

**Global Lighting Technologies Inc. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2024 and 2023 and  
Independent Auditors' Report**

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Global Lighting Technologies Inc.

**Opinion**

We have audited the accompanying consolidated financial statements of Global Lighting Technologies Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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.

**Basis for Opinion**

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

**Key Audit Matter**

Key audit matter is a matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2024. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter in the audit of the Group's consolidated financial statements for the six months ended June 30, 2024 is stated below:

Validity of Occurrence of Sales Revenue from Specific Customers

Since the Group is a listed company, management may be under pressure to meet the financial targets. Furthermore, operating revenue is one of the important indicators to measure the Group's profitability and operating performance, and recognition of revenue is inherently a higher risk. The amount of revenue from specific customers for the six months ended June 30, 2024 was \$809,506 thousand, which accounted for 25% of the consolidated operating revenue. The impact of the sales on the consolidated financial statements was significant. Therefore, we identified the validity of occurrence of sales revenue from specific customers as a key audit matter for the six months ended June 30, 2024.

Refer to Note 4 to the consolidated financial statements for the year ended December 31, 2023 for details on accounting policies. Refer to Note 21 to the consolidated financial statements for relevant disclosures of revenue recognition. Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 13, 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 audit such consolidated financial statements are those generally applied in the Republic of China.*

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

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 4,453,970	41	\$ 4,352,852	44	\$ 4,581,826	42
Financial assets at amortized cost (Note 7)	8,000	-	-	-	-	-
Notes receivable (Notes 9 and 21)	-	-	-	-	7	-
Accounts receivable (Notes 9 and 21)	1,609,173	15	1,377,975	14	1,558,752	14
Accounts receivable - related parties (Notes 21 and 28)	20,041	-	21,763	-	19,871	-
Other receivables (Note 9)	5,376	-	6,606	-	6,962	-
Current tax assets (Note 4)	2,605	-	6,770	-	346	-
Inventories (Note 10)	687,822	7	503,520	5	821,657	8
Prepayments	22,925	-	15,256	-	20,826	-
Other current assets (Note 11)	<u>2,302</u>	<u>-</u>	<u>2,863</u>	<u>-</u>	<u>1,502</u>	<u>-</u>
Total current assets	<u>6,812,214</u>	<u>63</u>	<u>6,287,605</u>	<u>63</u>	<u>7,011,749</u>	<u>64</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (Note 8)	545,592	5	322,045	3	310,575	3
Property, plant and equipment (Note 14)	2,566,570	23	2,702,973	27	2,837,193	26
Right-of-use assets (Note 15)	783,559	7	633,681	6	647,275	6
Deferred tax assets (Note 4)	67,625	1	21,032	-	29,204	-
Prepayments for equipment (Note 25)	4,729	-	1,607	-	895	-
Net defined benefit assets (Note 4)	15,094	-	14,816	-	13,660	-
Other non-current assets (Notes 11 and 29)	<u>88,685</u>	<u>1</u>	<u>33,970</u>	<u>1</u>	<u>33,765</u>	<u>1</u>
Total non-current assets	<u>4,071,854</u>	<u>37</u>	<u>3,730,124</u>	<u>37</u>	<u>3,872,567</u>	<u>36</u>
<b>TOTAL</b>	<u>\$ 10,884,068</u>	<u>100</u>	<u>\$ 10,017,729</u>	<u>100</u>	<u>\$ 10,884,316</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities (Note 21)	\$ 2,912	-	\$ 3,014	-	\$ 3,829	-
Accounts payable	1,154,658	11	814,500	8	1,012,956	10
Accounts payable - related parties (Note 28)	155,575	2	114,938	1	127,254	1
Other payables (Note 17)	470,265	4	312,266	3	858,650	8
Other payables - related parties (Note 28)	4,940	-	6,432	-	6,354	-
Current tax liabilities (Note 4)	286	-	15,196	-	24,304	-
Lease liabilities (Notes 15 and 28)	27,591	-	26,240	1	25,934	-
Long-term borrowings - current portion (Note 16)	-	-	-	-	232,500	2
Other current liabilities	<u>6,869</u>	<u>-</u>	<u>6,860</u>	<u>-</u>	<u>6,064</u>	<u>-</u>
Total current liabilities	<u>1,823,096</u>	<u>17</u>	<u>1,299,446</u>	<u>13</u>	<u>2,297,845</u>	<u>21</u>
<b>NON-CURRENT LIABILITIES</b>						
Provision for employee benefits (Note 4)	8,450	-	7,895	-	8,438	-
Deferred tax liabilities (Note 4)	3,083	-	3,886	-	3,788	-
Lease liabilities (Notes 15 and 28)	622,838	6	623,163	6	635,313	6
Long-term deferred revenue (Note 19)	<u>64,037</u>	<u>-</u>	<u>62,334</u>	<u>1</u>	<u>63,590</u>	<u>1</u>
Total non-current liabilities	<u>698,408</u>	<u>6</u>	<u>697,278</u>	<u>7</u>	<u>711,129</u>	<u>7</u>
Total liabilities	<u>2,521,504</u>	<u>23</u>	<u>1,996,724</u>	<u>20</u>	<u>3,008,974</u>	<u>28</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>						
Share capital	<u>1,288,641</u>	<u>12</u>	<u>1,288,641</u>	<u>13</u>	<u>1,288,641</u>	<u>12</u>
Capital surplus	<u>2,348,423</u>	<u>22</u>	<u>2,348,423</u>	<u>23</u>	<u>2,348,423</u>	<u>21</u>
Retained earnings						
Special reserve	93,295	1	43,706	1	43,706	-
Unappropriated earnings	<u>4,482,845</u>	<u>41</u>	<u>4,433,530</u>	<u>44</u>	<u>4,234,898</u>	<u>39</u>
Total retained earnings	<u>4,576,140</u>	<u>42</u>	<u>4,477,236</u>	<u>45</u>	<u>4,278,604</u>	<u>39</u>
Other equity	<u>149,360</u>	<u>1</u>	<u>(93,295)</u>	<u>(1)</u>	<u>(40,326)</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>8,362,564</u>	<u>77</u>	<u>8,021,005</u>	<u>80</u>	<u>7,875,342</u>	<u>72</u>
Total equity	<u>8,362,564</u>	<u>77</u>	<u>8,021,005</u>	<u>80</u>	<u>7,875,342</u>	<u>72</u>
<b>TOTAL</b>	<u>\$ 10,884,068</u>	<u>100</u>	<u>\$ 10,017,729</u>	<u>100</u>	<u>\$ 10,884,316</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 Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 1,807,614	100	\$ 1,757,490	100	\$ 3,215,264	100	\$ 2,844,569	100
OPERATING COSTS (Notes 10, 22 and 28)	<u>1,489,739</u>	<u>82</u>	<u>1,460,895</u>	<u>83</u>	<u>2,667,175</u>	<u>83</u>	<u>2,482,779</u>	<u>87</u>
GROSS PROFIT	<u>317,875</u>	<u>18</u>	<u>296,595</u>	<u>17</u>	<u>548,089</u>	<u>17</u>	<u>361,790</u>	<u>13</u>
OPERATING EXPENSES (Notes 22 and 28)								
Selling and marketing	41,099	2	40,126	2	76,141	2	73,808	3
General and administrative	93,569	5	76,636	5	175,090	6	150,219	5
Research and development	63,847	4	58,482	3	125,553	4	118,169	4
Expected credit loss (Note 9)	<u>8</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>407</u>	<u>-</u>	<u>665</u>	<u>-</u>
Total operating expenses	<u>198,523</u>	<u>11</u>	<u>175,273</u>	<u>10</u>	<u>377,191</u>	<u>12</u>	<u>342,861</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>119,352</u>	<u>7</u>	<u>121,322</u>	<u>7</u>	<u>170,898</u>	<u>5</u>	<u>18,929</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	53,636	3	48,397	2	102,962	3	82,144	3
Other income (Note 19)	749	-	1,344	-	1,810	-	2,873	-
Other gains and losses	(51,624)	(3)	89,387	5	(18,500)	-	65,521	2
Finance costs (Note 28)	<u>(3,145)</u>	<u>-</u>	<u>(4,226)</u>	<u>-</u>	<u>(6,027)</u>	<u>-</u>	<u>(9,944)</u>	<u>-</u>
Total non-operating income and expenses	<u>(384)</u>	<u>-</u>	<u>134,902</u>	<u>7</u>	<u>80,245</u>	<u>3</u>	<u>140,594</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	118,968	7	256,224	14	251,143	8	159,523	6
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 23)	<u>44,252</u>	<u>2</u>	<u>(21,666)</u>	<u>(1)</u>	<u>41,057</u>	<u>1</u>	<u>(23,870)</u>	<u>(1)</u>
NET PROFIT	<u>163,220</u>	<u>9</u>	<u>234,558</u>	<u>13</u>	<u>292,200</u>	<u>9</u>	<u>135,653</u>	<u>5</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)	(14,855)	(1)	8,382	1	(13,355)	-	28,668	1
Exchange differences on translation to the presentation currency (Note 20)	<u>117,438</u>	<u>7</u>	<u>177,703</u>	<u>10</u>	<u>455,571</u>	<u>14</u>	<u>107,809</u>	<u>4</u>
	<u>102,583</u>	<u>6</u>	<u>186,085</u>	<u>11</u>	<u>442,216</u>	<u>14</u>	<u>136,477</u>	<u>5</u>

(Continued)

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 20)	\$ (60,169)	(4)	\$ (191,492)	(11)	\$ (199,561)	(6)	\$ (133,097)	(5)
Total other comprehensive income (loss)	<u>42,414</u>	<u>2</u>	<u>(5,407)</u>	<u>-</u>	<u>242,655</u>	<u>8</u>	<u>3,380</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 205,634</u>	<u>11</u>	<u>\$ 229,151</u>	<u>13</u>	<u>\$ 534,855</u>	<u>17</u>	<u>\$ 139,033</u>	<u>5</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 163,220	9	\$ 234,558	13	\$ 292,200	9	\$ 135,653	5
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 163,220</u>	<u>9</u>	<u>\$ 234,558</u>	<u>13</u>	<u>\$ 292,200</u>	<u>9</u>	<u>\$ 135,653</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 205,634	11	\$ 229,151	13	\$ 534,855	17	\$ 139,033	5
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 205,634</u>	<u>11</u>	<u>\$ 229,151</u>	<u>13</u>	<u>\$ 534,855</u>	<u>17</u>	<u>\$ 139,033</u>	<u>5</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 1.27</u>		<u>\$ 1.82</u>		<u>\$ 2.27</u>		<u>\$ 1.05</u>	
Diluted	<u>\$ 1.26</u>		<u>\$ 1.82</u>		<u>\$ 2.26</u>		<u>\$ 1.05</u>	

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

(Concluded)



# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 20)					Other Equity		
			Retained Earnings		Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity	
	Share Capital	Capital Surplus	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2023	\$ 1,288,641	\$ 2,348,423	\$ 350,711	\$ 4,307,696	\$ (19,592)	\$ (24,114)	\$ 8,251,765	
Appropriation of 2022 earnings								
Reversal of special reserve	-	-	(307,005)	307,005	-	-	-	
Cash dividends distributed by the Company	-	-	-	(515,456)	-	-	(515,456)	
Net profit for the six months ended June 30, 2023	-	-	-	135,653	-	-	135,653	
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	(25,288)	28,668	3,380	
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	135,653	(25,288)	28,668	139,033	
BALANCE AT JUNE 30, 2023	<u>\$ 1,288,641</u>	<u>\$ 2,348,423</u>	<u>\$ 43,706</u>	<u>\$ 4,234,898</u>	<u>\$ (44,880)</u>	<u>\$ 4,554</u>	<u>\$ 7,875,342</u>	
BALANCE AT JANUARY 1, 2024	\$ 1,288,641	\$ 2,348,423	\$ 43,706	\$ 4,433,530	\$ (80,914)	\$ (12,381)	\$ 8,021,005	
Appropriation of 2023 earnings								
Special reserve	-	-	49,589	(49,589)	-	-	-	
Cash dividends distributed by the Company	-	-	-	(193,296)	-	-	(193,296)	
Net profit for the six months ended June 30, 2024	-	-	-	292,200	-	-	292,200	
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	256,010	(13,355)	242,655	
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	292,200	256,010	(13,355)	534,855	
BALANCE AT JUNE 30, 2024	<u>\$ 1,288,641</u>	<u>\$ 2,348,423</u>	<u>\$ 93,295</u>	<u>\$ 4,482,845</u>	<u>\$ 175,096</u>	<u>\$ (25,736)</u>	<u>\$ 8,362,564</u>	

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

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 251,143	\$ 159,523
Adjustments for:		
Depreciation expense	186,809	186,516
Expected credit loss	407	665
Interest expense	6,027	9,944
Interest income	(102,962)	(82,144)
Loss on inventories valuation and obsolescence	11,433	24,399
Gain on disposal of property, plant and equipment	(557)	(7)
Impairment loss recognized on property, plant and equipment	66,964	-
Unrealized loss (gain) on foreign currency exchanges	13,289	(11,727)
Amortization of long-term deferred revenue	(1,412)	(2,221)
Net changes in operating assets and liabilities		
Notes receivable	-	8
Accounts receivable	(178,203)	298,569
Accounts receivable - related parties	2,686	6,438
Other receivables	2,190	(1,088)
Inventories	(175,436)	377,429
Prepayments	(7,008)	588
Other current assets	665	607
Net defined benefit assets	(278)	(273)
Contract liabilities	(198)	1,363
Accounts payable	305,722	(454,813)
Accounts payable - related parties	39,761	(26,350)
Other payables	(42,931)	(87,823)
Other payables - related parties	(1,555)	(2,729)
Other current liabilities	(222)	306
Provision for employee benefits	555	611
Cash generated from operations	376,889	397,791
Interest received	101,999	82,624
Interest paid	(6,027)	(10,540)
Income tax paid	(16,381)	(82,742)
Net cash generated from operating activities	<u>456,480</u>	<u>387,133</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(223,346)	-
Purchase of financial assets at amortized cost	(8,000)	-
Payments for property, plant and equipment (Note 25)	(84,517)	(46,879)

(Continued)

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 707	\$ 189
Payments for right-of-use assets (Note 25)	(129,265)	-
Increase in other non-current assets	<u>(68,176)</u>	<u>(10,713)</u>
Net cash used in investing activities	<u>(512,597)</u>	<u>(57,403)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	100,000	700,000
Decrease in short-term borrowings	(100,000)	(1,100,000)
Repayments of long-term borrowings	-	(37,500)
Repayment of the principal portion of lease liabilities	<u>(20,992)</u>	<u>(13,080)</u>
Net cash used in financing activities	<u>(20,992)</u>	<u>(450,580)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>178,227</u>	<u>11,862</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	101,118	(108,988)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>4,352,852</u>	<u>4,690,814</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 4,453,970</u>	<u>\$ 4,581,826</u>

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

(Concluded)

# GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

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

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 13, 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 material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: 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.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “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 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

#### IFRS 18 “Presentation and Disclosure 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 discontinued 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 other impacts of the above amended 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.

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. Taxation

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

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting judgments and key sources of estimation uncertainty of these consolidated financial statements are the same as the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 1,787	\$ 2,048	\$ 3,107
Checking accounts and demand deposits	4,281,323	4,350,444	4,375,949
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>170,860</u>	<u>360</u>	<u>202,770</u>
	<u>\$ 4,453,970</u>	<u>\$ 4,352,852</u>	<u>\$ 4,581,826</u>

## 7. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 8,000	\$ -	\$ -

The interest rates for time deposits with original maturities of more than 3 months were approximately 1.33%-1.53% per annum as of June 30, 2024.

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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investments			
Unlisted shares			
Top Taiwan XIII Venture Capital Co., Ltd.	\$ 94,400	\$ 94,800	\$ 103,600
J-MEX INC.	42,550	55,700	-
Chi Lin Optoelectronics Co., Ltd.	-	-	20,135
	<u>136,950</u>	<u>150,500</u>	<u>123,735</u>
Foreign investments			
Unlisted shares			
Sensel Inc.	343,742	171,545	186,840
Cytesi Inc.	64,900	-	-
	<u>408,642</u>	<u>171,545</u>	<u>186,840</u>
	<u>\$ 545,592</u>	<u>\$ 322,045</u>	<u>\$ 310,575</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 April and May 2024, the Group participated in the capital increase of the foreign investment company with US\$7,000 thousand (equivalent to NT\$223,346 thousand) for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

In August 2023, the Group participated in the capital increase of the domestic investment company 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.

The domestic investment company, 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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ -	\$ -	\$ 7
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 1,609,585	\$ 1,377,975	\$ 1,559,402
Less: Allowance for impairment loss	<u>(412)</u>	<u>-</u>	<u>(650)</u>
	<u>\$ 1,609,173</u>	<u>\$ 1,377,975</u>	<u>\$ 1,558,752</u>
<u>Other receivables</u>			
At amortized cost	<u>\$ 5,376</u>	<u>\$ 6,606</u>	<u>\$ 6,962</u>

### a. Notes receivable and accounts receivable

The average credit period of sales of goods was 60 to 120 days. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher, and credit exposure is controlled by counterparty limits that are reviewed and approved annually.

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

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

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>Not Past Due</b>	<b>Not Past Due</b>	<b>Not Past Due</b>
Expected credit loss rate	0%	0%	0%
Gross carrying amount	\$ -	\$ -	\$ 7
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>

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

#### June 30, 2024

	<b>Not Past Due</b>	<b>Up to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>Over 271 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 1,559,604	\$ 47,863	\$ 398	\$ 148	\$ 1,129	\$ 31	\$ 412	\$ 1,609,585
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(412)</u>	<u>(412)</u>
Amortized cost	<u>\$ 1,559,604</u>	<u>\$ 47,863</u>	<u>\$ 398</u>	<u>\$ 148</u>	<u>\$ 1,129</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 1,609,173</u>

#### December 31, 2023

	<b>Not Past Due</b>	<b>Up to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>Over 271 Days</b>	<b>Total</b>
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>

#### June 30, 2023

	<b>Not Past Due</b>	<b>Up to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>Over 271 Days</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	\$ 1,536,859	\$ 18,684	\$ 1,343	\$ 82	\$ 1,784	\$ -	\$ 650	\$ 1,559,402
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650)</u>	<u>(650)</u>
Amortized cost	<u>\$ 1,536,859</u>	<u>\$ 18,684</u>	<u>\$ 1,343</u>	<u>\$ 82</u>	<u>\$ 1,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,558,752</u>

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

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ -	\$ -
Add: Impairment loss recognized	407	665
Foreign exchange gains and losses	<u>5</u>	<u>(15)</u>
Balance at June 30	<u>\$ 412</u>	<u>\$ 650</u>

b. Other receivables

Other receivables comprise value-added tax refund receivable and outstanding interest receivables from banks. The Group only transacts with counterparties that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group continues to engage in enforcement activity to trace the conditions of the receivables with reference to the past default experience of the debtor and an analysis of the debtor's current financial position, in determining whether the credit risk of other receivables has increased significantly since initial recognition as well as for measuring the expected credit losses. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

## 10. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 342,843	\$ 219,538	\$ 427,968
Work in process	47,179	33,978	39,842
Finished goods	257,920	225,202	318,248
Inventory in transit	<u>39,880</u>	<u>24,802</u>	<u>35,599</u>
	<u>\$ 687,822</u>	<u>\$ 503,520</u>	<u>\$ 821,657</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 1,484,426	\$ 1,454,688	\$ 2,655,742	\$ 2,458,380
Inventory write-downs	<u>5,313</u>	<u>6,207</u>	<u>11,433</u>	<u>24,399</u>
	<u>\$ 1,489,739</u>	<u>\$ 1,460,895</u>	<u>\$ 2,667,175</u>	<u>\$ 2,482,779</u>

## 11. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Other financial assets - restricted assets (Note 29)	\$ 18,510	\$ 18,510	\$ 17,511
Prepayments for land use rights	-	14,657	15,009
Refundable deposits	<u>70,175</u>	<u>803</u>	<u>1,245</u>
	<u>\$ 88,685</u>	<u>\$ 33,970</u>	<u>\$ 33,765</u>

## 12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 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
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	Zhongsan Global Lighting Technology Limited Co. (GLT-Zhongsan)	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	-

Note 1: In order to strengthen GLT-Optical's financial structure, the Company's board of directors resolved to reduce the capital by \$600,000 thousand to offset a deficit on February 23, 2023. The total paid-in capital after the reduction was \$250,894 thousand. The procedure for alteration registration was completed on March 31, 2023. Meanwhile, in order to strengthen GLT-Optical's financial structure and in consideration of its future operational development needs, the Company's board of directors resolved to increase investment in GLT-Optical by \$600,000 thousand on February 23, 2023. The procedure for alteration registration was completed on May 18, 2023.

Note 2: In order to integrate the Group's resources, the Company's board of directors resolved to consolidate GLT-Taiwan and GLT-Optical on June 6, 2023, and set the base date for the consolidation as August 1, 2023. After the consolidation, GLT-Taiwan would be the surviving company and GLT-Optical would be the dissolved company. 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 June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Associates that is not individually material</u>			
Unlisted shares			
Asensetek Incorporation	\$ -	\$ -	\$ -
Proportion of the Group's ownership:			
	June 30, 2024	December 31, 2023	June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023, the Group's investments accounted for using the equity method for the six months ended June 30, 2024 and 2023 and the share of profit or loss and other comprehensive income from the investments were recognized based on the unaudited financial statements; however, the Group considered that there was no significant impact on the consolidated financial statements.

## 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to Be Inspected or under Construction	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 167,176	\$ 2,515,892	\$ 3,167,485	\$ 69,212	\$ 196,041	\$ 416,942	\$ 32,068	\$ 6,564,816
Additions	-	785	10,185	-	-	12,781	55,474	79,225
Disposals	-	-	(10,595)	-	-	(7,201)	-	(17,796)
Reclassifications	-	-	28,391	-	-	769	(29,160)	-
Effects of foreign currency exchange differences	-	37,117	55,733	3,482	10,001	11,979	304	118,616
Balance at June 30, 2024	<u>167,176</u>	<u>2,553,794</u>	<u>3,251,199</u>	<u>72,694</u>	<u>206,042</u>	<u>435,270</u>	<u>58,686</u>	<u>6,744,861</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
Impairment loss recognized	-	-	7,587	-	59,377	-	-	66,964
Depreciation expenses	-	43,849	111,246	1,147	3,923	9,803	-	169,968
Disposals	-	-	(10,595)	-	-	(7,051)	-	(17,646)
Effects of foreign currency exchange differences	-	22,727	53,362	3,352	6,542	11,179	-	97,162
Balance at June 30, 2024	-	<u>1,019,078</u>	<u>2,521,152</u>	<u>70,813</u>	<u>179,672</u>	<u>387,576</u>	-	<u>4,178,291</u>
Carrying amount at June 30, 2024	<u>\$ 167,176</u>	<u>\$ 1,534,716</u>	<u>\$ 730,047</u>	<u>\$ 1,881</u>	<u>\$ 26,370</u>	<u>\$ 47,694</u>	<u>\$ 58,686</u>	<u>\$ 2,566,570</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	-	2,125	33,336	1,711	-	1,229	5,993	44,394
Disposals	-	-	(6,397)	-	-	(1,071)	-	(7,468)
Reclassifications	-	3,251	28,321	-	113	635	(32,320)	-
Effects of foreign currency exchange differences	-	(16,947)	(29,273)	(1,553)	(3,724)	(5,966)	12	(57,451)
Balance at June 30, 2023	<u>167,176</u>	<u>2,507,147</u>	<u>3,192,349</u>	<u>67,434</u>	<u>194,771</u>	<u>408,841</u>	<u>31,978</u>	<u>6,569,696</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	-	873,401	2,214,516	63,098	103,678	360,122	-	3,614,815
Depreciation expenses	-	43,418	109,704	2,587	3,834	11,882	-	171,425
Disposals	-	-	(6,397)	-	-	(889)	-	(7,286)
Effects of foreign currency exchange differences	-	(9,990)	(28,154)	(1,478)	(1,667)	(5,162)	-	(46,451)
Balance at June 30, 2023	-	<u>906,829</u>	<u>2,289,669</u>	<u>64,207</u>	<u>105,845</u>	<u>365,953</u>	-	<u>3,732,503</u>
Carrying amount at June 30, 2023	<u>\$ 167,176</u>	<u>\$ 1,600,318</u>	<u>\$ 902,680</u>	<u>\$ 3,227</u>	<u>\$ 88,926</u>	<u>\$ 42,888</u>	<u>\$ 31,978</u>	<u>\$ 2,837,193</u>

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

The decorating constructions of part of the buildings and machine equipment no longer met manufacturing needs; in consideration of future operating plans and current capacity plans, the Group estimated that there would be no future cash inflows from these assets, and the value-in-use was \$0. The recoverable amounts of these assets were therefore assessed to be lower than their carrying amounts, leading to the recognition of an impairment loss of \$66,964 thousand which was recognized in other gains and losses for the six months ended June 30, 2024.

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

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	June 30, 2024		December 31, 2023	June 30, 2023
<u>Carrying amount</u>				
Land	\$ 400,041		\$ 401,215	\$ 406,220
Buildings	189,946		189,293	196,758
Land use rights	191,736		40,793	41,204
Transportation equipment	249		315	428
Other equipment	<u>1,587</u>		<u>2,065</u>	<u>2,665</u>
	<u>\$ 783,559</u>		<u>\$ 633,681</u>	<u>\$ 647,275</u>
	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Addition of right-of-use assets			<u>\$ 155,544</u>	<u>\$ 470</u>
Depreciation charge for right-of-use assets				
Land	\$ 2,551	\$ 2,503	\$ 5,053	\$ 5,005
Buildings	4,454	4,273	8,783	8,588
Land use rights	1,172	332	2,338	669
Transportation equipment	42	128	82	269
Other equipment	<u>297</u>	<u>281</u>	<u>585</u>	<u>560</u>
	<u>\$ 8,516</u>	<u>\$ 7,517</u>	<u>\$ 16,841</u>	<u>\$ 15,091</u>

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the six months ended June 30, 2024 and 2023.

### b. Lease liabilities

	June 30, 2024		December 31, 2023	June 30, 2023
<u>Carrying amount</u>				
Current	<u>\$ 27,591</u>		<u>\$ 26,240</u>	<u>\$ 25,934</u>
Non-current	<u>\$ 622,838</u>		<u>\$ 623,163</u>	<u>\$ 635,313</u>

The discount rates for lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.555%	1.555%	1.555%
Buildings	1.750%-4.750%	1.750%-4.750%	1.750%-4.750%
Transportation equipment	1.333%	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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 2,324	\$ 2,213	\$ 4,624	\$ 4,620
Expenses relating to low-value asset leases	\$ 313	\$ 360	\$ 605	\$ 862
Total cash outflow for leases			\$ (160,947)	\$ (24,245)

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

### Long-term Borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured borrowings</u>			
Chinatrust Commercial Bank	\$ -	\$ -	\$ 232,500
Less: Current portion	-	-	(232,500)
Long-term borrowings	\$ -	\$ -	\$ -



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 the “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 monthly installments. Furthermore, the period of the 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 June 30, 2023, the interest rate of the loan was 0.75% per annum.

## 17. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payable for dividends	\$ 193,296	\$ -	\$ 515,456
Payable for salaries and bonuses	180,973	218,880	243,159
Payable for purchase equipment	8,750	10,920	16,310
Payable for commission	12,827	10,493	12,916
Others	<u>74,419</u>	<u>71,973</u>	<u>70,809</u>
	<u>\$ 470,265</u>	<u>\$ 312,266</u>	<u>\$ 858,650</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Operating costs	<u>\$ 13,696</u>	<u>\$ 13,100</u>	<u>\$ 26,997</u>	<u>\$ 27,485</u>
Operating expenses	<u>\$ 4,142</u>	<u>\$ 3,941</u>	<u>\$ 11,045</u>	<u>\$ 7,982</u>

### b. Defined benefit plan

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the pension expenses of defined benefit plans were \$278 thousand, \$305 thousand, \$555 thousand and \$611 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 June 30, 2024, December 31, 2023 and June 30, 2023, long-term deferred revenue was \$64,037 thousand, \$62,334 thousand and \$63,590 thousand, respectively.

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Realized long-term deferred revenue	\$ 716	\$ 984	\$ 1,412	\$ 2,221
Received from government grants related to income	<u>19</u>	<u>68</u>	<u>353</u>	<u>298</u>
	<u>\$ 735</u>	<u>\$ 1,052</u>	<u>\$ 1,765</u>	<u>\$ 2,519</u>

## 20. EQUITY

### a. Share capital - ordinary shares

	June 30, 2024	December 31, 2023	June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital</u>			
Issuance of ordinary shares	\$ 2,199,672	\$ 2,199,672	\$ 2,199,672
Expiry of employee share options	85,068	85,068	85,068
Donations	39,702	39,702	39,702
<u>May be used to offset a deficit only</u>			
Share of changes in capital surplus of associates	<u>23,981</u>	<u>23,981</u>	<u>23,981</u>
	<u>\$ 2,348,423</u>	<u>\$ 2,348,423</u>	<u>\$ 2,348,423</u>

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

c. Retained earnings and dividends policy

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

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

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meetings on May 28, 2024 and May 30, 2023, respectively, were as follows:

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

d. Other equity items

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

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (80,914)	\$ (19,592)
Recognized for the period		
Exchange differences on translation to the presentation currency	455,571	107,809
Exchange differences on the translation of the financial statements of foreign operations	<u>(199,561)</u>	<u>(133,097)</u>
Balance at June 30	<u>\$ 175,096</u>	<u>\$ (44,880)</u>

Unrealized gain (loss) on financial assets at FVTOCI

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (12,381)	\$ (24,114)
Recognized for the period		
Unrealized (loss) gain	<u>(13,355)</u>	<u>28,668</u>
Balance at June 30	<u>\$ (25,736)</u>	<u>\$ 4,554</u>

## 21. REVENUE

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 1,803,904	\$ 1,753,739	\$ 3,208,215	\$ 2,836,614
Revenue from commission	<u>3,710</u>	<u>3,751</u>	<u>7,049</u>	<u>7,955</u>
	<u>\$ 1,807,614</u>	<u>\$ 1,757,490</u>	<u>\$ 3,215,264</u>	<u>\$ 2,844,569</u>

a. Contract balances

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>	<b>January 1, 2023</b>
Notes receivable (Note 9)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7</u>	\$ <u>15</u>
Accounts receivable (Note 9)	\$ <u>1,609,173</u>	\$ <u>1,377,975</u>	\$ <u>1,558,752</u>	\$ <u>1,859,828</u>
Accounts receivable - related parties (Note 28)	\$ <u>20,041</u>	\$ <u>21,763</u>	\$ <u>19,871</u>	\$ <u>26,736</u>
Contract liabilities				
Sale of goods	\$ <u>2,912</u>	\$ <u>3,014</u>	\$ <u>3,829</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:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
From contract liabilities at the beginning of the year		
Sale of goods	\$ <u>3,014</u>	\$ <u>2,454</u>

b. Disaggregation of revenue

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Applications of light guide plates	\$ 1,585,458	\$ 1,517,699	\$ 2,817,330	\$ 2,425,175
Plastic components	218,446	236,040	390,885	411,439
Revenue from commission	<u>3,710</u>	<u>3,751</u>	<u>7,049</u>	<u>7,955</u>
	<u>\$ 1,807,614</u>	<u>\$ 1,757,490</u>	<u>\$ 3,215,264</u>	<u>\$ 2,844,569</u>

## 22. NET PROFIT

a. Interest income

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Bank deposits	\$ <u>53,636</u>	\$ <u>48,397</u>	\$ <u>102,962</u>	\$ <u>82,144</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Government grants (Note 19)	\$ 735	\$ 757	\$ 1,765	\$ 1,685
Long-term deferred revenue allocated due to non-shareholders' asset donation (Note 19)	-	295	-	834
Others	<u>14</u>	<u>292</u>	<u>45</u>	<u>354</u>
	<u>\$ 749</u>	<u>\$ 1,344</u>	<u>\$ 1,810</u>	<u>\$ 2,873</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Net gain on foreign currency exchange	\$ 14,895	\$ 89,388	\$ 47,907	\$ 65,514
Impairment loss recognized on property, plant and equipment	(66,964)	-	(66,964)	-
Gain (loss) on disposal of property, plant and equipment	<u>445</u>	<u>(1)</u>	<u>557</u>	<u>7</u>
	<u>\$ (51,624)</u>	<u>\$ 89,387</u>	<u>\$ (18,500)</u>	<u>\$ 65,521</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 2,741	\$ 2,818	\$ 5,461	\$ 5,683
Interest on bank loans	<u>404</u>	<u>1,408</u>	<u>566</u>	<u>4,261</u>
	<u>\$ 3,145</u>	<u>\$ 4,226</u>	<u>\$ 6,027</u>	<u>\$ 9,944</u>

e. Depreciation

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 85,012	\$ 85,653	\$ 169,968	\$ 171,425
Right-of-use assets	<u>8,516</u>	<u>7,517</u>	<u>16,841</u>	<u>15,091</u>
	<u>\$ 93,528</u>	<u>\$ 93,170</u>	<u>\$ 186,809</u>	<u>\$ 186,516</u>

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
An analysis of depreciation by function				
Operating costs	\$ 71,872	\$ 73,005	\$ 143,664	\$ 146,594
Operating expenses	<u>21,656</u>	<u>20,165</u>	<u>43,145</u>	<u>39,922</u>
	<u>\$ 93,528</u>	<u>\$ 93,170</u>	<u>\$ 186,809</u>	<u>\$ 186,516</u>
				(Concluded)

f. Employee benefit expenses

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Post-employment benefit (Note 18)				
Defined contribution plans	\$ 17,838	\$ 17,041	\$ 38,042	\$ 35,467
Defined benefit plans	278	305	555	611
Payroll expenses	210,940	192,026	404,643	366,854
Labor and health insurance expenses	16,508	16,205	34,656	34,515
Remuneration of directors	2,759	3,211	5,908	4,291
Other employee benefits	<u>16,609</u>	<u>15,087</u>	<u>32,161</u>	<u>32,292</u>
Total employee benefit expenses	<u>\$ 264,932</u>	<u>\$ 243,875</u>	<u>\$ 515,965</u>	<u>\$ 474,030</u>
An analysis of employee benefit expense by function				
Operating costs	\$ 170,159	\$ 163,134	\$ 331,936	\$ 316,616
Operating expenses	<u>94,773</u>	<u>80,741</u>	<u>184,029</u>	<u>157,414</u>
	<u>\$ 264,932</u>	<u>\$ 243,875</u>	<u>\$ 515,965</u>	<u>\$ 474,030</u>

g. Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates between 1% to 15% and not higher than 1.5% of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the six months ended June 30, 2024 and 2023 which estimated based on the profit before income tax without considering the effect of employees' compensation and remuneration of directors, were as follows:

Accrual rate

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	5.0%	5.0%
Remuneration of directors	1.5%	1.5%

Amount

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 8,729	\$ 7,254	\$ 15,626	\$ 7,254
Remuneration of directors	2,619	2,176	4,688	2,176

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:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
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

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Foreign currency exchange gains	\$ 31,125	\$ 141,565	\$ 71,639	\$ 201,634
Foreign currency exchange losses	<u>(16,230)</u>	<u>(52,177)</u>	<u>(23,732)</u>	<u>(136,120)</u>
Net gain	<u>\$ 14,895</u>	<u>\$ 89,388</u>	<u>\$ 47,907</u>	<u>\$ 65,514</u>



## 23. INCOME TAXES

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

Major components of income tax (benefit) expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 5,135	\$ 15,602	\$ 9,613	\$ 16,003
Unappropriated retained earnings	-	12,648	-	12,648
Adjustments for prior years	(4,082)	(7,479)	(4,082)	(7,479)
Deferred tax				
In respect of the current period	<u>(45,305)</u>	<u>895</u>	<u>(46,588)</u>	<u>2,698</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (44,252)</u>	<u>\$ 21,666</u>	<u>\$ (41,057)</u>	<u>\$ 23,870</u>

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

- 1) GLT-USA: 21%
- 2) GLT-Taiwan, GLT-Optical and Hao Yun Technology: 20%
- 3) GLT-Shanghai and GLT-Zhongshan: 25%
- 4) GLT-Suzhou Opto: Qualified as a high-tech enterprise is 15%
- 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 PER SHARE

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

### Net Profit for the Period

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit for the period attributable to owners of the Company	<u>\$ 163,220</u>	<u>\$ 234,558</u>	<u>\$ 292,200</u>	<u>\$ 135,653</u>

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

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	128,864	128,864	128,864	128,864
Effect of potentially dilutive ordinary shares:				
Employees' compensation	<u>241</u>	<u>124</u>	<u>348</u>	<u>410</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>129,105</u>	<u>128,988</u>	<u>129,212</u>	<u>129,274</u>

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

## 25. CASH FLOW INFORMATION

### a. Non-cash transactions

In addition to those disclosed in other notes, for the six months ended June 30, 2024 and 2023, the Group entered into the following partial non-cash investing and financing activities, which were not reflected in the consolidated statements of cash flows:

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

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Purchase of property, plant and equipment	\$ 79,225	\$ 44,394
Net change in prepayments for purchases of equipment	3,122	(2,505)
Net change in payables for purchase of equipment	<u>2,170</u>	<u>4,990</u>
Cash paid	<u>\$ 84,517</u>	<u>\$ 46,879</u>

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

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Purchase of right-of-use assets	\$ 155,544	\$ -
Net change in prepayments for purchases of right-of-use asset	(14,816)	-
Net change in lease liabilities	<u>(11,463)</u>	<u>-</u>
Cash paid	<u>\$ 129,265</u>	<u>\$ -</u>

3) The cash dividends approved in the shareholders' meetings were not yet distributed as of June 30, 2024 and 2023 (refer to Notes 17 and 20).

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

For the six months ended June 30, 2024

	<b>Balance at January 1, 2024</b>	<b>Cash Flows</b>	<b>New Leases</b>	<b>Non-cash Changes Effects of Foreign Currency Exchange Differences</b>	<b>Balance at June 30, 2024</b>
Lease liabilities	<u>\$ 649,403</u>	<u>\$ (20,992)</u>	<u>\$ 11,463</u>	<u>\$ 10,555</u>	<u>\$ 650,429</u>

For the six months ended June 30, 2023

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

## 26. CAPITAL MANAGEMENT

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

## 27. FINANCIAL INSTRUMENTS

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

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

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

- 1) Fair value hierarchy

June 30, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 408,642	\$ 408,642
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>136,950</u>	<u>136,950</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,592</u>	<u>\$ 545,592</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	<u>-</u>	<u>-</u>	<u>150,500</u>	<u>150,500</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,045</u>	<u>\$ 322,045</u>

June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 186,840	\$ 186,840
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>123,735</u>	<u>123,735</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,575</u>	<u>\$ 310,575</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

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

For the six months ended June 30, 2024

	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2024	\$ 322,045
Additions	223,346
Recognized in other comprehensive income	(13,355)
Effects of foreign currency exchange differences	<u>13,556</u>
Balance at June 30, 2024	<u>\$ 545,592</u>

For the six months ended June 30, 2023

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

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Financial assets</u>			
Financial assets at FVTOCI	\$ 545,592	\$ 322,045	\$ 310,575
Financial assets at amortized cost (Note 1)	6,181,056	5,772,208	6,180,885
<u>Financial liabilities</u>			
Amortized cost (Note 2)	1,382,590	1,004,079	1,445,955

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 non-current assets).

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

d. Financial risk management objectives and policies

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

# 1) Market risk

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

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

## a) Foreign currency risk

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

### Sensitivity analysis

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

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

	<b>U.S. Dollar Impact</b>		<b>Japanese Yen Impact</b>	
	<b>For the Six Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(Loss) profit	\$ (41,528)	\$ (94,405)	\$ (188)	\$ (221)

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 of net assets denominated in U.S. dollar and the sensitivity to Japanese yen had little difference compare to the six months ended June 30, 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 170,500	\$ -	\$ 211,245
Financial liabilities	650,429	649,403	661,247
Cash flows interest rate risk			
Financial assets	4,205,212	4,276,417	4,286,073
Financial liabilities	-	-	232,500

#### Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the six months ended June 30, 2024 would have increased/decreased by \$5,257 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

If interest rates had been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the six months ended June 30, 2023 would have increased/decreased by \$5,067 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

The Group's sensitivity to interest rates increased during the current period mainly due to the decrease in variable rate long-term borrowings.

#### c) Other price risk

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

#### Sensitivity analysis

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

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2024 would have increased/decreased by \$54,559 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2023 would have increased/decreased by \$31,058 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 88.82%, 86.38% and 90.98% in total trade receivables as of June 30, 2024, December 31, 2023 and June 30, 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 June 30, 2024, December 31, 2023 and June 30, 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.

#### June 30, 2024

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,575,886	\$ -	\$ -	\$ -
Lease liabilities	<u>38,100</u>	<u>36,235</u>	<u>99,194</u>	<u>649,374</u>
	<u>\$ 1,613,986</u>	<u>\$ 36,235</u>	<u>\$ 99,194</u>	<u>\$ 649,374</u>

Further information on the analysis of undiscounted lease liabilities maturity dates is as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>Over 20 Years</b>
Lease liabilities	<u>\$ 38,100</u>	<u>\$ 135,429</u>	<u>\$ 165,323</u>	<u>\$ 119,713</u>	<u>\$ 74,103</u>	<u>\$ 290,235</u>

December 31, 2023

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,004,079	\$ -	\$ -	\$ -
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>

Further information on the analysis of undiscounted lease liabilities maturity dates is as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>Over 20 Years</b>
Lease liabilities	<u>\$ 36,809</u>	<u>\$ 133,629</u>	<u>\$ 160,305</u>	<u>\$ 125,564</u>	<u>\$ 73,452</u>	<u>\$ 295,033</u>

June 30, 2023

	<b>On Demand or Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,728,911	\$ -	\$ -	\$ -
Variable interest rate	232,858	-	-	-
liabilities				
Lease liabilities	<u>36,787</u>	<u>36,790</u>	<u>98,917</u>	<u>669,510</u>
	<u>\$ 1,998,556</u>	<u>\$ 36,790</u>	<u>\$ 98,917</u>	<u>\$ 669,510</u>

Further information on the analysis of undiscounted lease liabilities maturity dates is as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>Over 20 Years</b>
Lease liabilities	<u>\$ 36,787</u>	<u>\$ 135,707</u>	<u>\$ 159,791</u>	<u>\$ 133,889</u>	<u>\$ 73,452</u>	<u>\$ 302,378</u>

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

b) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>-</u>	<u>-</u>	<u>200,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>
Unsecured bank loan facilities			
Amount used	\$ -	\$ -	\$ 232,500
Amount unused	<u>1,462,250</u>	<u>1,253,525</u>	<u>905,700</u>
	<u>\$ 1,462,250</u>	<u>\$ 1,253,525</u>	<u>\$ 1,138,200</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

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Other related parties	<u>\$ 11,016</u>	<u>\$ 14,093</u>	<u>\$ 23,638</u>	<u>\$ 27,969</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Other related parties	\$ 57,430	\$ 54,461	\$ 106,260	\$ 113,744
Related party in substance	<u>63,461</u>	<u>17,730</u>	<u>110,933</u>	<u>39,102</u>
	<u>\$ 120,891</u>	<u>\$ 72,191</u>	<u>\$ 217,193</u>	<u>\$ 152,846</u>

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

d. Manufacturing and operating expenses

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Related party in substance	\$ 5,348	\$ 6,229	\$ 11,024	\$ 10,983
Other related parties	<u>4,178</u>	<u>3,705</u>	<u>7,654</u>	<u>8,886</u>
	<u>\$ 9,526</u>	<u>\$ 9,934</u>	<u>\$ 18,678</u>	<u>\$ 19,869</u>

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

e. Receivables from related parties

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
<u>Accounts receivable - related parties</u>			
Wistron InfoComm (Zhongshan)	\$ 13,783	\$ 15,766	\$ 13,617
Wistron InfoComm (Chengdu)	5,931	3,557	4,850
Other related parties	<u>327</u>	<u>2,440</u>	<u>1,404</u>
	<u>\$ 20,041</u>	<u>\$ 21,763</u>	<u>\$ 19,871</u>

The outstanding trade receivables from related parties are unsecured. As of June 30, 2024, December 31, 2023 and June 30, 2023, the accounts receivable from related parties were not overdue. For the six months ended June 30, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

f. Payables to related parties

<b>Related Party Category/Name</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Accounts payable - related parties</u>			
Shinny Plastics Corp.	\$ 98,663	\$ 90,695	\$ 108,997
Tony material LLC	<u>56,912</u>	<u>24,243</u>	<u>18,257</u>
	<u>\$ 155,575</u>	<u>\$ 114,938</u>	<u>\$ 127,254</u>
<u>Other payables - related parties</u>			
Tony material LLC	\$ 3,488	\$ 5,193	\$ 5,027
Wistron InfoComm (Zhongshan)	1,427	1,222	1,327
Other related parties	<u>25</u>	<u>17</u>	<u>-</u>
	<u>\$ 4,940</u>	<u>\$ 6,432</u>	<u>\$ 6,354</u>

g. Lease arrangements

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Lease liabilities	Wistron InfoComm (Zhongshan)	<u>\$ 204,702</u>	<u>\$ 201,845</u>	<u>\$ 207,494</u>

  

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense	Wistron InfoComm (Zhongshan)	<u>\$ 907</u>	<u>\$ 933</u>	<u>\$ 1,803</u>	<u>\$ 1,893</u>

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

h. Remuneration of key management personnel

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 5,027	\$ 6,452	\$ 11,270	\$ 9,886
Post-employment benefits	<u>54</u>	<u>27</u>	<u>108</u>	<u>108</u>
	<u>\$ 5,081</u>	<u>\$ 6,479</u>	<u>\$ 11,378</u>	<u>\$ 9,994</u>

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

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2024	December 31, 2023	June 30, 2023
Other financial assets - restricted assets (under other non-current assets)	<u>\$ 18,510</u>	<u>\$ 18,510</u>	<u>\$ 17,511</u>

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of June 30, 2024 were as follows:

The Group entered into contracts for the purchase of equipment and plant engineering for the Vietnam were \$10,405 thousand and \$454,310 thousand, respectively. Unrecognized commitments were \$7,284 thousand and \$409,130 thousand, respectively.

## 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, and on July 9, 2024, the Company had invested US\$3,000 thousand.

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

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

June 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 28,877	32.4500 (USD:NTD)	\$ 937,049
USD	15,777	7.1268 (USD:RMB)	511,967
USD	1,866	25,856.5737 (USD:VND)	60,546
JPY	16,431	0.2017 (JPY:NTD)	3,314
JPY	2,493	0.0062 (JPY:USD)	503
(Continued)			

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 3,410	32.4500 (USD:NTD)	\$ 110,648
USD	17,515	7.1268 (USD:RMB)	568,346
JPY	325	0.2017 (JPY:NTD)	66
			(Concluded)

December 31, 2023

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

June 30, 2023

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

Financial liabilities

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

For the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$14,895 thousand, \$89,388 thousand, \$47,907 thousand and \$65,514 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

	<b>Department of Light Guide Plates Applications</b>	<b>Department of Plastic Components</b>	<b>Eliminations</b>	<b>Total</b>
For the six months ended <u>June 30, 2024</u>				
Revenue				
Revenue from external customers	\$ 2,817,330	\$ 397,934	\$ -	\$ 3,215,264
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 2,817,330</u>	<u>\$ 397,934</u>	<u>\$ -</u>	<u>\$ 3,215,264</u>

(Continued)

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
Segment income	<u>\$ 169,279</u>	<u>\$ 1,619</u>		\$ 170,898
Non-operating income and expenses				<u>80,245</u>
Profit before tax (continuing operations)				<u>\$ 251,143</u>
For the six months ended <u>June 30, 2023</u>				
Revenue				
Revenue from external customers	\$ 2,425,175	\$ 419,394	\$ -	\$ 2,844,569
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 2,425,175</u>	<u>\$ 419,394</u>	<u>\$ -</u>	<u>\$ 2,844,569</u>
Segment income	<u>\$ 1,026</u>	<u>\$ 17,903</u>		\$ 18,929
Non-operating income and expenses				<u>140,594</u>
Profit before tax (continuing operations)				<u>\$ 159,523</u>
				(Concluded)

TABLE 1

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ 45,690	\$ -	\$ -	-	2	\$ -	Operating turnover	\$ -	-	\$ -	\$ 478,669	\$ 478,669
		GLT-Zhongshan	Other receivables - related parties, current portion	Yes	81,998	81,998	81,998	1.75	2	-	Operating turnover	-	-	-	478,669	478,669
2	Solid State OPTO	GLT-Taiwan	Other receivables - related parties, current portion	Yes	90,860	-	-	-	2	-	Operating turnover	-	-	-	910,303	910,303
3	Solid State Technology	GLT-Taiwan	Other receivables - related parties, current portion	Yes	356,950	356,950	356,950	-	2	-	Operating turnover	-	-	-	1,710,505	1,710,505

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

a. Business relationship.

b. Short-term financing needs.

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

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

**TABLE 2**

**GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**JUNE 30, 2024**  
**(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	Note
Global Lighting Technologies Inc.	<u>Shares</u> Sensel Inc.	The Company is the director of Sensel Inc.	Financial assets at FVTOCI - non-current	2,695,416	\$ 343,742	11.53	\$ 343,742	
Solid State OPTO	<u>Shares</u> Cyteti Inc.	-	Financial assets at FVTOCI - non-current	375,188	64,900	4.24	64,900	
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	94,400	11.63	94,400	
	J-MEX INC.	-	Financial assets at FVTOCI - non-current	5,000,000	42,550	13.05	42,550	

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 SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments (Note 1)	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	-	\$ 181,755	-	\$ 284,130	-	\$ -	\$ -	\$ -	\$ (2,024)	-	\$ 463,861 (Notes 2 and 3)

Note 1: Including adjustments for share of profit or loss of subsidiaries accounted for using the equity method and other comprehensive income.

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 \$472,374 thousand (US\$15,000 thousand). 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 SIX MONTHS ENDED JUNE 30, 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	\$ (1,529,633)	75	Open account 120 days	Based on agreement	Based on agreement	\$ 1,106,515	81	Note 2
Solid State OPTO	GLT-Shanghai	b	Purchase	1,529,633	87	Open account 120 days	Based on agreement	Based on agreement	(1,106,515)	90	Note 2
Solid State Technology	GLT-Shanghai	b	Sale	(1,120,756)	100	Open account 60 days	Based on agreement	Based on agreement	415,065	100	Note 2
GLT-Shanghai	Solid State Technology	b	Purchase	1,120,756	59	Open account 60 days	Based on agreement	Based on agreement	(415,065)	43	Note 2
Solid State OPTO	GLT-USA	b	Sale	(294,096)	16	Open account 60 days	Based on agreement	Based on agreement	107,898	15	Note 2
GLT-USA	Solid State OPTO	b	Purchase	294,096	100	Open account 60 days	Based on agreement	Based on agreement	(107,898)	100	Note 2
GLT-Suzhou	GLT-Taiwan	b	Sale	(114,541)	52	Open account 120 days	Based on agreement	Based on agreement	89,909	51	Note 2
GLT-Taiwan	GLT-Suzhou Solid State OPTO	b	Purchase	114,541	14	Open account 120 days	Based on agreement	Based on agreement	(89,909)	16	Note 2
		b	Sale	(219,958)	19	Open account 60 days	Based on agreement	Based on agreement	113,895	14	Note 2
Solid State OPTO	GLT-Taiwan	b	Purchase	219,958	12	Open account 60 days	Based on agreement	Based on agreement	(113,895)	9	Note 2
GLT-Taiwan	Solid State Technology	b	Sale	(181,288)	15	Open account 60 days	Based on agreement	Based on agreement	87,224	11	Note 2
Solid State Technology	GLT-Taiwan	b	Purchase	181,288	20	Open account 60 days	Based on agreement	Based on agreement	(87,224)	25	Note 2
GLT-Taiwan	Shinny Plastics Corp.	d	Purchase	106,260	13	Next open account 90 days	Based on agreement	Based on agreement	(98,663)	17	

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**  
**JUNE 30, 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	\$ 1,106,515	2.88	\$ -	-	\$ 247,629	\$ -
Solid State OPTO	GLT-USA	Subsidiary to subsidiary	107,898	5.48	-	-	61,878	-
Solid State Technology	GLT-Shanghai GLT-Taiwan	Subsidiary to subsidiary	415,065	7.23	-	-	185,175	-
		Subsidiary to subsidiary	356,950	Note 2	-	-	-	-
GLT-Taiwan	Solid State OPTO	Subsidiary to subsidiary	113,895	3.79	-	-	2,523	-

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 SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				June 30, 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	\$ 322,883 (US\$ 9,950)	\$ 322,883 (US\$ 9,950)	9,950,167	100.00	\$ 1,137,878 (US\$ 35,066)	\$ 124,418 (US\$ 3,899)	\$ 124,418 (US\$ 3,899)	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products	1,140,427 (US\$ 35,144)	1,140,427 (US\$ 35,144)	35,144,141	100.00	2,692,277 (US\$ 82,967)	112,844 (US\$ 3,537)	61,865 (US\$ 1,939)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	348,838 (US\$ 10,750)	348,838 (US\$ 10,750)	10,750,000	100.00	2,080,467 (US\$ 64,113)	228,530 (US\$ 7,162)	241,867 (US\$ 6,734)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	212,904 (US\$ 6,561)	212,904 (US\$ 6,561)	6,561,000	100.00	1,136,281 (US\$ 35,061)	(9,785) (US\$ (307))	(19,256) (US\$ (604))	
	Shining Green	Independent state of Samoa	Holding company	486,750 (US\$ 15,000)	486,750 (US\$ 15,000)	15,000,000	100.00	(12,634) (US\$ (389))	(96,403) (US\$ (3,021))	(101,298) (US\$ (3,175))	
	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	808,965 (US\$ 24,930)	140,116 (US\$ 4,391)	32,733 (US\$ 1,026)	
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	235,176 (US\$ 7,247)	235,176 (US\$ 7,247)	100	100.00	561,189 (US\$ 17,294)	33,837 (US\$ 1,061)	33,837 (US\$ 1,061)	
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	2,653,843 (US\$ 81,783)	140,116 (US\$ 4,391)	107,383 (US\$ 3,366)	
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	4,069	21	21	
	GLT-Vietnam	Vietnam	Design, production, and sales of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	486,750 (US\$ 15,000)	184,230 (US\$ 6,000)	-	100.00	463,861 (US\$ 14,295)	(1,242) (US\$ (39))	(1,242) (US\$ (39))	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	-	(1,947)	-	Note 4

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

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

Note 3: In September 2023, the Company established GLT-Vietnam with a registered capital of \$472,374 thousand (US\$15,000 thousand). Please refer to Note 12.

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



TABLE 7

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of June 30, 2024 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of June 30, 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	\$ 649,000 (US\$ 20,000)	b.	\$ 649,000 (US\$ 20,000)	\$ -	\$ -	\$ 649,000 (US\$ 20,000)	\$ (19,846)	100	\$ (19,846)	\$ 1,037,381	\$ -
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	428,340 (US\$ 13,200)	b.	687,940 (US\$ 21,200)	-	259,600 (US\$ 8,000) (Note 4)	428,340 (US\$ 13,200)	2,581	100	2,581	598,336	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	486,750 (US\$ 15,000)	b.	486,750 (US\$ 15,000)	-	-	486,750 (US\$ 15,000)	(96,403)	100	(96,403)	(3,829)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,564,090 (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 audited 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 SIX MONTHS ENDED JUNE 30, 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-Shanghai GLT-Suzhou Opto	c	Sales	\$ 177	Based on agreement	-
			c	Accounts receivable	43	Open account 60 days	-
			c	Sales	543	Based on agreement	-
2	Solid State OPTO	GLT-USA	c	Accounts receivable	107,898	Open account 60 days	1
			c	Sales	294,096	Based on agreement	9
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable	415,065	Open account 60 days	4
			c	Sales	1,120,756	Based on agreement	35
		GLT-Taiwan	c	Accounts receivable - current portion	356,950	Terms of financing	3
4	Solid State Display	GLT-Shanghai	c	Accounts receivable	124	Open account 60 days	-
			c	Sales	122	Based on agreement	-
5	GLT-Shanghai	Solid State OPTO	c	Accounts receivable	1,106,515	Open account 120 days	10
			c	Sales	1,529,633	Based on agreement	48
		GLT-Taiwan	c	Accounts receivable	17,399	Open account 120 days	-
			c	Sales	21,125	Based on agreement	1
6	GLT-Zhongshan	GLT-Taiwan	c	Accounts receivable	37,435	Open account 120 days	-
			c	Sales	49,155	Based on agreement	2
		GLT-Suzhou Opto	c	Gains on disposals of property, plant and equipment	446	-	-
			c	Accounts receivable	778	Open account 60 days	-
			c	Sales	679	Based on agreement	-
		Solid State Display	c	Gains on disposals of property, plant and equipment	5,580	-	-
			c	Accounts receivable	749	Open account 120 days	-
			c	Sales	737	Based on agreement	-
7	GLT-Taiwan	GLT-Shanghai	c	Sales	373	Based on agreement	-
			c	Gains on disposals of property, plant and equipment	18,251	-	1
		Solid State OPTO	c	Accounts receivable	113,895	Open account 60 days	1
			c	Sales	219,958	Based on agreement	7
		Solid State Technology	c	Accounts receivable	87,224	Open account 60 days	1
			c	Sales	181,288	Based on agreement	6

(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)
		GLT-Suzhou Opto	c	Accounts receivable	\$ 35,132	Open account 60 days	-
			c	Sales	24,074	Based on agreement	1
			c	Gain on disposal of property, plant and equipment	19,399	-	1
		GLT-Zhongshan	c	Accounts receivable	28,299	Open account 60 days	-
			c	Sales	43,077	Based on agreement	1
		Solid State Display	c	Sales	111	Based on agreement	-
		Hao Yuan Technology	c	Other receivables	4,867	Based on agreement	-
7	GLT-Suzhou Opto	GLT-Taiwan	c	Accounts receivable	89,909	Open account 120 days	1
			c	Sales	114,541	Based on agreement	4
		Solid State Display	c	Accounts receivable	43,097	Open account 120 days	-
			c	Sales	55,121	Based on agreement	2
		Solid State OPTO	c	Accounts receivable	12,094	Open account 120 days	-
			c	Sales	13,765	Based on agreement	-
		GLT-Shanghai	c	Accounts receivable	19	Open account 60 days	-
			c	Sales	17	Based on agreement	-
			c	Interest revenue	214	Based on agreement	-
		GLT-Zhongshan	c	Accounts receivable - current portion	81,998	Terms of financing	1
			c	Interest revenue	489	Based on agreement	-
8	GLT-USA	GLT-Shanghai	c	Other receivables	36	Open account 60 days	-

Note 1: Companies are numbered as follows:

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

Note 2: The flow of transactions is as follows:

- From GLT-Cayman to the subsidiary.
- From the subsidiary to GLT-Cayman.
- Between subsidiaries.

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

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

(Concluded)

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