

**GEM Terminal Ind. Co., Ltd. and  
Subsidiaries**

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

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders  
GEM Terminal Ind. Co., Ltd.

### Introduction

We have reviewed the accompanying consolidated balance sheets of GEM Terminal Ind. Co., Ltd. and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2023, the related 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"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, 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.

The engagement partners on the reviews resulting in this independent auditors' review report are Chiu-Yen Wu and Tzu-Yuan Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 9, 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 ROC and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the ROC.*

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

# GEM TERMINAL IND. CO., LTD. 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)	\$ 882,336	16	\$ 1,040,692	19	\$ 933,637	21
Financial assets at fair value through profit or loss - current (Note 7)	-	-	6,247	-	9,854	-
Financial assets at fair value through other comprehensive income - current (Note 8)	46,111	1	40,219	1	11,436	-
Notes receivable (Notes 9 and 27)	145,984	3	153,039	3	135,182	3
Accounts receivable, net (Note 9)	949,865	17	807,014	15	607,998	14
Other receivables	1,255	-	799	-	974	-
Current tax assets	1,159	-	781	-	1,937	-
Inventories (Note 10)	1,011,984	18	1,041,787	19	682,503	15
Other financial assets - current (Notes 11 and 27)	202,563	4	30,587	1	30,674	1
Other current assets	186,418	3	187,005	4	71,328	2
Total current assets	<u>3,427,675</u>	<u>62</u>	<u>3,308,170</u>	<u>62</u>	<u>2,485,523</u>	<u>56</u>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment (Notes 13, 26 and 27)	1,795,518	32	1,718,234	32	1,656,920	37
Right-of-use assets (Notes 14 and 27)	60,016	1	59,715	1	66,961	2
Deferred tax assets	209,248	4	213,742	4	164,295	4
Prepayments for equipment	33,370	1	21,015	1	39,513	1
Net defined benefit assets - noncurrent	5,890	-	4,926	-	1,196	-
Other financial assets - noncurrent (Note 11)	7,037	-	6,890	-	6,883	-
Other non-current assets	11,254	-	11,784	-	5,583	-
Total non-current assets	<u>2,122,333</u>	<u>38</u>	<u>2,036,306</u>	<u>38</u>	<u>1,941,351</u>	<u>44</u>
<b>TOTAL</b>	<u>\$ 5,550,008</u>	<u>100</u>	<u>\$ 5,344,476</u>	<u>100</u>	<u>\$ 4,426,874</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 17)	\$ 1,167,508	21	\$ 946,834	18	\$ 459,204	10
Short-term bills payable (Note 17)	-	-	50,000	1	10,000	-
Notes payable (Note 15)	452,565	8	437,037	8	274,987	6
Accounts payable (Note 15)	321,462	6	535,140	10	204,404	5
Other payables (Notes 16 and 26)	208,761	4	184,969	4	148,226	3
Lease liabilities - current (Notes 14 and 26)	363	-	781	-	856	-
Long-term borrowings - current portion (Note 17)	439,083	8	413,342	8	349,030	8
Other current liabilities	19,859	-	19,406	-	18,531	1
Total current liabilities	<u>2,609,601</u>	<u>47</u>	<u>2,587,509</u>	<u>49</u>	<u>1,465,238</u>	<u>33</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Note 17)	814,507	15	628,770	12	742,851	17
Deferred tax liabilities	13,739	-	22,018	-	28,427	1
Lease liabilities - non-current (Notes 14 and 26)	222	-	252	-	585	-
Total non-current liabilities	<u>828,468</u>	<u>15</u>	<u>651,040</u>	<u>12</u>	<u>771,863</u>	<u>18</u>
Total liabilities	<u>3,438,069</u>	<u>62</u>	<u>3,238,549</u>	<u>61</u>	<u>2,237,101</u>	<u>51</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>						
Ordinary shares	1,692,000	30	1,692,000	32	1,692,000	38
Capital surplus	271,315	5	271,315	5	271,315	6
Retained earnings						
Legal reserve	364,825	7	364,825	7	364,825	9
Special reserve	97,816	2	97,816	2	97,816	2
Accumulated deficit	(204,316)	(4)	(142,334)	(3)	(40,068)	(1)
Total retained earnings	<u>258,325</u>	<u>5</u>	<u>320,307</u>	<u>6</u>	<u>422,573</u>	<u>10</u>
Other equity	(66,642)	(1)	(134,636)	(3)	(153,056)	(4)
Treasury shares	(43,059)	(1)	(43,059)	(1)	(43,059)	(1)
Total equity	<u>2,111,939</u>	<u>38</u>	<u>2,105,927</u>	<u>39</u>	<u>2,189,773</u>	<u>49</u>
<b>TOTAL</b>	<u>\$ 5,550,008</u>	<u>100</u>	<u>\$ 5,344,476</u>	<u>100</u>	<u>\$ 4,426,874</u>	<u>100</u>

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

# GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) 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, NET (Note 20)	\$ 877,278	100	\$ 562,819	100	\$ 1,490,328	100	\$ 1,126,715	100
OPERATING COSTS (Notes 10 and 21)	765,565	88	558,858	99	1,362,632	92	1,101,043	98
GROSS PROFIT	111,713	12	3,961	1	127,696	8	25,672	2
OPERATING EXPENSES (Note 21)								
Marketing	37,245	4	28,047	5	69,028	4	52,845	5
General and administrative	54,038	6	51,103	9	103,717	7	99,680	9
Research and development	(1,885)	-	2,780	1	(604)	-	5,779	-
Expected credit loss (gain) (Note 9)	279	-	43	-	(3,436)	-	(394)	-
Total operating expenses	89,677	10	81,973	15	168,705	11	157,910	14
PROFIT (LOSS) FROM OPERATIONS	22,036	2	(78,012)	(14)	(41,009)	(3)	(132,238)	(12)
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	6,019	1	4,785	1	8,833	1	7,975	1
Other income	2,608	-	1,719	1	3,757	-	3,090	-
Other gains and losses	(10,128)	(1)	24,056	4	(13,338)	(1)	18,027	2
Finance costs	(16,437)	(2)	(10,186)	(2)	(29,820)	(2)	(20,129)	(2)
Total non-operating income and expenses	(17,938)	(2)	20,374	4	(30,568)	(2)	8,963	1
PROFIT (LOSS) BEFORE INCOME TAX	4,098	-	(57,638)	(10)	(71,577)	(5)	(123,275)	(11)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 22)	(3,703)	-	27,405	5	1,760	-	54,501	5
NET PROFIT (LOSS)	395	-	(30,233)	(5)	(69,817)	(5)	(68,774)	(6)
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19 and 22)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	6,162	1	529	-	8,826	1	537	-

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# GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ -	-	\$ 16	-	\$ (2)	-	\$ 4	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	17,487	2	(63,106)	(11)	68,125	4	(54,440)	(5)
Income tax relating to items that may be reclassified subsequently to profit or loss	336	-	(1,592)	(1)	(1,120)	-	(1,246)	-
Other comprehensive income (loss) for the period, net of income tax	23,985	3	(64,153)	(12)	75,829	5	(55,145)	(5)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ 24,380</u>	<u>3</u>	<u>\$ (94,386)</u>	<u>(17)</u>	<u>\$ 6,012</u>	<u>-</u>	<u>\$ (123,919)</u>	<u>(11)</u>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>								
Owners of the Company	<u>\$ 395</u>	<u>-</u>	<u>\$ (30,233)</u>	<u>(5)</u>	<u>\$ (69,817)</u>	<u>(5)</u>	<u>\$ (68,774)</u>	<u>(6)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>								
Owners of the Company	<u>\$ 24,380</u>	<u>3</u>	<u>\$ (94,386)</u>	<u>(17)</u>	<u>\$ 6,012</u>	<u>-</u>	<u>\$ (123,919)</u>	<u>(11)</u>
<b>EARNINGS (LOSS) PER SHARE (Note 23)</b>								
Basic	<u>\$ -</u>		<u>\$ (0.18)</u>		<u>\$ (0.42)</u>		<u>\$ (0.41)</u>	
Diluted	<u>\$ -</u>		<u>\$ (0.18)</u>		<u>\$ (0.42)</u>		<u>\$ (0.41)</u>	

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

(Concluded)

# GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to the Owners of the Company						Other Equity					
	Ordinary Shares	Capital Surplus	Retained Earnings			Total	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Financial Statements of Foreign Operations	Remeasurement of Defined Benefit Plans	Total	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Accumulated Deficits							
BALANCE AT JANUARY 1, 2024	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (142,334)	\$ 320,307	\$ 7,649	\$ (149,664)	\$ 7,379	\$ (134,636)	\$ (43,059)	\$ 2,105,927
Net loss for the six months ended June 30, 2024	-	-	-	-	(69,817)	(69,817)	-	-	-	-	-	(69,817)
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	8,824	67,005	-	75,829	-	75,829
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	(69,817)	(69,817)	8,824	67,005	-	75,829	-	6,012
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	7,835	7,835	(7,835)	-	-	(7,835)	-	-
BALANCE AT JUNE 30, 2024	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (204,316)	\$ 258,325	\$ 8,638	\$ (82,659)	\$ 7,379	\$ (66,642)	\$ (43,059)	\$ 2,111,939
BALANCE AT JANUARY 1, 2023	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 159,585	\$ (33,158)	\$ 491,252	\$ (29)	\$ (102,745)	\$ 4,958	\$ (97,816)	\$ (43,059)	\$ 2,313,692
Appropriation of 2022 earnings Special reserve	-	-	-	(61,769)	61,769	-	-	-	-	-	-	-
Net loss for the six months ended June 30, 2023	-	-	-	-	(68,774)	(68,774)	-	-	-	-	-	(68,774)
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	541	(55,686)	-	(55,145)	-	(55,145)
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	(68,774)	(68,774)	541	(55,686)	-	(55,145)	-	(123,919)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	95	95	(95)	-	-	(95)	-	-
BALANCE AT JUNE 30, 2023	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (40,068)	\$ 422,573	\$ 417	\$ (158,431)	\$ 4,958	\$ (153,056)	\$ (43,059)	\$ 2,189,773

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

# GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

	<b>Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (71,577)	\$ (123,275)
Adjustments for:		
Depreciation expense	115,568	118,451
Amortization expense	2,285	1,742
Expected credit loss reversed	(3,436)	(394)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	6,130	(1,245)
Finance costs	29,820	20,129
Interest income	(8,833)	(7,975)
Dividend income	(524)	(244)
Net loss on disposal of property, plant and equipment	3,595	1,668
Write-down (reversal of write-down) of inventories	(20,802)	508
Other non-cash items	5,181	3,109
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	59
Notes receivable	7,055	(30,533)
Accounts receivable	(139,661)	87,633
Other receivables	329	2,082
Inventories	52,233	161,572
Other current assets	587	(296)
Notes payable	15,528	54,287
Accounts payable	(213,678)	(3,411)
Other payables	(1,365)	(332)
Other current liabilities	480	1,397
Net defined benefit assets	(964)	(788)
Cash (used in) generated from operations	(222,049)	284,144
Interest received	8,048	7,655
Income tax received (paid)	(475)	15,830
Net cash (used in) generated from operating activities	<u>(214,476)</u>	<u>307,629</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(54,249)	(19,599)
Proceeds from sale of financial assets at fair value through other comprehensive income	57,184	9,230
Purchase of financial assets at fair value through profit or loss	-	(29,306)
Proceeds from sale of financial assets at fair value through profit or loss	-	20,638
Payments for property, plant and equipment	(146,865)	(164,577)
Proceeds from disposal of property, plant and equipment	1,520	1,441
Increase in other financial assets	(172,123)	(8,514)

(Continued)

# GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

	<b>Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Increase in other non-current assets	\$ (1,835)	\$ (273)
Dividends received	<u>524</u>	<u>244</u>
Net cash used in investing activities	<u>(315,844)</u>	<u>(190,716)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,472,454	723,609
Repayments of short-term borrowings	(1,268,314)	(1,065,788)
Proceeds from short-term bills payable	-	10,000
Repayments of short-term bills payable	(50,000)	-
Proceeds from long-term borrowings	531,000	201,000
Repayments of long-term borrowings	(319,522)	(191,268)
Repayments of the principal portion of lease liabilities	(448)	(371)
Interest paid	<u>(32,951)</u>	<u>(22,874)</u>
Net cash generated from (used in) financing activities	<u>332,219</u>	<u>(345,692)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>39,745</u>	<u>(12,626)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(158,356)	(241,405)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,040,692</u>	<u>1,175,042</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 882,336</u>	<u>\$ 933,637</u>

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

(Concluded)



# GEM TERMINAL IND. CO., LTD. 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

GEM Terminal Ind. Co., Ltd. (the “Company”) was incorporated in July 1993 under the laws of the Republic of China. The Company mainly manufactures and sells series terminals, plug inserts, housing and electronic connectors for AC and DC power cords; electric and motor parts terminal; electric and communication terminal; copper smelting.

The Company’s shares have been listed on the Taiwan Stock Exchange since September 2001.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 9, 2024.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company and entities controlled by the Company (collectively the “Group”).

- 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><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note)</u></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 discounted operations categories.

The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing 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

##### a. 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.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities 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:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) 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
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

##### c. Basis of consolidation

The basis of preparation applied in the consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

See Note 12, tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

##### d. Other material accounting policy

Except for the following, please refer to the summary of material accounting policy information in the consolidated financial statements for the year ended December 31, 2023.

###### 1) 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, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) 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.

3) Income tax expense

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

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

In the application of the Group's material accounting judgments and key sources of estimation uncertainty, please refer to the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cash on hand	\$ 3,615	\$ 2,817	\$ 2,387
Checking accounts and demand deposits	620,077	899,246	651,631
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>258,644</u>	<u>138,629</u>	<u>279,619</u>
	<u>\$ 882,336</u>	<u>\$ 1,040,692</u>	<u>\$ 933,637</u>

a. The market interest rates of cash equivalents at the end of the reporting period were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Time deposits (%)	1.10-5.40	1.09-5.40	1.17-5.30

b. The Group transacted with a variety of financial institutions with sound credit ratings to disperse credit risk; hence, there was no expected credit loss.

## 7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
Beneficiary certificates	\$ -	\$ 6,247	\$ -
Gold passbooks	<u>-</u>	<u>-</u>	<u>9,854</u>
	<u>\$ -</u>	<u>\$ 6,247</u>	<u>\$ 9,854</u>

## 8. FINANCIAL ASSETS AT FVTOCI - CURRENT

	June 30, 2024	December 31, 2023	June 30, 2023
Investments in equity instruments at FVTOCI			
Domestic listed shares	\$ 46,111	\$ 40,006	\$ 9,272
Overseas listed shares	<u>-</u>	<u>213</u>	<u>2,164</u>
	<u>\$ 46,111</u>	<u>\$ 40,219</u>	<u>\$ 11,436</u>

These investments in equity instruments are not held for trading. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

## 9. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 145,984</u>	<u>\$ 153,039</u>	<u>\$ 135,182</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 957,200	\$ 817,539	\$ 617,042
Less: Allowance for impairment loss	<u>7,335</u>	<u>10,525</u>	<u>9,044</u>
	<u>\$ 949,865</u>	<u>\$ 807,014</u>	<u>\$ 607,998</u>

### a. Notes and accounts receivable

The main credit period of sales of goods was 30-120 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for the notes receivable and accounts receivable at an amount equal to lifetime ECLs. The expected credit losses are estimated using a provision matrix prepared by reference to the past default experience of the customers, the customer's current financial position, as well as the 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 accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For accounts receivable 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 and accounts receivable based on the Group's provision matrix.

June 30, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>181 to 360 Days Past Due</b>	<b>Over 360 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0-0.6	0.5-55	47-68	63-100	100	
Gross carrying amount	\$1,061,311	\$ 36,127	\$ 532	\$ 2,706	\$ 2,508	\$1,103,184
Loss allowance (Lifetime ECLs)	<u>(1,163)</u>	<u>(614)</u>	<u>(356)</u>	<u>(2,694)</u>	<u>(2,508)</u>	<u>(7,335)</u>
Amortized cost	<u>\$1,060,148</u>	<u>\$ 35,513</u>	<u>\$ 176</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$1,095,849</u>

December 31, 2023

	<b>Not Past Due</b>	<b>1 to 60 Days Past Due</b>	<b>61 to 180 Days Past Due</b>	<b>181 to 360 Days Past Due</b>	<b>Over 360 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0-0.6	2-10	20-60	50-70	100	
Gross carrying amount	\$ 925,649	\$ 38,885	\$ 1,035	\$ 128	\$ 4,881	\$ 970,578
Loss allowance (Lifetime ECLs)	<u>(3,199)</u>	<u>(1,978)</u>	<u>(383)</u>	<u>(84)</u>	<u>(4,881)</u>	<u>(10,525)</u>
Amortized cost	<u>\$ 922,450</u>	<u>\$ 36,907</u>	<u>\$ 652</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 960,053</u>

June 30, 2023

	<b>Not Past Due</b>	<b>1 to 60 Days Past Due</b>	<b>61 to 180 Days Past Due</b>	<b>181 to 360 Days Past Due</b>	<b>Over 360 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0-0.6	2-20	20-60	100	100	
Gross carrying amount	\$ 723,758	\$ 23,002	\$ 624	\$ 15	\$ 4,825	\$ 752,224
Loss allowance (Lifetime ECLs)	<u>(2,627)</u>	<u>(1,351)</u>	<u>(226)</u>	<u>(15)</u>	<u>(4,825)</u>	<u>(9,044)</u>
Amortized cost	<u>\$ 721,131</u>	<u>\$ 21,651</u>	<u>\$ 398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743,180</u>

The movements of the loss allowance of notes, and accounts receivable were as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 10,525	\$ 9,655
Net remeasurement of loss allowance	(3,436)	(394)
Foreign exchange gains and losses	<u>246</u>	<u>(217)</u>
Balance at June 30	<u>\$ 7,335</u>	<u>\$ 9,044</u>

## 10. INVENTORIES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Finished goods	\$ 339,571	\$ 270,605	\$ 200,130
Work in process	126,928	162,007	162,648
Raw materials	435,463	491,573	219,040
Supplies	<u>110,022</u>	<u>117,602</u>	<u>100,685</u>
	<u>\$ 1,011,984</u>	<u>\$ 1,041,787</u>	<u>\$ 682,503</u>

All operating costs recognized for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were the cost of inventories, which included the following items:

	<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>
Inventory write-downs (reversed)	\$ (32,707)	\$ 508	\$ (20,802)	\$ 508
Recognition (reversal) of provisions	(94)	299	(38)	416
Others	<u>221</u>	<u>(9)</u>	<u>279</u>	<u>(14)</u>
	<u>\$ (32,580)</u>	<u>\$ 798</u>	<u>\$ (20,561)</u>	<u>\$ 910</u>

Inventory write-downs were reversed as a result of those write-down inventories have been sold.

## 11. OTHER FINANCIAL ASSETS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Pledged time deposits	\$ 4,151	\$ 9,658	\$ 6,453
Time deposits with original maturity more than 3 months	192,446	12,580	-
Refundable deposits	<u>13,003</u>	<u>15,239</u>	<u>31,104</u>
	<u>\$ 209,600</u>	<u>\$ 37,477</u>	<u>\$ 37,557</u>

(Continued)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Current	\$ 202,563	\$ 30,587	\$ 30,674
Non-current	<u>7,037</u>	<u>6,890</u>	<u>6,883</u>
	<u>\$ 209,600</u>	<u>\$ 37,477</u>	<u>\$ 37,557</u> (Concluded)

a. The market rate intervals of other financial assets at the end of the reporting period were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Time deposits (%)	1.35-4.2	1.35-6.20	1.35-6.20

b. The counterparties of the Group's time deposits were banks with good credit ratings with no significant default concerns, hence, there was no expected credit loss.

c. Refer to Note 27 for the information of other financial assets pledged as collateral.

## 12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Percentage of Ownership (%)		
		June 30, 2024	December 31, 2023	June 30, 2023
The Company	Global Electronics Terminal (Cayman) Co., Ltd. (Global Cayman)	100	100	100
	Genius Terminal Co., Ltd. (Genius)	100	100	100
	GEM Terminal (Cayman) Co., Ltd. (GEM Cayman)	100	100	100
Global Cayman	Vibo Gem International Co., Ltd. (Vibo)	100	100	100
	Global Electronics Terminal (HK) Co., Ltd. (Global HK)	100	100	100
Genius	Genius Terminal (HK) Ltd. (Genius HK)	100	100	100
GEM Cayman	Vietnam Gem Electronic and Metal Co., Ltd (GEM VN)	100	100	100
Vibo	Suzhou Gem Opto-Electronics Terminal Co., Ltd. (GEM Suzhou)	100	100	100
	Dongguan Gem Electronics & Metal Co., Ltd. (GEM Dongguan)	100	100	100

Refer to Tables 5 and 6 for information on the Group's main business and registered country.



### 13. PROPERTY, PLANT, AND EQUIPMENT

a. Movements of cost and accumulated depreciation were as follows:

#### Six months ended June 30, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 245,920	\$ 1,048,512	\$ 1,807,703	\$ 44,127	\$ 782,718	\$ 233,473	\$ 4,162,453
Additions	-	7,181	75,911	1,547	19,999	58,160	162,798
Disposal	-	(2,025)	(65,968)	(964)	(36,758)	-	(105,715)
Effect of foreign currency exchange differences	-	21,017	(79,867)	635	18,417	9,699	(30,099)
Balance at June 30, 2024	<u>\$ 245,920</u>	<u>\$ 1,074,685</u>	<u>\$ 1,737,779</u>	<u>\$ 45,345</u>	<u>\$ 784,376</u>	<u>\$ 301,332</u>	<u>\$ 4,189,437</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ (645,193)	\$ (1,230,809)	\$ (25,072)	\$ (543,145)	\$ -	\$ (2,444,219)
Depreciation expenses	-	(20,460)	(54,627)	(2,137)	(36,946)	-	(114,170)
Disposal	-	1,727	64,329	927	33,617	-	100,600
Effect of foreign currency exchange differences	-	(13,245)	89,097	(325)	(11,657)	-	63,870
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ (677,171)</u>	<u>\$ (1,132,010)</u>	<u>\$ (26,607)</u>	<u>\$ (558,131)</u>	<u>\$ -</u>	<u>\$ (2,393,919)</u>
Carrying amounts at December 31, 2023 and January 1, 2024	<u>\$ 245,920</u>	<u>\$ 403,319</u>	<u>\$ 576,894</u>	<u>\$ 19,055</u>	<u>\$ 239,573</u>	<u>\$ 233,473</u>	<u>\$ 1,718,234</u>
Carrying amounts at June 30, 2024	<u>\$ 245,920</u>	<u>\$ 397,514</u>	<u>\$ 605,769</u>	<u>\$ 18,738</u>	<u>\$ 226,245</u>	<u>\$ 301,332</u>	<u>\$ 1,795,518</u>

#### Six months ended June 30, 2023

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 245,920	\$ 1,056,899	\$ 1,758,251	\$ 49,319	\$ 764,823	\$ 158,801	\$ 4,034,013
Additions	-	9,368	53,413	965	33,324	43,037	140,107
Disposal	-	(7,067)	(105,139)	(3,055)	(25,596)	-	(140,857)
Effect of foreign currency exchange differences	-	(14,824)	(63,485)	(510)	(11,489)	(1,296)	(91,604)
Balance at June 30, 2023	<u>\$ 245,920</u>	<u>\$ 1,044,376</u>	<u>\$ 1,643,040</u>	<u>\$ 46,719</u>	<u>\$ 761,062</u>	<u>\$ 200,542</u>	<u>\$ 3,941,659</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ (623,773)	\$ (1,182,170)	\$ (31,190)	\$ (520,063)	\$ -	\$ (2,357,196)
Depreciation expenses	-	(20,559)	(53,718)	(1,849)	(40,932)	-	(117,058)
Disposal	-	5,721	103,882	2,970	25,175	-	137,748
Effect of foreign currency exchange differences	-	12,846	30,026	352	8,543	-	51,767
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ (625,765)</u>	<u>\$ (1,101,980)</u>	<u>\$ (29,717)</u>	<u>\$ (527,277)</u>	<u>\$ -</u>	<u>\$ (2,284,739)</u>
Carrying amounts at June 30, 2023	<u>\$ 245,920</u>	<u>\$ 418,611</u>	<u>\$ 541,060</u>	<u>\$ 17,002</u>	<u>\$ 233,785</u>	<u>\$ 200,542</u>	<u>\$ 1,656,920</u>

- b. The Company purchased agricultural land of \$7,908 thousand that cannot be transferred to the Company because of statutory limitations; thus, the Company registered the property rights in the name of related party, Su Chung-Hong. The land is mortgaged to the Company and the agreement stipulated unconditional conveyance of the land to the Company.
- c. The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

#### Buildings

Factory facilities  
Building facilities

5-25 years  
3-25 years  
(Continued)

Main building of the factory	20-50 years
Main building of the office	20-55 years
Machinery and equipment	5-10 years
Transportation equipment	5-12 years
Others	5-10 years
	(Concluded)

d. Refer to Note 27 for the carrying amount of property, plant and equipment pledged as collateral for bank borrowings.

e. Reconciliation of additions and the cash paid stated in the statements of cash flows was follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Additions to property, plant and equipment	\$ 162,798	\$ 140,107
Capitalized interest	(3,236)	(2,495)
Increase in prepayments for equipment	12,355	33,437
Increase in payables for purchase of equipment	<u>(25,052)</u>	<u>(6,472)</u>
Cash paid	<u>\$ 146,865</u>	<u>\$ 164,577</u>

#### 14. LEASE ARRANGEMENTS

a. Right-of-use assets

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>	
	Carrying amount			
Land	\$ 56,650	\$ 55,995	\$ 62,707	
Buildings	3,124	3,116	3,287	
Transportation equipment	<u>242</u>	<u>604</u>	<u>967</u>	
	<u>\$ 60,016</u>	<u>\$ 59,715</u>	<u>\$ 66,961</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>
Depreciation charge for right-of-use assets				
Land	\$ 503	\$ 497	\$ 999	\$ 994
Buildings	19	19	37	37
Transport equipment	<u>181</u>	<u>180</u>	<u>362</u>	<u>362</u>
	<u>\$ 703</u>	<u>\$ 696</u>	<u>\$ 1,398</u>	<u>\$ 1,393</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2024 and 2023.

b. Lease liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Carrying amount			
Current	<u>\$ 363</u>	<u>\$ 781</u>	<u>\$ 856</u>
Noncurrent	<u>\$ 222</u>	<u>\$ 252</u>	<u>\$ 585</u>
Range of discount rate for lease liabilities (%)			
Land	2.07	2.07	2.07
Transportation equipment	1.57	1.57	1.57

c. Material leasing activities and terms

The subsidiaries lease land and buildings for the use as plants, office and employee dormitories with lease terms of 35 to 50 years, which will expire from December 2046 to December 2066 in a row. The Group does not have bargain purchase options to acquire the leasehold land and buildings or extension options at the end of the lease terms. For the year ended December 31, 2023, the Group recognized an impairment loss of \$5,194 thousand for the land that has not obtained the land use right certificate and has no recoverable value. As of June 30 2024, the Group is in the process of obtaining the land use right certificate for a partial land lease of \$3,117 thousand.

d. Refer to Note 27 for the carrying amount of right-of-use assets pledged as collateral for bank borrowings.

e. Other lease information

	<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>
Expenses relating to short-term leases	<u>\$ 291</u>	<u>\$ 291</u>	<u>\$ 582</u>	<u>\$ 582</u>
Expenses relating to low-value assets leases	<u>\$ 18</u>	<u>\$ 7</u>	<u>\$ 38</u>	<u>\$ 34</u>
Total cash outflow for leases			<u>\$ 1,157</u>	<u>\$ 1,153</u>

The Group has elected to apply the recognition exemption for leases of certain subject qualifying as short-term or low-value asset lease, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 15. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Group's notes payable and accounts payable were generated from operating activities and were not secured by collateral.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms; therefore, no interest was charged on the outstanding accounts payable.

## 16. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for purchase of equipment	\$ 84,145	59,093	44,333
Payables for salaries and bonuses	38,868	41,198	32,480
Payables for freight	16,276	14,641	11,727
Payables for service fees	8,237	10,731	6,262
Payables for utilities expense	5,250	4,953	4,606
Payables for processing fees	3,300	4,536	3,931
Payables for taxes	4,295	3,777	3,740
Others	<u>48,390</u>	<u>46,040</u>	<u>41,147</u>
	<u>\$ 208,761</u>	<u>\$ 184,969</u>	<u>\$ 148,226</u>

## 17. BORROWINGS

### a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Bank loans</u>			
Unsecured bank loans	\$ 633,973	\$ 655,618	\$ 384,080
Secured loans (Note 27)	<u>533,535</u>	<u>291,216</u>	<u>75,124</u>
	<u>\$ 1,167,508</u>	<u>\$ 946,834</u>	<u>\$ 459,204</u>
Unsecured loans annual interest rates (%)	2.18-5.70	2.05-5.70	2.05-5.70
Secured loans annual interest rates (%)	2.85-5.68	2.85-6.07	3.00-5.99

### b. Short-term bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial papers			
China Bills Finance Corporation	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 10,000</u>
Annual interest rates (%)	-	2.04	2.04

### c. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Bank loans</u>			
Unsecured loans	\$ 753,590	\$ 864,337	\$ 846,333
Secured loans (Note 27)	<u>500,000</u>	<u>177,775</u>	<u>245,548</u>
	<u>1,253,590</u>	<u>1,042,112</u>	<u>1,091,881</u>

(Continued)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Less: Current portion	\$ <u>439,083</u>	\$ <u>413,342</u>	\$ <u>349,030</u>
	\$ <u>814,507</u>	\$ <u>628,770</u>	\$ <u>742,851</u>
Unsecured loans annual interest rates (%)	2.00-2.85	2.00-2.72	2.00-2.72
Secured loans annual interest rates (%)	2.44	2.32	2.32-2.45
Unsecured loans expiration period	2024.11-2029.06	2024.05-2028.10	2024.05-2028.06
Secured loans expiration period	2029.03	2025.07	2025.07-2037.08 (Concluded)

Under loan agreements with certain banks, the Group should maintain certain financial ratios based on reviewed semiannual and audited annual consolidated financial statements.

The Group was not compliant with the requirement of the times interest earned ratio and loan ratio stated in the partial borrowing with certain banks as of June 30, 2024 and December 31, 2023, except for exempted loans, for which the banks may adjust the interest rates on the incompliant loans.

## 18. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, employee benefit expenses in respect of the Group's defined benefit retirement plans were \$12 thousand, \$56 thousand, \$24 thousand and \$112 thousand, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

## 19. EQUITY

### a. Ordinary shares

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Number of shares authorized (in thousands)	<u>221,000</u>	<u>221,000</u>	<u>221,000</u>
Shares authorized	\$ <u>2,210,000</u>	\$ <u>2,210,000</u>	\$ <u>2,210,000</u>
Number of shares issued and fully paid (in thousands)	<u>169,200</u>	<u>169,200</u>	<u>169,200</u>
Shares issued	\$ <u>1,692,000</u>	\$ <u>1,692,000</u>	\$ <u>1,692,000</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

Items	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Issuance of ordinary shares	\$ 266,411	\$ 266,411	\$ 266,411
Treasury share transactions	<u>4,904</u>	<u>4,904</u>	<u>4,904</u>
	<u>\$ 271,315</u>	<u>\$ 271,315</u>	<u>\$ 271,315</u>

The above capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to ordinary shares (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles of Incorporation (the "Articles") where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of share dividends and bonuses to shareholders.

The Articles also explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from the prior period, the sum of net profit for the current period and items other than the net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

In addition, as stipulated in the Articles, the board of directors is authorized, under Article 240 of the Company Act, to resolve the distribution of dividends and bonuses in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, or, under Article 241 of the Company Act, to resolve the distribution of the dividends and bonuses in whole or, in part of the legal reserve and capital surplus, and a report of such distribution shall be submitted to the shareholders in their meeting.

The Company's dividend policy is in line with the Company's operating scale and research and development needs in order to maintain sound management and promote stockholders' long-term interests. Thus, the Company adopted residual dividend policy as its stockholder dividends' policy. The Company's profit may be distributed in the form of cash and/or stock. However, distribution of profits should preferably be in the form of cash dividends. Cash dividends should be at least 10% of the total dividends distributed. However, if the amount of cash dividends per share is less than \$0.2, the Company may choose to distribute stock dividends instead.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The statements of deficit compensation for 2023 and 2022 and the special surplus reserve of \$61,769 thousand for 2022 were approved by the stockholders in their meeting held on June 13, 2024 and June 15, 2023.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (149,664)	\$ (102,745)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	68,125	(54,440)
Income tax effect	<u>(1,120)</u>	<u>(1,246)</u>
Balance at June 30	<u>\$ (82,659)</u>	<u>\$ (158,431)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 7,649	\$ (29)
Recognized for the period		
Unrealized gain - equity instruments	8,826	537
Income tax effect	(2)	4
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(7,835)</u>	<u>(95)</u>
Balance at June 30	<u>\$ 8,638</u>	<u>\$ 417</u>

e. Treasury shares

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Number of shares at the beginning and the end of period (in thousands)	<u>3,301</u>	<u>3,301</u>

The treasury shares held by the Company will be transferred to employees. The shares not transferred within 5 years from the date of buyback shall be deemed as not issued, and amendment registration shall be processed. Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

## 20. OPERATING 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>
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 877,278</u>	<u>\$ 562,819</u>	<u>\$ 1,490,328</u>	<u>\$ 1,126,715</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	\$ 145,984	\$ 153,039	\$ 135,182	\$ 104,649
Accounts receivable, net	<u>949,865</u>	<u>807,014</u>	<u>607,998</u>	<u>695,020</u>
	<u>\$ 1,095,849</u>	<u>\$ 960,053</u>	<u>\$ 743,180</u>	<u>\$ 799,669</u>

b. Disaggregation of revenue

Refer to Note 31 for the disaggregation of revenue and revenue of segment information.

## 21. PROFIT (LOSS) BEFORE INCOME TAX

Profit (loss) before income tax included following items:

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>\$ 6,019</u>	<u>\$ 4,785</u>	<u>\$ 8,833</u>	<u>\$ 7,975</u>

b. Other 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>
Dividends	\$ 255	\$ 236	\$ 524	\$ 244
Others	<u>2,353</u>	<u>1,483</u>	<u>3,233</u>	<u>2,846</u>
	<u>\$ 2,608</u>	<u>\$ 1,719</u>	<u>\$ 3,757</u>	<u>\$ 3,090</u>

c. Other gains and losses

	<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 exchange gains (losses), net	\$ (1,421)	\$ 25,380	\$ (2,734)	\$ 19,179
Loss on disposal of property, plant and equipment, net	(2,035)	(850)	(3,595)	(1,668)
Gains (losses) on financial instruments at FVTPL, net	(6,739)	(188)	(6,130)	1,245
Others	<u>67</u>	<u>(286)</u>	<u>(879)</u>	<u>(729)</u>
	<u>\$ (10,128)</u>	<u>\$ 24,056</u>	<u>\$ (13,338)</u>	<u>\$ 18,027</u>



d. Finance costs

	<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 of borrowings	\$ 18,131	\$ 10,924	\$ 32,967	\$ 22,458
Interest on lease liabilities	39	79	89	166
Less: Amounts included in the cost of qualifying assets	<u>1,733</u>	<u>817</u>	<u>3,236</u>	<u>2,495</u>
	<u>\$ 16,437</u>	<u>\$ 10,186</u>	<u>\$ 29,820</u>	<u>\$ 20,129</u>
Capitalization rate (%)	2.36-2.88	2.29-4.20	2.11-2.88	2.06-4.20

e. Depreciation and amortization

	<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>
Property, plant and equipment	\$ 56,728	\$ 57,792	\$ 114,170	\$ 117,058
Right-of-use assets	703	696	1,398	1,393
Other assets	<u>1,151</u>	<u>834</u>	<u>2,285</u>	<u>1,742</u>
	<u>\$ 58,582</u>	<u>\$ 59,322</u>	<u>\$ 117,853</u>	<u>\$ 120,193</u>
An analysis of depreciation by function				
Operating costs	\$ 48,194	\$ 49,738	\$ 97,468	\$ 100,838
Operating expenses	<u>9,237</u>	<u>8,750</u>	<u>18,100</u>	<u>17,613</u>
	<u>\$ 57,431</u>	<u>\$ 58,488</u>	<u>\$ 115,568</u>	<u>\$ 118,451</u>
An analysis of amortization by function				
Operating costs	\$ 57	\$ 7	\$ 86	\$ 15
Operating expenses	<u>1,094</u>	<u>827</u>	<u>2,199</u>	<u>1,727</u>
	<u>\$ 1,151</u>	<u>\$ 834</u>	<u>\$ 2,285</u>	<u>\$ 1,742</u>

f. Employee benefits expense

	<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 benefits (Note 18)				
Defined contribution plans	\$ 7,880	\$ 6,931	\$ 15,148	\$ 13,984
Defined benefit plans	<u>12</u>	<u>56</u>	<u>24</u>	<u>112</u>
	7,892	6,987	15,172	14,096

(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>
Short-term employee benefits	\$ <u>127,055</u>	\$ <u>101,485</u>	\$ <u>241,755</u>	\$ <u>198,859</u>
	<u>\$ 134,947</u>	<u>\$ 108,472</u>	<u>\$ 256,927</u>	<u>\$ 212,955</u>
An analysis by function				
Operating costs	\$ 98,310	\$ 74,340	\$ 185,900	\$ 144,482
Operating expenses	<u>36,637</u>	<u>34,132</u>	<u>71,027</u>	<u>68,473</u>
	<u>\$ 134,947</u>	<u>\$ 108,472</u>	<u>\$ 256,927</u>	<u>\$ 212,955</u>

(Concluded)

f. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the six months ended June 30, 2024 and 2023, the Company incurred an accumulated deficit and net loss; hence, no employees' compensation or remuneration of directors was accrued for those years.

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

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 22. INCOME TAX

a. Income tax benefit (expense) recognized in profit or loss

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

	<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>
Current tax				
In respect of the current period	\$ (65)	\$ (218)	\$ (97)	\$ (249)
Adjustments for prior years	<u>-</u>	<u>2</u>	<u>-</u>	<u>(426)</u>
	<u>(65)</u>	<u>(216)</u>	<u>(97)</u>	<u>(675)</u>
Deferred tax				
In respect of the current period	(6,726)	16,733	(6,364)	44,288
Adjustments for prior years	<u>3,088</u>	<u>10,888</u>	<u>8,221</u>	<u>10,888</u>
	<u>(3,638)</u>	<u>27,621</u>	<u>1,857</u>	<u>55,176</u>
	<u>\$ (3,703)</u>	<u>\$ 27,405</u>	<u>\$ 1,760</u>	<u>\$ 54,501</u>

b. Income tax recognized directly in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Deferred tax (expense) benefit In respect of the current period				
Translation of foreign operations	\$ 336	\$ (1,592)	\$ (1,120)	\$ (1,246)
Fair value changes of financial assets at FVTOCI	_____ -	_____ 16	_____ (2)	_____ 4
	<u>\$ 336</u>	<u>\$ (1,576)</u>	<u>\$ (1,122)</u>	<u>\$ (1,242)</u>

c. Income tax assessments

The income tax returns of the Company and GEM VN through 2021 have been assessed by the tax authorities. GEM Dongguan and GEM Suzhou had completed the filing of their income tax returns through 2023 with the tax authorities.

### 23. EARNINGS (LOSS) PER SHARE

Due to the net losses incurred for the six months ended June 30, 2024 and for the three months ended June 30, 2023, there is no dilutive effect on the computation of diluted loss per share. The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

Net profit (loss) for the period - attributable to owners of the Company

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Earnings (loss) used in the computation of diluted earnings (loss) per share	<u>\$ 395</u>	<u>\$ (30,233)</u>	<u>\$ (69,817)</u>	<u>\$ (68,774)</u>

Weighted average number of ordinary shares outstanding (in thousands)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in computation of basic earnings (loss) per share	165,899	165,899	165,899	165,899

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will 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.

## 24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt and equity. The Group is not subject to any externally imposed capital requirements, except to maintain certain financial ratios specified under loan agreements (refer to Note 17).

Key management personnel of the Group review the capital structure on a quarterly basis. The capital structure comprises the consideration of costs and risks. The Group balances the overall capital structure based on recommendations of the key management personnel.

## 25. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

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

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 46,111	\$ -	\$ -	\$ 46,111
<u>December 31, 2023</u>				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificates	\$ 6,247	\$ -	\$ -	\$ 6,247
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 40,006	\$ -	\$ -	\$ 40,006
Overseas listed shares	213	-	-	213
	\$ 40,219	\$ -	\$ -	\$ 40,219

June 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Gold passbooks	\$ 9,854	\$ -	\$ -	\$ 9,854
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 9,272	\$ -	\$ -	\$ 9,272
Overseas listed shares	2,164	-	-	2,164
	\$ 11,436	\$ -	\$ -	\$ 11,436

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

c. Categories of financial instruments

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 2,189,040	\$ 2,039,021	\$ 1,715,348
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	-	6,247	9,854
Financial assets at FVTOCI			
Equity instruments	46,111	40,219	11,436
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	3,403,886	3,196,092	2,188,702

Note 1: The balances comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables and other financial assets.

Note 2: The balances comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, and long-term borrowings (including current portion).

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through analyzing exposures to risks. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks as follows:

a) Foreign currency risk

The Group had foreign currency denominated trades, which exposed the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary

assets and monetary liabilities (including those eliminated on consolidation) exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

#### Sensitivity analysis

The Group was mainly exposed to the USD and HKD.

The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive (negative) number below indicates an increase (decrease) in pre-tax profit for a 1% weakening of the functional currency against the relevant currency.

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
USD	\$ 466	\$ 3,976
HKD	582	318

#### b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed 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.

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 455,241	\$ 160,867	\$ 286,072
Financial liabilities	631,855	539,074	221,388
Cash flow interest rate risk			
Financial assets	619,884	899,053	651,456
Financial liabilities	1,789,828	1,500,905	1,341,138

#### Sensitivity analysis

The sensitivity analysis below was 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 period.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would decrease/increase \$5,850 thousand and \$3,448 thousand, respectively, which was mainly a result of the changes in the floating interest rate bank deposits and borrowings.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in Gold passbooks and equity securities. Equity investments are held for strategic rather than for trading purposes, the

Group manages this exposure by maintaining a portfolio of investments with different risks.

### Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to equity price risk at the end of the reporting period.

If financial assets at FVTPL had been 1% higher/lower, the pre-tax profit (loss) for the six months ended June 30, 2024 would have increased/decreased by \$99 thousand as a result of holding these investments.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$461 thousand and \$114 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

## 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. The Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to counterparties' failure to discharge an obligation, is the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group's significant concentration of credit risk exists when the Company's trade receivables are significantly concentrated with a few customers, most of whom are engaged in similar business activities and have similar economic characteristics, such that their ability to fulfill their contractual obligations is also similarly affected by economic or other conditions. The total carrying amount of trade receivables from customers with a significant concentration of credit risk is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Group A	<u>\$ 118,109</u>	<u>\$ 97,485</u>	<u>\$ 94,355</u>
Percentage of total trade receivables (%)	11	10	13

## 3) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's funding and liquidity management requirements.

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

### Liquidity risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables had 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 tables include both interest and principal cash flows. Specifically, liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of the counterparties choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

June 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>4 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing	\$ 462,271	\$ 295,512	\$ 223,111	\$ -
Fixed interest rate liabilities	164,469	82,878	551,950	-
Variable interest rate liabilities	198,767	180,671	643,077	846,079
Lease liabilities	90	179	170	300
Financial guarantee contracts	<u>14,016</u>	<u>22,016</u>	<u>10,264</u>	<u>-</u>
	<u>\$ 839,613</u>	<u>\$ 581,256</u>	<u>\$ 1,428,572</u>	<u>\$ 846,379</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>4 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing	\$ 556,510	\$ 400,309	\$ 198,539	\$ -
Fixed interest rate liabilities	170,927	40,428	284,662	50,351
Variable interest rate liabilities	81,076	243,552	626,384	593,630
Lease liabilities	90	179	674	360
Financial guarantee contracts	<u>6,925</u>	<u>10,438</u>	<u>12,791</u>	<u>-</u>
	<u>\$ 815,528</u>	<u>\$ 694,906</u>	<u>\$ 1,123,050</u>	<u>\$ 644,341</u>

June 30, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>4 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
Non-interest bearing	\$ 307,064	\$ 200,777	\$ 116,983	\$ -	\$ -
Fixed interest rate liabilities	50,522	10,692	61,922	101,214	-
Variable interest rate liabilities	120,296	106,223	498,446	646,562	14,779
Lease liabilities	90	179	806	738	-
Financial guarantee contracts	<u>-</u>	<u>23,865</u>	<u>9,192</u>	<u>-</u>	<u>-</u>
	<u>\$ 477,972</u>	<u>\$ 341,736</u>	<u>\$ 687,349</u>	<u>\$ 748,514</u>	<u>\$ 14,779</u>

The amounts included above for variable interest rate non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the accounts payable to these suppliers. The information was as follows:



	June 30, 2024	December 31, 2023	June 30, 2023
Transferred but not derecognized (Note 1)	\$ 37,412	\$ 49,451	\$ 35,515
Transferred and derecognized (Note 2)	<u>46,296</u>	<u>30,154</u>	<u>33,057</u>
	<u>\$ 83,708</u>	<u>\$ 79,605</u>	<u>\$ 68,572</u>
Maturity date	2024.07-2024.11	2024.01-2024.05	2023.07-2023.11

Note 1: If the bills receivable are not paid upon maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group has not transferred the significant risks and rewards relating to these banker's acceptance bills, and the Group has continued to recognize these bills as collateral.

Note 2: The Group has transferred substantially all risks and rewards relating to the banker's acceptance bills; however, if the derecognized bills receivable are not paid upon maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable. The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the carrying amounts of the transferred but unsettled bills receivable. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of derecognized bills receivable in its continuing involvement are not significant.

For the six months ended June 30, 2024 and 2023, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

## 26. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed in note 13, Transactions between the Group and its related parties were as follows:

a. Related party name and its relationship with the Group

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Su, Tun-Li	Key management personnel
Su, Chung-Hong	Key management personnel
Su, Hong-Yue-Chi	Other related parties
Su, Tun-Yi	Other related parties

b. Payables to related parties

Line Item	Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Other payables - related parties	Key management personnel			
	Su, Tun-Li	\$ 1,335	\$ 890	\$ -
	Su, Chung-Hong	<u>14</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,349</u>	<u>\$ 890</u>	<u>\$ -</u>

The above other payables were rental payables.

The outstanding payables to related parties are unsecured.

c. Service fees

Other related parties provided consulting services to the Company and the service fees of \$561 thousand, \$561 thousand, \$1,122 thousand and \$1,122 thousand were recognized as operating expenses and paid for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, respectively.

d. Lease arrangements

Line Item	Related Party Name	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities	Su, Chung-Hong	<u>\$ 279</u>	<u>\$ 303</u>	<u>\$ 324</u>

Line Item	Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Finance costs	Su, Chung-Hong	<u>\$ 17</u>	<u>\$ 20</u>	<u>\$ 36</u>	<u>\$ 41</u>
Rental expenses	Su, Tun-Li	<u>\$ 222</u>	<u>\$ 222</u>	<u>\$ 445</u>	<u>\$ 445</u>

The rental was determined based on negotiations between the Company and the related parties and paid according to the general payment terms.

e. Guarantees

Details of the guarantees provided by the Group's related parties for the loans of the Group were as follows:

Guarantor	June 30, 2024	December 31, 2023	June 30, 2023
Su, Tun-Li	\$ 1,086,314	\$ 993,903	\$ 812,732
Su, Chung-Hong	<u>903,514</u>	<u>807,003</u>	<u>688,405</u>
	<u>\$ 1,989,828</u>	<u>\$ 1,800,906</u>	<u>\$ 1,501,137</u>

f. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 3,605	\$ 3,401	\$ 6,916	\$ 6,820
Post-employment benefits	<u>65</u>	<u>65</u>	<u>130</u>	<u>130</u>
	<u>\$ 3,670</u>	<u>\$ 3,466</u>	<u>\$ 7,046</u>	<u>\$ 6,950</u>

The remuneration of directors and other members of key management is determined by the remuneration committee based on the performance of individuals and market trends.

## 27. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The Group provided the following assets as collateral for the borrowings, bank's acceptance and performance guarantees:

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 37,412	\$ 49,451	\$ 35,515
Property, plant and equipment	475,372	372,756	484,824
Pledged deposits (under other financial assets)	4,151	9,658	6,453
Right-of-use assets	<u>28,071</u>	<u>27,934</u>	<u>28,800</u>
	<u>\$ 545,006</u>	<u>\$ 459,799</u>	<u>\$ 555,592</u>

## 28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

At the balance sheet date, the Group's significant contingent liabilities and unrecognized commitments were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Purchases of property, plant, and equipment	<u>\$ 148,265</u>	<u>\$ 90,580</u>	<u>\$ 115,760</u>
Purchases of raw materials	<u>\$ 43,022</u>	<u>\$ 25,336</u>	<u>\$ 94,701</u>

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

The following information was aggregated by the foreign currencies other than functional currencies of the Group's entities and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
<u>June 30, 2024</u>				
Financial assets				
Monetary items				
USD	\$ 4,195	32.45	(USD:NTD)	\$ 136,112
USD	15,186	7.2987	(USD:RMB)	492,785
USD	17,928	7.8080	(USD:HKD)	581,777
USD	4,343	25.431	(USD:VND)	140,916
HKD	26	4.1560	(HKD:NTD)	107
HKD	12,677	0.9348	(HKD:RMB)	52,687
HKD	1,291	0.1281	(HKD:USD)	5,365
				<u>\$ 1,409,749</u>
Financial liabilities				
Monetary items				
USD	4,455	32.45	(USD:NTD)	\$ 144,555
USD	3,501	7.2987	(USD:RMB)	113,600

(Continued)

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>		<b>NTD (In Thousands)</b>
USD	\$ 12,786	7.8080	(USD:HKD)	\$ 414,901
USD	19,474	25,431	(USD:VND)	<u>631,945</u>
				<u>\$ 1,305,001</u>
<hr/> <b>December 31, 2023</b> <hr/>				
Financial assets				
Monetary items				
USD	4,501	30.71	(USD:NTD)	\$ 138,228
USD	22,675	7.0957	(USD:RMB)	696,344
USD	25,229	7.8123	(USD:HKD)	774,793
USD	6,002	24,412	(USD:VND)	184,330
HKD	438	3.9310	(HKD:NTD)	1,720
HKD	12,117	0.9083	(HKD:RMB)	47,632
HKD	1,271	0.1280	(HKD:USD)	<u>4,997</u>
				<u>\$ 1,848,044</u>
Financial liabilities				
Monetary items				
USD	1,576	30.71	(USD:NTD)	\$ 48,387
USD	5,052	7.0957	(USD:RMB)	155,134
USD	21,644	7.8123	(USD:HKD)	664,672
USD	26,058	24,412	(USD:VND)	800,249
HKD	10,341	3.9310	(HKD:NTD)	40,651
HKD	100	0.9083	(HKD:RMB)	<u>392</u>
				<u>\$ 1,709,485</u>
<hr/> <b>June 30, 2023</b> <hr/>				
Financial assets				
Monetary items				
USD	11,846	31.1350	(USD:NTD)	\$ 368,816
USD	11,773	7.2711	(USD:RMB)	366,556
USD	13,659	7.8437	(USD:HKD)	425,268
USD	3,070	23,731	(USD:VND)	95,580
HKD	56	3.9740	(HKD:NTD)	222
HKD	19,815	0.9281	(HKD:RMB)	78,746
HKD	1,253	0.1276	(HKD:USD)	<u>4,978</u>
				<u>\$ 1,340,166</u>
Financial liabilities				
Monetary items				
USD	1,374	31.1350	(USD:NTD)	\$ 42,791
USD	3,716	7.2711	(USD:RMB)	115,693
USD	9,908	7.8437	(USD:HKD)	308,488
USD	12,580	23,731	(USD:VND)	391,671
HKD	13,125	3.9740	(HKD:NTD)	<u>52,157</u>
				<u>\$ 910,800</u>
				(Concluded)

For the three and six months ended June 30, 2024 and 2023, realized and unrealized foreign exchange were net loss \$1,421 thousand, net gain \$25,380 thousand, net loss \$2,734 thousand and net gain \$19,179 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant

foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

### 30. ADDITIONAL DISCLOSURES

a. Information on significant transactions:

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided: None.
- 3) Marketable securities held: Table 2.
- 4) Marketable securities acquired or disposed of at cost or price of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at cost 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 3.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 9) Trading in derivative instruments: For the six months ended June 30, 2024, net loss of futures contracts was \$5,882 thousand.
- 10) Inter-company business relationship and material transactions and its amount: Table 8.

b. Information on investees: Table 5.

c. Information on investments in mainland China

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 6.

Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

- 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 7.
- 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 7.
- 3) The amount of property transactions and the amount of the resultant gains or losses: Table 7.

- 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
  - 5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.
  - 6) 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: Table 8.
- d. Information of major stockholders  
List all stockholders with ownership of 5% or greater showing the name of the stockholder, the number of shares owned, and percentage of ownership of each stockholder: Table 9.

### **31. SEGMENT INFORMATION**

Information is reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Each entity of the Group is considered a separate operating segment by the chief operating decision maker (CODM). For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- a. These operating segments have similar production and sales processes;
- b. These operating segments have similar main businesses and products; and
- c. The finance and business of these operating segments as to the consolidated financial statements are not material.

The Group's reportable segments for the six months ended June 30, 2023 were as follows :

- The Company
- GEM Dongguan and Genius HK consolidated information
- GEM Suzhou and Global HK consolidated information
- GEM VN
- Others

#### For the six months ended June 30, 2024

Due to the Group's gradual adjustment of the division of labor model among the various operating segments, the Group consolidated the information as a single operating segment for the six months ended June 30, 2024. They use the overall information of the company for resource allocation and performance measurement. In addition, the measurement basis on which the Group provided the segment information for review by the main management was the same as the financial statements. Therefore, the Group's revenue and results from continuing operations by reportable segment could refer to the consolidated statements of comprehensive income for the six months ended June 30, 2024. The total segment assets and liabilities could be referred to in the consolidated balance sheets on June 30, 2024.

The information of the Group segmented on the old basis for the current and previous periods is attached as follows:

	The Company	GEM Dongguan & Genius HK	GEM Suzhou & Global HK	GEM VN	Others	Adjustment and Elimination	Consolidated Amount
<u>For the six months ended June 30, 2024</u>							
Revenue from external customers	\$ 188,654	\$ 3,057	\$ 1,259,794	\$ 38,823	\$ -	\$ -	\$ 1,490,328
Inter-segment revenue	<u>50,172</u>	<u>113,421</u>	<u>629,117</u>	<u>794,736</u>	<u>-</u>	<u>(1,587,446)</u>	<u>-</u>
Segment revenue	<u>\$ 238,826</u>	<u>\$ 116,478</u>	<u>\$ 1,888,911</u>	<u>\$ 833,559</u>	<u>\$ -</u>	<u>\$(1,587,446)</u>	<u>\$ 1,490,328</u>
Segment income (loss)	<u>(\$ 42,347)</u>	<u>\$ 10,657</u>	<u>\$ (53,657)</u>	<u>\$ 58,757</u>	<u>\$ (573)</u>	<u>\$ (13,846)</u>	\$ (41,009)
Interest income							8,833
Other income							3,757
Other gains and losses							(13,338)
Finance costs							<u>(29,820)</u>
Consolidated loss before income tax							(71,577)
Income tax benefit							<u>1,760</u>
Consolidated net loss							<u>\$ (69,817)</u>
<u>June 30, 2024</u>							
Segment assets	<u>\$ 3,888,184</u>	<u>\$ 982,272</u>	<u>\$ 2,883,791</u>	<u>\$ 1,131,272</u>	<u>\$ 70,662</u>	<u>\$(3,417,573)</u>	<u>\$ 5,538,608</u>
Segment liabilities	<u>\$ 1,787,645</u>	<u>\$ 29,595</u>	<u>\$ 1,611,871</u>	<u>\$ 690,203</u>	<u>\$ -</u>	<u>\$ (681,245)</u>	<u>\$ 3,438,069</u>
<u>For the six months ended June 30, 2023</u>							
Revenue from external customers	\$ 169,660	\$ 414,349	\$ 532,065	\$ 10,641	\$ -	\$ -	\$ 1,126,715
Inter-segment revenue	<u>25,173</u>	<u>150,487</u>	<u>569,809</u>	<u>324,125</u>	<u>-</u>	<u>(1,069,594)</u>	<u>-</u>
Segment revenue	<u>\$ 194,833</u>	<u>\$ 564,836</u>	<u>\$ 1,101,874</u>	<u>\$ 334,766</u>	<u>\$ -</u>	<u>\$(1,069,594)</u>	<u>\$ 1,126,715</u>
Segment income (loss)	<u>\$(40,846)</u>	<u>\$(56,726)</u>	<u>\$(36,991)</u>	<u>\$(34,915)</u>	<u>\$(902)</u>	<u>\$ 38,142</u>	\$ (132,238)
Interest income							7,975
Other income							3,090
Other gains and losses							18,027
Finance costs							<u>(20,129)</u>
Consolidated loss before income tax							(123,275)
Income tax benefit							<u>54,501</u>
Consolidated net loss							<u>\$ (68,744)</u>
<u>June 30, 2023</u>							
Segment assets	<u>\$ 3,749,408</u>	<u>\$ 1,039,980</u>	<u>\$ 1,965,941</u>	<u>\$ 833,686</u>	<u>\$ 66,174</u>	<u>\$(3,228,315)</u>	<u>\$ 4,426,874</u>
Segment liabilities	<u>\$ 1,559,636</u>	<u>\$ 88,188</u>	<u>\$ 692,189</u>	<u>\$ 416,429</u>	<u>\$ 12,860</u>	<u>\$ (532,201)</u>	<u>\$ 2,237,101</u>

**GEM TERMINAL IND. CO., LTD. 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 (Note 2)	Actual Amount Borrowed (Notes 2 and 3)	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	The Company	GEM VN	Other receivables - related parties	Yes	\$ 195,270	\$ 97,350	\$ -	5.8	Short-term financing	\$ -	Business development	\$ -	-	\$ -	\$ 422,388	\$ 844,776	Note 1
1	Vibo	GEM VN	Other receivables - related parties	Yes	32,545	32,450	32,450	5.76	Short-term financing	-	Business development	-	-	-	410,694	821,387	Note 1
2	GEM Dongguan	GEM Suzhou	Other receivables - related parties	Yes	157,045	155,610	155,610	2.85-3	Short-term financing	-	Business development	-	-	-	166,295	332,590	Note 1

Note 1: Under the Company's and the subsidiaries' "Operational Procedures for Lending Funds to Others", if short-term financing is needed, the total amount of these financings shall not exceed 40% of the Company's and the subsidiaries' stockholders' equity, and individual financing shall not exceed 20% of the Company's and the subsidiaries' stockholders' equity.

Note 2: The exchange rate was US\$1 : NT\$32.45.

Note 3: It was eliminated on consolidation.



**GEM TERMINAL IND. CO., LTD. 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				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	<u>Stock</u>							
	Yulon Motor Co., Ltd.	-	Financial assets at FVTOCI - current	1,680	\$ 112	-	\$ 112	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	30,000	1,671	-	1,671	
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at FVTOCI - current	15,000	14,490	-	14,490	
	Inventec Corporation	-	Financial assets at FVTOCI - current	240,000	13,392	-	13,392	
	Quanta Computer Co., Ltd.	-	Financial assets at FVTOCI - current	7,000	2,184	-	2,184	
	MediaTek Co., Ltd.	-	Financial assets at FVTOCI - current	4,000	5,600	-	5,600	
	Coretronic Co., Ltd.	-	Financial assets at FVTOCI - current	29,000	2,639	-	2,639	
	Quanta Storage Inc.	-	Financial assets at FVTOCI - current	45,000	4,995	-	4,995	
	Baso Precision Optics Ltd.	-	Financial assets at FVTOCI - current	14,000	1,028	-	1,028	
					<u>\$ 46,111</u>		<u>\$ 46,111</u>	

**GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES 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)**

Buyer	Related Party	Relationship	Transaction Detail			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note		
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance		% to Total	
GEM Suzhou	Global HK	Affiliate	Sales	\$ 675,965	37	120 days after monthly closing	Note 1	Note 2	\$ 343,510	28	Note 3	
GEM Dongguan	GEM Suzhou	Affiliate	Sales	105,521	96	120 days after monthly closing	Note 1	Note 2	83,736	94	Note 3	
Global HK	The Company	Subsidiary	Sales	130,474	9	120 days after monthly closing	Note 1	Note 2	100,865	22	Note 3	
		GEM Suzhou	Affiliate	Sales	763,165	52	120 days after monthly closing	Note 1	Note 2	110,866	24	Note 3
		GEM VN	Affiliate	Sales	495,177	33	120 days after monthly closing	Note 1	Note 2	189,431	41	Note 3
GEM VN	Global HK	Affiliate	Sales	752,342	90	120 days after monthly closing	Note 1	Note 2	93,479	77	Note 3	

Note 1: The sales price of finished goods was not significantly different from those to third parties, except for the stated sales price of finished goods, there were no comparable transactions with third parties.

Note 2: The sales payment terms of intercompany sales are not significantly different from those to third parties.

Note 3: It was eliminated on consolidation.

**GEM TERMINAL IND. CO., LTD. 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 (Notes 1 and 3)	Turnover Rate (Note 2)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
GEM Dongguan	GEM Suzhou	Affiliate	\$ 245,529	1.51	\$ -	-	\$ 19,844	\$ -
GEM Suzhou	Global HK	Affiliate	357,736	3.14	-	-	160,814	-
Global HK	The Company	Subsidiary	100,865	3.99	-	-	20,415	-
Global HK	GEM Suzhou	Affiliate	110,866	11.88	-	-	154,041	-
Global HK	GEM VN	Affiliate	189,431	2.94	-	-	69,447	-

Note 1: It included accounts receivable and other receivables.

Note 2: The computation of turnover rate didn't include other receivables.

Note 3: It was eliminated on consolidation.

**GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Shares/ Units	%	Carrying Amount			
The Company	Global Cayman	Grand Cayman, Cayman Islands	International investment	\$ 1,295,208	\$ 1,295,208	40,137,184	100	\$ 2,014,250	\$ (35,162)	\$ (35,908)	Notes 1 and 2
	GEM Cayman	Grand Cayman, Cayman Islands	International investment	573,029	573,029	18,598,333	100	411,275	19,585	19,585	Note 1
	Genius	British Virgin Islands	International investment and trading	23,282	23,282	750,000	100	135,069	3,965	3,965	Note 1
Genius	Genius HK	Hong Kong	International trading	90,134	90,134	21,999,998	100	121,175	3,708	3,717	Notes 1 and 2
Global Cayman	Vibo	Hong Kong	International investment and trading	1,541,063	1,541,063	359,972,616	100	2,053,465	(35,464)	(35,464)	Note 1
	Global HK	Hong Kong	International trading	3,747	3,747	1,000,000	100	9,307	(143)	(1)	Notes 1 and 2
GEM Cayman	GEM VN	Vietnam	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production; production and processing of copper cores, copper alloys and copper bars.	567,140	567,140	-	100	423,277	30,115	19,593	Notes 1 and 2

Note 1: It was eliminated on consolidation.

Note 2: Net of unrealized loss (profits).

**GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

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

Investee Company	Main Business and Product	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Fund		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	Net Income of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Notes 1 and 3)	Carrying Amount as of June 30, 2024 (Notes 1 and 3)	Accumulated Repatriation of Investment Income as of June 30, 2024	Note
					Outward	Inward							
GEM Dongguan	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.	\$ 753,462	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	\$ 452,130	\$ -	\$ -	\$ 452,130	\$ 13,457	100	\$ (7,958)	\$ 801,298	\$ 81,641	
GEM Suzhou	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.	1,114,538	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	741,320	-	-	741,320	(32,661)	100	(40,966)	1,215,067	753,650	

Investor Company	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 (Note 2)
The Company	\$1,193,450	\$1,839,915 (US\$56,700 thousand)	\$1,267,163

Note 1: The amount was recognized based on the reviewed financial statements.

Note 2: Under the “Principles Governing the Review of Investments or Technical Cooperation in Mainland China” issued by the Investment Commission on August 29, 2008, the maximum amount that can be invested in companies located in mainland China is 60% of the Company’s net value.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

Investee Company	Counterparty	Transaction Type	Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
				Payment Term	Comparison with Normal Transaction	Ending Balance	%		
The Company	GEM Suzhou	Sales	\$ 31,082	120 days after monthly closing	No significant difference with those to third parties	\$ 2,734	2	\$ 5,569	
		Disposal of property, plant, and equipment	4,307	120 days after monthly closing	No comparable transactions with those in the market	-	-	1,645	
Global HK	GEM Suzhou	Sales	763,165	120 days after monthly closing	No significant difference with those to third parties	110,866	24	28,175	
		Purchase	675,965	120 days after monthly closing	No significant difference with those to third parties	(343,510)	75	4,074	
		Purchase of property plant, and equipment	19,691	120 days after monthly closing	No comparable transactions with those in the market	(14,226)	3	10,813	
Genius HK	GEM Dongguan	Purchase	2,679	120 days after monthly closing	No significant difference with those to third parties	-	-	-	
		Purchase of property plant, and equipment	6,813	120 days after monthly closing	No comparable transactions with those in the market	-	-	(604)	

## GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
 FOR THE SIX MONTHS ENDED JUNE 30, 2024  
 (In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
				Financial Statement Item	Amount (Note 1)	Term	
0	The Company	GEM Suzhou	1	Sales	\$ 31,082	Payment term of 4 months	2
		GEM Suzhou	1	Accounts receivable	2,734	Payment term of 4 months	-
		GEM Suzhou	1	Disposal of property, plant and equipment	4,307	Payment term of 4 months	-
		GEM VN	1	Sales	18,325	Payment term of 4 months	1
		GEM VN	1	Accounts receivable	9,095	Payment term of 4 months	-
1	GEM Dongguan	Genius HK	3	Sales	2,679	Payment term of 4 months	-
		Genius HK	3	Disposal of property, plant and equipment	6,813	Payment term of 4 months	-
		GEM Suzhou	3	Sales	105,521	Payment term of 4 months	7
		GEM Suzhou	3	Accounts receivable	83,736	Payment term of 4 months	2
		GEM Suzhou	3	Disposal of property, plant and equipment	3,610	Payment term of 4 months	-
		GEM Suzhou	3	Interest income	2,121	Annual Interest rate of 2.85%-3.00%	-
		GEM Suzhou	3	Other receivables	161,793	According to working capital conditions to change payment deeding	3
2	Genius HK	GEM VN	3	Sales	7,099	Payment term of 4 months	-
3	Global HK	The Company	2	Sales	130,474	Payment term of 4 months	9
		The Company	2	Accounts receivable	100,865	Payment term of 4 months	2
		GEM VN	3	Sales	495,177	Payment term of 4 months	33
		GEM VN	3	Accounts receivable	189,431	Payment term of 4 months	3
		GEM Suzhou	3	Sales	763,165	Payment term of 4 months	51
		GEM Suzhou	3	Accounts receivable	110,866	Payment term of 4 months	2
4	GEM Suzhou	Global HK	3	Sales	675,965	Payment term of 4 months	45
		Global HK	3	Accounts receivable	343,510	Payment term of 4 months	6
		Global HK	3	Other income	6,280	Payment term of 4 months	-
		Global HK	3	Disposal of property, plant and equipment	19,691	Payment term of 4 months	1
		Global HK	3	Other receivables	14,226	Payment term of 4 months	-
		GEM Dongguan	3	Sales	3,214	Payment term of 4 months	-
		GEM Dongguan	3	Disposal of property, plant and equipment	4,191	Payment term of 4 months	-
		GEM Dongguan	3	Other receivables	3,350	Payment term of 4 months	-
5	Vibo	GEM VN	3	Other receivables	32,653	According to working capital conditions to change payment deeding	1

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
				Financial Statement Item	Amount (Note 1)	Term	
6	GEM VN	The Company	2	Sales	\$ 42,394	Payment term of 4 months	3
		The Company	2	Accounts receivable	9,376	Payment term of 4 months	-
		Global HK	3	Sales	752,342	Payment term of 4 months	50
		Global HK	3	Accounts receivable	93,479	Payment term of 4 months	2

(Concluded)

Note 1: It was eliminated on consolidation.

Note 2: 1) Parent to subsidiary

2) Subsidiary to parent

3) Subsidiary to subsidiary



**TABLE 9****GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR STOCKHOLDERS  
JUNE 30, 2024**

Name of The Major Stockholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Tsung-Fu Investment Co., Ltd.	28,367,914	16.76
Ting-Yao Investment Co., Ltd.	23,393,792	13.82
Cheng-Feng Investment Co., Ltd.	20,278,409	11.98
You Feng Investment Co., Ltd.	13,983,236	8.26

Note: The information of major stockholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares (including treasury stock) held by stockholders 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.