u>      | <u>8,993</u>   | <u>700,533</u>                           |
|   | <u>\$ 1,765,805</u>                       | <u>\$ (206,265)</u> | <u>\$ 8,993</u>  | <u>\$ 1,568,533</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

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

March 31, 2023

|                                      | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>      |
|--------------------------------------|----------------|----------------|-------------------|-------------------|
| <u>Financial assets at FVTOCI</u>    |                |                |                   |                   |
| Investments in equity<br>instruments |                |                |                   |                   |
| Foreign unlisted shares              | \$ -           | \$ -           | \$ 182,700        | \$ 182,700        |
| Domestic unlisted shares             | <u>-</u>       | <u>-</u>       | <u>115,353</u>    | <u>115,353</u>    |
|                                      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 298,053</u> | <u>\$ 298,053</u> |

December 31, 2022

|                                   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>      |
|-----------------------------------|----------------|----------------|-------------------|-------------------|
| <u>Financial assets at FVTOCI</u> |                |                |                   |                   |
| Investments in equity instruments |                |                |                   |                   |
| Foreign unlisted shares           | \$ -           | \$ -           | \$ 184,260        | \$ 184,260        |
| Domestic unlisted shares          | <u>-</u>       | <u>-</u>       | <u>95,067</u>     | <u>95,067</u>     |
|                                   | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 279,327</u> | <u>\$ 279,327</u> |

March 31, 2022

|                                   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>      |
|-----------------------------------|----------------|----------------|-------------------|-------------------|
| <u>Financial assets at FVTOCI</u> |                |                |                   |                   |
| Investments in equity instruments |                |                |                   |                   |
| Foreign unlisted shares           | \$ -           | \$ -           | \$ 171,750        | \$ 171,750        |
| Domestic unlisted shares          | <u>-</u>       | <u>-</u>       | <u>108,503</u>    | <u>108,503</u>    |
|                                   | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 280,253</u> | <u>\$ 280,253</u> |

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

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

For the three months ended March 31, 2023

|  | <b>Financial Assets<br/>at FVTOCI<br/>Equity<br/>Instruments</b> |
|--|--|
| Balance at January 1, 2023                       | \$ 279,327   |
| Recognized in other comprehensive income         | 20,286   |
| Effects of foreign currency exchange differences | <u>(1,560)</u>   |
| Balance at March 31, 2023                        | <u>\$ 298,053</u>  |

For the three months ended March 31, 2022

|  | <b>Financial Assets<br/>at FVTOCI<br/>Equity<br/>Instruments</b> |
|--|--|
| Balance at January 1, 2022                       | \$ 279,175   |
| Recognized in other comprehensive income         | (4,592)  |
| Effects of foreign currency exchange differences | <u>5,670</u>   |
| Balance at March 31, 2022                        | <u>\$ 280,253</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

|   | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|---|-----------------------|------------------------------|-----------------------|
| <u>Financial assets</u>                     |                       |                              |                       |
| Financial assets at FVTOCI                  | \$ 298,053            | \$ 279,327                   | \$ 280,253            |
| Financial assets at amortized cost (Note 1) | 5,858,912             | 6,602,535                    | 6,657,421             |
| <u>Financial liabilities</u>                |                       |                              |                       |
| Amortized cost (Note 2)                     | 1,609,260             | 2,397,266                    | 3,041,511             |

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 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>U.S. Dollar Impact</u>         |                    | <u>Japanese Yen Impact</u>        |                 |
|---------------|-----------------------------------|--------------------|-----------------------------------|-----------------|
|               | <u>For the Three Months Ended</u> |                    | <u>For the Three Months Ended</u> |                 |
|               | <u>March 31</u>                   |                    | <u>March 31</u>                   |                 |
|               | <u>2023</u>                       | <u>2022</u>        | <u>2023</u>                       | <u>2022</u>     |
| (Loss) profit | <u>\$ (102,809)</u>               | <u>\$ (88,970)</u> | <u>\$ (145)</u>                   | <u>\$ (147)</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 period due to the increase of net assets denominated in U.S. dollar and the sensitivity to Japanese yen had little difference compare to the three months ended March 31, 2022.

#### 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:

|                               | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|-------------------------------|-----------------------|--------------------------|-----------------------|
| Fair value interest rate risk |                       |                          |                       |
| Financial assets              | \$ 313,334            | \$ 378,710               | \$ 310,737            |
| Financial liabilities         | 1,123,397             | 1,078,511                | 1,298,533             |
| Cash flows interest rate risk |                       |                          |                       |
| Financial assets              | 4,304,259             | 4,184,592                | 3,852,584             |
| Financial liabilities         | 255,000               | 270,000                  | 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.

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2023 would have increased/decreased by \$2,531 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2022 would have increased/decreased by \$2,239 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 three months ended March 31, 2023 would have increased/decreased by \$29,805 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the three months ended March 31, 2022 would have increased/decreased by \$28,025 thousand as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices has not changed significantly from the prior period.

#### 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 88.08%, 94.50% and 93.27% in total trade receivables as of March 31, 2023, December 31, 2022 and March 31, 2022, 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 March 31, 2023, December 31, 2022 and March 31, 2022, 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.

#### March 31, 2023

|   | <b>On Demand<br/>or Less than<br/>1 Year</b> | <b>1-2 Years</b>  | <b>2-5 Years</b>  | <b>Over 5 Years</b> |
|---|--|-------------------|-------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |  |                   |                   |                     |
| Non-interest bearing                        | \$ 904,260                                   | \$ -              | \$ -              | \$ -                |
| Fixed interest rate liabilities             | 451,890                                      | -                 | -                 | -                   |
| Variable interest rate liabilities          | 91,609                                       | 90,930            | 75,259            | -                   |
| Lease liabilities                           | <u>37,249</u>                                | <u>37,162</u>     | <u>101,499</u>    | <u>681,765</u>      |
|   | <u>\$ 1,485,008</u>                          | <u>\$ 128,092</u> | <u>\$ 176,758</u> | <u>\$ 681,765</u>   |

December 31, 2022

|   | <b>On Demand<br/>or Less than<br/>1 Year</b> | <b>1-2 Years</b>  | <b>2-5 Years</b>  | <b>Over 5 Years</b> |
|---|--|-------------------|-------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |  |                   |                   |                     |
| Non-interest bearing                        | \$ 1,727,266                                 | \$ -              | \$ -              | \$ -                |
| Fixed interest rate liabilities             | 402,204                                      | -                 | -                 | -                   |
| Variable interest rate liabilities          | 86,058                                       | 92,530            | 98,480            | -                   |
| Lease liabilities                           | <u>37,149</u>                                | <u>36,962</u>     | <u>102,317</u>    | <u>689,091</u>      |
|   | <u>\$ 2,252,677</u>                          | <u>\$ 129,492</u> | <u>\$ 200,797</u> | <u>\$ 689,091</u>   |

March 31, 2022

|   | <b>On Demand<br/>or Less than<br/>1 Year</b> | <b>1-2 Years</b>  | <b>2-5 Years</b>  | <b>Over 5 Years</b> |
|---|--|-------------------|-------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |  |                   |                   |                     |
| Non-interest bearing                        | \$ 2,173,512                                 | \$ -              | \$ -              | \$ -                |
| Fixed interest rate liabilities             | 598,772                                      | -                 | -                 | -                   |
| Variable interest rate liabilities          | 45,954                                       | 226,401           | -                 | -                   |
| Lease liabilities                           | <u>37,413</u>                                | <u>37,102</u>     | <u>106,254</u>    | <u>715,658</u>      |
|   | <u>\$ 2,855,651</u>                          | <u>\$ 263,503</u> | <u>\$ 106,254</u> | <u>\$ 715,658</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

|                                       | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|---------------------------------------|-----------------------|------------------------------|-----------------------|
| <b>Secured bank loan facilities</b>   |                       |                              |                       |
| Amount used                           | \$ 100,000            | \$ -                         | \$ 148,000            |
| Amount unused                         | <u>100,000</u>        | <u>-</u>                     | <u>52,000</u>         |
|                                       | <u>\$ 200,000</u>     | <u>\$ -</u>                  | <u>\$ 200,000</u>     |
| <b>Unsecured bank loan facilities</b> |                       |                              |                       |
| Amount used                           | \$ 605,000            | \$ 671,704                   | \$ 720,000            |
| Amount unused                         | <u>552,250</u>        | <u>501,846</u>               | <u>543,125</u>        |
|                                       | <u>\$ 1,157,250</u>   | <u>\$ 1,173,550</u>          | <u>\$ 1,263,125</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 (a legal entity as director of the Company)   |
| Wistron InfoComm (Zhongshan) Corporation            | Other related party (subsidiary of Wistron)   |
| Wistron InfoComm (Chengdu) Corporation              | Other related party (subsidiary of Wistron)   |
| Weilian Electronic Technology (Zhongshan) Co., Ltd. | Other related party (subsidiary of Wistron)   |

### b. Operating revenue

| <b>Related Party Category/Name</b> | <b>For the Three Months Ended<br/>March 31</b> |                  |
|------------------------------------|--|------------------|
|                                    | <b>2023</b>                                    | <b>2022</b>      |
| Other related parties              | \$ 13,876                                      | \$ 29,347        |
| Related party in substance         | <u>-</u>                                       | <u>338</u>       |
|                                    | <u>\$ 13,876</u>                               | <u>\$ 29,685</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

| <b>Related Party Category/Name</b> | <b>For the Three Months Ended<br/>March 31</b> |                  |
|------------------------------------|--|------------------|
|                                    | <b>2023</b>                                    | <b>2022</b>      |
| Other related parties              | \$ 59,283                                      | \$ 77,822        |
| Related party in substance         | <u>21,372</u>                                  | <u>7,640</u>     |
|                                    | <u>\$ 80,655</u>                               | <u>\$ 85,462</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

| <b>Related Party Category/Name</b> | <b>For the Three Months Ended<br/>March 31</b> |                  |
|------------------------------------|--|------------------|
|                                    | <b>2023</b>                                    | <b>2022</b>      |
| Other related parties              | \$ 5,181                                       | \$ 6,939         |
| Related party in substance         | <u>4,754</u>                                   | <u>5,524</u>     |
|                                    | <u>\$ 9,935</u>                                | <u>\$ 12,463</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

| <b>Related Party Category/Name</b>           | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31, 2022</b> |
|--|-----------------------|------------------------------|-----------------------|
| <u>Accounts receivable - related parties</u> |                       |                              |                       |
| Wistron InfoComm (Zhongshan)                 | \$ 17,818             | \$ 25,579                    | \$ 47,113             |
| Wistron InfoComm (Chengdu)                   | 2,066                 | 535                          | -                     |
| Other related parties                        | 467                   | 415                          | 236                   |
| Related party in substance                   | <u>-</u>              | <u>207</u>                   | <u>-</u>              |
|  | <u>\$ 20,351</u>      | <u>\$ 26,736</u>             | <u>\$ 47,349</u>      |

The outstanding trade receivables from related parties are unsecured. As of March 31, 2023, December 31, 2022 and March 31, 2022, the accounts receivable from related parties were not overdue. For the three months ended March 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

| <b>Related Party Category/Name</b>           | <b>Nature</b> | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> | <b>March 31,<br/>2022</b> |
|--|---------------|---------------------------|------------------------------|---------------------------|
| <u>Other receivables - related parties</u>   |               |                           |                              |                           |
| Shinny Plastics Corp                         | Equipment     | \$ -                      | \$ -                         | \$ 973                    |
| Weilian Electronic Technology<br>(Zhongshan) | Rental income | <u>-</u>                  | <u>-</u>                     | <u>52</u>                 |
|  |               | <u>\$ -</u>               | <u>\$ -</u>                  | <u>\$ 1,025</u>           |

f. Payables to related parties

| <b>Related Party Category/Name</b>        | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Accounts payable - related parties</u> |                       |                          |                       |
| Shinny Plastics Corp                      | \$ 101,303            | \$ 115,568               | \$ 136,542            |
| Tony material LLC                         | <u>19,897</u>         | <u>38,011</u>            | <u>4,976</u>          |
|   | <u>\$ 121,200</u>     | <u>\$ 153,579</u>        | <u>\$ 141,518</u>     |
| <u>Other payables - related parties</u>   |                       |                          |                       |
| Tony material LLC                         | \$ 3,878              | \$ 7,291                 | \$ 4,012              |
| Wistron InfoComm (Zhongshan)              | 1,361                 | 1,821                    | 2,487                 |
| Other related parties                     | <u>243</u>            | <u>316</u>               | <u>42</u>             |
|   | <u>\$ 5,482</u>       | <u>\$ 9,428</u>          | <u>\$ 6,541</u>       |

g. Lease arrangements

| <b>Line Item</b>  | <b>Related Party Category/Name</b> | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|-------------------|------------------------------------|-----------------------|--------------------------|-----------------------|
| Lease liabilities | Wistron InfoComm (Zhongshan)       | <u>\$ 216,848</u>     | <u>\$ 219,245</u>        | <u>\$ 234,734</u>     |

| <b>Line Item</b> | <b>Related Party Category/Name</b> | <b>For the Three Months Ended March 31</b> |                 |
|------------------|------------------------------------|--|-----------------|
|                  |                                    | <b>2023</b>                                | <b>2022</b>     |
| Interest expense | Wistron InfoComm (Zhongshan)       | <u>\$ 960</u>                              | <u>\$ 1,015</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

|                              | <b>For the Three Months Ended March 31</b> |                 |
|------------------------------|--|-----------------|
|                              | <b>2023</b>                                | <b>2022</b>     |
| Short-term employee benefits | \$ 3,434                                   | \$ 8,348        |
| Post-employment benefits     | <u>81</u>                                  | <u>81</u>       |
|                              | <u>\$ 3,515</u>                            | <u>\$ 8,429</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:

|   | March 31, 2023    | December 31,<br>2022 | March 31, 2022    |
|---|-------------------|----------------------|-------------------|
| Other financial assets - restricted assets (under other current and other non-current assets) | <u>\$ 139,311</u> | <u>\$ 17,969</u>     | <u>\$ 175,342</u> |

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of March 31, 2023 were as follows:

- a. GLT-Optical and GLT-Taiwan entered into a sales contract for the purchase of equipment of \$30,800 thousand and \$18,209 thousand. Unrecognized contract commitments were \$18,480 thousand and \$1,821 thousand, respectively.
- b. Unrecognized commitments were as follows:

| <u>Guarantor</u> | <u>Guaranteed Person</u> | <u>Guarantee Amount</u>  |
|------------------|--------------------------|--|
| Company          | GLT-Optical              | \$1,020,000 thousand   |
| Company          | Solid State Electronics  | US\$2,000 thousand (equivalent to approximately NT\$60,900 thousand) |
| GLT-Taiwan       | GLT-Optical              | \$121,800 thousand   |

## 31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On April 3, 2023, the Group signed a land use right contract for the Vietnam investment project in the amount of VND117,722,835 thousand (equivalent to approximately NT\$150,097 thousand).

### 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)

March 31, 2023

|                              | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u>      |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | \$ 49,497                   | 30.4500 (USD:NTD)    | \$ 1,507,191               |
| USD                          | 30,349                      | 6.8717 (USD:RMB)     | 924,116                    |
| JPY                          | 10,180                      | 0.2288 (JPY:NTD)     | 2,329                      |
| JPY                          | 2,493                       | 0.0075 (JPY:USD)     | 570                        |
| <u>Financial liabilities</u> |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | 2,745                       | 30.4500 (USD:NTD)    | 83,597                     |
| USD                          | 9,574                       | 6.8717 (USD:RMB)     | 291,540                    |

December 31, 2022

|                              | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u>      |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | \$ 50,263                   | 30.7100 (USD:NTD)    | \$ 1,543,575               |
| USD                          | 43,238                      | 6.9646 (USD:RMB)     | 1,327,852                  |
| JPY                          | 9,029                       | 0.2324 (JPY:NTD)     | 2,098                      |
| JPY                          | 2,493                       | 0.0076 (JPY:USD)     | 579                        |
| <u>Financial liabilities</u> |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | 943                         | 30.7100 (USD:NTD)    | 28,950                     |
| USD                          | 29,784                      | 6.9646 (USD:RMB)     | 914,659                    |

March 31, 2022

|                              | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u>      |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | \$ 44,662                   | 28.6250 (USD:NTD)    | \$ 1,278,441               |
| USD                          | 54,491                      | 6.3482 (USD:RMB)     | 1,559,815                  |
| JPY                          | 10,133                      | 0.2353 (JPY:NTD)     | 2,384                      |
| JPY                          | 2,493                       | 0.0082 (JPY:USD)     | 587                        |
| <u>Financial liabilities</u> |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | 2,581                       | 28.6250 (USD:NTD)    | 73,886                     |
| USD                          | 34,409                      | 6.3482 (USD:RMB)     | 984,967                    |
| JPY                          | 130                         | 0.2353 (JPY:NTD)     | 31                         |

For the three months ended March 31, 2023 and 2022, realized and unrealized net foreign exchange, (losses) gains were \$(23,874) thousand and \$17,218 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) (attached)
- 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) (attached)

#### **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

|  | <b>Department of<br/>Light Guide<br/>Plates<br/>Applications</b> | <b>Department of<br/>Plastic<br/>Components</b> | <b>Eliminations</b> | <b>Total</b>        |
|--|--|---|---------------------|---------------------|
| <u>For the three months ended<br/>March 31, 2023</u> |  |   |                     |                     |
| Revenue  |  |   |                     |                     |
| Revenue from external customers                      | \$ 907,476   | \$ 179,603                                      | \$ -                | \$ 1,087,079        |
| Inter-segment revenue                                | <u>-</u>   | <u>-</u>  | <u>-</u>            | <u>-</u>            |
| Total revenue  | <u>\$ 907,476</u>  | <u>\$ 179,602</u>                               | <u>\$ -</u>         | <u>\$ 1,087,079</u> |
| Segment (loss) income                                | <u>\$ (108,729)</u>  | <u>\$ 6,336</u>                                 |                     | \$ (102,393)        |
| Non-operating income and expenses                    |  |   |                     | <u>5,692</u>        |
| Loss before tax (continuing operations)              |  |   |                     | <u>\$ (96,701)</u>  |
| <u>For the three months ended<br/>March 31, 2022</u> |  |   |                     |                     |
| Revenue  |  |   |                     |                     |
| Revenue from external customers                      | \$ 2,131,111   | \$ 310,933                                      | \$ -                | \$ 2,442,044        |
| Inter-segment revenue                                | <u>-</u>   | <u>-</u>  | <u>-</u>            | <u>-</u>            |
| Total revenue  | <u>\$ 2,131,111</u>  | <u>\$ 310,933</u>                               | <u>\$ -</u>         | <u>\$ 2,442,044</u> |
| Segment income                                       | <u>\$ 226,929</u>  | <u>\$ 25,753</u>                                |                     | \$ 252,682          |
| Non-operating income and expenses                    |  |   |                     | <u>20,585</u>       |
| Profit before tax (continuing operations)            |  |   |                     | <u>\$ 273,267</u>   |

## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(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           | \$ 88,876                      | \$ 88,672      | \$ 88,672                       | 1.75              | 2                            | \$ -                        | Operating turnover              | \$ -                          | -          | \$ -  | \$ 627,421                                 | \$ 627,421  |
|     |                        | GLT-Shanghai | Other receivables - related parties, current portion | Yes           | 35,570                         | 35,469         | 35,469                          | 1.75              | 2                            | -                           | Operating turnover              | -                             | -          | -     | 627,421                                    | 627,421   |
| 2   | GLT-Taiwan             | GLT-Optical  | Other receivables - related parties, current portion | Yes           | 250,746                        | 250,746        | 250,746                         | 1.40              | 2                            | -                           | Operating turnover              | -                             | -          | -     | 1,078,280                                  | 1,078,280   |
| 3   | Solid State OPTO       | GLT-Optical  | Other receivables - related parties, current portion | Yes           | 207,060                        | 207,060        | 207,060                         | -                 | 2                            | -                           | Operating turnover              | -                             | -          | -     | 651,587                                    | 651,587   |
| 4   | GLT-USA                | GLT-Optical  | Other receivables - related parties, current portion | Yes           | 229,624                        | 92,559         | 92,559                          | 0.22-3.20         | 2                            | -                           | Operating turnover              | -                             | -          | -     | 361,122                                    | 361,122   |
| 5   | Solid State Technology | GLT-Optical  | Other receivables - related parties, current portion | Yes           | 334,950                        | 334,950        | 334,950                         | -                 | 2                            | -                           | Operating turnover              | -                             | -          | -     | 1,199,303                                  | 1,199,303   |

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 or reviewed 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 or reviewed 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 or reviewed 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 or reviewed 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 or reviewed 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 or reviewed 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 THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor               | Endorsee/Guarantee      |   | Limit on Endorsement/<br>Guarantee Given on Behalf of Each Party<br>(Note 1) | Maximum Amount Endorsed/<br>Guaranteed During the Period | Outstanding Endorsement/<br>Guarantee at the End of the Period | Actual Amount Borrowed | Amount Endorsed/<br>Guaranteed by Collateral | Ratio of Accumulated Endorsement/<br>Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/<br>Guarantee Limit (Note 1) | Endorsement/<br>Guarantee Given by Parent on Behalf of Subsidiaries (Note 2) | Endorsement/<br>Guarantee Given by Subsidiaries on Behalf of Parent (Note 2) | Endorsement/<br>Guarantee Given on Behalf of Companies in Mainland China (Note 2) |
|-----|----------------------------------|-------------------------|---|--|--|--|------------------------|--|---|--|--|--|---|
|     |                                  | Name                    | Relationship                                    |  |  |  |                        |  |   |  |  |  |   |
| 0   | Global Lighting Technologies Inc | GLT-Optical (Note 3)    | Subsidiary of Global Lighting Technologies Inc. | \$ 2,448,494   | \$ 1,020,000   | \$ 1,020,000   | \$ 705,000             | \$ -   | 12.50   | \$ 4,080,824                                       | Y  | -  | -   |
|     |                                  | Solid State Electronics | Subsidiary of Global Lighting Technologies Inc. | 2,448,494  | 60,900   | 60,900   | -                      | -  | 0.75  | 4,080,824  | Y  | -  | -   |
| 1   | GLT-Taiwan                       | GLT-Optical             | Subsidiary of Global Lighting Technologies Inc. | 2,291,344  | 121,800  | 121,800  | 100,000                | 121,800                                      | 1.49  | 2,291,344  | -  | -  | -   |

Note 1: The parent company can provide endorsements/guarantees to subsidiaries in which the parent company directly or indirectly holds more than 90% of the voting shares, and the amount of endorsement/guarantee should not exceed 10% of the parent company's net worth. The above limit on endorsement/guarantee is not applicable to subsidiaries in which the parent company directly or indirectly holds 100% of the voting shares. The limit of overall endorsement/guarantee of the Company and its subsidiaries is 50% of the Company's net worth based on its most recent audited or reviewed consolidated financial statements. The amount of endorsement/guarantee for an individual entity shall not exceed 30% of the Company's net worth based on its most recent audited or reviewed consolidated financial statements. 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 latest 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: The company 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

MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

| Holding Company Name              | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account  | March 31, 2023   |                 |                             |                   |      |
|-----------------------------------|--|---------------------------------------|--|------------------|-----------------|-----------------------------|-------------------|------|
|                                   |  |                                       |  | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value (Note) | Note |
| Global Lighting Technologies Inc. | <u>Shares</u><br>Sensel Inc.                               | -                                     | Financial assets at fair value through other comprehensive income - non-current (FVTOCI) | 1,470,227        | \$ 182,700      | 7.21                        | \$ 182,700        |      |
| GLT-Taiwan                        | <u>Shares</u><br>Top Taiwan XIII Venture Capital Co., Ltd. | -                                     | Financial assets at fair value through other comprehensive income - non-current (FVTOCI) | 100,000          | 105,700         | 11.63                       | 105,700           |      |
| Hao Yuan Technology               | <u>Shares</u><br>Chi Lin Optoelectronics Co., Ltd.         | -                                     | Financial assets at fair value through other comprehensive income - non-current (FVTOCI) | 782,843          | 9,653           | 3.43                        | 9,653             |      |

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 THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name           | Related Party          | Relationship<br>(Note 1) | Transaction Details |              |            |                       | Abnormal Transaction |                    | Notes/Accounts<br>Payable or Receivable |            | Note   |
|------------------------|------------------------|--------------------------|---------------------|--------------|------------|-----------------------|----------------------|--------------------|---|------------|--------|
|                        |                        |                          | Purchase/<br>Sale   | Amount       | % of Total | Payment Terms         | Unit Price           | Payment Terms      | Ending Balance                          | % of Total |        |
| GLT-Shanghai           | Solid State OPTO       | b                        | Sale                | \$ (194,177) | 41         | Open account 120 days | Based on agreement   | Based on agreement | \$ 475,397                              | 60         | Note 2 |
| Solid State OPTO       | GLT-Shanghai           | b                        | Purchase            | 194,177      | 71         | Open account 120 days | Based on agreement   | Based on agreement | (475,397)                               | 85         | Note 2 |
| Solid State Technology | GLT-Shanghai           | b                        | Sale                | (155,164)    | 100        | Open account 60 days  | Based on agreement   | Based on agreement | 82,255                                  | 100        | Note 2 |
| GLT-Shanghai           | Solid State Technology | b                        | Purchase            | 155,164      | 57         | Open account 60 days  | Based on agreement   | Based on agreement | (82,255)                                | 23         | 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**

**MARCH 31, 2023**

**(In Thousands of New Taiwan Dollars)**

| Company Name           | Related Party    | Relationship             | Ending Balance<br>(Note 1) | Turnover<br>Rate | Overdue |               | Amounts Received<br>in Subsequent<br>Period | Allowance for<br>Impairment Loss |
|------------------------|------------------|--------------------------|----------------------------|------------------|---------|---------------|---|----------------------------------|
|                        |                  |                          |                            |                  | Amount  | Actions Taken |   |                                  |
| GLT-Shanghai           | Solid State OPTO | Subsidiary to subsidiary | \$ 475,397                 | 0.81             | \$ -    | \$ -          | \$ 282,583                                  | \$ -                             |
| Solid State Technology | GLT-Optical      | Subsidiary to subsidiary | 334,950                    | Note 2           | -       | -             | -   | -                                |
| GLT-Taiwan             | GLT-Optical      | Subsidiary to subsidiary | 250,746                    | Note 2           | -       | -             | -   | -                                |
| Solid State OPTO       | GLT-Optical      | Subsidiary to subsidiary | 207,060                    | 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 THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

| Investor Company                  | Investee Company        | Location                   | Main Businesses and Products   | Investment Amount          |                            | March 31, 2023   |        |                                 | Net Income (Loss) of the Investee | Share of Profit (Loss) (Notes 1 and 2) | Note   |
|-----------------------------------|-------------------------|----------------------------|--|----------------------------|----------------------------|------------------|--------|---------------------------------|-----------------------------------|--|--------|
|                                   |                         |                            |  | March 31, 2023             | December 31, 2022          | 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  | \$ 302,983<br>(US\$ 9,950) | \$ 302,983<br>(US\$ 9,950) | 9,950,167        | 100.00 | \$ 814,483<br>(US\$ 26,748)     | \$ 22,309<br>(US\$ 734)           | \$ 22,309<br>(US\$ 734)                |        |
|                                   | Solid State Display     | British Virgin Islands     | Holding company engaged in the sale of products  | 1,070,139<br>(US\$ 35,144) | 1,070,139<br>(US\$ 35,144) | 35,144,141       | 100.00 | 2,760,425<br>(US\$ 90,654)      | (17,569)<br>(US\$ (578))          | (13,332)<br>(US\$ (439))               |        |
|                                   | Solid State Technology  | British Virgin Islands     | Holding company engaged in the sale of products  | 327,338<br>(US\$ 10,750)   | 327,338<br>(US\$ 10,750)   | 10,750,000       | 100.00 | 1,333,567<br>(US\$ 43,795)      | 39,176<br>(US\$ 1,289)            | 75,504<br>(US\$ 2,484)                 |        |
|                                   | Solid State Electronics | British Virgin Islands     | Holding company engaged in the sale of products  | 199,782<br>(US\$ 6,561)    | 199,782<br>(US\$ 6,561)    | 6,561,000        | 100.00 | 1,458,543<br>(US\$ 47,900)      | (107,364)<br>(US\$ (3,531))       | (90,099)<br>(US\$ (2,964))             |        |
|                                   | Shining Green           | Independent state of Samoa | Holding company  | 456,750<br>(US\$ 15,000)   | 456,750<br>(US\$ 15,000)   | 15,000,000       | 100.00 | 130,536<br>(US\$ 4,287)         | (17,792)<br>(US\$ (585))          | (17,447)<br>(US\$ (574))               |        |
|                                   | GLT-Optical             | Republic of China          | Design, production, and sales of applications of light guide plates  | 250,894                    | 850,894                    | 25,089,400       | 100.00 | 151,681<br>(US\$ 4,981)         | (69,417)<br>(US\$ (2,283))        | (69,970)<br>(US\$ (2,301))             |        |
| Solid State OPTO                  | GLT-USA                 | United States              | Design and sales of applications of light guide plates   | 220,681<br>(US\$ 7,247)    | 220,681<br>(US\$ 7,247)    | 100              | 100.00 | 451,402<br>(US\$ 14,824)        | 1,342<br>(US\$ 44)                | 1,342<br>(US\$ 44)                     |        |
| 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 | 2,695,699<br>(US\$ 88,529)      | (20,299)<br>(US\$ (668))          | (20,299)<br>(US\$ (668))               |        |
| 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 | 10,022                          | 1                                 | 1                                      |        |
|                                   | 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  | -                               | (217)                             | -                                      | Note 3 |

Note 1: The calculations based on the investee's financial statements that have been reviewed 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) were calculated based on financial statements which have not been reviewed.

## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2023

(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, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Notes 2 and 3) | Carrying Amount as of March 31, 2023 (Notes 2 and 3) | Accumulated Repatriation of Investment Income as of March 31, 2023 |
|------------------|---|-----------------------------|-------------------------------|---|---------------------|--------|--|-----------------------------------|--|--|--|--|
|                  |   |                             |                               |   | Outflow             | Inflow |  |                                   |  |  |  |  |
| GLT-Shanghai     | Production, and sales of applications of light guide plates, design of optical molds, and production and sales of plastic products for electronic use                     | \$ 609,000<br>(US\$ 20,000) | b.                            | \$ 609,000<br>(US\$ 20,000)   | \$ -                | \$ -   | \$ 609,000<br>(US\$ 20,000)  | \$ (107,449)                      | 100  | \$ (107,449)                           | \$ 1,443,269   | \$ -   |
| 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 | 645,540<br>(US\$ 21,200)    | b.                            | 645,540<br>(US\$ 21,200)  | -                   | -      | 645,540<br>(US\$ 21,200)   | (10,449)                          | 100  | (10,449)                               | 784,276  | -  |
| GLT-Zhongshan    | Production, and sales of applications of light guide plates   | 456,750<br>(US\$ 15,000)    | b.                            | 456,750<br>(US\$ 15,000)  | -                   | -      | 456,750<br>(US\$ 15,000)   | (17,792)                          | 100  | (17,792)                               | 132,100  | -  |

| Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|--|--|---|
| \$1,711,290<br>(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 reviewed 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 THREE MONTHS ENDED MARCH 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

| No.<br>(Note 1) | Company                 | Counterparty                     | Flow of<br>Transactions<br>(Note 2)    | Transaction Details                               |                    |                       |   |
|-----------------|-------------------------|----------------------------------|--|---|--------------------|-----------------------|---|
|                 |                         |                                  |  | Financial Statement Account                       | Amount<br>(Note 4) | Payment Terms         | % of<br>Total Sales or<br>Assets (Note 3) |
| 1               | Solid State Electronics | GLT-Zhongshan<br>GLT-Suzhou Opto | c                                      | Accounts receivable                               | \$ 1,918           | Open account 60 days  | -   |
|                 |                         |                                  | c                                      | Accounts receivable                               | 99                 | Open account 60 days  | -   |
|                 |                         |                                  | c                                      | Sales   | 399                | Based on agreement    | -   |
| 2               | Solid State OPTO        | GLT-USA                          | c                                      | Accounts receivable                               | 75,203             | Open account 60 days  | 1   |
|                 |                         |                                  | c                                      | Sales   | 97,046             | Based on agreement    | 9   |
|                 |                         | c                                | Accounts receivables - current portion | 207,060   | Terms of financing | 2                     |   |
| 3               | Solid State Technology  | GLT-Shanghai                     | c                                      | Accounts receivable                               | 82,255             | Open account 60 days  | 1   |
|                 |                         |                                  | c                                      | Other receivables                                 | 2,508              | Open account 60 days  | -   |
|                 |                         | GLT-Optical                      | c                                      | Sales   | 155,164            | Based on agreement    | 14  |
|                 |                         |                                  | c                                      | Accounts receivables - current portion            | 334,950            | Terms of financing    | 3   |
| 4               | GLT-Shanghai            | Solid State OPTO                 | c                                      | Accounts receivable                               | 475,397            | Open account 120 days | 4   |
|                 |                         |                                  | c                                      | Sales   | 194,177            | Based on agreement    | 18  |
|                 |                         | GLT-Taiwan                       | c                                      | Accounts receivable                               | 11,222             | Open account 120 days | -   |
|                 |                         |                                  | c                                      | Other receivables                                 | 219                | Open account 120 days | -   |
|                 |                         | Solid State Display              | c                                      | Sales   | 8,989              | Based on agreement    | 1   |
|                 |                         |                                  | c                                      | Gain on disposal of property, plant and equipment | 8                  | -                     | -   |
| 5               | GLT-Zhongshan           | GLT-Taiwan                       | c                                      | Accounts receivable                               | 41,118             | Open account 120 days | -   |
|                 |                         |                                  | c                                      | Sales   | 31,290             | Based on agreement    | 3   |
|                 |                         | GLT-Optical                      | c                                      | Accounts receivable                               | 655                | Open account 120 days | -   |
|                 |                         |                                  | c                                      | Gain on disposal of property, plant and equipment | 315                | -                     | -   |
|                 |                         | Solid State Display              | c                                      | Accounts receivable                               | 1,836              | Open account 120 days | -   |
|                 |                         |                                  | c                                      | Sales   | 1,319              | Based on agreement    | -   |
| 6               | GLT-Taiwan              | GLT-Optical                      | c                                      | Accounts receivables - current portion            | 250,746            | Terms of financing    | 2   |
|                 |                         |                                  | c                                      | Interest revenue                                  | 818                | Based on agreement    | -   |
|                 |                         | Solid State OPTO                 | c                                      | Accounts receivable                               | 77,816             | Open account 60 days  | 1   |
|                 |                         |                                  | c                                      | Sales   | 77,712             | Based on agreement    | 7   |
|                 |                         | Solid State Technology           | c                                      | Accounts receivable                               | 13,915             | Open account 60 days  | -   |
|                 |                         |                                  | c                                      | Sales   | 13,940             | Based on agreement    | 1   |
|                 |                         | GLT-USA                          | c                                      | Accounts receivable                               | 144                | Open account 60 days  | -   |
| c               | Sales                   |                                  | 144                                    | Based on agreement                                | -                  |                       |   |

(Continued)

| No.<br>(Note 1) | Company         | Counterparty        | Flow of<br>Transactions<br>(Note 2) | Transaction Details                    |                    |                       |   |
|-----------------|-----------------|---------------------|-------------------------------------|--|--------------------|-----------------------|---|
|                 |                 |                     |                                     | Financial Statement Account            | Amount<br>(Note 4) | Payment Terms         | % of<br>Total Sales or<br>Assets (Note 3) |
| 7               | GLT-Suzhou Opto | GLT-Taiwan          | c                                   | Accounts receivable                    | \$ 48,303          | Open account 120 days | -   |
|                 |                 |                     | c                                   | Sales                                  | 38,301             | Based on agreement    | 4   |
|                 |                 | Solid State Display | c                                   | Accounts receivable                    | 32,862             | Open account 120 days | -   |
|                 |                 |                     | c                                   | Sales                                  | 26,038             | Based on agreement    | 2   |
|                 |                 | Solid State OPTO    | c                                   | Accounts receivable                    | 7,198              | Open account 120 days | -   |
|                 |                 |                     | c                                   | Sales                                  | 4,644              | Based on agreement    | -   |
|                 |                 | GLT-Shanghai        | c                                   | Accounts receivables - current portion | 88,672             | Terms of financing    | 1   |
|                 |                 |                     | c                                   | Interest revenue                       | 343                | Based on agreement    | -   |
|                 |                 | GLT-Zhongshan       | c                                   | Accounts receivables - current portion | 35,469             | Terms of financing    | -   |
|                 |                 |                     | c                                   | Interest revenue                       | 147                | Based on agreement    | -   |
| 8               | GLT-Optical     | GLT-Taiwan          | c                                   | Accounts receivable                    | 25,530             | Open account 60 days  | -   |
|                 |                 |                     | c                                   | Sales                                  | 28,167             | Based on agreement    | 3   |
|                 |                 | GLT-Zhongshan       | c                                   | Accounts receivable                    | 29,825             | Open account 60 days  | -   |
|                 |                 |                     | c                                   | Other receivables                      | 146                | Open account 60 days  | -   |
|                 |                 | GLT-Suzhou Opto     | c                                   | Sales                                  | 25,446             | Based on agreement    | 2   |
|                 |                 |                     | c                                   | Accounts receivable                    | 6,319              | Open account 60 days  | -   |
|                 |                 | Solid State Display | c                                   | Sales                                  | 13,262             | Based on agreement    | 1   |
|                 |                 |                     | c                                   | Accounts receivable                    | 766                | Open account 60 days  | -   |
|                 |                 |                     | c                                   | Sales                                  | 771                | Based on agreement    | -   |
|                 |                 |                     |                                     |  |                    |                       |   |
| 9               | GLT-USA         | GLT-Optical         | c                                   | Accounts receivables - current portion | 92,559             | Terms of financing    | 1   |
|                 |                 |                     | c                                   | Interest revenue                       | 781                | Based on agreement    | -   |

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 ending 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  
MARCH 31, 2023**

| 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.