

**Global Lighting Technologies Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Global Lighting Technologies Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Global Lighting Technologies Inc. and its subsidiaries (collectively, the “Group”) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2024

Notice to Readers

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

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,704,850	45	\$ 4,352,852	44	\$ 4,664,616	43
Financial assets at amortized cost (Note 7)	8,000	-	-	-	-	-
Notes receivable (Notes 9 and 21)	3	-	-	-	5	-
Accounts receivable (Notes 9 and 21)	1,312,055	13	1,377,975	14	1,031,685	10
Accounts receivable - related parties (Notes 21 and 28)	20,144	-	21,763	-	20,351	-
Other receivables (Note 9)	5,134	-	6,606	-	9,782	-
Current tax assets (Note 4)	8,021	-	6,770	-	4,036	-
Inventories (Note 10)	619,258	6	503,520	5	1,020,867	10
Prepayments	20,564	-	15,256	-	21,796	-
Other current assets (Notes 11 and 29)	1,975	-	2,863	-	123,202	1
Total current assets	6,700,004	64	6,287,605	63	6,896,340	64
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	330,780	3	322,045	3	298,053	3
Property, plant and equipment (Note 14)	2,655,688	25	2,702,973	27	2,922,945	27
Right-of-use assets (Note 15)	787,099	8	633,681	6	661,072	6
Deferred tax assets (Note 4)	22,118	-	21,032	-	29,865	-
Prepayments for equipment (Note 25)	3,254	-	1,607	-	135	-
Net defined benefit assets (Note 4)	14,954	-	14,816	-	13,522	-
Other non-current assets (Notes 11 and 29)	19,360	-	33,970	1	18,770	-
Total non-current assets	3,833,253	36	3,730,124	37	3,944,362	36
TOTAL	<u>\$ 10,533,257</u>	<u>100</u>	<u>\$ 10,017,729</u>	<u>100</u>	<u>\$ 10,840,702</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 16 and 29)	\$ 100,000	1	\$ -	-	\$ 450,000	4
Contract liabilities (Note 21)	5,222	-	3,014	-	3,243	-
Accounts payable	917,249	9	814,500	8	694,624	7
Accounts payable - related parties (Note 28)	131,183	1	114,938	1	121,200	1
Other payables (Note 17)	264,513	3	312,266	3	316,919	3
Other payables - related parties (Note 28)	4,963	-	6,432	-	5,482	-
Current tax liabilities (Note 4)	19,861	-	15,196	-	76,976	1
Lease liabilities (Notes 15 and 28)	34,772	-	26,240	1	26,170	-
Long-term borrowings - current portion (Note 16)	-	-	-	-	90,000	1
Other current liabilities	5,789	-	6,860	-	4,826	-
Total current liabilities	1,483,552	14	1,299,446	13	1,789,440	17
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	-	-	-	-	165,000	1
Provision for employee benefits (Note 4)	8,172	-	7,895	-	8,132	-
Deferred tax liabilities (Note 4)	3,044	-	3,886	-	2,897	-
Lease liabilities (Notes 15 and 28)	624,122	6	623,163	6	647,227	6
Long-term deferred revenue (Note 19)	64,141	1	62,334	1	66,359	1
Total non-current liabilities	699,479	7	697,278	7	889,615	8
Total liabilities	2,183,031	21	1,996,724	20	2,679,055	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Share capital	1,288,641	12	1,288,641	13	1,288,641	12
Capital surplus	2,348,423	22	2,348,423	23	2,348,423	21
Retained earnings						
Special reserve	43,706	1	43,706	1	350,711	3
Unappropriated earnings	4,562,510	43	4,433,530	44	4,208,791	39
Total retained earnings	4,606,216	44	4,477,236	45	4,559,502	42
Other equity	106,946	1	(93,295)	(1)	(34,919)	-
Total equity attributable to owners of the Company	8,350,226	79	8,021,005	80	8,161,647	75
Total equity	8,350,226	79	8,021,005	80	8,161,647	75
TOTAL	<u>\$ 10,533,257</u>	<u>100</u>	<u>\$ 10,017,729</u>	<u>100</u>	<u>\$ 10,840,702</u>	<u>100</u>

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 1,407,650	100	\$ 1,087,079	100
OPERATING COSTS (Notes 10, 22 and 28)	<u>1,177,436</u>	<u>84</u>	<u>1,021,884</u>	<u>94</u>
GROSS PROFIT	<u>230,214</u>	<u>16</u>	<u>65,195</u>	<u>6</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing	35,042	3	33,682	3
General and administrative	81,521	6	73,583	7
Research and development	61,706	4	59,687	5
Expected credit loss (Note 9)	<u>399</u>	<u>-</u>	<u>636</u>	<u>-</u>
Total operating expenses	<u>178,668</u>	<u>13</u>	<u>167,588</u>	<u>15</u>
PROFIT (LOSS) FROM OPERATIONS	<u>51,546</u>	<u>3</u>	<u>(102,393)</u>	<u>(9)</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	49,326	4	33,747	3
Other income (Note 19)	1,061	-	1,529	-
Other gains and losses	33,124	2	(23,866)	(2)
Finance costs (Note 28)	<u>(2,882)</u>	<u>-</u>	<u>(5,718)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>80,629</u>	<u>6</u>	<u>5,692</u>	<u>-</u>
PROFIT (LOSS) BEFORE INCOME TAX	132,175	9	(96,701)	(9)
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(3,195)</u>	<u>-</u>	<u>(2,204)</u>	<u>-</u>
NET PROFIT (LOSS)	<u>128,980</u>	<u>9</u>	<u>(98,905)</u>	<u>(9)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	1,500	-	20,286	2
Exchange differences on translation to the presentation currency (Note 20)	<u>338,133</u>	<u>24</u>	<u>(69,894)</u>	<u>(6)</u>
	<u>339,633</u>	<u>24</u>	<u>(49,608)</u>	<u>(4)</u>

(Continued)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended March 31			
	2024		2023	
	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)	\$ (139,392)	(10)	\$ 58,395	5
Total other comprehensive income	200,241	14	8,787	1
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 329,221	23	\$ (90,118)	(8)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 128,980	9	\$ (98,905)	(9)
Non-controlling interests	-	-	-	-
	\$ 128,980	9	\$ (98,905)	(9)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 329,221	23	\$ (90,118)	(8)
Non-controlling interests	-	-	-	-
	\$ 329,221	23	\$ (90,118)	(8)
EARNINGS (LOSS) PER SHARE (Note 24)				
Basic	\$ 1.00		\$ (0.77)	
Diluted	\$ 1.00			

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)						Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Other 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, 2023	\$ 1,288,641	\$ 2,348,423	\$ 350,711	\$ 4,307,696	\$ (19,592)	\$ (24,114)	\$ 8,251,765
Net loss for the three months ended March 31, 2023	-	-	-	(98,905)	-	-	(98,905)
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	(11,499)	20,286	8,787
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	(98,905)	(11,499)	20,286	(90,118)
BALANCE AT MARCH 31, 2023	<u>\$ 1,288,641</u>	<u>\$ 2,348,423</u>	<u>\$ 350,711</u>	<u>\$ 4,208,791</u>	<u>\$ (31,091)</u>	<u>\$ (3,828)</u>	<u>\$ 8,161,647</u>
BALANCE AT JANUARY 1, 2024	\$ 1,288,641	\$ 2,348,423	\$ 43,706	\$ 4,433,530	\$ (80,914)	\$ (12,381)	\$ 8,021,005
Net profit for the three months ended March 31, 2024	-	-	-	128,980	-	-	128,980
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	198,741	1,500	200,241
Total comprehensive income for the three months ended March 31, 2024	-	-	-	128,980	198,741	1,500	329,221
BALANCE AT MARCH 31, 2024	<u>\$ 1,288,641</u>	<u>\$ 2,348,423</u>	<u>\$ 43,706</u>	<u>\$ 4,562,510</u>	<u>\$ 117,827</u>	<u>\$ (10,881)</u>	<u>\$ 8,350,226</u>

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 132,175	\$ (96,701)
Adjustments for:		
Depreciation expense	93,281	93,346
Expected credit losses	399	636
Interest expense	2,882	5,718
Interest income	(49,326)	(33,747)
Loss on inventories valuation and obsolescence	6,120	18,192
Gain on disposal of property, plant and equipment	(112)	(8)
Net loss on foreign currency exchanges	12,197	4,629
Amortization of long-term deferred revenue	(696)	(1,237)
Net changes in operating assets and liabilities		
Notes receivable	(3)	10
Accounts receivable	103,488	826,281
Accounts receivable - related parties	2,397	6,526
Other receivables	1,545	(3,590)
Inventories	(105,737)	200,787
Prepayments	(4,842)	(180)
Other current assets	962	689
Net defined benefit assets	(138)	(135)
Contract liabilities	2,119	798
Accounts payable	77,734	(784,540)
Accounts payable - related parties	15,636	(32,180)
Other payables	(48,648)	(111,877)
Other payables - related parties	(1,518)	(3,641)
Other current liabilities	(1,234)	(950)
Provision for employee benefits	277	306
Cash generated from operations	238,958	89,132
Interest received	49,254	33,919
Interest paid	(2,828)	(5,732)
Income tax paid	(1,251)	(12,963)
Net cash generated from operating activities	284,133	104,356
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(8,000)	-
Payments for property, plant and equipment (Note 25)	(26,027)	(25,750)
Proceeds from disposal of property, plant and equipment	112	191
(Increase) decrease in refundable deposits	(20)	29
Payments for right-of-use assets (Note 25)	(129,427)	-
Increase in other financial assets - restricted assets	-	(117,542)
Net cash used in investing activities	(163,362)	(143,072)

(Continued)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 100,000	\$ 600,000
Decrease in short-term borrowings	-	(550,000)
Repayments of long-term borrowings	-	(15,000)
Repayment of the principal portion of lease liabilities	<u>(6,597)</u>	<u>(6,558)</u>
Net cash generated from financing activities	<u>93,403</u>	<u>28,442</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>137,824</u>	<u>(15,924)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	351,998	(26,198)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,352,852</u>	<u>4,690,814</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,704,850</u>	<u>\$ 4,664,616</u>

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

(Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

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

Basis of Preparation

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

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

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

Basis of Consolidation

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

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

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

Business combinations under common control are accounted for by applying the book-value method with group restructuring, which may not affect the preparation of consolidated financial statements.

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

Other Material Accounting Policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

- a. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

b. 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.

c. Income tax expense

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, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 2,105	\$ 2,048	\$ 2,404
Checking accounts and demand deposits	4,702,385	4,350,444	4,479,152
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>360</u>	<u>360</u>	<u>183,060</u>
	<u>\$ 4,704,850</u>	<u>\$ 4,352,852</u>	<u>\$ 4,664,616</u>

7. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ -</u>

The interest rates for time deposits with original maturities of more than 3 months were approximately 1.33%-1.53% per annum as of March 31, 2024.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Top Taiwan XIII Venture Capital Co., Ltd.	\$ 96,300	\$ 94,800	\$ 105,700
J-MEX Inc.	55,700	55,700	-
Chi Lin Optoelectronics Co., Ltd.	<u>-</u>	<u>-</u>	<u>9,653</u>
	<u>152,000</u>	<u>150,500</u>	<u>115,353</u>
Foreign investments			
Unlisted shares			
Sensel Inc.	<u>178,780</u>	<u>171,545</u>	<u>182,700</u>
	<u>\$ 330,780</u>	<u>\$ 322,045</u>	<u>\$ 298,053</u>

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

In August 2023, the Group participated in the capital increase of J-MEX Inc. and acquired 5,000 thousand shares with \$50,000 thousand for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

Chi Lin Optoelectronics Co., Ltd., resolved to liquidate in June 2023, and the Group received the residual liquidation proceeds in amount of \$21,528 thousand in October 2023, and its related unrealized valuation gain of \$2,348 thousand was transferred from other equity to retained earnings.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 3	\$ -	\$ 5
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 5</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,312,461	\$ 1,377,975	\$ 1,032,320
Less: Allowance for impairment loss	<u>(406)</u>	<u>-</u>	<u>(635)</u>
	<u>\$ 1,312,055</u>	<u>\$ 1,377,975</u>	<u>\$ 1,031,685</u>
<u>Other receivables</u>			
At amortized cost	<u>\$ 5,134</u>	<u>\$ 6,606</u>	<u>\$ 9,782</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.

	March 31, 2024	December 31, 2023	March 31, 2023
	Not Past Due	Not Past Due	Not Past Due
Expected credit loss rate	0%	0%	0%
Gross carrying amount	\$ 3	\$ -	\$ 5
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 5</u>

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

March 31, 2024

	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	\$ 1,298,320	\$ 4,925	\$ 7,509	\$ 567	\$ 734	\$ -	\$ 406	\$ 1,312,461
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(406)</u>	<u>(406)</u>
Amortized cost	<u>\$ 1,298,320</u>	<u>\$ 4,925</u>	<u>\$ 7,509</u>	<u>\$ 567</u>	<u>\$ 734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,312,055</u>

December 31, 2023

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 1,278,307	\$ 93,395	\$ 5,540	\$ 343	\$ -	\$ 390	\$ -	\$ 1,377,975
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,278,307</u>	<u>\$ 93,395</u>	<u>\$ 5,540</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 390</u>	<u>\$ -</u>	<u>\$ 1,377,975</u>

March 31, 2023

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 979,997	\$ 48,146	\$ 3,249	\$ 29	\$ 264	\$ -	\$ 635	\$ 1,032,320
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(635)</u>	<u>(635)</u>
Amortized cost	<u>\$ 979,997</u>	<u>\$ 48,146</u>	<u>\$ 3,249</u>	<u>\$ 29</u>	<u>\$ 264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,031,685</u>

For the three months ended March 31, 2024 and 2023, the loss allowance of accounts receivable were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ -	\$ -
Add: Impairment loss recognized	399	636
Foreign exchange gains and losses	<u>7</u>	<u>(1)</u>
Balance at March 31	<u>\$ 406</u>	<u>\$ 635</u>

b. Other receivables

Other receivables comprise value-added tax refund receivable and outstanding interest receivables from banks. The Group only transacts with counterparties that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group continues to engage in enforcement activity to trace the conditions of the receivables with reference to the past default experience of the debtor and an analysis of the debtor's current financial position, in determining whether the credit risk of other receivables has increased significantly since initial recognition as well as for measuring the expected credit losses. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

10. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 306,173	\$ 219,538	\$ 457,366
Work in process	40,103	33,978	40,872
Finished goods	209,364	225,202	501,909
Inventory in transit	<u>63,618</u>	<u>24,802</u>	<u>20,720</u>
	<u>\$ 619,258</u>	<u>\$ 503,520</u>	<u>\$ 1,020,867</u>

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

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	\$ 1,171,316	\$ 1,003,692
Inventory write-downs	<u>6,120</u>	<u>18,192</u>
	<u>\$ 1,177,436</u>	<u>\$ 1,021,884</u>

11. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other financial assets - restricted assets (Note 29)	\$ -	\$ -	\$ 121,800
Others	<u>1,975</u>	<u>2,863</u>	<u>1,402</u>
	<u>\$ 1,975</u>	<u>\$ 2,863</u>	<u>\$ 123,202</u>
<u>Non-current</u>			
Other financial assets - restricted assets (Note 29)	\$ 18,510	\$ 18,510	\$ 17,511
Prepayments for land use rights	-	14,657	-
Refundable deposits	<u>850</u>	<u>803</u>	<u>1,259</u>
	<u>\$ 19,360</u>	<u>\$ 33,970</u>	<u>\$ 18,770</u>

12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
Global Lighting Technologies Inc. (Cayman)	Solid State OPTO Limited (BVI) (Solid State OPTO)	Holding company engaged in the sale of products	100.00	100.00	100.00
	Solid State Display Limited (BVI) (Solid State Display)	Holding company engaged in the sale of products	100.00	100.00	100.00
	Solid State Technology Limited (BVI) (Solid State Technology)	Holding company engaged in the sale of products	100.00	100.00	100.00
	Solid State Electronics Limited (BVI) (Solid State Electronics)	Holding company engaged in the sale of products	100.00	100.00	100.00
	Shining Green Limited (Shining Green)	Holding company	100.00	100.00	100.00
	GLT Optical Inc. (GLT-Optical) (Notes 1 and 2)	Design, production, and sale of applications of light guide plates	-	-	100.00
	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	23.36	23.36	-
Solid State OPTO	Global Lighting Technologies Inc. (GLT-USA)	Design and sale of applications of light guide plates	100.00	100.00	100.00
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	76.64	76.64	100.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
Solid State Technology	Suzhou Opto Technologies Inc. (GLT-Suzhou Opto) (Note 4)	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	100.00	100.00	100.00
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	100.00	100.00	100.00
Shining Green	Zhongshan Global Lighting Technology Limited Co. (GLT-Zhongshan)	Production, and sale of applications of light guide plates	100.00	100.00	100.00
Global Lighting Technologies Inc. (Taiwan)	Hao Yuan Technology Limited Co. (Hao Yuan Technology) (Note 5)	Investment industry; wholesale and retail sale of electronic materials	100.00	100.00	100.00
	Global Lighting Technologies (Vietnam) Limited Liability Company (GLT-Vietnam) (Note 3)	Production and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components	100.00	100.00	-

(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 13, 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. Moreover, Solid State Display's ownership of GLT-Taiwan decreased from 100% to 76.64%, and the Company's ownership of GLT-Taiwan increased to 23.36%. On September 21, 2023, it was approved by the Department of Investment Review. On November 21, 2023, the registration of equity change and dissolution were completed by the Ministry of Economic Affairs.

Note 3: In September 2023, the Company established GLT-Vietnam with a registered capital of US\$15,000 thousand. GLT-Vietnam is mainly engaged in production and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components. To align with the Group's capital arrangement, it is planned to process capital injections in stages according to the progress of plant establishment. As of March 31, 2024, the Company had invested \$472,374 thousand (US\$15,000 thousand).

Note 4: In order to enhance the Group's capital planning, the board of directors of GLT-Suzhou Opto resolved to reduce the capital by US\$8,000 thousand on November 9, 2023. The procedure of capital reduction was completed and approved by Suzhou Market Supervisory Authority on December 29, 2023. The total paid-in capital after the reduction was US\$13,200 thousand. The refunded capital has been repatriated in January 2024.

Note 5: In order to improve the return on the shareholders' equity and the return of idle funds to the shareholders, the board of directors of Hao Yuan Technology resolved to reduce capital by \$13,000 thousand on November 15, 2023. After the capital reduction, the paid-in capital was \$1,000 thousand, and the procedure for alteration registration has been completed.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Associates that is not individually material</u>			
Unlisted shares			
Asensetek Incorporation	\$ -	\$ -	\$ -

Proportion of the Group's ownership:

	March 31, 2024	December 31, 2023	March 31, 2023
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.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's investments accounted for using the equity method for the three months ended March 31, 2024 and 2023 and the share of profit or loss and other comprehensive income from the investments were recognized based on the unreviewed financial statements; however, the Group considered that there was no significant impact on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to Be Inspected or under Construction	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 167,176	\$ 2,515,892	\$ 3,167,485	\$ 69,212	\$ 196,041	\$ 416,942	\$ 32,068	\$ 6,564,816
Additions	-	688	2,626	-	-	9,326	7,462	20,102
Disposals	-	-	-	-	-	(1,187)	-	(1,187)
Reclassifications	-	-	3,192	-	-	758	(3,950)	-
Effects of foreign currency exchange differences	-	29,797	45,323	2,794	7,953	9,733	68	95,668
Balance at March 31, 2024	<u>167,176</u>	<u>2,546,377</u>	<u>3,218,625</u>	<u>72,006</u>	<u>203,994</u>	<u>435,572</u>	<u>35,648</u>	<u>6,679,399</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	-	952,502	2,359,552	66,314	109,830	373,645	-	3,861,843
Depreciation expenses	-	21,947	55,556	565	1,972	4,916	-	84,956
Disposals	-	-	-	-	-	(1,187)	-	(1,187)
Effects of foreign currency exchange differences	-	18,216	43,620	2,688	4,509	9,066	-	78,099
Balance at March 31, 2024	<u>-</u>	<u>992,665</u>	<u>2,458,728</u>	<u>69,567</u>	<u>116,311</u>	<u>386,440</u>	<u>-</u>	<u>4,023,711</u>
Carrying amount at March 31, 2024	<u>\$ 167,176</u>	<u>\$ 1,553,712</u>	<u>\$ 759,898</u>	<u>\$ 2,439</u>	<u>\$ 87,683</u>	<u>\$ 49,132</u>	<u>\$ 35,648</u>	<u>\$ 2,655,688</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 167,176</u>	<u>\$ 1,563,390</u>	<u>\$ 807,933</u>	<u>\$ 2,898</u>	<u>\$ 86,211</u>	<u>\$ 43,297</u>	<u>\$ 32,068</u>	<u>\$ 2,702,973</u>
<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	-	2,136	12,613	-	112	1,025	14,939	30,825
Disposals	-	-	(1,704)	-	-	(865)	-	(2,569)
Reclassifications	-	1,830	5,071	-	-	-	(6,901)	-
Effects of foreign currency exchange differences	-	3,677	6,361	329	699	1,319	5	12,390
Balance at March 31, 2023	<u>167,176</u>	<u>2,526,361</u>	<u>3,188,703</u>	<u>67,605</u>	<u>199,193</u>	<u>415,493</u>	<u>66,336</u>	<u>6,630,867</u>
<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	-	21,792	54,173	1,531	1,930	6,346	-	85,772
Disposals	-	-	(1,704)	-	-	(682)	-	(2,386)
Effects of foreign currency exchange differences	-	2,092	6,073	305	227	1,024	-	9,721
Balance at March 31, 2023	<u>-</u>	<u>897,285</u>	<u>2,273,058</u>	<u>64,934</u>	<u>105,835</u>	<u>366,810</u>	<u>-</u>	<u>3,707,922</u>
Carrying amount at March 31, 2023	<u>\$ 167,176</u>	<u>\$ 1,629,076</u>	<u>\$ 915,645</u>	<u>\$ 2,671</u>	<u>\$ 93,358</u>	<u>\$ 48,683</u>	<u>\$ 66,336</u>	<u>\$ 2,922,945</u>

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	3-31 years
Machine equipment	2-10 years
Molding equipment	2-7 years
Leasehold improvements	3-25 years
Other equipment	2-10 years

There was no indication of impairment of the property, plant and equipment for the three months ended March 31, 2024 and 2023.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Land	\$ 398,713	\$ 401,215	\$ 408,723
Buildings	192,537	189,293	206,214
Land use rights	193,704	40,793	42,703
Transportation equipment	287	315	548
Other equipment	<u>1,858</u>	<u>2,065</u>	<u>2,884</u>
	<u>\$ 787,099</u>	<u>\$ 633,681</u>	<u>\$ 661,072</u>
		For the Three Months Ended March 31	
		2024	2023
Additions to right-of-use assets		<u>\$ 151,854</u>	<u>\$ 468</u>
Depreciation charge for right-of-use assets			
Land		\$ 2,502	\$ 2,502
Buildings		4,329	4,315
Land use rights		1,166	337
Transportation equipment		40	141
Other equipment		<u>288</u>	<u>279</u>
		<u>\$ 8,325</u>	<u>\$ 7,574</u>

Except for the addition recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Current	<u>\$ 34,772</u>	<u>\$ 26,240</u>	<u>\$ 26,170</u>
Non-current	<u>\$ 624,122</u>	<u>\$ 623,163</u>	<u>\$ 647,227</u>

The discount rates for lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.555%	1.555%	1.555%
Buildings	1.750%-4.750%	1.750%-4.750%	1.750%-4.750%
Transportation equipment	3.700%	3.700%	0.780%-3.700%
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 45-50 years.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 2,300</u>	<u>\$ 2,407</u>
Expenses relating to low-value asset leases	<u>\$ 292</u>	<u>\$ 502</u>
Total cash outflow for leases	<u>\$ (11,909)</u>	<u>\$ (12,332)</u>

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

16. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings</u>			
Bank loan (Note 29)	\$ -	\$ -	\$ 100,000
<u>Unsecured borrowings</u>			
Line of credit borrowing	<u>100,000</u>	<u>-</u>	<u>350,000</u>
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>

The range of interest rates on bank short-term loans was 1.75%, and 1.60%-2.01% per annum at March 31, 2024 and March 31, 2023, respectively.

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Chinatrust Commercial Bank	\$ -	\$ -	\$ 255,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>(90,000)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,000</u>

In February 2021, GLT-Optical signed a non-revolving loan contract with Chinatrust Commercial Bank for total credit facilities of \$270,000 thousand, based on “Action Plan for Accelerated Investment by SMEs” by the Ministry of Economic Affairs. The period is from February 2021 to February 2024. Since the end date of the grace period is in February 2023, the principal will be repaid in each monthly installment. Furthermore, the period of loan contract was extended from November 2022 to maturity in February 2026. However, GLT-Optical was consolidated with GLT-Taiwan on August 1, 2023, and the loan was fully repaid in August 2023. As of March 31, 2023, the interest rate of the loan was 0.75% per annum.

17. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payable for salaries and bonuses	\$ 172,980	\$ 218,880	\$ 211,544
Payable for commission	10,111	10,493	6,867
Payable for purchase equipment	6,642	10,920	23,092
Others	<u>74,780</u>	<u>71,973</u>	<u>75,416</u>
	<u>\$ 264,513</u>	<u>\$ 312,266</u>	<u>\$ 316,919</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, GLT-Vietnam 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 March 31	
	2024	2023
Operating costs	<u>\$ 13,301</u>	<u>\$ 14,385</u>
Operating expenses	<u>\$ 6,903</u>	<u>\$ 4,041</u>

b. Defined benefit plan

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were \$277 thousand and \$306 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

19. LONG-TERM DEFERRED REVENUE

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

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

As of March 31, 2024, December 31, 2023 and March 31, 2023, long-term deferred revenue was \$64,141 thousand, \$62,334 thousand and \$66,359 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 March 31	
	2024	2023
Realized long-term deferred revenue	\$ 696	\$ 1,237
Received from government grants related to income	<u>334</u>	<u>230</u>
	<u>\$ 1,030</u>	<u>\$ 1,467</u>

20. EQUITY

a. Share capital - ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
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.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
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 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 2023 and 2022, which were proposed by the board of directors on February 26, 2024, and had been approved in the shareholders' meetings on May 30, 2023, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Special (Reversals) reserve	\$ 49,589	\$ (307,005)
Cash dividends	\$ 193,296	\$ 515,456
Cash dividends per share (NT\$)	\$ 1.5	\$ 4.0

The appropriation of earnings for 2023 is subject to the resolution of the shareholders in the shareholders' meeting to be held on May 28, 2024.

d. Other equity items

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

	For the Three Months Ended	
	March 31	
	2024	2023
Balance at January 1	\$ (80,914)	\$ (19,592)
Recognized for the period		
Exchange differences on translation to the presentation currency	338,133	(69,894)
Exchange differences on the translation of the financial statements of foreign operations	(139,392)	58,395
Balance at March 31	\$ 117,827	\$ (31,091)

Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (12,381)	\$ (24,114)
Recognized for the period		
Unrealized gain	<u>1,500</u>	<u>20,286</u>
Balance at March 31	<u>\$ (10,881)</u>	<u>\$ (3,828)</u>

21. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 1,404,311	\$ 1,082,875
Revenue from commission	<u>3,339</u>	<u>4,204</u>
	<u>\$ 1,407,650</u>	<u>\$ 1,087,079</u>

a. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes receivable (Note 9)	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 15</u>
Accounts receivable (Note 9)	<u>\$ 1,312,055</u>	<u>\$ 1,377,975</u>	<u>\$ 1,031,685</u>	<u>\$ 1,859,828</u>
Accounts receivable - related parties (Note 28)	<u>\$ 20,144</u>	<u>\$ 21,763</u>	<u>\$ 20,351</u>	<u>\$ 26,736</u>
Contract liabilities				
Sale of goods	<u>\$ 5,222</u>	<u>\$ 3,014</u>	<u>\$ 3,243</u>	<u>\$ 2,454</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 Three Months Ended March 31	
	2024	2023
From contract liabilities at the beginning of the year		
Sale of goods	<u>\$ 3,014</u>	<u>\$ 2,454</u>

b. Disaggregation of revenue

	For the Three Months Ended March 31	
	2024	2023
Applications of light guide plates	\$ 1,231,872	\$ 907,476
Plastic components	172,439	175,399
Revenue from commission	<u>3,339</u>	<u>4,204</u>
	<u>\$ 1,407,650</u>	<u>\$ 1,087,079</u>

22. NET PROFIT (LOSS)

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	<u>\$ 49,326</u>	<u>\$ 33,747</u>

b. Other income

	For the Three Months Ended March 31	
	2024	2023
Government grants (Note 19)	\$ 1,030	\$ 928
Long-term deferred revenue allocated due to non-shareholders' asset donation (Note 19)	-	539
Others	<u>31</u>	<u>62</u>
	<u>\$ 1,061</u>	<u>\$ 1,529</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Net gain (loss) on foreign currency exchange	\$ 33,012	\$ (23,874)
Gain on disposal of property, plant and equipment	<u>112</u>	<u>8</u>
	<u>\$ 33,124</u>	<u>\$ (23,866)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on lease liabilities	\$ 2,720	\$ 2,865
Interest on bank loans	<u>162</u>	<u>2,853</u>
	<u>\$ 2,882</u>	<u>\$ 5,718</u>

e. Depreciation

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	\$ 84,956	\$ 85,772
Right-of-use assets	<u>8,325</u>	<u>7,574</u>
	<u>\$ 93,281</u>	<u>\$ 93,346</u>
An analysis of depreciation by function		
Operating costs	\$ 71,792	\$ 73,589
Operating expenses	<u>21,489</u>	<u>19,757</u>
	<u>\$ 93,281</u>	<u>\$ 93,346</u>

f. Employee benefit expenses

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefit (Note 18)		
Defined contribution plans	\$ 20,204	\$ 18,426
Defined benefit plans	277	306
Payroll expenses	193,703	174,828
Labor and health insurance expenses	18,148	18,310
Remuneration of directors	3,149	1,080
Other employee benefits	<u>15,552</u>	<u>17,205</u>
Total employee benefit expenses	<u>\$ 251,033</u>	<u>\$ 230,155</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 161,777	\$ 153,482
Operating expenses	<u>89,256</u>	<u>76,673</u>
	<u>\$ 251,033</u>	<u>\$ 230,155</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates between 1% to 15% and not higher than 1.5% of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2023, there were no estimation for employees' compensation and remuneration of directors due to net loss before tax. The employees' compensation and remuneration of directors for the three months ended March 31, 2024 which estimated based on the profit before income tax without considering the effect of employees' compensation and remuneration of directors, were as follows:

Accrual rate

	For the Three Months Ended March 31, 2024
Employees' compensation	5.0%
Remuneration of directors	1.5%

Amount

	For the Three Months Ended March 31, 2024
	Cash
Employees' compensation	\$ 6,897
Remuneration of directors	2,069

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, 2023 and 2022 which had been approved by the Company's board of directors on February 26, 2024 and February 23, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Employees' compensation	\$ 17,722	\$ 55,470
Remuneration of directors	5,317	16,641

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, 2023 and 2022.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign currency exchange gains	\$ 40,514	\$ 60,069
Foreign currency exchange losses	<u>(7,502)</u>	<u>(83,943)</u>
Net gain (loss)	<u>\$ 33,012</u>	<u>\$ (23,874)</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 March 31	
	2024	2023
Current tax		
In respect of the current period	\$ 4,478	\$ 401
Deferred tax		
In respect of the current period	<u>(1,283)</u>	<u>1,803</u>
Income tax expense recognized in profit or loss	<u>\$ 3,195</u>	<u>\$ 2,204</u>

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

- 1) GLT-USA: 21%
- 2) GLT-Taiwan, GLT-Optical and Hao Yun Technology: 20%
- 3) GLT-Shanghai and GLT-Zhongshan: 25%
- 4) GLT-Suzhou Opto: and qualified as a high-tech enterprise is 15%
- 5) GLT-Vietnam is entitled to income tax incentives based on the Law on Foreign Investment in Vietnam and is entitled to income tax exemption for six years beginning from the first profit earning year - full exemption in the first two years and half exemption in the next four years (the original rate is 20%).

b. Income tax assessments

Income tax returns of GLT-Taiwan, GLT-Optical and Hao Yuan Technology through 2022 have been examined and cleared by the tax authorities.

24. EARNINGS (LOSS) PER SHARE

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

Net Profit (Loss) for the Period

	For the Three Months Ended March 31	
	2024	2023
Profit (loss) for the period attributable to owners of the Company	<u>\$ 128,980</u>	<u>\$ (98,905)</u>

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

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	128,864	<u>128,864</u>
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>347</u>	
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>129,211</u>	

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. The Group is net loss for the three months ended March 31, 2023, therefore is anti-dilutive and excluded from the computation of diluted earnings per share.

25. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, for the three months ended March 31, 2024 and 2023, the Group entered into the following partial non-cash investing activities, which were not reflected in the consolidated statements of cash flows:

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

	For the Three Months Ended March 31	
	2024	2023
Purchase of property, plant and equipment	\$ 20,102	\$ 30,825
Net change in prepayments for purchases of equipment	1,647	(3,283)
Net change in payables for purchase of equipment	<u>4,278</u>	<u>(1,792)</u>
Cash paid	<u>\$ 26,027</u>	<u>\$ 25,750</u>

2) Partial cash payments for the acquisition of right-of-use assets

	For the Three Months Ended March 31	
	2024	2023
Purchase of right-of-use assets	\$ 151,854	\$ -
Net change in prepayments for purchases of right-of-use asset	(14,835)	-
Net change in lease liabilities	<u>(7,592)</u>	<u>-</u>
Cash paid	<u>\$ 129,427</u>	<u>\$ -</u>

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2024

	Balance at January 1, 2024	Cash Flows	New Leases	Non-cash Changes	Balance at March 31, 2024
				Effects of Foreign Currency Exchange Differences	
Short-term borrowings	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
Lease liabilities	<u>649,403</u>	<u>(6,597)</u>	<u>7,592</u>	<u>8,496</u>	<u>658,894</u>
	<u>\$ 649,403</u>	<u>\$ 93,403</u>	<u>\$ 7,592</u>	<u>\$ 8,496</u>	<u>\$ 758,894</u>

For the three months ended March 31, 2023

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

26. CAPITAL MANAGEMENT

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

27. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 178,780	\$ 178,780
Domestic unlisted shares	-	-	152,000	152,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,780</u>	<u>\$ 330,780</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 171,545	\$ 171,545
Domestic unlisted shares	-	-	150,500	150,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,045</u>	<u>\$ 322,045</u>

March 31, 2023

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

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

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

For the three months ended March 31, 2024

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	\$ 322,045
Recognized in other comprehensive income	1,500
Effects of foreign currency exchange differences	<u>7,235</u>
Balance at March 31, 2024	<u>\$ 330,780</u>

For the three months ended March 31, 2023

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

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, or asset-based approach, or income approach.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at FVTOCI	\$ 330,780	\$ 322,045	\$ 298,053
Financial assets at amortized cost (Note 1)	6,064,792	5,772,208	5,858,912
<u>Financial liabilities</u>			
Amortized cost (Note 2)	1,215,533	1,004,079	1,609,260

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 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, 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 adjusted their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar strengthening (weakening) 5% against the relevant currency.

	U.S. Dollar Impact		Japanese Yen Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2024	2023	2024	2023
(Loss) profit	\$ (56,116)	\$ (102,809)	\$ (200)	\$ (145)

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 decreased during the current period due to the decrease in net assets denominated in U.S. dollars, and the sensitivity to Japanese yen had little difference compared to the three months ended March 31, 2023.

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ -	\$ -	\$ 313,334
Financial liabilities	758,894	649,403	1,123,397
Cash flows interest rate risk			
Financial assets	4,639,848	4,276,417	4,304,259
Financial liabilities	-	-	255,000

Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2024 would have increased/decreased by \$2,900 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

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

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

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the three months ended March 31, 2024 would have increased/decreased by \$33,078 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the three months ended March 31, 2023 would have increased/decreased by \$29,805 thousand as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices during the current year mainly due to the increase in 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 86.49%, 86.38% and 88.08% in total trade receivables as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

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

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized bank loan facilities set out in (b) below.

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

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

March 31, 2024

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,115,533	\$ -	\$ -	\$ -
Fixed interest rate liabilities	100,353	-	-	-
Lease liabilities	<u>45,341</u>	<u>37,136</u>	<u>98,286</u>	<u>651,773</u>
	<u>\$ 1,261,227</u>	<u>\$ 37,136</u>	<u>\$ 98,286</u>	<u>\$ 651,773</u>

December 31, 2023

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,004,079	\$ -	\$ -	\$ -
Lease liabilities	<u>36,809</u>	<u>36,619</u>	<u>97,010</u>	<u>654,354</u>
	<u>\$ 1,040,888</u>	<u>\$ 36,619</u>	<u>\$ 97,010</u>	<u>\$ 654,354</u>

March 31, 2023

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Secured bank loan facilities			
Amount used	\$ -	\$ -	\$ 100,000
Amount unused	<u>-</u>	<u>-</u>	<u>100,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>
Unsecured bank loan facilities			
Amount used	\$ 100,000	\$ -	\$ 605,000
Amount unused	<u>1,160,000</u>	<u>1,253,525</u>	<u>552,250</u>
	<u>\$ 1,260,000</u>	<u>\$ 1,253,525</u>	<u>\$ 1,157,250</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

Related Party	Relationship with the Group
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

	For the Three Months Ended March 31	
Related Party Category/Name	2024	2023
Other related parties	<u>\$ 12,622</u>	<u>\$ 13,876</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

Related Party Category/Name	For the Three Months Ended March 31	
	2024	2023
Other related parties	\$ 48,830	\$ 59,283
Related party in substance	<u>47,472</u>	<u>21,372</u>
	<u>\$ 96,302</u>	<u>\$ 80,655</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 March 31	
	2024	2023
Related party in substance	\$ 5,676	\$ 4,754
Other related parties	<u>3,476</u>	<u>5,181</u>
	<u>\$ 9,152</u>	<u>\$ 9,935</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	March 31, 2024	December 31, 2023	March 31, 2023
<u>Accounts receivable - related parties</u>			
Wistron InfoComm (Zhongshan)	\$ 12,752	\$ 15,766	\$ 17,818
Wistron InfoComm (Chengdu)	7,223	3,557	2,066
Other related parties	<u>169</u>	<u>2,440</u>	<u>467</u>
	<u>\$ 20,144</u>	<u>\$ 21,763</u>	<u>\$ 20,351</u>

The outstanding trade receivables from related parties are unsecured. As of March 31, 2024, December 31, 2023 and March 31, 2023, the accounts receivable from related parties were not overdue. For the three months ended March 31, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

f. Payables to related parties

Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
<u>Accounts payable - related parties</u>			
Shinny Plastics Corp	\$ 91,806	\$ 90,695	\$ 101,303
Tony material LLC	<u>39,377</u>	<u>24,243</u>	<u>19,897</u>
	<u>\$ 131,183</u>	<u>\$ 114,938</u>	<u>\$ 121,200</u>
<u>Other payables - related parties</u>			
Tony material LLC	\$ 3,665	\$ 5,193	\$ 3,878
Wistron InfoComm (Zhongshan)	1,263	1,222	1,361
Other related parties	<u>35</u>	<u>17</u>	<u>243</u>
	<u>\$ 4,963</u>	<u>\$ 6,432</u>	<u>\$ 5,482</u>

g. Lease arrangements

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities	Wistron InfoComm (Zhongshan)	<u>\$ 206,389</u>	<u>\$ 201,845</u>	<u>\$ 216,848</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Interest expense	Wistron InfoComm (Zhongshan)	<u>\$ 896</u>	<u>\$ 960</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 March 31	
	2024	2023
Short-term employee benefits	\$ 6,243	\$ 3,434
Post-employment benefits	<u>54</u>	<u>81</u>
	<u>\$ 6,297</u>	<u>\$ 3,515</u>

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2024	December 31, 2023	March 31, 2023
Other financial assets - restricted assets (under other current and other non-current assets)	<u>\$ 18,510</u>	<u>\$ 18,510</u>	<u>\$ 139,311</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of March 31, 2024 were not included in the consolidated financial statements as follows:

The Group entered into contracts for the purchase of \$29,541 thousand. Unrecognized commitments were \$9,197 thousand.

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to follow the Group's operational development and supply strategy, on May 7, 2024, the Company's board of directors resolved the establishment of a Thai subsidiary of Solid State Technology. The investment amounted to US\$13,000 thousand, and the land ownership was acquired by the Thai subsidiary.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 28,652	32.0000 (USD:NTD)	\$ 916,864
USD	14,586	7.0950 (USD:RMB)	461,241
USD	8,866	25,296.4427 (USD:VND)	283,707
JPY	16,431	0.2115 (JPY:NTD)	3,475
JPY	2,493	0.0066 (JPY:USD)	527
<u>Financial liabilities</u>			
Monetary items			
USD	2,755	32.0000 (USD:NTD)	88,155
USD	14,273	7.0950 (USD:RMB)	451,338

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 34,394	30.7050 (USD:NTD)	\$ 1,056,063
USD	19,821	7.0827 (USD:RMB)	608,596
USD	3,466	24,662.6506 (USD:VND)	106,418
JPY	16,744	0.2172 (JPY:NTD)	3,637
JPY	2,493	0.0071 (JPY:USD)	541

Financial liabilities

Monetary items			
USD	1,694	30.7050 (USD:NTD)	52,012
USD	12,930	7.0827 (USD:RMB)	397,010
JPY	312	0.2172 (JPY:NTD)	68

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 49,497	30.4500 (USD:NTD)	\$ 1,507,191
USD	30,349	6.8717 (USD:RMB)	924,116
JPY	10,180	0.2288 (JPY:NTD)	2,329
JPY	2,493	0.0075 (JPY:USD)	570

Financial liabilities

Monetary items			
USD	2,745	30.4500 (USD:NTD)	83,597
USD	9,574	6.8717 (USD:RMB)	291,540

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange, (losses) gains were \$33,012 thousand and \$(23,874) 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: None
- 3) Marketable securities held (excluding investment in subsidiaries): Table 2 (attached)

- 4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 3 (attached)
 - 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: None
 - 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

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
For the three months ended <u>March 31, 2024</u>				
Revenue				
Revenue from external customers	\$ 1,231,872	\$ 175,778	\$ -	\$ 1,407,650
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 1,231,872</u>	<u>\$ 175,778</u>	<u>\$ -</u>	<u>\$ 1,407,650</u>
Segment income (loss)	<u>\$ 57,908</u>	<u>\$ (6,362)</u>		\$ 51,546
Non-operating income and expenses				<u>80,629</u>
Profit before tax (continuing operations)				<u>\$ 132,175</u> (Continued)

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
For the three months ended <u>March 31, 2023</u>				
Revenue				
Revenue from external customers	\$ 907,476	\$ 179,603	\$ -	\$ 1,087,079
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 907,476</u>	<u>\$ 179,602</u>	<u>\$ -</u>	<u>\$ 1,087,079</u>
Segment (loss) income	<u>\$ (108,729)</u>	<u>\$ 6,336</u>		\$ (102,393)
Non-operating income and expenses				<u>5,692</u>
Loss before tax (continuing operations)				<u>\$ (96,701)</u> (Concluded)

TABLE 1

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(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	\$ 45,258	\$ 45,126	\$ 45,126	1.75	2	\$ -	Operating turnover	\$ -	-	\$ -	\$ 470,339	\$ 470,339
		GLT-Zhongshan	Other receivables - related parties, current portion	Yes	45,258	45,126	45,126	1.75	2	-	Operating turnover	-	-	-	470,339	470,339
2	Solid State OPTO	GLT-Taiwan	Other receivables - related parties, current portion	Yes	89,600	89,600	89,600	-	2	-	Operating turnover	-	-	-	837,187	837,187
3	Solid State Technology	GLT-Taiwan	Other receivables - related parties, current portion	Yes	352,000	352,000	352,000	-	2	-	Operating turnover	-	-	-	1,599,760	1,599,760

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

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

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

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

TABLE 2

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	Note
Global Lighting Technologies Inc.	<u>Shares</u> Sensel Inc.	-	Financial assets at FVTOCI - non-current	1,470,227	\$ 178,780	6.77	\$ 178,780	
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 FVTOCI - non-current	10,000,000	96,300	11.63	96,300	
	J-MEX Inc.	-	Financial assets at FVTOCI - non-current	5,000,000	55,700	13.05	55,700	

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

TABLE 3

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
GLT-Taiwan	<u>Shares</u> GLT-Vietnam	Investments accounted for using the equity method	-	Subsidiaries	-	\$ 188,244	-	\$ 284,130 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ 472,374 (Note 2)

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

Note 2: In September 2023, the Company established GLT-Vietnam with a registered capital of \$472,374 thousand (US\$15,000 thousand). GLT-Vietnam is mainly engaged in production and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components. Please refer to Note 12.

TABLE 4

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(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	\$ (661,622)	70	Open account 120 days	Based on agreement	Based on agreement	\$ 1,057,725	78	Note 2
Solid State OPTO	GLT-Shanghai	b	Purchase	661,622	85	Open account 120 days	Based on agreement	Based on agreement	(1,057,725)	90	Note 2
Solid State Technology	GLT-Shanghai	b	Sale	(497,567)	100	Open account 60 days	Based on agreement	Based on agreement	354,383	100	Note 2
GLT-Shanghai	Solid State Technology	b	Purchase	497,567	58	Open account 60 days	Based on agreement	Based on agreement	(354,383)	45	Note 2
Solid State OPTO	GLT-US	b	Sales	(141,342)	19	Open account 60 days	Based on agreement	Based on agreement	92,172	19	Note 2
GLT-US	Solid State OPTO	b	Purchases	141,342	100	Open account 60 days	Based on agreement	Based on agreement	(92,172)	100	Note 2
GLT-Taiwan	Solid State OPTO	b	Sales	(106,708)	20	Open account 60 days	Based on agreement	Based on agreement	109,065	17	Note 2
Solid State OPTO	GLT-Taiwan	b	Purchases	106,708	14	Open account 60 days	Based on agreement	Based on agreement	(109,065)	9	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.

TABLE 5

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2024
(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	\$ 1,057,725	2.56	\$ -	-	\$ 384,420	\$ -
Solid State Technology	GLT-Shanghai	Subsidiary to subsidiary	354,383	7.12	-	-	139,675	-
GLT-Taiwan	Solid State OPTO	Subsidiary to subsidiary	109,065	3.75	-	-	2,304	-
Solid State Technology	GLT-Taiwan	Subsidiary to subsidiary	352,000	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.

TABLE 6

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				March 31, 2024	December 31, 2023	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	\$ 318,405 (US\$ 9,950)	\$ 318,405 (US\$ 9,950)	9,950,167	100.00	\$ 1,046,484 (US\$ 32,703)	\$ 48,314 (US\$ 1,536)	\$ 48,314 (US\$ 1,536)	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products	1,124,613 (US\$ 35,144)	1,124,613 (US\$ 35,144)	35,144,141	100.00	2,659,070 (US\$ 83,096)	23,821 (US\$ 758)	15,401 (US\$ 490)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	344,000 (US\$ 10,750)	344,000 (US\$ 10,750)	10,750,000	100.00	1,931,553 (US\$ 60,361)	115,736 (US\$ 3,681)	91,184 (US\$ 2,900)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	209,952 (US\$ 6,561)	209,952 (US\$ 6,561)	6,561,000	100.00	1,454,203 (US\$ 45,444)	(10,194) (US\$ (324))	(10,077) (US\$ (320))	
	Shining Green	Independent state of Samoa	Holding company	480,000 (US\$ 15,000)	480,000 (US\$ 15,000)	15,000,000	100.00	77,406 (US\$ 2,419)	(6,437) (US\$ (205))	(11,601) (US\$ (369))	
	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	850,894	850,894	33,994,364	23.36	787,123 (US\$ 24,598)	27,864 (US\$ 886)	6,509 (US\$ 207)	
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	231,915 (US\$ 7,247)	231,915 (US\$ 7,247)	100	100.00	534,728 (US\$ 16,710)	14,994 (US\$ 477)	14,994 (US\$ 477)	
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	76.64	2,582,190 (US\$ 80,693)	27,864 (US\$ 886)	21,355 (US\$ 679)	
GLT-Taiwan	Hao Yuan Technology	Republic of China	Investment industry; wholesale and retail sale of electronic materials	2,991	2,991	100,000	100.00	8,896	(19)	(19)	
	GLT-Vietnam	Vietnam	Production and sale of applications of light guide plates, design of optical molds, and sales of plastic products for electronic components	480,000 (US\$ 15,000)	184,230 (US\$ 6,000)	-	100.00	469,823 (US\$ 14,682)	(1,014) (US\$ (32))	(1,014) (US\$ (32))	Note 3
	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	-	(140)	-	Note 4

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

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

Note 3: In September 2023, the Company established GLT-Vietnam with a registered capital of US\$15,000 thousand. To align with the Group’s capital arrangement, it is planned to process capital injections in stages according to the progress of plant establishment. As of March 31, 2024, the Company had invested \$472,374 thousand (US\$15,000 thousand).

Note 4: Investment income (loss) were calculated based on financial statements which have not been reviewed.

TABLE 7

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

**INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of March 31, 2024 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of March 31, 2024
					Outflow	Inflow						
GLT-Shanghai	Production, and sales of applications of light guide plates, design of optical molds, and production and sales of plastic products for electronic use	\$ 640,000 (US\$ 20,000)	b.	\$ 640,000 (US\$ 20,000)	\$ -	\$ -	\$ 640,000 (US\$ 20,000)	\$ 4,456	100	\$ 4,456	\$ 1,052,052	\$ -
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	442,400 (US\$ 13,200)	b.	678,400 (US\$ 13,200)	-	256,000 (US\$ 8,000) (Note 4)	\$ 422,400 (US\$ 13,200)	(2,128)	100	(2,128)	587,923	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	480,000 (US\$ 15,000)	b.	480,000 (US\$ 15,000)	-	-	480,000 (US\$ 15,000)	(6,437)	100	(6,437)	86,471	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,542,400 (US\$48,200 thousand)	Not applicable	Not applicable

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

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

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

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

Note 4: In order to enhance the Group’s capital planning, the board of directors of GLT-Suzhou Opto resolved to reduce the capital by US\$8,000 thousand on November 9, 2023. The procedure of capital reduction was completed and approved by Suzhou Market Supervisory Authority on December 29, 2023. The total paid-in capital after the reduction was US\$13,200 thousand. The refunded capital has been repatriated in January 2024.

TABLE 8

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Amounts in Thousands of New Taiwan Dollars)**

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Solid State Electronics	GLT-Zhongshan	c	Accounts receivable	\$ 5,315	Open account 60 days	-
		GLT-Shanghai	c	Sales	175	Based on agreement	-
		GLT-Suzhou Opto	c	Accounts receivable	217	Open account 60 days	-
			c	Sales	421	Based on agreement	-
2	Solid State OPTO	GLT-USA	c	Accounts receivable	92,172	Open account 60 days	1
		GLT-Taiwan	c	Sales	141,342	Based on agreement	10
			c	Accounts receivables - current portion	89,600	Terms of financing	1
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable	354,383	Open account 60 days	3
		GLT-Taiwan	c	Sales	497,567	Based on agreement	35
			c	Accounts receivables - current portion	352,000	Terms of financing	3
4	GLT-Shanghai	Solid State OPTO	c	Accounts receivable	1,057,725	Open account 120 days	10
		GLT-Taiwan	c	Sales	661,622	Based on agreement	47
			c	Accounts receivable	16,077	Open account 120 days	-
			c	Sales	9,288	Based on agreement	1
5	GLT-Zhongshan	GLT-Taiwan	c	Accounts receivable	49,088	Open account 120 days	-
		GLT-Suzhou Opto Solid State Display	c	Sales	27,896	Based on agreement	2
			c	Gain on disposal of property, plant and equipment	5,501	-	-
			c	Accounts receivable	660	Open account 120 days	-
			c	Sales	426	Based on agreement	-
6	GLT-Taiwan	Solid State OPTO	c	Accounts receivable	109,065	Open account 60 days	1
		Solid State Technology	c	Sales	106,708	Based on agreement	8
			c	Accounts receivable	96,585	Open account 60 days	1
		GLT-Suzhou Opto	c	Sales	94,632	Based on agreement	7
			c	Accounts receivable	7,519	Open account 60 days	-
		GLT-Zhongshan	c	Sales	11,670	Based on agreement	1
			c	Accounts receivable	27,778	Open account 60 days	-
		GLT-Shanghai Solid State Display	c	Sales	20,790	Based on agreement	1
			c	Sales	373	Based on agreement	-
			c	Accounts receivable	113	Open account 60 days	-
			c	Sales	111	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	\$ 80,899	Open account 120 days	1
		Solid State Display	c	Sales	50,604	Based on agreement	4
			c	Accounts receivable	39,582	Open account 120 days	-
		Solid State OPTO	c	Sales	22,607	Based on agreement	2
			c	Accounts receivable	11,175	Open account 120 days	-
		GLT-Shanghai	c	Sales	6,059	Based on agreement	-
			c	Accounts receivables - current portion	45,126	Terms of financing	-
		GLT-Zhongshan	c	Interest revenue	206	Based on agreement	-
			c	Accounts receivables - current portion	45,126	Terms of financing	-
			c	Interest revenue	185	Based on agreement	-
8	GLT-USA	GLT-Taiwan	c	Other receivable	11	Open account 60 days	-
		GLT-Shanghai	c	Other receivable	105	Open account 60 days	-

Note 1: Companies are numbered as follows:

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

Note 2: The flow of transactions is as follows:

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

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

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

(Concluded)

TABLE 9**GLOBAL LIGHTING TECHNOLOGIES INC.****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2024**

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.