

**G.M.I. Technology Inc. and Subsidiaries**  
**Consolidated Financial Statements**  
**With Independent Auditors' Review Report**  
**For the Three Months Ended March 31, 2024 and 2023**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors G.M.I. Technology Inc.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of G.M.I. Technology Inc. and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$179,811 thousand and \$298,196 thousand, constituting 2.27% and 4.15% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$199,176 thousand and \$262,626 thousand, constituting 3.95% and 5.93% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive income(loss) amounting to \$(12,260) thousand and \$4,367 thousand, constituting (6.98)% and 12.58% of consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(e), the other equity accounted investments of G.M.I. Technology Inc. and its subsidiaries in its investee companies of \$14,623 thousand and \$13,311 thousand as of March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$33 thousand and \$73 thousand for the three months ended March 31, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of G.M.I. Technology Inc. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Other Matter**

We did not review the financial statements of Unitech Electronics Co., Ltd, subsidiaries of G.M.I. Technology Inc. and its subsidiaries. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd, is based solely on the review report of another auditor. The financial statements of Unitech Electronics Co., Ltd reflect total assets amounting to \$224,729 thousand and \$224,496 thousand, constituting 2.84% and 3.12% of consolidated total assets as of March 31, 2024 and 2023, respectively, and share of profit of associate accounted for using equity method amounting to \$1,513 thousand and \$587 thousand, constituting 1.32% and 0.76% of consolidated profit before income tax for the three months ended March 31, 2024 and 2023, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Lin, Heng-Shen and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)

May 9, 2024

### **Notes to Readers**

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

The auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors’ report and consolidated financial statements, the Chinese version shall prevail.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>For the three months ended March 31</u>			
		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenues</b> (notes (6)(p) and (7))	\$ 4,030,790	100	3,320,282	100
5000	<b>Operating costs</b> (notes (6)(d) and (7))	<u>3,815,557</u>	<u>95</u>	<u>3,119,039</u>	<u>94</u>
	<b>Gross profit (loss) from operations</b>	<u>215,233</u>	<u>5</u>	<u>201,243</u>	<u>6</u>
	<b>Operating expenses</b> (notes (6)(k), (l) and (q)):				
6100	Selling expenses	83,950	2	72,660	2
6200	Administrative expenses	39,646	1	40,389	1
6300	Research and development expenses	10,749	-	6,329	-
6450	Impairment loss (gain) determined in accordance with IFRS 9 (note (6)(c))	<u>11,909</u>	<u>-</u>	<u>(14,329)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>146,254</u>	<u>3</u>	<u>105,049</u>	<u>3</u>
	<b>Net operating income</b>	<u>68,979</u>	<u>2</u>	<u>96,194</u>	<u>3</u>
	<b>Non-operating income and expenses</b> (notes (6)(f), (k) and (r)):				
7100	Interest income	4,698	-	1,897	-
7010	Other income	6,550	-	1,571	-
7020	Other gains and losses, net	45,237	1	4,611	-
7050	Finance costs	(12,619)	-	(27,937)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	<u>1,546</u>	<u>-</u>	<u>660</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>45,412</u>	<u>1</u>	<u>(19,198)</u>	<u>(1)</u>
7900	<b>Profit before income tax</b>	114,391	3	76,996	2
7950	Less: Income tax expense (note (6)(m))	<u>24,566</u>	<u>1</u>	<u>15,346</u>	<u>-</u>
	<b>Profit</b>	<u>89,825</u>	<u>2</u>	<u>61,650</u>	<u>2</u>
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified	-	-	53	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>53</u>	<u>-</u>
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	84,740	2	(26,590)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,126	-	(398)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total of items that may be reclassified to profit or loss</b>	<u>85,866</u>	<u>2</u>	<u>(26,988)</u>	<u>(1)</u>
8300	<b>Other comprehensive income, net</b>	<u>85,866</u>	<u>2</u>	<u>(26,935)</u>	<u>(1)</u>
	<b>Total comprehensive income</b>	<u>\$ 175,691</u>	<u>4</u>	<u>34,715</u>	<u>1</u>
	<b>Profit (loss), attributable to:</b>				
	Profit (loss), attributable to owners of parent	\$ 93,651	2	61,650	2
	Profit (loss), attributable to non-controlling interests	<u>(3,826)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 89,825</u>	<u>2</u>	<u>61,650</u>	<u>2</u>
	<b>Comprehensive income attributable to:</b>				
	Comprehensive income, attributable to owners of parent	\$ 179,517	4	34,715	1
	Comprehensive income, attributable to non-controlling interests	<u>(3,826)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 175,691</u>	<u>4</u>	<u>34,715</u>	<u>1</u>
	<b>Basic earnings per share</b> (note (6)(o))				
	Basic earnings per share	<u>\$ 0.58</u>		<u>0.38</u>	
	Diluted earnings per share	<u>\$ 0.58</u>		<u>0.38</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									Total equity
	Share capital		Retained earnings			Total other equity interest		Total equity attributable to owners of parent	Non-controlling interests	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
<b>Balance at January 1, 2023</b>	\$ 1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238	-	2,659,238
Profit for the period	-	-	-	-	61,650	-	-	61,650	-	61,650
Other comprehensive income or loss for the period	-	-	-	-	-	(26,988)	53	(26,935)	-	(26,935)
Total comprehensive income or loss for the period	-	-	-	-	61,650	(26,988)	53	34,715	-	34,715
Changes in non-controlling interests	-	-	-	-	-	-	-	-	70,000	70,000
<b>Balance at March 31, 2023</b>	<b>\$ 1,626,254</b>	<b>223,116</b>	<b>101,075</b>	<b>113,848</b>	<b>614,532</b>	<b>15,037</b>	<b>91</b>	<b>2,693,953</b>	<b>70,000</b>	<b>2,763,953</b>
<b>Balance at January 1, 2024</b>	\$ 1,626,254	223,116	146,600	-	618,896	33,510	443	2,648,819	61,384	2,710,203
Profit for the period	-	-	-	-	93,651	-	-	93,651	(3,826)	89,825
Other comprehensive income or loss for the period	-	-	-	-	-	85,866	-	85,866	-	85,866
Total comprehensive income	-	-	-	-	93,651	85,866	-	179,517	(3,826)	175,691
<b>Balance at March 31, 2024</b>	<b>\$ 1,626,254</b>	<b>223,116</b>	<b>146,600</b>	<b>-</b>	<b>712,547</b>	<b>119,376</b>	<b>443</b>	<b>2,828,336</b>	<b>57,558</b>	<b>2,885,894</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 114,391	76,996
<b>Adjustment:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	5,446	5,575
Expected credit (gain) loss	11,909	(14,329)
Interest expense	12,619	27,937
Interest revenue	(4,698)	(1,897)
Gain on financial assets at fair value through profit or loss	(229)	-
Share of loss of associates and joint ventures accounted for using equity method	(1,546)	(660)
Loss from disposal of property, plan and equipment	-	2
<b>Total adjustments to reconcile profit</b>	<u>23,501</u>	<u>16,628</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Increase in notes receivable	(12,364)	(1,631)
(Increase) decrease in accounts receivable	(281,862)	1,020,212
Increase in accounts receivable due from related parties	(10,862)	(5,739)
(Increase) decrease in other receivable	(6,336)	3,658
(Increase) decrease in inventories	(132,986)	443,159
Decrease in other current assets	4,619	5,231
<b>Total changes in operating assets</b>	<u>(439,791)</u>	<u>1,464,890</u>
<b>Changes in operating liabilities:</b>		
Decrease in accounts payable	(96,358)	(213,476)
Increase (decrease) in accounts payable to related parties	524,950	(603,243)
Decrease in other payable	(30,534)	(27,244)
Decrease in other payable to related parties	(4,974)	-
Increase in other current liabilities	86,425	19,511
<b>Total changes in operating liabilities</b>	<u>479,509</u>	<u>(824,452)</u>
<b>Total adjustments</b>	<u>63,219</u>	<u>657,066</u>
Cash inflow (outflow) from operations	177,610	734,062
Interest received	5,041	1,859
Interest paid	(11,073)	(29,620)
Income taxes (paid)	(240)	-
<b>Net cash flows from operating activities</b>	<u>171,338</u>	<u>706,301</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(195,865)	(1,270)
Increase in other financial assets	(358)	(1,189)
Increase in other non-current assets	(104)	(2,734)
<b>Net cash flows from (used in) investing activities</b>	<u>(196,327)</u>	<u>(5,193)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowing	1,108,517	1,918,212
Decrease in short-term loans	(1,000,372)	(2,491,107)
Increase in short-term notes and bills	667,978	1,176,584
Decrease in short-term notes and bills	(338,747)	(957,333)
Repayments of long-term debt	(6,694)	(2,975)
Payment of lease liabilities	(3,961)	(3,734)
Contribution by non-controlling interests	-	70,000
<b>Net cash flows from (used in) financing activities</b>	<u>426,721</u>	<u>(290,353)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(6,846)</u>	<u>15,661</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	394,886	426,416
<b>Cash and cash equivalents at beginning of period</b>	<u>1,497,908</u>	<u>1,455,659</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,892,794</u>	<u>1,882,075</u>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

G.M.I. TECHNOLOGY INC. (hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements for the three Months ended March 31, 2024 and 2023 were authorized for issuance by the board of directors on May 9, 2024.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”
- IFRS 18 “Presentation and Disclosure in Financial Statements”

(Continued)

**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(4) Summary of material accounting policies:**

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023

**(b) Basis of consolidation**

**(i) List of subsidiaries in the consolidated financial statements**

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100.00 %	100.00 %	100.00 %	Note 2
The Company	Rehear Audiology Co., Ltd.	Research, development and sales of medical equipment	29.00 %	29.00 %	30.00 %	Note 1
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100.00 %	100.00 %	100.00 %	Note 2
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic Co. Ltd	Trading of electronic components and investment holding	100.00 %	100.00 %	100.00 %	Note 2
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and investment holding	100.00 %	100.00 %	100.00 %	Note 2
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100.00 %	100.00 %	100.00 %	Note 2
G.M.I (Shanghai) Trading Company Limited.	Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	- %	- %	100.00 %	Note 3

Note 1: On March 22, 2023, Rehear Audiology Company LTD was established and registered. Although the Company owns less than 50% of Rehear Audiology Company LTD, the Company and the related parties own more than 50% of Rehear Audiology Company LTD, and the Company could determine the related operating activities. Therefore, Rehear Audiology Company LTD, is regarded as a subsidiary.

Note 2: The financial statements didn't audit because of non-important subsidiary.

Note 3: The subsidiary is to be liquidated by resolution of the Board of Directors on March 28, 2023, and the Company has completed the deregistration on May 30, 2023.

(Continued)

**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

(Continued)

**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Cash on hand	\$ 2,819	3,877	5,221
Cheques and demand deposits	<u>1,889,975</u>	<u>1,494,031</u>	<u>1,876,854</u>
	<u>\$ 1,892,794</u>	<u>1,497,908</u>	<u>1,882,075</u>

(b) Financial assets and liabilities at fair value through profit or loss

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Mandatorily measured at fair value through profit or loss:			
Beneficiary funds	<u>\$ 70,414</u>	<u>70,185</u>	<u>-</u>

(i) For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(r).

(ii) None of the Group’s financial assets and liabilities at fair value through profit or loss had been pledged as collateral.

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) Notes and accounts receivable

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes receivable - arising from operations	\$ 108,247	91,960	96,500
Accounts receivable - measured at amortized cost	3,502,520	3,115,349	2,433,571
Accounts receivable due from related parties	18,023	7,161	5,810
Less: Allowance for losses	<u>(46,724)</u>	<u>(33,650)</u>	<u>(37,757)</u>
	<b><u>\$ 3,582,066</u></b>	<b><u>3,180,820</u></b>	<b><u>2,498,124</u></b>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	<b>March 31, 2024</b>		
	<b>Notes and accounts receivable carrying amount</b>	<b>Weighted- average loss ratio</b>	<b>Allowance provision</b>
Current	\$ 3,542,724	1.11%	39,499
Less than 90 days past due	<u>86,066</u>	8.39%	<u>7,225</u>
	<b><u>\$ 3,628,790</u></b>		<b><u>46,724</u></b>
	<b>December 31, 2023</b>		
	<b>Notes and accounts receivable carrying amount</b>	<b>Weighted- average loss ratio</b>	<b>Allowance provision</b>
Current	3,189,318	0.99%	31,521
Less than 90 days past due	<u>25,152</u>	8.46%	<u>2,129</u>
	<b><u>\$ 3,214,470</u></b>		<b><u>33,650</u></b>
	<b>March 31, 2023</b>		
	<b>Notes and accounts receivable carrying amount</b>	<b>Weighted- average loss ratio</b>	<b>Allowance provision</b>
Current	2,366,045	0.85%	20,166
Less than 90 days past due	<u>169,836</u>	10.36%	<u>17,591</u>
	<b><u>\$ 2,535,881</u></b>		<b><u>37,757</u></b>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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The movement in the allowance for notes and accounts receivable were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 33,650	52,721
Impairment losses reversed	-	(14,329)
Impairment losses recognized	11,909	-
Foreign exchange gains or (losses)	1,165	(635)
Balance at March 31	<b>\$ 46,724</b>	<b>37,757</b>

For details on financial assets guaranteed as long-term loans and financing guarantees mentioned above, please refer to note 8.

(d) Inventories

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Goods for sale	<b>\$ 1,198,179</b>	<b>1,030,721</b>	<b>1,846,196</b>

Inventories recognized as cost of sales amounted to 3,831,289 thousand and 3,063,928 thousand for the three months ended March 31, 2024 and 2023, respectively.

For the three months ended March 31, 2024, the part of inventories previously write down to net realizable value has been sold, leading to an increase in net realizable value and a decrease in cost of good sold of \$15,732 thousand. For the three months ended March 31, 2023, the write down of inventories to net realizable amounted to \$55,111 thousand, which recognized as cost of good sold.

(e) Investments accounted for using the equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates	\$ 562,929	560,256	561,384
Accumulated impairment	(323,577)	(323,577)	(323,577)
Associates	<b>\$ 239,352</b>	<b>236,679</b>	<b>237,807</b>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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(i) Associates

For Affiliates that are significant to the Group, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights		
			March 31, 2024	December 31, 2023	March 31, 2023
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73 %	12.73 %	12.73 %

The fair values of material associates listed on the Stock Exchange (over the counter) are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unitech Electronics	\$ <u>278,645</u>	<u>287,248</u>	<u>313,057</u>

The aggregated financial information of the affiliates that are material to the Group is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

1) Unitech Electronics's Aggregate Financial Information:

	March 31, 2024	December 31, 2023	March 31, 2023
Current Asset	\$ 1,813,924	1,794,128	1,740,224
Non-Current Asset	570,032	582,566	587,229
Current Liability	(480,924)	(458,796)	(376,139)
Non-Current Liability	(101,696)	(105,990)	(125,723)
Net Assets	\$ <u>1,801,336</u>	<u>1,811,908</u>	<u>1,825,591</u>
		<b>For the three months ended</b>	
		<b>March 31,</b>	
		<b>2024</b>	<b>2023</b>
Operating Income		\$ <u>526,840</u>	<u>496,424</u>
Current period net profit		\$ 11,995	4,703
Other comprehensive gains and losses		3,407	(1,044)
Total comprehensive gains and losses		\$ <u>15,402</u>	<u>3,659</u>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Beginning carrying balance of the Group's share of net assets of affiliates	\$ 222,590	224,079
The Group's total gains and losses attributable to affiliates	2,139	417
Ending balance of the Group's share of net assets of affiliates	<b>\$ 224,729</b>	<b>224,496</b>

- (ii) As of March 31, 2024, the Group's equity-accounted investment—Unitech Electronics incurred impairment losses of \$76,640 thousand because its carrying amount had exceeded fair value.
- (iii) The Group lost control of its investee company, GW Electronics, in June 2017 and changed to using the equity method. During 2017, the Group assessed that there was uncertainty in the recovery of the investment in GW Electronics, hence, recognized the full amount as impairment. As of March 31, 2024, the accumulated impairment loss was \$246,937 thousand.
- (iv) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows:

	<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Carrying amount of equity in individual insignificant associates	\$ <b>14,623</b>	<b>14,089</b>	<b>13,311</b>

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Attributable to the Group:		
Net loss for the period	\$ 33	73
Other comprehensive income or loss	501	(175)
Total comprehensive income or loss	<b>\$ 534</b>	<b>(102)</b>

- (v) Collaterals

As of March 31, 2024 and 2023, some of the Group's investments accounted for using the equity method had been pledged as collateral, please refer to note 8.

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the three months ended March 31, 2024 and 2023 were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Machinery and equipment</u>	<u>Transportati on equipment</u>	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Equipments pending acceptance</u>	<u>Total</u>
Costs									
Balance on January 1, 2024	\$ 270,496	51,264	1,171	151	4,236	18,118	2,127	-	347,563
Additions	-	-	-	-	-	409	-	195,456	195,865
Effects of changes in foreign exchange rates	-	-	22	3	134	145	8	-	312
Balance on March 31, 2024	<u>\$ 270,496</u>	<u>51,264</u>	<u>1,193</u>	<u>154</u>	<u>4,370</u>	<u>18,672</u>	<u>2,135</u>	<u>195,456</u>	<u>543,740</u>
Balance on January 1, 2023	\$ 270,496	51,264	1,192	154	4,307	22,499	1,352	-	351,264
Additions	-	-	-	-	-	820	450	-	1,270
Disposal	-	-	-	-	-	(6,054)	-	-	(6,054)
Effects of changes in foreign exchange rates	-	-	7	1	(27)	1	3	-	(15)
Balance on March 31, 2023	<u>\$ 270,496</u>	<u>51,264</u>	<u>1,199</u>	<u>155</u>	<u>4,280</u>	<u>17,266</u>	<u>1,805</u>	<u>-</u>	<u>346,465</u>
Depreciation and impairment losses:									
Balance on January 1, 2024	\$ -	4,076	1,054	143	3,851	8,011	711	-	17,846
Additions	-	424	-	-	83	909	94	-	1,510
Effects of changes in foreign exchange rates	-	-	20	3	128	91	6	-	248
Balance on March 31, 2024	<u>\$ -</u>	<u>4,500</u>	<u>1,074</u>	<u>146</u>	<u>4,062</u>	<u>9,011</u>	<u>811</u>	<u>-</u>	<u>19,604</u>
Balance on January 1, 2023	\$ -	2,376	1,073	122	3,159	12,306	465	-	19,501
Depreciation for the year	-	425	-	9	240	879	60	-	1,613
Disposal	-	-	-	-	-	(6,052)	-	-	(6,052)
Effects of changes in foreign exchange rates	-	-	6	1	(26)	2	2	-	(15)
Balance on March 31, 2023	<u>\$ -</u>	<u>2,801</u>	<u>1,079</u>	<u>132</u>	<u>3,373</u>	<u>7,135</u>	<u>527</u>	<u>-</u>	<u>15,047</u>
Carrying amounts:									
Balance on January 1, 2024	<u>\$ 270,496</u>	<u>47,188</u>	<u>117</u>	<u>8</u>	<u>385</u>	<u>10,107</u>	<u>1,416</u>	<u>-</u>	<u>329,717</u>
Balance on March 31, 2024	<u>\$ 270,496</u>	<u>46,764</u>	<u>119</u>	<u>8</u>	<u>308</u>	<u>9,661</u>	<u>1,324</u>	<u>195,456</u>	<u>524,136</u>
Balance on March 31, 2023	<u>\$ 270,496</u>	<u>48,463</u>	<u>120</u>	<u>23</u>	<u>907</u>	<u>10,131</u>	<u>1,278</u>	<u>-</u>	<u>331,418</u>
Balance on January 1, 2023	<u>\$ 270,496</u>	<u>48,888</u>	<u>119</u>	<u>32</u>	<u>1,148</u>	<u>10,193</u>	<u>887</u>	<u>-</u>	<u>331,763</u>

As of March 31, 2024, December 31 and March 31, 2023, some of the Group's property, plant and equipment had been pledged as collateral, please refer to note 8.

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(g) Right-of-use assets

	<u>Buildings and Construction</u>	<u>Transportation Equipment</u>	<u>Total</u>
Carrying amounts :			
Balance on January 1, 2024	\$ <u>16,158</u>	<u>4,352</u>	<u>20,510</u>
Balance on March 31, 2024	\$ <u>13,331</u>	<u>3,808</u>	<u>17,139</u>
Balance on January 1, 2023	\$ <u>28,937</u>	<u>-</u>	<u>28,937</u>
Balance on March 31, 2023	\$ <u>26,580</u>	<u>5,984</u>	<u>32,564</u>

During the three month ended March 31, 2024 and 2023, the Group's right-of-use assets, recognized for leases of buildings and structures, did not experience material increase, impairment, and reversal. For relevant information, please refer to note 6(g) to the consolidated financial statements for the year ended December 31, 2023.

(h) Short-term notes and bills payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commercial paper payable	\$ <u>528,832</u>	<u>199,601</u>	<u>598,414</u>

(i) Loans and repayments

During the three month ended March 31, 2024 and 2023, the amounts increased by \$667,978 thousand and \$1,176,584 thousand respectively, with interest rates ranging from 1.78%~1.90% and 1.88%~1.98%. The maturity dates fall between April and June, 2024 and 2023. During the same periods, the repayments amounted to \$338,747 thousand and \$957,333 thousand, respectively.

(ii) Collateral for short-term notes

For the collateral for short-term notes and bills payable, please refer to note 8.

(i) Short-term borrowing

The short-term borrowings were summarized as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured bank loans	\$ 1,366,800	1,258,776	1,168,371
Secured bank loans	96,051	92,174	486,814
	\$ <u>1,462,851</u>	<u>1,350,950</u>	<u>1,655,185</u>
Unused short-term credit lines	\$ <u>6,103,074</u>	<u>6,777,498</u>	<u>5,155,244</u>
Range of Interest rate	<u>1.78%~6.81%</u>	<u>1.78%~7.07%</u>	<u>1.74%~6.45%</u>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Loans and repayments

During the three month ended March 31, 2024 and 2023, the amounts increased by \$1,108,517 thousand and \$1,918,212 thousand respectively, with interest rates ranging from 1.78% ~ 6.81% and 1.74% ~ 6.45%. The maturity dates fall between April and September, 2024 as well as April and August, 2023. During the same periods, the repayments amounted to \$1,000,372 thousand and \$2,491,107 thousand, respectively.

(ii) Collateral for bank loans

For the collateral for bank loans, please refer to note 8.

(j) Long-term borrowings

The details, terms and conditions of the long-term borrowings were summarized as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Secured bank loans	\$ 195,606	202,300	211,225
Less: current portion	<u>(26,775)</u>	<u>(26,775)</u>	<u>(11,900)</u>
	<b><u>\$ 168,831</u></b>	<b><u>175,525</u></b>	<b><u>199,325</u></b>
Unused short-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates (%)	<b><u>1.9%</u></b>	<b><u>1.9%</u></b>	<b><u>1.77%</u></b>

(i) Loans and repayments

There were no significant issues, repurchases and repayments of long-term borrowings for the three month ended March 31, 2024 and 2023. Information on interest expense for the period is discussed in note 6(r). Please refer to note 6(j) to the 2023 annual consolidated financial statements for other related information.

(ii) Collateral for bank loans

For the collateral for bank loans, please refer to note 8.

(k) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	<b><u>\$ 12,083</u></b>	<b><u>13,065</u></b>	<b><u>15,573</u></b>
Non-current	<b><u>\$ 6,171</u></b>	<b><u>8,563</u></b>	<b><u>17,835</u></b>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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The amounts of leases recognized in profit or loss were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense on lease liabilities	\$ 247	418
Expenses relating to short-term leases	\$ 478	437

The amounts of leases recognized in the statement of cash flows for the Group was as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ 4,686	4,589

The Group leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

(l) Employee benefits

(i) Defined benefits plans

As there were no significant market fluctuations, curtailment, settlement or other significant one-off events subsequent to the previous year's reporting date, the Group adopted the actuarial pension costs as of December 31, 2023 and 2022 to measure and disclose the pension costs for the interim period.

The expenses recognized in profit or loss for the Group were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Operating Expense	\$ 95	101

(ii) Defined contribution plans

Under the defined pension plan, the Group's pension expenses, which had been contributed to the Labor Insurance Bureau, were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Operating Expense	\$ 3,699	3,431

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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(m) Income taxes

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Current tax expense		
Current period	<b>\$ 24,566</b>	<b>15,346</b>

There were no income tax expense recognized the Group equity and other comprehensive income for amount on March 31, 2024 and 2023.

The Company' s tax returns for the years through 2021 were assessed by the National Taxation Bureau of R.O.C..

(n) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2024 and 2023. For the related information, please refer to note 6(n) to the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus as of March 31, 2024 and 2023, were as follows:

	<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Share capital at premium	\$ 219,941	219,941	219,941
Changes in net equity of associates recognized by equity method	36	36	36
Employee stock options	3,139	3,139	3,139
	<b>\$ 223,116</b>	<b>223,116</b>	<b>223,116</b>

(ii) Retained earning

In accordance with the Company's Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than \$3, the Company may distribute stock dividends in full.

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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1) Earning distribution

On May 9, 2024, the 2023 earnings appropriation was resolved in a board meeting. On June 19, 2023, the 2022 earnings appropriation was approved in a general shareholders' meeting. The amounts of dividends distributed to owners were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount per share</u>	<u>Total Amount</u>	<u>Amount per share</u>	<u>Total Amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.20	<u>195,150</u>	2.00	<u>325,251</u>

(o) Earnings per share

(i) Basic earnings per share

The Group's earnings per share, basic and diluted, were calculated as follows :

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>93,651</u>	<u>61,650</u>
Weighted-average number of outstanding ordinary shares	<u>162,625</u>	<u>162,625</u>
Earning per shares	\$ <u>0.58</u>	<u>0.38</u>
(ii) Diluted earnings per share		

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>93,651</u>	<u>61,650</u>
Weighted-average number of ordinary shares outstanding	162,625	162,625
Effect of employee share bonus	<u>13</u>	<u>37</u>
Weighted-average number of ordinary shares outstanding at March 31 (Dilution)	\$ <u>162,638</u>	<u>162,662</u>
Diluted earnings per share	<u>0.58</u>	<u>0.38</u>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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(p) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31,	
	2024	2023
Primary geographical markets:		
Taiwan	\$ 158,414	132,239
China	3,731,295	3,146,995
Others	141,081	41,048
	<b>\$ 4,030,790</b>	<b>3,320,282</b>
Major products/service lines:		
Digital Communication Solutions and Components	\$ 3,584,816	2,799,349
Storage Applications Solutions and Components	396,816	505,324
Analog Electronic Components	49,158	15,609
	<b>\$ 4,030,790</b>	<b>3,320,282</b>

(ii) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 108,247	91,960	96,500
Accounts receivable	3,502,520	3,115,349	2,443,571
Accounts receivable due from related parties	18,023	7,161	5,810
Less: Loss allowance	(46,724)	(33,650)	(37,757)
Total	<b>\$ 3,582,066</b>	<b>3,180,820</b>	<b>2,508,124</b>

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(c).

(q) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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For the three month ended March 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$150 thousand and \$100 thousand, and directors' and supervisors' remuneration amounting to \$2,400 thousand and \$1,500 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the three month ended March 31, 2024 and 2023. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

During 2023 and 2022, employee remunerations were estimated at \$450 thousand and \$650 thousand, respectively; director remunerations were estimated at \$8,200 thousand and \$11,000 thousand, respectively. There is no difference between the actual distribution and the estimated distribution. Relevant information is available on the Market Observation Post System website.

(r) Non-operating income and expenses:

(i) Interest income

The details of interest income were as follows:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest income	\$ 4,698	1,897

(ii) Other income

The Group's other income was as follows:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Other	\$ 6,550	1,571

(Continued)



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(iii) Other gains and losses

The Group's other gains and losses were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Foreign exchange gains	\$ 45,008	4,613
Net gain on financial assets at fair value through profit or loss	229	-
Losses on disposals of property, plant and equipment	-	(2)
	<b>\$ 45,237</b>	<b>4,611</b>

(iv) Finance costs

Finance costs of the Group are detailed as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ (12,372)	(27,519)
Interest expenses on lease liabilities	(247)	(418)
	<b>\$ (12,619)</b>	<b>(27,937)</b>

(s) Financial instruments

Except as set out below, there was no material change in both the fair value of the Group's financial instruments and the associated exposure to credit risk, liquidity risk and market risk. Please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2023 for relevant information.

(i) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<b>March 31, 2024</b>			<b>December 31, 2023</b>			<b>March 31, 2023</b>		
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>TWD</b>	<b>Foreign Currency</b>	<b>Exchange rate</b>	<b>TWD</b>	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 194,783	32.000	6,233,056	175,686	30.705	5,394,439	151,021	30.450	4,598,589
RMB	523	4.408	2,305	800	4.327	3,462	1,120	4.431	4,963
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	125,619	32.000	4,019,808	100,412	30.705	3,083,150	121,018	30.450	3,684,998

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at March 31, 2024 and 2023, would have increased or decreased the profit before tax by \$110,777 thousand and \$45,928 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. From January 1 to March 31, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$45,008 thousand and \$4,613 thousand, respectively.

(ii) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

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		<b>March 31, 2024</b>				
		<b>Fair Value</b>				
<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>Financial assets at fair value through profit or loss</b>						
Fund	\$ 70,414	70,414	-	-	70,414	
		<b>December 31, 2023</b>				
		<b>Fair Value</b>				
<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>Financial assets at fair value through profit or loss</b>						
Fund	\$ 70,185	70,185	-	-	70,185	
		<b>March 31, 2023</b>				
		<b>Fair Value</b>				
<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>Financial assets at fair value through profit or loss</b>						
Fund	\$ -	-	-	-	-	

2) Valuation techniques for financial instruments measured at fair value

If a financial instrument has a public price in an active market, the public price in an active market is the fair value. Market prices published by major exchanges and central government bond over-the-counter trading centers are considered sought after securities and are the basis for the fair value of listed equity instruments and debt instruments publicly quoted in active markets.

The public price of a financial instrument is provided on a timely and regular basis by an exchange, broker, underwriter, trade association, pricing service or authority, which represents actual and frequent fair market traders. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, increasing bid-ask spreads, or low volume are indicators of market inactivity.

(t) Financial risk management

The Group's financial risk management objectives and policies do not differ materially from those disclosed in note 6(u) to the consolidated financial statements for the year ended December 31, 2023.

(u) Capital management

The Group's capital management objectives and policies do not differ materially from those disclosed in the consolidated financial statements for the year ended December 31, 2023. Besides, the aggregate quantitative information on capital management items do not differ materially from that disclosed in the consolidated financial statements for the year ended December 31, 2023. For relevant information, please refer to note 6(v) to the consolidated financial statements for the year ended December 31, 2023.

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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(v) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities was as follows:

	<u>2024.1.1</u>	<u>Cash flows</u>	<u>Non-Cash changes</u>		<u>March 31, 2024</u>
			<u>Lease modification</u>	<u>Foreign exchange movement</u>	
Short-term notes payables	\$ 199,601	329,231	-	-	528,832
Short-term borrowings	1,350,950	108,145	-	3,756	1,462,851
long-term borrowings	202,300	(6,694)	-	-	195,606
Lease liabilities	<u>21,628</u>	<u>(3,961)</u>	<u>244</u>	<u>343</u>	<u>18,254</u>
Total liabilities from financing activities	<u>\$ 1,774,479</u>	<u>426,721</u>	<u>244</u>	<u>4,099</u>	<u>2,205,543</u>

  

	<u>2023.1.1</u>	<u>Cash flows</u>	<u>Non-Cash changes</u>		<u>March 31, 2023</u>
			<u>Lease modification</u>	<u>Foreign exchange movement</u>	
Short-term notes payables	\$ 379,163	219,251	-	-	598,414
Short-term borrowings	2,238,874	(572,895)	-	(10,794)	1,655,185
long-term borrowings	214,200	(2,975)	-	-	211,225
Lease liabilities	<u>29,553</u>	<u>(3,734)</u>	<u>7,597</u>	<u>(8)</u>	<u>33,408</u>
Total liabilities from financing activities	<u>\$ 2,861,790</u>	<u>(360,353)</u>	<u>7,597</u>	<u>(10,802)</u>	<u>2,498,232</u>

(7) **Related-party transactions**

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method by the Group
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as "Realtek Singapore")	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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<u>Name of related party</u>	<u>Relationship with the Group</u>
GMI Computing International Ltd. (hereinafter referred to as GMI Computing)	The Chairman of the company is the second immediate family of the Chairman of the Company.

(b) Significant related-party transactions

(i) Sale revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<u>2024</u>	<u>2023</u>
Other related parties-Realtek	\$ 23,708	5,513
Other related parties-Realtek Singapore	1,792	-
Other related parties-Unitech Electronics	<u>121</u>	<u>21</u>
	<u><b>\$ 25,621</b></u>	<u><b>5,534</b></u>

The sales price to related parties are not significantly different from that of the general sales price. Receivables between related parties are not subject to collateral based on the Group's assessment.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<u>2024</u>	<u>2023</u>
Other related parties-Realtek	\$ 2,500,943	1,173,823
Other related parties-Realtek Singapore	925,229	1,105,468
Other related parties-RayMx	47,034	45,404
Other related parties-Actions (HK)	<u>59,429</u>	<u>-</u>
	<u><b>\$ 3,532,635</b></u>	<u><b>2,324,695</b></u>

The Group did not purchase the product specifications from the related party from other vendors, so the purchase price was not comparable to other vendors. The payment terms were not significantly different from those of non-related-parties.

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(iii) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Amounts received in subsequent period	Realtek	\$ 15,381	5,590	5,788
Amounts received in subsequent period	Realtek Singapore	2,515	1,478	-
Amounts received in subsequent period	Unitech Electronics	127	93	22
		<u>\$ 18,023</u>	<u>7,161</u>	<u>5,810</u>

(iv) Payable from related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Payables to related parties	Realtek	\$ 1,806,009	1,253,124	798,033
Payables to related parties	Realtek Singapore	627,153	607,108	821,103
Payables to related parties	RayMx	28,356	40,188	23,555
Payables to related parties	Actions (HK)	24,417	9,332	-
Other payables to related parties	GMI Computing	-	4,923	-
		<u>\$ 2,485,935</u>	<u>1,914,675</u>	<u>1,642,691</u>

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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(c) Key management personnel compensation

Key management personnel compensation includes:

	For the three months ended March 31,	
	2024	2023
Short-term employee benefits	\$ 14,113	13,702
Post-employment benefits	75	68
	\$ 14,188	13,770

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2024	December 31, 2023	March 31, 2023
Time deposit (classified under other financial assets)	Bank loan limit	\$ 234,231	225,303	229,715
Accounts receivable	The unused letters of credit and secured loans	101,025	101,673	143,318
Property, plant and equipment	Long-term bank loans	295,548	295,775	296,457
Stock (classified under Investments accounted for using the equity method)	Short-term notes and bills payable	224,729	-	-
		\$ 855,533	622,751	669,490

**(9) Commitments and contingencies:**

(a) Guarantees provided by the Group's bank to its suppliers for the delivery of goods:

	March 31, 2024	December 31, 2023	March 31, 2023
Purchase Guarantee	\$ 302,000	309,583	307,925

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**G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**  
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- (b) The amount of unused outstanding letters of credit were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Outstanding standby letters of credit	\$ <u>2,395,022</u>	<u>1,772,579</u>	<u>1,104,410</u>

- (c) The tax payable on imported goods guaranteed by the Group's bank:

	March 31, 2024	December 31, 2023	March 31, 2023
Taxes on imported goods guaranteed by banks	\$ <u>4,000</u>	<u>4,000</u>	<u>4,000</u>

- (d) As of March 31, 2024, December 31 and March 31, 2023, the Group had issued \$999,025 thousand, \$1,029,025 thousand and \$1,029,025 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

**(10) Losses Due to Major Disasters:None.**

**(11) Subsequent Events:**

The Group, by the resolution of the Board of Directors on April 26, 2024, decided to issue its first domestic unsecured convertible bonds with an estimated total face value of \$1,000,000 thousand. The bonds will be issued at 100% to 100.5% of their face value, with a coupon rate of 0%, and a maturity period of 3 years. The proceeds from the issuance will be used to repay bank loans and to improve the financial structure. The detailed conversion methods will be conducted in accordance with the relevant laws and regulations, and will be announced separately after the approval of the securities regulatory authority.

**(12) Other:**

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended March 31					
		2024			2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		-	56,784	56,784	-	48,720	48,720
Labor and health insurance		-	3,444	3,444	-	3,342	3,342
Pension		-	3,794	3,794	-	3,532	3,532
Others		-	3,939	3,939	-	1,383	1,383
Depreciation		-	5,446	5,446	-	5,575	5,575

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**(13) Other disclosures:**

## (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Company holding securities	Security type and name	Relationship with company	Account	March 31, 2024				Remark
				Shares (in thousands)	Carrying value	Percentage of ownership (%)	Market value (or net value)	
Rehear Audiology Company Ltd.	CTBC Hua Win Money Market Fund	-	Non-current financial assets at fair through profit or loss	-	70,414	- %	70,414	-

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	2,500,943	62.94 %	O/A 45 days	No purchases from other vendors	No material variance	(1,806,009)	(69.26)%	-
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	925,229	23.29 %	O/A 45 days	No purchases from other vendors	No material variance	(627,153)	(24.05)%	-
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(119,478)	(2.96) %	O/A 60 days	No material variance	No material variance	121,504	3.39%	Note

Note : The transactions were written off in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	G.M.I (Shanghai)	Subsidiaries	121,504	370.45 %	-		65,868	-

Note : The transactions were written off in the consolidated financial statements.

- (ix) Trading in derivative instruments: None.

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(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	GMI company	Hong Da Fu Tong	1	Business consultation fees	14,475	Monthly payment	0.36%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	119,478	based on cost-plus approach	2.96%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	121,504	Monthly payment O/A 60 days	1.53%
0	GMI company	Vector Electronic	1	Sales revenue	32,395	Monthly payment O/A 60 days	0.80%
0	GMI company	Vector Electronic	1	Accounts receivable	43,257	Monthly payment O/A 60 days	0.55%
0	GMI company	G.M.I (Shanghai)	1	Business consultation fees	7,549	Monthly payment	0.19%

Note 1: Numbers are filled in as follows:

1. "0" represents the Group
2. The subsidiaries start with number 1.

2: Relationship with the listed companies:

1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00 %	(19,366)	(12,609)	(12,609)	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21 %	14,623	97	33	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73 %	224,729	11,886	1,513	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00 %	(19,447)	(12,609)	(12,609)	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMITED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00 %	77	-	-	Note
HARKEN INVESTMENTS LIMITED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00 %	-	-	-	
GMI Technology Inc.	Rehear Audiology Company LTD.	Taiwan	Research, development and sales of medical equipment	29,000	29,000	5,800	29.00 %	16,630	(5,388)	(1,563)	Note

Note: The transactions were written off in the consolidated financial statements.

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(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	( 2 )	48,708	-	-	48,708 (Nnote 2)	(8,068)	100.00%	(8,068)	(41,924)	-
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	( 2 )	44,660	-	-	44,660 (Nnote 2)	(5,844)	100.00%	(5,844)	17,420	-

Note 1: Three types of investment method are as follows:

- (a) Direct investment in Mainland China.
- (b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
93,368	629,123	1,697,001

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:None

Shareholder's Name	Shareholding	Shares	Percentage
De-Jet Investment Co., Ltd.		52,782,278	32.45 %
De-Jia Investment Co., Ltd.		13,474,303	8.28 %

Note : The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of 5% ordinary shares or more of the Company's shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

**(14) Segment information:**

The Group sells and purchases various electronic equipment and components and does not have a significant industrial segment. The information of this operating segment is consistent with the consolidated financial statements. Please refer to the Consolidated Balance Sheet and the Consolidated Statements of Income for details.