

**Global Lighting Technologies Inc. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2023 and 2022 and  
Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Global Lighting Technologies Inc.

### Opinion

We have audited the accompanying consolidated financial statements of Global Lighting Technologies Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022, and for the six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matter

Key audit matter is a matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2023. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter in the audit of the Group's consolidated financial statements for the six months ended June 30, 2023 is stated below:

#### Validity of Occurrence of Sales Revenue from Specific Customers

Since the Group is a listed company, management may be under pressure to meet the financial targets. Furthermore, operating revenue is one of the important indicators to measure the Group's profitability and operating performance, and recognition of revenue is inherently a higher risk. The amount of revenue from specific customers for the six months ended June 30, 2023 was \$513,041 thousand, which accounted for 18% of the consolidated operating revenue. The impact of the sales on the consolidated financial statements was significant. Therefore, we identified the validity of occurrence of sales revenue from specific customers as a key audit matter for the six months ended June 30, 2023.

Refer to Note 4 to the consolidated financial statements for the year ended December 31, 2022 for details on accounting policies. Refer to Note 21 to the consolidated financial statements for relevant disclosures of revenue recognition. Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

1. We obtained an understanding of the internal controls related to the aforementioned sales, assessed the design of the controls, determined that controls have been implemented and tested the operating effectiveness of these controls.
2. We performed substantive testing of the aforementioned sales, selected appropriate samples and checked them against the external transaction documents and the recovery of receivables. We verified the validity of the occurrence of the transactions and also checked for any abnormalities in payment collections.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 17, 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 audit such consolidated financial statements are those generally applied in the Republic of China*

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

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 4,581,826	42	\$ 4,690,814	40	\$ 4,744,538	40
Financial assets at amortized cost (Note 7)	-	-	3,800	-	235	-
Notes receivable (Notes 9 and 21)	7	-	15	-	19	-
Accounts receivable (Notes 9 and 21)	1,558,752	14	1,859,828	16	1,484,036	13
Accounts receivable - related parties (Notes 21 and 28)	19,871	-	26,736	-	42,458	-
Other receivables (Note 9)	6,962	-	6,381	-	2,013	-
Current tax assets (Note 4)	346	-	104	-	25	-
Inventories (Note 10)	821,657	8	1,237,788	10	1,341,352	11
Prepayments	20,826	-	21,596	-	30,453	-
Other current assets (Notes 11 and 29)	1,502	-	2,096	-	165,614	1
Total current assets	7,011,749	64	7,849,158	66	7,810,743	65
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (Note 8)	310,575	3	279,327	3	285,406	3
Property, plant and equipment (Note 14)	2,837,193	26	2,975,406	25	3,096,668	26
Right-of-use assets (Note 15)	647,275	6	667,078	6	682,769	6
Deferred tax assets (Note 4)	29,204	-	31,413	-	36,929	-
Prepayments for equipment (Note 25)	895	-	3,418	-	2,725	-
Net defined benefit assets (Note 4)	13,660	-	13,387	-	6,679	-
Other non-current assets (Notes 11 and 29)	33,765	1	19,257	-	19,214	-
Total non-current assets	3,872,567	36	3,989,286	34	4,130,390	35
<b>TOTAL</b>	<b>\$ 10,884,316</b>	<b>100</b>	<b>\$ 11,838,444</b>	<b>100</b>	<b>\$ 11,941,133</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 16 and 29)	\$ -	-	\$ 400,000	3	\$ 598,000	5
Contract liabilities (Note 21)	3,829	-	2,454	-	5,977	-
Accounts payable	1,012,956	10	1,476,484	12	1,529,482	13
Accounts payable - related parties (Note 28)	127,254	1	153,579	1	172,075	1
Other payables (Note 17)	858,650	8	427,031	4	1,064,160	9
Other payables - related parties (Note 28)	6,354	-	9,428	-	6,301	-
Current tax liabilities (Note 4)	24,304	-	85,562	1	63,309	1
Lease liabilities (Notes 15 and 28)	25,934	-	25,930	-	25,774	-
Long-term borrowings - current portion (Note 16)	232,500	2	82,500	1	90,000	1
Other current liabilities	6,064	-	5,782	-	5,724	-
Total current liabilities	2,297,845	21	2,668,750	22	3,560,802	30
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Note 16)	-	-	187,500	2	180,000	1
Provision for employee benefits (Note 4)	8,438	-	7,826	-	9,250	-
Deferred tax liabilities (Note 4)	3,788	-	2,743	-	3,877	-
Lease liabilities (Notes 15 and 28)	635,313	6	652,581	5	666,091	6
Long-term deferred revenue (Note 19)	63,590	1	67,279	1	74,334	1
Total non-current liabilities	711,129	7	917,929	8	933,552	8
Total liabilities	3,008,974	28	3,586,679	30	4,494,354	38
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>						
Share capital	1,288,641	12	1,288,641	11	1,288,641	11
Capital surplus	2,348,423	21	2,348,423	20	2,348,423	19
Retained earnings						
Special reserve	43,706	-	350,711	3	350,711	3
Unappropriated earnings	4,234,898	39	4,307,696	36	3,570,527	30
Total retained earnings	4,278,604	39	4,658,407	39	3,921,238	33
Other equity	(40,326)	-	(43,706)	-	(111,523)	(1)
Total equity attributable to owners of the Company	7,875,342	72	8,251,765	70	7,446,779	62
Total equity	7,875,342	72	8,251,765	70	7,446,779	62
<b>TOTAL</b>	<b>\$ 10,884,316</b>	<b>100</b>	<b>\$ 11,838,444</b>	<b>100</b>	<b>\$ 11,941,133</b>	<b>100</b>

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

## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 1,757,490	100	\$ 1,839,759	100	\$ 2,844,569	100	\$ 4,281,803	100
OPERATING COSTS (Notes 10, 22 and 28)	<u>1,460,895</u>	<u>83</u>	<u>1,623,377</u>	<u>88</u>	<u>2,482,779</u>	<u>87</u>	<u>3,610,519</u>	<u>84</u>
GROSS PROFIT	<u>296,595</u>	<u>17</u>	<u>216,382</u>	<u>12</u>	<u>361,790</u>	<u>13</u>	<u>671,284</u>	<u>16</u>
OPERATING EXPENSES (Notes 22 and 28)								
Selling and marketing	40,126	2	48,051	3	73,808	3	105,683	2
General and administrative	76,636	5	78,365	4	150,219	5	168,219	4
Research and development	58,482	3	63,196	3	118,169	4	117,930	3
Expected credit loss (Note 9)	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>175,273</u>	<u>10</u>	<u>189,612</u>	<u>10</u>	<u>342,861</u>	<u>12</u>	<u>391,832</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>121,322</u>	<u>7</u>	<u>26,770</u>	<u>2</u>	<u>18,929</u>	<u>1</u>	<u>279,452</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	48,397	2	5,148	-	82,144	3	6,926	-
Other income (Note 19)	1,344	-	5,216	-	2,873	-	10,768	-
Other gains and losses	89,387	5	70,398	4	65,521	2	87,885	2
Finance costs (Note 28)	<u>(4,226)</u>	<u>-</u>	<u>(4,322)</u>	<u>-</u>	<u>(9,944)</u>	<u>-</u>	<u>(8,554)</u>	<u>-</u>
Total non-operating income and expenses	<u>134,902</u>	<u>7</u>	<u>76,440</u>	<u>4</u>	<u>140,594</u>	<u>5</u>	<u>97,025</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	256,224	14	103,210	6	159,523	6	376,477	9
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(21,666)</u>	<u>(1)</u>	<u>(47,421)</u>	<u>(3)</u>	<u>(23,870)</u>	<u>(1)</u>	<u>(71,253)</u>	<u>(2)</u>
NET PROFIT	<u>234,558</u>	<u>13</u>	<u>55,789</u>	<u>3</u>	<u>135,653</u>	<u>5</u>	<u>305,224</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	8,382	1	(1,417)	-	28,668	1	(6,009)	-
Exchange differences on translation to the presentation currency (Note 20)	<u>177,703</u>	<u>10</u>	<u>290,754</u>	<u>16</u>	<u>107,809</u>	<u>4</u>	<u>552,084</u>	<u>13</u>
	<u>186,085</u>	<u>11</u>	<u>289,337</u>	<u>16</u>	<u>136,477</u>	<u>5</u>	<u>546,075</u>	<u>13</u>

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## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	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)	\$ (191,492)	(11)	\$ (229,360)	(13)	\$ (133,097)	(5)	\$ (306,887)	(7)
Total other comprehensive income (loss)	(5,407)	-	59,977	3	3,380	-	239,188	6
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 229,151</u>	<u>13</u>	<u>\$ 115,766</u>	<u>6</u>	<u>\$ 139,033</u>	<u>5</u>	<u>\$ 544,412</u>	<u>13</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 234,558	13	\$ 55,789	3	\$ 135,653	5	\$ 305,224	7
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>\$ 234,558</u>	<u>13</u>	<u>\$ 55,789</u>	<u>3</u>	<u>\$ 135,653</u>	<u>5</u>	<u>\$ 305,224</u>	<u>7</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 229,151	13	\$ 115,766	6	\$ 139,033	5	\$ 544,412	13
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>\$ 229,151</u>	<u>13</u>	<u>\$ 115,766</u>	<u>6</u>	<u>\$ 139,033</u>	<u>5</u>	<u>\$ 544,412</u>	<u>13</u>
<b>EARNINGS PER SHARE</b> (Note 24)								
Basic	<u>\$ 1.82</u>		<u>\$ 0.43</u>		<u>\$ 1.05</u>		<u>\$ 2.37</u>	
Diluted	<u>\$ 1.82</u>		<u>\$ 0.43</u>		<u>\$ 1.05</u>		<u>\$ 2.36</u>	

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

(Concluded)



**GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES**

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

	Equity Attributable to Owners of the Company (Note 20)							
	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	Total Equity
			Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2022	\$ 1,309,371	\$ 2,383,809	\$ 267,197	\$ 4,105,816	\$ (344,626)	\$ (6,085)	\$ (95,121)	\$ 7,620,361
Appropriation of 2021 earnings								
Special reserve	-	-	83,514	(83,514)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(644,320)	-	-	-	(644,320)
Net profit for the six months ended June 30, 2022	-	-	-	305,224	-	-	-	305,224
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	245,197	(6,009)	-	239,188
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	305,224	245,197	(6,009)	-	544,412
Buy-back of ordinary shares	-	-	-	-	-	-	(73,674)	(73,674)
Cancellation of treasury shares	(20,730)	(35,386)	-	(112,679)	-	-	168,795	-
BALANCE AT JUNE 30, 2022	\$ 1,288,641	\$ 2,348,423	\$ 350,711	\$ 3,570,527	\$ (99,429)	\$ (12,094)	\$ -	\$ 7,446,779
BALANCE AT JANUARY 1, 2023	\$ 1,288,641	\$ 2,348,423	\$ 350,711	\$ 4,307,696	\$ (19,592)	\$ (24,114)	\$ -	\$ 8,251,765
Appropriation of 2022 earnings								
Reversal of special reserve	-	-	(307,005)	307,005	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(515,456)	-	-	-	(515,456)
Net profit for the six months ended June 30, 2023	-	-	-	135,653	-	-	-	135,653
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	(25,288)	28,668	-	3,380
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	135,653	(25,288)	28,668	-	139,033
BALANCE AT JUNE 30, 2023	\$ 1,288,641	\$ 2,348,423	\$ 43,706	\$ 4,234,898	\$ (44,880)	\$ 4,554	\$ -	\$ 7,875,342

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

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 159,523	\$ 376,477
Adjustments for:		
Depreciation expense	186,516	208,935
Expected credit loss	665	-
Interest expense	9,944	8,554
Interest income	(82,144)	(6,926)
Loss on inventories valuation and obsolescence	24,399	13,841
Gain on disposal of property, plant and equipment	(7)	(270)
Net (gain) loss on foreign currency exchanges	(11,727)	25,086
Amortization of long-term deferred revenue	(2,221)	(9,937)
Net changes in operating assets and liabilities		
Notes receivable	8	9
Accounts receivable	298,569	1,054,220
Accounts receivable - related parties	6,438	(95)
Other receivables	(1,088)	1,629
Other receivables - related parties	-	1,213
Inventories	377,429	(23,772)
Prepayments	588	(42)
Other current assets	607	(8,189)
Net defined benefit assets	(273)	(310)
Contract liabilities	1,363	2,291
Accounts payable	(454,813)	(670,208)
Accounts payable - related parties	(26,350)	46,085
Other payables	(87,823)	(71,573)
Other payables - related parties	(2,729)	(1,962)
Other current liabilities	306	(2,876)
Provision for employee benefits	611	659
Cash generated from operations	397,791	942,839
Interest received	82,624	6,581
Interest paid	(10,540)	(8,696)
Income tax paid	(82,742)	(77,082)
Net cash generated from operating activities	<u>387,133</u>	<u>863,642</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Principal from financial assets measured at amortized cost	-	7,796
Payments for property, plant and equipment (Note 25)	(46,879)	(32,895)
Proceeds from disposal of property, plant and equipment	189	282
Decrease in refundable deposits	39	2,556
Increase in other non-current assets	(10,752)	-
Net cash used in investing activities	<u>(57,403)</u>	<u>(22,261)</u>

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# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Six Months Ended	
	June 30	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 700,000	\$ 1,746,000
Decrease in short-term borrowings	(1,100,000)	(1,946,000)
Repayments of long-term borrowings	(37,500)	-
Repayment of the principal portion of lease liabilities	(13,080)	(12,662)
Payments for buy-back of ordinary shares	-	(73,674)
Net cash used in financing activities	<u>(450,580)</u>	<u>(286,336)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>11,862</u>	<u>200,937</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(108,988)	755,982
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,690,814</u>	<u>3,988,556</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,581,826</u>	<u>\$ 4,744,538</u>

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

(Concluded)

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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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 August 17, 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 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 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
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

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.

Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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 INFORMATIONS**

##### **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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 3,107	\$ 2,405	\$ 2,999
Checking accounts and demand deposits	4,375,949	4,319,529	4,563,219
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>202,770</u>	<u>368,880</u>	<u>178,320</u>
	<u>\$ 4,581,826</u>	<u>\$ 4,690,814</u>	<u>\$ 4,744,538</u>

## 7. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ -</u>	<u>\$ 3,800</u>	<u>\$ 235</u>

The interest rates for time deposits with original maturities of more than 3 months were approximately 1.44% and 1.07% per annum as of December 31, 2022 and June 30, 2022, respectively.

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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Top Taiwan XIII Venture Capital Co., Ltd.	\$ 103,600	\$ 86,800	\$ 98,600
Chi Lin Optoelectronics Co., Ltd.	<u>20,135</u>	<u>8,267</u>	<u>8,486</u>
	<u>123,735</u>	<u>95,067</u>	<u>107,086</u>
Foreign investments			
Unlisted shares			
Sensel Inc.	<u>186,840</u>	<u>184,260</u>	<u>178,320</u>
	<u>\$ 310,575</u>	<u>\$ 279,327</u>	<u>\$ 285,406</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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 7	\$ 15	\$ 19
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7</u>	<u>\$ 15</u>	<u>\$ 19</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,559,402	\$ 1,859,828	\$ 1,484,036
Less: Allowance for impairment loss	<u>(650)</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,558,752</u>	<u>\$ 1,859,828</u>	<u>\$ 1,484,036</u>
<u>Other receivables</u>			
At amortized cost	<u>\$ 6,962</u>	<u>\$ 6,381</u>	<u>\$ 2,013</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.

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
	<b>Not Past Due</b>	<b>Not Past Due</b>	<b>Not Past Due</b>
Expected credit loss rate	0%	0%	0%
Gross carrying amount	\$ 7	\$ 15	\$ 19
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 7</u>	<u>\$ 15</u>	<u>\$ 19</u>

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

June 30, 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	\$ 1,536,859	\$ 18,684	\$ 1,343	\$ 82	\$ 1,784	\$ -	\$ 650	\$ 1,559,402
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650)</u>	<u>(650)</u>
Amortized cost	<u>\$ 1,536,859</u>	<u>\$ 18,684</u>	<u>\$ 1,343</u>	<u>\$ 82</u>	<u>\$ 1,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,558,752</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>



June 30, 2022

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

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

	<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ -	\$ -
Add: Net remeasurement of loss allowance	665	-
Foreign exchange gains and losses	<u>(15)</u>	<u>-</u>
Balance at June 30	<u>\$ 650</u>	<u>\$ -</u>

b. Other receivables

Other receivables comprise value-added tax refund receivable and outstanding interest receivables from banks. The Group only transacts with counterparties that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group continues to engage in enforcement activity to trace the conditions of the receivables with reference to the past default experience of the debtor and an analysis of the debtor's current financial position, in determining whether the credit risk of other receivables has increased significantly since initial recognition as well as for measuring the expected credit losses. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

**10. INVENTORIES**

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Raw materials	\$ 427,968	\$ 464,223	\$ 661,745
Work in process	39,842	28,036	64,617
Finished goods	318,248	679,783	579,425
Inventory in transit	<u>35,599</u>	<u>65,746</u>	<u>35,565</u>
	<u>\$ 821,657</u>	<u>\$ 1,237,788</u>	<u>\$ 1,341,352</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Cost of inventories sold	\$ 1,454,688	\$ 1,616,170	\$ 2,458,380	\$ 3,596,678
Inventory write-downs	<u>6,207</u>	<u>7,207</u>	<u>24,399</u>	<u>13,841</u>
	<u>\$ 1,460,895</u>	<u>\$ 1,623,377</u>	<u>\$ 2,482,779</u>	<u>\$ 3,610,519</u>

## 11. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Other financial assets - restricted assets (Note 29)	\$ -	\$ -	\$ 163,460
Others	<u>1,502</u>	<u>2,096</u>	<u>2,154</u>
	<u>\$ 1,502</u>	<u>\$ 2,096</u>	<u>\$ 165,614</u>
<u>Non-current</u>			
Other financial assets - restricted assets (Note 29)	\$ 17,511	\$ 17,969	\$ 17,904
Prepayments for land use rights (Note 30)	15,009	-	-
Refundable deposits	<u>1,245</u>	<u>1,288</u>	<u>1,310</u>
	<u>\$ 33,765</u>	<u>\$ 19,257</u>	<u>\$ 19,214</u>

## 12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 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) (Notes 1 and 2)	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
Solid State Display	Global Lighting Technologies Inc. (GLT-Taiwan) (Note 2)	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

(Continued)

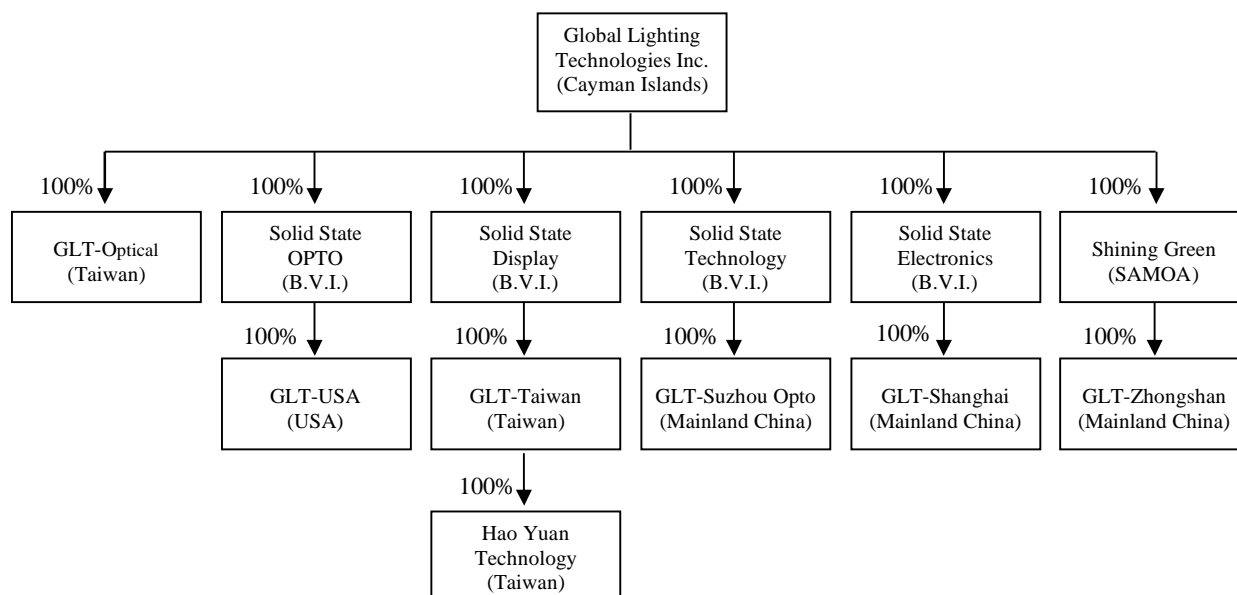
Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Solid State Electronics	Shanghai Global Lighting Technologies Inc. (GLT-Shanghai)	Design, production, and sale of applications of light guide plates, design of optical molds, and production 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

(Concluded)

Note 1: 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. The procedure for alteration registration was completed on May 18, 2023.

Note 2: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company and GLT-Optical would be the dissolved company.

As of June 30, 2023, the investment relationships and shareholding proportions of the Group are as follows:



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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Associates that is not individually material</u>			
Unlisted shares			
Asensetek Incorporation	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>

Proportion of the Group's ownership:

	June 30, 2023	December 31, 2022	June 30, 2022
Asensetek Incorporation	27.15%	27.15%	27.15%

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

The Group's investments accounted for using the equity method for the six months ended June 30, 2023 and 2022 and the share of profit or loss and other comprehensive income from the investments were recognized based on the unaudited financial statements; however, the Group considered that there was no significant impact on the consolidated financial statements.

### 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to Be Inspected or under Construction	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 167,176	\$ 2,518,718	\$ 3,166,362	\$ 67,276	\$ 198,382	\$ 414,014	\$ 58,293	\$ 6,590,221
Additions	-	2,125	33,336	1,711	-	1,229	5,993	44,394
Disposals	-	-	(6,397)	-	-	(1,071)	-	(7,468)
Reclassifications	-	3,251	28,321	-	113	635	(32,320)	-
Effects of foreign currency exchange differences	-	(16,947)	(29,273)	(1,553)	(3,724)	(5,966)	12	(57,451)
Balance at June 30, 2023	<u>167,176</u>	<u>2,507,147</u>	<u>3,192,349</u>	<u>67,434</u>	<u>194,771</u>	<u>408,841</u>	<u>31,978</u>	<u>6,569,696</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	-	873,401	2,214,516	63,098	103,678	360,122	-	3,614,815
Depreciation expenses	-	43,418	109,704	2,587	3,834	11,882	-	171,425
Disposals	-	-	(6,397)	-	-	(889)	-	(7,286)
Effects of foreign currency exchange differences	-	(9,990)	(28,154)	(1,478)	(1,667)	(5,162)	-	(46,451)
Balance at June 30, 2023	<u>-</u>	<u>906,829</u>	<u>2,289,669</u>	<u>64,207</u>	<u>105,845</u>	<u>365,953</u>	<u>-</u>	<u>3,732,503</u>
Carrying amount at June 30, 2023	<u>\$ 167,176</u>	<u>\$ 1,600,318</u>	<u>\$ 902,680</u>	<u>\$ 3,227</u>	<u>\$ 88,926</u>	<u>\$ 42,888</u>	<u>\$ 31,978</u>	<u>\$ 2,837,193</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>
<u>Cost</u>								
Balance at January 1, 2022	\$ 167,176	\$ 2,497,457	\$ 3,095,473	\$ 64,935	\$ 193,808	\$ 410,422	\$ 56,928	\$ 6,486,199
Additions	-	2,418	11,100	-	-	5,985	21,326	40,829
Disposals	-	(5,088)	(3,475)	-	-	(682)	-	(9,245)
Reclassifications	-	11,821	6,806	-	-	10,150	(28,777)	-
Effects of foreign currency exchange differences	-	13,823	24,500	1,225	4,657	4,201	39	48,445
Balance at June 30, 2022	<u>167,176</u>	<u>2,520,431</u>	<u>3,134,404</u>	<u>66,160</u>	<u>198,465</u>	<u>430,076</u>	<u>49,516</u>	<u>6,566,228</u>

(Continued)

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to Be Inspected or under Construction	Total
Accumulated depreciation and impairment								
Balance at January 1, 2022	-	785,819	1,986,389	52,036	92,661	329,766	-	3,246,671
Depreciation expenses	-	43,567	118,057	6,305	3,983	22,030	-	193,942
Disposals	-	(5,076)	(3,475)	-	-	(682)	-	(9,233)
Reclassifications	-	-	(7,651)	-	-	7,651	-	-
Effects of foreign currency exchange differences	-	7,387	22,841	976	2,763	4,213	-	38,180
Balance at June 30, 2022	-	<u>831,697</u>	<u>2,116,161</u>	<u>59,317</u>	<u>99,407</u>	<u>362,978</u>	-	<u>3,469,560</u>
Carrying amount at June 30, 2022	<u>\$ 167,176</u>	<u>\$ 1,688,734</u>	<u>\$ 1,018,243</u>	<u>\$ 6,843</u>	<u>\$ 99,058</u>	<u>\$ 67,098</u>	<u>\$ 49,516</u>	<u>\$ 3,096,668</u>

(Concluded)

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

#### Buildings

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

There was no indication of impairment of the property, plant and equipment for the six months ended June 30, 2023 and 2022.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Land	\$ 406,220	\$ 411,224	\$ 416,229
Buildings	196,758	209,614	218,745
Land use rights	41,204	42,829	43,683
Transportation equipment	428	220	478
Other equipment	<u>2,665</u>	<u>3,191</u>	<u>3,634</u>
	<u>\$ 647,275</u>	<u>\$ 667,078</u>	<u>\$ 682,769</u>

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Addition of right-of-use assets			<u>\$ 470</u>	<u>\$ 1,346</u>
Depreciation charge for right-of-use assets				
Land	\$ 2,503	\$ 2,500	\$ 5,005	\$ 4,994
Buildings	4,273	4,307	8,588	8,544
Land use rights	332	338	669	672
Transportation equipment	128	129	269	256
Other equipment	<u>281</u>	<u>270</u>	<u>560</u>	<u>527</u>
	<u>\$ 7,517</u>	<u>\$ 7,544</u>	<u>\$ 15,091</u>	<u>\$ 14,993</u>

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the six months ended June 30, 2023 and 2022.

b. Lease liabilities

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 25,934</u>	<u>\$ 25,930</u>	<u>\$ 25,774</u>
Non-current	<u>\$ 635,313</u>	<u>\$ 652,581</u>	<u>\$ 666,091</u>

The discount rates for lease liabilities were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ 2,213	\$ 3,145	\$ 4,620	\$ 5,883
Expenses relating to low-value asset leases	\$ 360	\$ 328	\$ 862	\$ 710
Total cash outflow for leases			\$ (24,245)	\$ (25,192)

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

## 16. BORROWINGS

a. Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Secured borrowings</u>			
Bank loan (Note 29)	\$ -	\$ -	\$ 148,000
<u>Unsecured borrowings</u>			
Line of credit borrowing	-	400,000	450,000
	\$ -	\$ 400,000	\$ 598,000

The range of interest rates on bank loans was 2.21% and 0.84%-1.08% per annum at December 31, 2022 and June 30, 2022, respectively.

b. Long-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Unsecured borrowings</u>			
Chinatrust Commercial Bank	\$ 232,500	\$ 270,000	\$ 270,000
Less: Current portion	(232,500)	(82,500)	(90,000)
Long-term borrowings	\$ -	\$ 187,500	\$ 180,000

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. However, GLT-Optical was consolidated with GLT-Taiwan on August 1, 2023, and its long-term borrowings was reclassified as long-term borrowings - current portion. 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 June 30, 2023, December 31, 2022 and June 30, 2022, the interest rates of the loan were 0.75%, 0.625% and 0.375% per annum, respectively.

## 17. OTHER PAYABLES

	June 30, 2023	December 31, 2022	June 30, 2022
Payable for dividends	\$ 515,456	\$ -	\$ 644,320
Payable for salaries and bonuses	243,159	287,608	302,573
Payable for purchase equipment	16,310	20,985	18,019
Payable for commission	12,916	27,058	19,779
Payable for tax	4,494	6,704	5,320
Others	<u>66,315</u>	<u>84,676</u>	<u>74,149</u>
	<u>\$ 858,650</u>	<u>\$ 427,031</u>	<u>\$ 1,064,160</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:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating costs	<u>\$ 13,100</u>	<u>\$ 14,632</u>	<u>\$ 27,485</u>	<u>\$ 29,216</u>
Operating expenses	<u>\$ 3,941</u>	<u>\$ 7,765</u>	<u>\$ 7,982</u>	<u>\$ 11,642</u>



b. Defined benefit plan

For the three months and six months ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were \$305 thousand, \$330 thousand, \$611 thousand, and \$659 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 June 30, 2023, December 31, 2022 and June 30, 2022, long-term deferred revenue was \$63,590 thousand, \$67,279 thousand and \$74,334 thousand, respectively.

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Realized long-term deferred revenue	\$ 984	\$ 5,080	\$ 2,221	\$ 9,937
Received from government grants related to income	<u>68</u>	<u>109</u>	<u>298</u>	<u>334</u>
	<u>\$ 1,052</u>	<u>\$ 5,189</u>	<u>\$ 2,519</u>	<u>\$ 10,271</u>

## 20. EQUITY

a. Share capital - ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
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 June 30, 2023, 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

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<u>May be used to offset a deficit, distributed as cash dividends, or 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 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 to 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 approved in the shareholders' meetings on May 30, 2023 and May 26, 2022, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
(Reversals) special reserve	\$ (307,005)	\$ 83,514
Cash dividends	\$ 515,456	\$ 644,320
Cash dividends per share (NT\$)	\$ 4.0	\$ 5.0
d. Other equity items		
<u>Exchange differences on the translation of the financial statements of foreign operations</u>		
	<b>For the Six Months Ended</b>	
	<b>June 30</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 currency	107,809	552,084
Exchange differences on the translation of the financial statements of foreign operations	<u>(133,097)</u>	<u>(306,887)</u>
Balance at June 30	<u>\$ (44,880)</u>	<u>\$ (99,429)</u>
<u>Unrealized gain (loss) on financial assets at FVTOCI</u>		
	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (24,114)	\$ (6,085)
Recognized for the period		
Unrealized gain (loss)	<u>28,668</u>	<u>(6,009)</u>
Balance at June 30	<u>\$ 4,554</u>	<u>\$ (12,094)</u>
e. Treasury shares		
		<b>For the Six</b>
		<b>Months Ended</b>
		<b>June 30, 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 June 30		<u>          -</u>

In order to safeguard the Company's credit and shareholders' rights and interests, the Company's board of directors resolved on November 4, 2021 to repurchase 6,000 thousand ordinary shares of the Company from the centralized securities exchange market from November 5, 2021 to January 4, 2022. The repurchase price ranges from \$57.40 to \$119.50 per share. 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 2,073 thousand treasury shares and set the base date for capital reduction as February 25, 2022.

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

## 21. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 1,753,739	\$ 1,833,498	\$ 2,836,614	\$ 4,269,149
Revenue from commission	<u>3,751</u>	<u>6,261</u>	<u>7,955</u>	<u>12,654</u>
	<u>\$ 1,757,490</u>	<u>\$ 1,839,759</u>	<u>\$ 2,844,569</u>	<u>\$ 4,281,803</u>

### a. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Notes receivable (Note 9)	<u>\$ 7</u>	<u>\$ 15</u>	<u>\$ 19</u>	<u>\$ 28</u>
Accounts receivable (Note 9)	<u>\$ 1,558,752</u>	<u>\$ 1,859,828</u>	<u>\$ 1,484,036</u>	<u>\$ 2,470,246</u>
Accounts receivable - related parties (Note 28)	<u>\$ 19,871</u>	<u>\$ 26,736</u>	<u>\$ 42,458</u>	<u>\$ 41,599</u>
Contract liabilities				
Sale of goods	<u>\$ 3,829</u>	<u>\$ 2,454</u>	<u>\$ 5,977</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:

	For the Six Months Ended June 30	
	2023	2022
From contract liabilities at the beginning of the year		
Sale of goods	<u>\$ 2,454</u>	<u>\$ 3,615</u>

b. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Applications of light guide plates	\$ 1,517,699	\$ 1,565,068	\$ 2,425,175	\$ 3,696,179
Plastic components	236,040	268,430	411,439	572,970
Revenue from commission	<u>3,751</u>	<u>6,261</u>	<u>7,955</u>	<u>12,654</u>
	<u>\$ 1,757,490</u>	<u>\$ 1,839,759</u>	<u>\$ 2,844,569</u>	<u>\$ 4,281,803</u>

22. NET PROFIT

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank deposits	<u>\$ 48,397</u>	<u>\$ 5,148</u>	<u>\$ 82,144</u>	<u>\$ 6,926</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Government grants (Note 19)	\$ 757	\$ 809	\$ 1,685	\$ 1,728
Long-term deferred revenue allocated due to non-shareholders' asset donation (Note 19)	295	4,380	834	8,543
Others	<u>292</u>	<u>27</u>	<u>354</u>	<u>497</u>
	<u>\$ 1,344</u>	<u>\$ 5,216</u>	<u>\$ 2,873</u>	<u>\$ 10,768</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net gain on foreign currency exchange	\$ 89,388	\$ 70,397	\$ 65,514	\$ 87,615
Gain (loss) on disposal of property, plant and equipment	<u>(1)</u>	<u>1</u>	<u>7</u>	<u>270</u>
	<u>\$ 89,387</u>	<u>\$ 70,398</u>	<u>\$ 65,521</u>	<u>\$ 87,885</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Interest on lease liabilities	\$ 2,818	\$ 2,963	\$ 5,683	\$ 5,937
Interest on bank loans	<u>1,408</u>	<u>1,359</u>	<u>4,261</u>	<u>2,617</u>
	<u>\$ 4,226</u>	<u>\$ 4,322</u>	<u>\$ 9,944</u>	<u>\$ 8,554</u>

e. Depreciation

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 85,653	\$ 96,862	\$ 171,425	\$ 193,942
Right-of-use assets	<u>7,517</u>	<u>7,544</u>	<u>15,091</u>	<u>14,993</u>
	<u>\$ 93,170</u>	<u>\$ 104,406</u>	<u>\$ 186,516</u>	<u>\$ 208,935</u>
An analysis of depreciation by function				
Operating costs	\$ 73,005	\$ 85,349	\$ 146,594	\$ 170,360
Operating expenses	<u>20,165</u>	<u>19,057</u>	<u>39,922</u>	<u>38,575</u>
	<u>\$ 93,170</u>	<u>\$ 104,406</u>	<u>\$ 186,516</u>	<u>\$ 208,935</u>

f. Employee benefit expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Post-employment benefit (Note 18)				
Defined contribution plans	\$ 17,041	\$ 22,397	\$ 35,467	\$ 40,858
Defined benefit plans	305	330	611	659
Payroll expenses	192,026	203,112	366,854	421,202
Labor and health insurance expenses	16,205	17,064	34,515	35,073
Remuneration of directors	3,211	1,812	4,291	6,467
Other employee benefits	<u>15,087</u>	<u>18,102</u>	<u>32,292</u>	<u>36,200</u>
Total employee benefit expenses	<u>\$ 243,875</u>	<u>\$ 262,817</u>	<u>\$ 474,030</u>	<u>\$ 540,459</u>
An analysis of employee benefit expense by function				
Operating costs	\$ 163,134	\$ 184,645	\$ 316,616	\$ 370,643
Operating expenses	<u>80,741</u>	<u>78,172</u>	<u>157,414</u>	<u>169,816</u>
	<u>\$ 243,875</u>	<u>\$ 262,817</u>	<u>\$ 474,030</u>	<u>\$ 540,459</u>

g. Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates between 1% to 15% and not higher than 1.5% of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the six months ended June 30, 2023 and 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 Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Employees' compensation	5.0%	5.0%
Remuneration of directors	1.5%	1.5%

Amount

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 7,254	\$ 2,983	\$ 7,254	\$ 16,322
Remuneration of directors	2,176	895	2,176	4,897

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. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Foreign currency exchange gains	\$ 141,565	\$ 191,704	\$ 201,634	\$ 242,863
Foreign currency exchange losses	<u>(52,177)</u>	<u>(121,307)</u>	<u>(136,120)</u>	<u>(155,248)</u>
Net gain	<u>\$ 89,388</u>	<u>\$ 70,397</u>	<u>\$ 65,514</u>	<u>\$ 87,615</u>

### 23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 15,602	\$ 46,429	\$ 16,003	\$ 69,242
Unappropriated retained earnings	12,648	2,741	12,648	2,741
Adjustments from previous years	(7,479)	(4,061)	(7,479)	(4,061)
Deferred tax				
In respect of the current period	<u>895</u>	<u>2,312</u>	<u>2,698</u>	<u>3,331</u>
Income tax expense recognized in profit or loss	<u>\$ 21,666</u>	<u>\$ 47,421</u>	<u>\$ 23,870</u>	<u>\$ 71,253</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: 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. EARNINGS PER SHARE

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

### Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Profit for the period attributable to owners of the Company	<u>\$ 234,558</u>	<u>\$ 55,789</u>	<u>\$ 135,653</u>	<u>\$ 305,224</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	128,864	128,883	128,864	128,883
Effect of potentially dilutive ordinary shares:				
Employees' compensation	<u>124</u>	<u>51</u>	<u>410</u>	<u>553</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>128,988</u>	<u>128,934</u>	<u>129,274</u>	<u>129,436</u>

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

## 25. CASH FLOW INFORMATION

### a. Partial non-cash transactions

In addition to those disclosed in other notes, for the six months ended June 30, 2023 and 2022, the Group entered into the following partial non-cash investing and financing activities, which were not reflected in the consolidated statements of cash flows:

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

	<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Purchase of property, plant and equipment	\$ 44,394	\$ 40,829
Net change in prepayments for purchases of equipment	(2,505)	(1,166)
Net change in payables for purchase of equipment	<u>4,990</u>	<u>(6,768)</u>
Cash paid	<u>\$ 46,879</u>	<u>\$ 32,895</u>

2) The cash dividends approved in the shareholders' meetings were not yet distributed as of June 30, 2023 and 2022 (refer to Notes 17 and 20).

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

#### For the six months ended June 30, 2023

	<b>Balance at January 1, 2023</b>	<b>Cash Flows</b>	<b>New Leases</b>	<b>Non-cash Changes</b>	<b>Balance at June 30, 2023</b>
				<b>Effects of Foreign Currency Exchange Differences</b>	
Short-term borrowings	\$ 400,000	\$ (400,000)	\$ -	\$ -	\$ -
Long-term borrowings (including current portion)	270,000	(37,500)	-	-	232,500
Lease liabilities	<u>678,511</u>	<u>(13,080)</u>	<u>470</u>	<u>(4,654)</u>	<u>661,247</u>
	<u>\$ 1,348,511</u>	<u>\$ (450,580)</u>	<u>\$ 470</u>	<u>\$ (4,654)</u>	<u>\$ 893,747</u>

#### For the six months ended June 30, 2022

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

## 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

June 30, 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 instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 186,840	\$ 186,840
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>123,735</u>	<u>123,735</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,575</u>	<u>\$ 310,575</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>

June 30, 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	\$ -	\$ -	\$ 178,320	\$ 178,320
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>107,086</u>	<u>107,086</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,406</u>	<u>\$ 285,406</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2023 and 2022.

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

For the six months ended June 30, 2023

	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2023	\$ 279,327
Recognized in other comprehensive income	28,668
Effects of foreign currency exchange differences	<u>2,580</u>
Balance at June 30, 2023	<u>\$ 310,575</u>

For the six months ended June 30, 2022

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

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

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

c. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets at FVTOCI	\$ 310,575	\$ 279,327	\$ 285,406
Financial assets at amortized cost (Note 1)	6,180,885	6,602,535	6,454,810
<u>Financial liabilities</u>			
Amortized cost (Note 2)	1,445,955	2,397,266	2,655,268

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), refundable deposits (presented in other non-current assets) and other financial assets (presented in other current and non-current assets).

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

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity investments, accounts receivable, accounts payable, long-term borrowings and short-term borrowings and lease liabilities. The Group's corporate treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

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

Sensitivity analysis

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

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

	<b>U.S. Dollar Impact</b>		<b>Japanese Yen Impact</b>	
	<b>For the Six Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
(Loss) profit	\$ (94,405)	\$ (69,887)	\$ (221)	\$ (134)

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 six months ended June 30, 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:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Fair value interest rate risk			
Financial assets	\$ 211,245	\$ 378,710	\$ 351,955
Financial liabilities	661,247	1,078,511	1,289,865
Cash flows interest rate risk			
Financial assets	4,286,073	4,184,592	4,435,157
Financial liabilities	232,500	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 six months ended June 30, 2023 would have increased/decreased by \$5,067 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 six months ended June 30, 2022 would have increased/decreased by \$5,206 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

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

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2023 would have increased/decreased by \$31,058 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 six months ended June 30, 2022 would have increased/decreased by \$28,541 thousand as a result of the changes in fair value of financial assets at FVTOCI.

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

2) Credit risk

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

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

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

The Group's concentration of credit risk of 90.98%, 94.50% and 91.13% in total trade receivables as of June 30, 2023, December 31, 2022 and June 30, 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 June 30, 2023, December 31, 2022 and June 30, 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.

June 30, 2023

	<b>On Demand or Less than 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	\$ 1,728,911	\$ -	\$ -	\$ -
Variable interest rate liabilities	232,858	-	-	-
Lease liabilities	<u>36,787</u>	<u>36,790</u>	<u>98,917</u>	<u>669,510</u>
	<u>\$ 1,998,556</u>	<u>\$ 36,790</u>	<u>\$ 98,917</u>	<u>\$ 669,510</u>



December 31, 2022

	<b>On Demand or Less than 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>

June 30, 2022

	<b>On Demand or Less than 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	\$ 2,431,587	\$ -	\$ -	\$ -
Fixed interest rate liabilities	598,903	-	-	-
Variable interest rate liabilities	91,810	181,000	-	-
Lease liabilities	<u>37,274</u>	<u>36,903</u>	<u>104,606</u>	<u>705,988</u>
	<u>\$ 3,159,574</u>	<u>\$ 217,903</u>	<u>\$ 104,606</u>	<u>\$ 705,988</u>

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>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<b>Secured bank loan facilities</b>			
Amount used	\$ -	\$ -	\$ 148,000
Amount unused	<u>200,000</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	\$ 232,500	\$ 671,704	\$ 720,000
Amount unused	<u>905,700</u>	<u>501,846</u>	<u>448,600</u>
	<u>\$ 1,138,200</u>	<u>\$ 1,173,550</u>	<u>\$ 1,168,600</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)

### b. Operating revenue

<u>Related Party Category/Name</u>	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other related parties	\$ 14,093	\$ 27,983	\$ 27,969	\$ 57,330
Related party in substance	<u>-</u>	<u>-</u>	<u>-</u>	<u>338</u>
	<u>\$ 14,093</u>	<u>\$ 27,983</u>	<u>\$ 27,969</u>	<u>\$ 57,668</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

<u>Related Party Category/Name</u>	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other related parties	\$ 54,461	\$ 84,824	\$ 113,744	\$ 162,646
Related party in substance	<u>17,730</u>	<u>30,110</u>	<u>39,102</u>	<u>37,750</u>
	<u>\$ 72,191</u>	<u>\$ 114,934</u>	<u>\$ 152,846</u>	<u>\$ 200,396</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 next month settlement 30 days, respectively, and are not significantly different from transactions between the Group and non-related parties.

d. Manufacturing and operating expenses

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Related party in substance	\$ 6,229	\$ 5,375	\$ 10,983	\$ 10,899
Other related parties	<u>3,705</u>	<u>6,447</u>	<u>8,886</u>	<u>13,386</u>
	<u>\$ 9,934</u>	<u>\$ 11,822</u>	<u>\$ 19,869</u>	<u>\$ 24,285</u>

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

e. Receivables from related parties

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
<u>Accounts receivable - related parties</u>			
Wistron InfoComm (Zhongshan)	\$ 13,617	\$ 25,579	\$ 42,423
Wistron InfoComm (Chengdu)	4,850	535	-
Other related parties	1,404	415	35
Related party in substance	<u>-</u>	<u>207</u>	<u>-</u>
	<u>\$ 19,871</u>	<u>\$ 26,736</u>	<u>\$ 42,458</u>

The outstanding trade receivables from related parties are unsecured. As of June 30, 2023, December 31, 2022 and June 30, 2022, the accounts receivable from related parties were not overdue. For the six months ended June 30, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

f. Payables to related parties

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
<u>Accounts payable - related parties</u>			
Shinny Plastics Corp.	\$ 108,997	\$ 115,568	\$ 146,916
Tony material LLC	<u>18,257</u>	<u>38,011</u>	<u>25,159</u>
	<u>\$ 127,254</u>	<u>\$ 153,579</u>	<u>\$ 172,075</u>
<u>Other payables - related parties</u>			
Tony material LLC	\$ 5,027	\$ 7,291	\$ 3,984
Wistron InfoComm (Zhongshan)	1,327	1,821	2,184
Other related parties	<u>-</u>	<u>316</u>	<u>133</u>
	<u>\$ 6,354</u>	<u>\$ 9,428</u>	<u>\$ 6,301</u>

g. Lease arrangements

Line Item	Related Party Category/Name	June 30, 2023	December 31,		
			2022	June 30, 2022	
Lease liabilities	Wistron InfoComm (Zhongshan)	\$ <u>207,494</u>	\$ <u>219,245</u>	\$ <u>227,092</u>	
Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Interest expense	Wistron InfoComm (Zhongshan)	\$ <u>933</u>	\$ <u>1,009</u>	\$ <u>1,893</u>	\$ <u>2,024</u>

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

h. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 6,452	\$ 4,046	\$ 9,886	\$ 12,394
Post-employment benefits	<u>27</u>	<u>27</u>	<u>108</u>	<u>108</u>
	\$ <u>6,479</u>	\$ <u>4,073</u>	\$ <u>9,994</u>	\$ <u>12,502</u>

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

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2023	December 31,	
		2022	June 30, 2022
Other financial assets - restricted assets (under other current and other non-current assets)	\$ <u>17,511</u>	\$ <u>17,969</u>	\$ <u>181,364</u>

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of June 30, 2023 were as follows:

- a. The Group entered into contracts for the purchase of equipment and land use rights for the Vietnam investment project of \$18,622 thousand and \$153,628 thousand. Unrecognized commitments were \$1,862 thousand and \$138,265 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\$62,280 thousand)

### 31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

### 32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

June 30, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 43,866	31.1400 (USD:NTD)	\$ 1,366,001
USD	33,520	7.2258 (USD:RMB)	1,043,812
JPY	18,344	0.2150 (JPY:NTD)	3,944
JPY	2,493	0.0069 (JPY:USD)	536

Financial liabilities

Monetary items			
USD	1,598	31.1400 (USD:NTD)	49,767
USD	15,156	7.2258 (USD:RMB)	471,949
JPY	312	0.2150 (JPY:NTD)	67

December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying 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

(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 943	30.7100 (USD:NTD)	\$ 28,950
USD	29,784	6.9646 (USD:RMB)	914,659 (Concluded)

June 30, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,336	29.7200 (USD:NTD)	\$ 1,347,390
USD	28,801	6.7114 (USD:RMB)	904,952
JPY	10,133	0.2182 (JPY:NTD)	2,211
JPY	2,493	0.0073 (JPY:USD)	544

Financial liabilities

Monetary items			
USD	2,829	29.7200 (USD:NTD)	84,087
USD	24,523	6.7114 (USD:RMB)	770,511
JPY	308	0.2182 (JPY:NTD)	67

For the three months ended June 30, 2023 and 2022, and for the six months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$89,388 thousand, \$70,397 thousand, \$65,514 thousand and \$87,615 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 Light Guide Plates Applications</b>	<b>Department of Plastic Components</b>	<b>Eliminations</b>	<b>Total</b>
<u>For the six months ended June 30, 2023</u>				
Revenue				
Revenue from external customers	\$ 2,425,175	\$ 419,394	\$ -	\$ 2,844,569
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 2,425,175</u>	<u>\$ 419,394</u>	<u>\$ -</u>	<u>\$ 2,844,569</u>
Segment income	<u>\$ 1,026</u>	<u>\$ 17,903</u>		\$ 18,929
Non-operating income and expenses				<u>140,594</u>
Profit before tax (continuing operations)				<u>\$ 159,523</u>
<u>For the six months ended June 30, 2022</u>				
Revenue				
Revenue from external customers	\$ 3,696,179	\$ 585,624	\$ -	\$ 4,281,803
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 3,696,179</u>	<u>\$ 585,624</u>	<u>\$ -</u>	<u>\$ 4,281,803</u>
Segment income	<u>\$ 242,326</u>	<u>\$ 37,126</u>		\$ 279,452
Non-operating income and expenses				<u>97,025</u>
Profit before tax (continuing operations)				<u>\$ 376,477</u>



## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ 86,493	\$ 86,233	\$ 86,233	1.75	2	\$ -	Operating turnover	\$ -	-	\$ -	\$ 632,504	\$ 632,504
		GLT-Zhongshan	Other receivables - related parties, current portion	Yes	34,597	34,493	34,493	1.75	2	-	Operating turnover	-	-	-	632,504	632,504
2	GLT-Taiwan	GLT-Optical	Other receivables - related parties, current portion	Yes	314,240	314,240	314,240	1.40-3.85	2	-	Operating turnover	-	-	-	1,111,938	1,111,938
3	Solid State OPTO	GLT-Optical	Other receivables - related parties, current portion	Yes	211,752	149,472	149,472	-	2	-	Operating turnover	-	-	-	704,371	704,371
4	GLT-USA	GLT-Optical	Other receivables - related parties, current portion	Yes	234,828	95,402	95,402	3.20	2	-	Operating turnover	-	-	-	384,630	384,630
5	Solid State Technology	GLT-Optical	Other receivables - related parties, current portion	Yes	342,540	342,540	342,540	-	2	-	Operating turnover	-	-	-	1,350,403	1,350,403

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

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

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

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

## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 2)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 2)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 2)
		Name	Relationship										
0	Global Lighting Technologies Inc	GLT-Optical (Note 3)	Subsidiary of Global Lighting Technologies Inc.	\$ 2,362,603	\$ 1,020,000	\$ 1,020,000	\$ 232,500	\$ -	12.95	\$ 3,937,671	Y	-	-
		Solid State Electronics	Subsidiary of Global Lighting Technologies Inc.	2,362,603	62,280	62,280	-	-	0.79	3,937,671	Y	-	-
1	GLT-Taiwan	GLT-Optical	Subsidiary of Global Lighting Technologies Inc.	2,362,867	124,560	-	-	-	-	2,362,867	-	-	-

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

## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

JUNE 30, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	Note
Global Lighting Technologies Inc.	<u>Shares</u> Sensel Inc.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	1,470,227	\$ 186,840	6.77	\$ 186,840	
GLT-Taiwan	<u>Shares</u> Top Taiwan XIII Venture Capital Co., Ltd.	GLT-Taiwan is the director of Top Taiwan XIII Venture Capital Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	10,000,000	103,600	11.63	103,600	
Hao Yuan Technology	<u>Shares</u> Chi Lin Optoelectronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current (FVTOCI)	782,843	20,135	3.43	20,135	

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

**GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship (Note 1)	Transaction Details			Abnormal Transaction		Notes/Accounts Payable or Receivable		Note	
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
GLT-Shanghai	Solid State OPTO	b	Sale	\$ (869,839)	54	Open account 120 days	Based on agreement	Based on agreement	\$ 883,372	64	Note 2
Solid State OPTO	GLT-Shanghai	b	Purchase	869,839	82	Open account 120 days	Based on agreement	Based on agreement	(883,372)	83	Note 2
Solid State Technology	GLT-Shanghai	b	Sale	(691,986)	100	Open account 60 days	Based on agreement	Based on agreement	455,111	100	Note 2
GLT-Shanghai	Solid State Technology	b	Purchase	691,986	56	Open account 60 days	Based on agreement	Based on agreement	(455,111)	49	Note 2
Solid State OPTO	GLT-USA	b	Sale	(235,452)	18	Open account 60 days	Based on agreement	Based on agreement	111,362	19	Note 2
GLT-USA	Solid State OPTO	b	Purchase	235,452	100	Open account 60 days	Based on agreement	Based on agreement	(111,362)	100	Note 2
GLT-Taiwan	Solid State OPTO	b	Sale	(185,601)	22	Open account 60 days	Based on agreement	Based on agreement	170,072	28	Note 2
Solid State OPTO	GLT-Taiwan	b	Purchase	185,601	17	Open account 60 days	Based on agreement	Based on agreement	(170,072)	16	Note 2

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

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

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

**GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES**

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

**JUNE 30, 2023**

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
GLT-Shanghai	Solid State OPTO	Subsidiary to subsidiary	\$ 883,372	1.49	\$ -	-	\$ 122,350	\$ -
Solid State Technology	GLT-Shanghai	Subsidiary to subsidiary	455,111	2.09	-	-	169,678	-
GLT-Taiwan	Solid State OPTO	Subsidiary to subsidiary	170,072	2.96	-	-	124,180	-
Solid State OPTO	GLT-USA	Subsidiary to subsidiary	111,362	5.19	-	-	50,690	-
Solid State Technology	GLT-Optical	Subsidiary to subsidiary	342,540	Note 2	-	-	-	-
GLT-Taiwan	GLT-Optical	Subsidiary to subsidiary	314,240	Note 2	-	-	-	-
Solid State OPTO	GLT-Optical	Subsidiary to subsidiary	149,472	Note 2	-	-	-	-

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

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

## GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				June 30, 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	\$ 309,848 (US\$ 9,950)	\$ 309,848 (US\$ 9,950)	9,950,167	100.00	\$ 880,464 (US\$ 28,274)	\$ 69,060 (US\$ 2,260)	\$ 69,060 (US\$ 2,260)	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products	1,094,389 (US\$ 35,144)	1,094,389 (US\$ 35,144)	35,144,141	100.00	2,842,652 (US\$ 91,286)	60,553 (US\$ 1,982)	59,104 (US\$ 1,934)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	334,755 (US\$ 10,750)	334,755 (US\$ 10,750)	10,750,000	100.00	1,521,263 (US\$ 48,852)	231,254 (US\$ 7,568)	270,294 (US\$ 8,845)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	204,130 (US\$ 6,561)	204,130 (US\$ 6,561)	6,561,000	100.00	1,431,815 (US\$ 45,980)	(68,931) (US\$ (2,256))	(75,551) (US\$ (2,472))	
	Shining Green	Independent state of Samoa	Holding company	467,100 (US\$ 15,000)	467,100 (US\$ 15,000)	15,000,000	100.00	114,068 (US\$ 3,663)	(31,205) (US\$ (1,021))	(30,516) (US\$ (999))	
	GLT-Optical	Republic of China	Design, production, and sales of applications of light guide plates	850,894	850,894	85,089,400	100.00	667,103 (US\$ 21,423)	(154,379) (US\$ (5,052))	(154,544) (US\$ (5,057))	
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	225,682 (US\$ 7,247)	225,682 (US\$ 7,247)	100	100.00	480,788 (US\$ 15,440)	20,148 (US\$ 659)	20,148 (US\$ 659)	
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	2,779,844 (US\$ 89,269)	55,464 (US\$ 1,815)	55,464 (US\$ 1,815)	
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	20,505	2	2	
	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	-	(436)	-	Note 3

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

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

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

**GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of June 30, 2023 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of June 30, 2023
					Outflow	Inflow						
GLT-Shanghai	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use	\$ 622,800 (US\$ 20,000)	b.	\$ 622,800 (US\$ 20,000)	\$ -	\$ -	\$ 622,800 (US\$ 20,000)	\$ (69,297)	100	\$ (69,297)	\$ 1,440,224	\$ -
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	660,168 (US\$ 21,200)	b.	660,168 (US\$ 21,200)	-	-	660,168 (US\$ 21,200)	18,158	100	18,158	790,630	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	467,100 (US\$ 15,000)	b.	467,100 (US\$ 15,000)	-	-	467,100 (US\$ 15,000)	(31,205)	100	(31,205)	115,250	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,750,068 (US\$56,200 thousand)	Not applicable	Not applicable

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

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

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

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Solid State Electronics	GLT-Suzhou Opto	c	Sales	\$ 522	Based on agreement	-
2	Solid State OPTO	GLT-USA	c	Accounts receivable	111,362	Open account 60 days	1
		GLT-Optical	c	Sales	235,452	Based on agreement	8
			c	Accounts receivable - current portion	149,472	Terms of financing	1
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable	455,111	Open account 60 days	4
		GLT-Optical	c	Sales	691,986	Based on agreement	24
			c	Accounts receivable - current portion	342,540	Terms of financing	3
4	GLT-Shanghai	Solid State OPTO	c	Accounts receivable	883,372	Open account 120 days	8
		GLT-Taiwan	c	Sales	869,839	Based on agreement	31
			c	Accounts receivable	16,059	Open account 120 days	-
			c	Sales	17,343	Based on agreement	1
			c	Gains on disposals of property, plant and equipment	8	-	-
5	GLT-Zhongshan	GLT-Taiwan	c	Accounts receivable	40,573	Open account 120 days	-
		GLT-Optical	c	Sales	46,874	Based on agreement	2
			c	Accounts receivable	919	Open account 120 days	-
		Solid State Display	c	Gains on disposals of property, plant and equipment	313	-	-
			c	Accounts receivable	1,458	Open account 120 days	-
			c	Sales	1,992	Based on agreement	-
6	GLT-Taiwan	GLT-Optical	c	Accounts receivable - current portion	314,240	Terms of financing	3
		Solid State OPTO	c	Interest revenue	2,028	Based on agreement	-
			c	Accounts receivable	170,072	Open account 60 days	2
		Solid State Technology	c	Sales	185,601	Based on agreement	7
			c	Accounts receivable	76,103	Open account 60 days	1
		Solid State Display	c	Sales	88,912	Based on agreement	3
			c	Accounts receivable	979	Open account 60 days	-
			c	Sales	961	Based on agreement	-
GLT-USA	c	Sales	144	Based on agreement	-		

(Continued)



No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
7	GLT-Suzhou Opto	GLT-Taiwan	c	Accounts receivable	\$ 62,832	Open account 120 days	1
			c	Sales	83,468	Based on agreement	3
		Solid State Display	c	Accounts receivable	55,137	Open account 120 days	1
			c	Sales	59,575	Based on agreement	2
		Solid State OPTO	c	Accounts receivable	9,355	Open account 120 days	-
			c	Sales	9,141	Based on agreement	-
		GLT-Shanghai	c	Accounts receivable - current portion	86,233	Terms of financing	1
			c	Interest revenue	709	Based on agreement	-
		GLT-Zhongshan	c	Accounts receivable - current portion	34,493	Terms of financing	-
			c	Interest revenue	293	Based on agreement	-
		GLT-USA	c	Accounts receivable	149	Open account 120 days	-
	c	Sales	149	Based on agreement	-		
8	GLT-Optical	GLT-Taiwan	c	Accounts receivable	23,311	Open account 60 days	-
			c	Sales	50,132	Based on agreement	2
		GLT-Zhongshan	c	Accounts receivable	31,196	Open account 60 days	-
			c	Other receivables	149	Open account 60 days	-
			c	Sales	43,173	Based on agreement	2
		GLT-Suzhou Opto	c	Accounts receivable	6,703	Open account 60 days	-
			c	Sales	29,393	Based on agreement	1
		Solid State Display	c	Accounts receivable	13	Open account 60 days	-
			c	Sales	784	Based on agreement	-
9	GLT-USA	GLT-Optical	c	Accounts receivable - current portion	95,402	Terms of financing	1
			c	Interest revenue	1,517	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  
JUNE 30, 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.