

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

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 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 referred to as the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). 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 Statement of Auditing Standards No. 65 "Review of 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 September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Jia-Ling Chiang and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 9, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the 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	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 959,366	19	\$ 1,175,042	24	\$ 1,283,546	26
Financial assets at fair value through profit or loss - current (Note 7)	7,148	-	-	-	-	-
Financial assets at fair value through other comprehensive income - current (Note 8)	29,607	1	620	-	1,740	-
Notes receivable (Notes 9 and 27)	152,176	3	104,649	2	126,253	2
Accounts receivable, net (Note 9)	743,133	15	695,020	14	641,483	13
Other receivables	2,438	-	2,736	-	1,994	-
Current tax assets	2,166	-	18,442	-	9,919	-
Inventories (Note 10)	903,042	18	843,020	18	963,625	19
Other financial assets - current (Notes 11 and 27)	38,615	1	22,039	1	23,559	-
Other current assets	148,874	3	71,032	2	84,540	2
Total current assets	2,986,565	60	2,932,600	61	3,136,659	62
NONCURRENT ASSETS						
Property, plant and equipment (Notes 13 and 27)	1,690,941	34	1,676,817	35	1,694,296	34
Right-of-use assets (Notes 14 and 27)	67,737	1	68,866	1	70,698	2
Deferred tax assets	182,886	4	120,614	3	102,552	2
Prepayments for equipment	54,598	1	6,076	-	6,076	-
Net defined benefit assets - noncurrent	1,537	-	408	-	-	-
Other financial assets - noncurrent (Note 11)	7,025	-	7,004	-	7,102	-
Other noncurrent assets	5,306	-	7,231	-	7,122	-
Total noncurrent assets	2,010,030	40	1,887,016	39	1,887,846	38
TOTAL	\$ 4,996,595	100	\$ 4,819,616	100	\$ 5,024,505	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 563,967	11	\$ 798,393	17	\$ 940,033	19
Short-term bills payable (Note 17)	50,000	1	-	-	-	-
Notes payable (Note 15)	406,496	8	220,700	5	116,595	2
Accounts payable (Note 15)	486,394	10	207,815	4	199,147	4
Other payables (Note 16)	174,921	4	142,336	3	134,971	3
Current tax liabilities	-	-	-	-	1,852	-
Lease liabilities - current (Note 14)	898	-	764	-	705	-
Long-term borrowings - current portion (Note 17)	362,530	7	334,433	7	346,933	7
Other current liabilities	17,410	-	16,724	-	20,915	-
Total current liabilities	2,062,616	41	1,721,165	36	1,761,151	35
NONCURRENT LIABILITIES						
Long-term borrowings (Note 17)	694,881	14	747,716	15	786,461	16
Deferred tax liabilities	24,127	1	35,995	1	53,761	1
Lease liabilities - noncurrent (Note 14)	345	-	1,048	-	929	-
Net defined benefit liabilities	-	-	-	-	952	-
Total noncurrent liabilities	719,353	15	784,759	16	842,103	17
Total liabilities	2,781,969	56	2,505,924	52	2,603,254	52
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Ordinary shares	1,692,000	34	1,692,000	35	1,692,000	34
Capital surplus	271,315	5	271,315	6	271,315	5
Retained earnings						
Legal reserve	364,825	8	364,825	8	364,825	7
Special reserve	97,816	2	159,585	3	159,585	3
Unappropriated earnings (accumulated deficit)	(89,502)	(2)	(33,158)	(1)	32,148	1
Total retained earnings	373,139	8	491,252	10	556,558	11
Other equity	(78,769)	(2)	(97,816)	(2)	(55,563)	(1)
Treasury shares	(43,059)	(1)	(43,059)	(1)	(43,059)	(1)
Total equity	2,214,626	44	2,313,692	48	2,421,251	48
TOTAL	\$ 4,996,595	100	\$ 4,819,616	100	\$ 5,024,505	100

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 Net Loss Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE, NET (Note 20)	\$ 714,321	100	\$ 578,633	100	\$ 1,841,036	100	\$ 2,228,994	100
OPERATING COSTS (Notes 10 and 21)	700,136	98	620,556	107	1,801,179	98	2,138,273	96
GROSS PROFIT (LOSS)	14,185	2	(41,923)	(7)	39,857	2	90,721	4
OPERATING EXPENSES (Notes 21 and 26)								
Marketing	33,774	5	29,013	5	86,619	5	93,283	4
General and administrative	52,272	7	48,277	8	151,952	8	147,868	7
Research and development	2,563	1	5,523	1	8,342	-	13,565	-
Expected credit loss (reversed) (Note 9)	403	-	(1,862)	-	9	-	(2,395)	-
Total operating expenses	89,012	13	80,951	14	246,922	13	252,321	11
LOSS FROM OPERATIONS	(74,827)	(11)	(122,874)	(21)	(207,065)	(11)	(161,600)	(7)
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	4,371	1	3,315	1	12,346	1	4,972	-
Other income	465	-	1,751	-	3,555	-	4,683	-
Other gains and losses	8,332	1	60,561	10	26,359	2	120,398	6
Finance costs	(9,277)	(1)	(11,689)	(2)	(29,406)	(2)	(35,982)	(2)
Total non-operating income and expenses	3,891	1	53,938	9	12,854	1	94,071	4
LOSS BEFORE INCOME TAX	(70,936)	(10)	(68,936)	(12)	(194,211)	(10)	(67,529)	(3)
INCOME TAX BENEFIT (Notes 4 and 22)	(20,698)	(3)	(28,425)	(5)	(75,199)	(4)	(29,694)	(1)
NET LOSS	(50,238)	(7)	(40,511)	(7)	(119,012)	(6)	(37,835)	(2)
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19 and 22)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	4,405	-	(188)	-	4,942	-	(2,607)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	8	-	47	-	12	-	178	-

(Continued)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Net Loss Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	\$ 70,871	10	\$ 36,838	6	\$ 16,431	1	\$ 110,390	5
Income tax relating to items that may be reclassified subsequently to profit or loss	(193)	-	(2,041)	-	(1,439)	-	(4,931)	-
Other comprehensive income (loss) for the period, net of income tax	75,091	10	34,656	6	19,946	1	103,030	5
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 24,853	3	\$ (5,855)	(1)	\$ (99,066)	(5)	\$ 65,195	3
NET LOSS ATTRIBUTABLE TO:								
Owners of the Company	\$ (50,238)	(7)	\$ (40,511)	(7)	\$ (119,012)	(6)	\$ (37,835)	(2)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 24,853	3	\$ (5,855)	(1)	\$ (99,066)	(5)	\$ 65,195	3
NET LOSS PER SHARE (Note 23)								
Basic	\$ (0.30)		\$ (0.24)		\$ (0.72)		\$ (0.23)	
Diluted	\$ (0.30)		\$ (0.24)		\$ (0.72)		\$ (0.23)	

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					Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Retained Earnings		Total	Unrealized 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 Stock	
				Special Reserve	Unappropriated Earnings (Accumulated Deficits)							
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 nine months ended September 30, 2023	-	-	-	-	(119,012)	(119,012)	-	-	-	-	-	(119,012)
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	4,954	14,992	-	19,946	-	19,946
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	(119,012)	(119,012)	4,954	14,992	-	19,946	-	(99,066)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	899	899	(899)	-	-	(899)	-	-
BALANCE AT SEPTEMBER 30, 2023	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (89,502)	\$ 373,139	\$ 4,026	\$ (87,753)	\$ 4,958	\$ (78,769)	\$ (43,059)	\$ 2,214,626
BALANCE AT JANUARY 1, 2022	\$ 1,692,000	\$ 271,315	\$ 343,170	\$ 85,432	\$ 216,553	\$ 645,155	\$ 1,303	\$ (165,045)	\$ 4,157	\$ (159,585)	\$ (43,059)	\$ 2,405,826
Appropriation of 2021 earnings												
Legal reserve	-	-	21,655	-	(21,655)	-	-	-	-	-	-	-
Special reserve	-	-	-	74,153	(74,153)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(49,770)	(49,770)	-	-	-	-	-	(49,770)
	-	-	21,655	74,153	(145,578)	(49,770)	-	-	-	-	-	(49,770)
Net loss for the nine months ended September 30, 2022	-	-	-	-	(37,835)	(37,835)	-	-	-	-	-	(37,835)
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	(2,429)	105,459	-	103,030	-	103,030
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	(37,835)	(37,835)	(2,429)	105,459	-	103,030	-	65,195
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(992)	(992)	992	-	-	992	-	-
BALANCE AT SEPTEMBER 30, 2022	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 159,585	\$ 32,148	\$ 556,558	\$ (134)	\$ (59,586)	\$ 4,157	\$ (55,563)	\$ (43,059)	\$ 2,421,251

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)

	Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (194,211)	\$ (67,529)
Adjustments for:		
Depreciation expense	176,918	185,516
Amortization expense	2,478	2,932
Expected credit loss recognized (reversed)	9	(2,395)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(1,408)	4,631
Finance costs	29,406	35,982
Interest income	(12,346)	(4,972)
Dividend income	(339)	(158)
Net loss on disposal of property, plant and equipment	3,002	3,608
Write-down of inventories	508	77,673
Other non-cash items	2,956	2,681
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(24)	-
Notes receivable	(47,527)	62,420
Accounts receivable	(48,176)	491,288
Other receivables	641	1,438
Inventories	(60,311)	184,741
Other current assets	(77,842)	1,188
Financial liabilities held for trading	-	(4,645)
Notes payable	185,796	(143,071)
Accounts payable	278,579	(231,210)
Other payables	26,312	(53,081)
Other current liabilities	560	4,120
Net defined benefit liabilities	(1,129)	(9,460)
Cash generated from operations	<u>263,852</u>	<u>541,697</u>
Interest received	12,003	4,802
Income tax paid received (paid)	<u>13,597</u>	<u>(33,505)</u>
Net cash generated from (used in) operating activities	<u>289,452</u>	<u>512,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(54,051)	(31,353)
Proceeds from sale of financial assets at fair value through other comprehensive income	29,957	41,739
Purchase of financial assets at fair value through profit or loss	(29,306)	-
Disposal of financial assets at fair value through profit or loss	23,590	-
Payments for property, plant and equipment	(255,745)	(254,187)
Proceeds from disposal of property, plant and equipment	1,272	2,301

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GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

	Nine Months Ended September 30	
	2023	2022
Decrease (increase) in other financial assets	\$ (16,597)	\$ 23,597
Increase in other noncurrent assets	(703)	(2,129)
Dividend received	<u>339</u>	<u>158</u>
Net cash used in investing activities	<u>(301,244)</u>	<u>(219,874)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,329,404	2,155,618
Decrease in short-term borrowings	(1,568,387)	(2,581,205)
Increase in short-term bills payable	60,000	150,000
Decrease in short-term bills payable	(10,000)	(200,000)
Increase in long-term borrowings	301,000	614,700
Repayment of long-term borrowings	(325,738)	(322,111)
Repayment of the principal portion of lease liabilities	(569)	(1,169)
Cash dividends paid	-	(49,770)
Interest paid	<u>(33,366)</u>	<u>(38,436)</u>
Net cash used in financing activities	<u>(247,656)</u>	<u>(272,373)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>43,772</u>	<u>77,609</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(215,676)	98,356
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,175,042</u>	<u>1,185,190</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 959,366</u>	<u>\$ 1,283,546</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 NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 and authorized for issue by the board of directors on November 9, 2023.

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and its subsidiaries (the “Group”).

- b. The IFRSs endorsed by the FSC for application starting from 2024

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- 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 IFRSs annual 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 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, 2022.

See Note 12, table 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 significant accounting policy in the consolidated financial statements for the year ended December 31, 2022.

1) 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.

2) 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 estimation, management is required to make judgments, estimations and assumptions, please refer to the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 1,692	\$ 2,313	\$ 1,744
Checking accounts and demand deposits	736,991	841,239	874,123
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>220,683</u>	<u>331,490</u>	<u>407,679</u>
	<u>\$ 959,366</u>	<u>\$ 1,175,042</u>	<u>\$ 1,283,546</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits (%)	1.25-5.45	0.95-4.65	1.50-3.25

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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial liabilities - current</u>			
Held for trading			
Non-derivative financial assets			
Gold Passbook	<u>\$ 7,148</u>	<u>\$ -</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FVTOCI - CURRENT

	September 30, 2023	December 31, 2022	September 30, 2022
Investments in equity instruments at FVTOCI			
Domestic listed shares	\$ 29,035	\$ 620	\$ -
Overseas listed shares	<u>572</u>	<u>-</u>	<u>1,740</u>
	<u>\$ 29,607</u>	<u>\$ 620</u>	<u>\$ 1,740</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 AND OVERDUE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 152,176</u>	<u>\$ 104,649</u>	<u>\$ 126,253</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 752,851	\$ 704,675	\$ 650,171
Less: Allowance for impairment loss	<u>9,718</u>	<u>9,655</u>	<u>8,688</u>
	<u>\$ 743,133</u>	<u>\$ 695,020</u>	<u>\$ 641,483</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:

September 30, 2023

	Not Past Due	Past Due 1to 60 Days	Past Due 61 to 180 Days	Past Due Over 180 Days	Total
Expected credit loss rate (%)	0-0.6	2-10	20-55	100	
Gross carrying amount	\$ 878,117	\$ 19,558	\$ 2,372	\$ 4,980	\$ 905,027
Loss allowance (Lifetime ECLs)	<u>(3,098)</u>	<u>(954)</u>	<u>(686)</u>	<u>(4,980)</u>	<u>(9,718)</u>
Amortized cost	<u>\$ 875,019</u>	<u>\$ 18,604</u>	<u>\$ 1,686</u>	<u>\$ -</u>	<u>\$ 895,309</u>

December 31, 2022

	Not Past Due	Past Due 1to 60 Days	Past Due 61 to 180 Days	Past Due Over 180 Days	Total
Expected credit loss rate (%)	0-0.6	2-10	20-60	70-100	
Gross carrying amount	\$ 773,088	\$ 30,846	\$ 421	\$ 4,969	\$ 809,324
Loss allowance (Lifetime ECLs)	<u>(3,003)</u>	<u>(1,594)</u>	<u>(116)</u>	<u>(4,942)</u>	<u>(9,655)</u>
Amortized cost	<u>\$ 770,085</u>	<u>\$ 29,252</u>	<u>\$ 305</u>	<u>\$ 27</u>	<u>\$ 799,669</u>

September 30, 2022

	Not Past Due	Past Due 1to 60 Days	Past Due 61 to 180 Days	Past Due Over 180 Days	Total
Expected credit loss rate (%)	0-0.6	2-10	20-50	70-100	
Gross carrying amount	\$ 753,873	\$ 16,011	\$ 1,494	\$ 5,046	\$ 776,424
Loss allowance (Lifetime ECLs)	<u>(2,890)</u>	<u>(752)</u>	<u>(405)</u>	<u>(4,641)</u>	<u>(8,688)</u>
Amortized cost	<u>\$ 750,983</u>	<u>\$ 15,259</u>	<u>\$ 1,089</u>	<u>\$ 405</u>	<u>\$ 767,736</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 9,655	\$ 10,692
Loss allowance recognized (reversed)	9	(2,395)
Foreign exchange gains and losses	<u>54</u>	<u>391</u>
Balance at September 30	<u>\$ 9,718</u>	<u>\$ 8,688</u>

b. Credit risk of notes and accounts receivable

The Group's receivables are highly concentrated on certain individuals, most of which have similar business operations and economic features. Therefore, credit risk occurs when financial instrument transactions are from individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The balances of the notes and accounts receivable from certain customers with significant gross carrying amounts as of each reporting date were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Group A	<u>\$ 105,186</u>	<u>\$ 116,532</u>	<u>\$ 129,499</u>

10. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 232,538	\$ 315,409	\$ 372,326
Work in process	230,636	176,954	261,239
Raw materials	333,462	265,805	245,251
Supplies	<u>106,406</u>	<u>84,852</u>	<u>84,809</u>
	<u>\$ 903,042</u>	<u>\$ 843,020</u>	<u>\$ 963,625</u>

All operating costs recognized for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022 were the cost of inventories, which included the following items:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Write-down of inventories	\$ -	\$ 33,816	\$ 508	\$ 77,673
Recognition (reversal) of provisions	(303)	(146)	113	290
Others	<u>(6)</u>	<u>290</u>	<u>(20)</u>	<u>306</u>
	<u>\$ (309)</u>	<u>\$ 33,960</u>	<u>\$ 601</u>	<u>\$ 78,269</u>

11. OTHER FINANCIAL ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Pledged time deposits	\$ 13,580	\$ 10,470	\$ 11,654
Refundable deposits	<u>32,060</u>	<u>18,573</u>	<u>19,007</u>
	<u>\$ 45,640</u>	<u>\$ 29,043</u>	<u>\$ 30,661</u>
Current	\$ 38,615	\$ 22,039	\$ 23,559
Noncurrent	<u>7,025</u>	<u>7,004</u>	<u>7,102</u>
	<u>\$ 45,640</u>	<u>\$ 29,043</u>	<u>\$ 30,661</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits (%)	1.25-6.20	1.35-4.80	1.35-4.80

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	Main Businesses and Products	Percentage of Ownership (%)		
			September 30, 2023	December 31, 2022	September 30, 2022
The Company	Global Electronics Terminal (Cayman) Co., Ltd. (Global Cayman)	Note 1	100	100	100
	Genius Terminal Co., Ltd. (Genius)	Notes 1 and 2	100	100	100
	GEM Terminal (Cayman) Co., Ltd. (GEM Cayman)	Note 1	100	100	100
Global Cayman	Vibo Gem International Co., Ltd. (Vibo)	Notes 1 and 2	100	100	100
	Global Electronics Terminal (HK) Co., Ltd. (Global HK)	Note 2	100	100	100
Genius	Genius Terminal (HK) Ltd. (Genius HK)	Note 2	100	100	100
GEM Cayman	Vietnam Gem Electronic and Metal Co., Ltd (GEM VN)	Note 4	100	100	100
Vibo	Suzhou Gem Opto-Electronics Terminal Co., Ltd. (GEM Suzhou)	Note 3	100	100	100
	Dongguan Gem Electronics & Metal Co., Ltd. (GEM Dongguan)	Note 3	100	100	100

Note 1: International investment.

Note 2: International trading.

Note 3: Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.

Note 4: 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.

13. PROPERTY, PLANT, AND EQUIPMENT

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

Nine months ended September 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	-	16,939	73,790	1,809	58,313	66,605	217,456
Disposal	-	(7,337)	(142,237)	(3,685)	(40,004)	-	(193,263)
Effect of foreign currency exchange differences	-	4,810	(46,428)	172	4,167	(3,032)	(40,311)
Balance at September 30, 2023	<u>\$ 245,920</u>	<u>\$ 1,071,311</u>	<u>\$ 1,643,376</u>	<u>\$ 47,615</u>	<u>\$ 787,299</u>	<u>\$ 222,374</u>	<u>\$ 4,017,895</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ (623,773)	\$ (1,182,170)	\$ (31,190)	\$ (520,063)	\$ -	\$ (2,357,196)
Depreciation expenses	-	(30,867)	(80,464)	(2,741)	(60,752)	-	(174,824)
Disposal	-	5,978	140,628	3,593	38,790	-	188,989
Effect of foreign currency exchange differences	-	(424)	19,312	(111)	(2,700)	-	16,077
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ (649,086)</u>	<u>\$ (1,102,694)</u>	<u>\$ (30,449)</u>	<u>\$ (544,725)</u>	<u>\$ -</u>	<u>\$ (2,326,954)</u>
Carrying amounts at December 31, 2022 and January 1, 2023	<u>\$ 245,920</u>	<u>\$ 433,126</u>	<u>\$ 576,081</u>	<u>\$ 18,129</u>	<u>\$ 244,760</u>	<u>\$ 158,801</u>	<u>\$ 1,676,817</u>
Carrying amounts at September 30, 2023	<u>\$ 245,920</u>	<u>\$ 422,225</u>	<u>\$ 540,682</u>	<u>\$ 17,166</u>	<u>\$ 242,574</u>	<u>\$ 222,374</u>	<u>\$ 1,690,941</u>

Nine months ended September 30, 2022

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 146,218	\$ 1,027,855	\$ 1,670,589	\$ 49,197	\$ 766,301	\$ 64,137	\$ 3,724,297
Additions	99,702	768	45,509	5,704	35,087	58,719	245,489
Disposal	-	(2,159)	(36,902)	(5,244)	(65,307)	-	(109,612)
Effect of foreign currency exchange differences	-	42,918	110,388	1,263	35,174	1,914	191,657
Balance at September 30, 2022	<u>\$ 245,920</u>	<u>\$ 1,069,382</u>	<u>\$ 1,789,584</u>	<u>\$ 50,920</u>	<u>\$ 771,255</u>	<u>\$ 124,770</u>	<u>\$ 4,051,831</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ -	\$ (575,359)	\$ (1,050,483)	\$ (33,910)	\$ (496,251)	\$ -	\$ (2,156,003)
Depreciation expenses	-	(30,809)	(85,000)	(2,105)	(65,582)	-	(183,496)
Disposal	-	501	33,966	5,151	64,085	-	103,703
Effect of foreign currency exchange differences	-	(15,851)	(82,701)	(880)	(22,307)	-	(121,739)
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ (621,518)</u>	<u>\$ (1,184,218)</u>	<u>\$ (31,744)</u>	<u>\$ (520,055)</u>	<u>\$ -</u>	<u>\$ (2,357,535)</u>
Carrying amounts at September 30, 2022	<u>\$ 245,920</u>	<u>\$ 447,864</u>	<u>\$ 605,366</u>	<u>\$ 19,176</u>	<u>\$ 251,200</u>	<u>\$ 124,770</u>	<u>\$ 1,694,296</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	5-25 years
Building facilities	3-25 years
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

- 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:

	For the Nine Months Ended September 30	
	2023	2022
Additions to property, plant and equipment	\$ 217,456	\$ 245,489
Capitalized interest	(3,872)	(2,234)
Increase in prepayments for equipment	48,522	6,076
Decrease (increase) in payables for purchase of equipment	<u>(6,361)</u>	<u>4,856</u>
Cash paid	<u>\$ 255,745</u>	<u>\$ 254,187</u>

14. LEASE ARRANGEMENTS

- a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount			
Land	\$ 63,681	\$ 64,257	\$ 65,806
Buildings	3,271	3,280	3,382
Transportation equipment	<u>785</u>	<u>1,329</u>	<u>1,510</u>
	<u>\$ 67,737</u>	<u>\$ 68,866</u>	<u>\$ 70,698</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2023	2022	2023
Depreciation charge for right-of-use assets			
Land	\$ 500	\$ 481	\$ 1,494
Buildings	19	18	56
Transportation equipment	<u>182</u>	<u>182</u>	<u>544</u>
	<u>\$ 701</u>	<u>\$ 681</u>	<u>\$ 2,094</u>
			<u>\$ 2,020</u>

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount			
Current	<u>\$ 898</u>	<u>\$ 764</u>	<u>\$ 705</u>
Noncurrent	<u>\$ 345</u>	<u>\$ 1,048</u>	<u>\$ 929</u>
Range of discount rate for lease liabilities (%)			
Land	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 dormitory 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. As of September 30, 2023, the Group is in the process of obtaining the land use right certificate of a partial land lease of \$8,583 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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	<u>\$ 291</u>	<u>\$ 356</u>	<u>\$ 873</u>	<u>\$ 898</u>
Expenses relating to low-value assets leases	<u>\$ 7</u>	<u>\$ 10</u>	<u>\$ 41</u>	<u>\$ 56</u>
Total cash outflow for leases			<u>\$ 1,719</u>	<u>\$ 2,390</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

	September 30, 2023	December 31, 2022	September 30, 2022
Payable for salaries and bonuses	\$ 35,725	\$ 39,010	\$ 34,489
Payable for purchase of equipment	44,222	37,861	31,954
Payable for freight	12,953	11,926	10,994
Payable for service fees	7,493	7,927	6,939
Payable for utilities fees	4,767	3,875	4,048
Payable for tax	4,153	1,718	4,091
Payable for processing fees	3,981	2,960	1,994
Payable for pension	843	852	898
Others	<u>60,784</u>	<u>36,207</u>	<u>39,564</u>
	<u>\$ 174,921</u>	<u>\$ 142,336</u>	<u>\$ 134,971</u>

17. BORROWINGS

a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans	\$ 482,822	\$ 596,196	\$ 589,620
Secured bank loans (Note 27)	<u>81,145</u>	<u>202,197</u>	<u>350,413</u>
	<u>\$ 563,967</u>	<u>\$ 798,393</u>	<u>\$ 940,033</u>
Unsecured bank loans annual interest rates (%)	2.05-5.70	1.80-3.30	1.46-4.10
Secured bank loans annual interest rates (%)	2.95-6.10	2.20-4.53	2.10-4.00

b. Short-term bills payable

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial papers			
China Bills Finance Corporation	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>
Annual interest rates (%)	2.038	-	-

c. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans	\$ 856,720	\$ 791,333	\$ 842,167
Secured bank loans (Note 27)	<u>200,691</u>	<u>290,816</u>	<u>291,227</u>
	1,057,411	1,082,149	1,133,394
Less: Current portion	<u>362,530</u>	<u>334,433</u>	<u>346,933</u>
	<u>\$ 694,881</u>	<u>\$ 747,716</u>	<u>\$ 786,461</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans annual interest rates (%)	2.00-2.72	2.00-2.48	1.74-2.35
Secured bank loans annual interest rates (%)	2.32-2.49	2.19-2.20	2.07-2.10
Unsecured bank loans expiration period	2024.05-2028.07	2023.04-2027.08	2022.11-2027.08
Secured bank loans expiration period	2025.07-2037.08	2025.07-2037.08	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. As of June 30, 2023 and December 31, 2022, the Group was not compliant with the requirement of times interest earned ratio stated in the loan agreements with certain banks; thus, according to the agreements, except for exempted loans, certain commercial banks have adjusted the interest rates on the noncompliant loans.

18. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, employee benefit expenses in respect of the Group's defined benefit retirement plans were \$57 thousand, \$83 thousand, \$169 thousand and \$250 thousand, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2022 and 2021.

19. EQUITY

a. Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Items</u>			
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 offsetting of deficit for 2022 and the appropriation of earnings for 2021 was as follows:

Legal reserve	\$ _____	\$ 21,655
(Reversal of) special reserve	\$ (61,769)	\$ 74,153
Cash dividends	\$ _____	\$ 49,770
Cash dividends per share (NT\$)	\$ _____	\$ 0.3

The cash dividends were resolved by the Company's board of directors on March 23, 2022. The other proposed appropriations were resolved by the shareholders in their meetings on June 15, 2023 and June 23, 2022.

d. Other equity items

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (102,745)	\$ (165,045)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	16,431	110,390
Income tax effect	<u>(1,439)</u>	<u>(4,931)</u>
Balance at September 30	<u>\$ (87,753)</u>	<u>\$ (59,586)</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (29)	\$ 1,303
Recognized for the period		
Unrealized gain (loss) - equity instruments	4,942	(2,607)
Income tax effect	12	178
Cumulative unrealized loss (gain) of equity instruments transferred to retained earnings due to disposal	<u>(899)</u>	<u>992</u>
Balance at September 30	<u>\$ 4,026</u>	<u>\$ (134)</u>

e. Treasury shares

	For the Nine Months Ended September 30	
	2023	2022
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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 714,321</u>	<u>\$ 578,633</u>	<u>\$ 1,841,036</u>	<u>\$ 2,228,994</u>

a. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Notes receivable	\$ 152,176	\$ 104,649	\$ 126,253	\$ 188,673
Accounts receivable, net	<u>743,133</u>	<u>695,020</u>	<u>641,483</u>	<u>1,130,767</u>
	<u>\$ 895,309</u>	<u>\$ 799,669</u>	<u>\$ 767,736</u>	<u>\$ 1,319,440</u>

b. Disaggregation of revenue

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

21. LOSS BEFORE INCOME TAX

Loss before income tax included following items:

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	<u>\$ 4,371</u>	<u>\$ 3,315</u>	<u>\$12,346</u>	<u>\$ 4,972</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Foreign exchange gains, net	\$ 9,938	\$ 63,253	\$ 29,117	\$ 131,111
Loss on disposal of property, plant and equipment, net	(1,334)	(886)	(3,002)	(3,608)
Gain (loss) on financial instruments at FVTPL, net	163	(1,458)	1,408	(4,631)
Others	<u>(435)</u>	<u>(348)</u>	<u>(1,164)</u>	<u>(2,474)</u>
	<u>\$ 8,332</u>	<u>\$ 60,561</u>	<u>\$ 26,359</u>	<u>\$ 120,398</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest expense of borrowings	\$ 10,584	\$ 12,813	\$ 33,042	\$ 37,949
Interest on lease liabilities	70	82	236	267
Less: Amounts included in the cost of qualifying assets	<u>1,377</u>	<u>1,206</u>	<u>3,872</u>	<u>2,234</u>
	<u>\$ 9,277</u>	<u>\$ 11,689</u>	<u>\$ 29,406</u>	<u>\$ 35,982</u>
Capitalization rate (%)	2.04-2.52	1.83-4.32	2.04-4.20	1.47-4.80

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 57,766	\$ 60,137	\$ 174,824	\$ 183,496
Right-of-use assets	701	681	2,094	2,020
Other assets	<u>736</u>	<u>937</u>	<u>2,478</u>	<u>2,932</u>
	<u>\$ 59,203</u>	<u>\$ 61,755</u>	<u>\$ 179,396</u>	<u>\$ 188,448</u>
An analysis of depreciation by function				
Operating costs	\$ 49,685	\$ 52,364	\$ 150,523	\$ 160,375
Operating expenses	<u>8,782</u>	<u>8,454</u>	<u>26,395</u>	<u>25,141</u>
	<u>\$ 58,467</u>	<u>\$ 60,818</u>	<u>\$ 176,918</u>	<u>\$ 185,516</u>
An analysis of amortization by function				
Operating costs	\$ 7	\$ 8	\$ 22	\$ 8
Operating expenses	<u>729</u>	<u>929</u>	<u>2,456</u>	<u>2,924</u>
	<u>\$ 736</u>	<u>\$ 937</u>	<u>\$ 2,478</u>	<u>\$ 2,932</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits (Note 18)				
Defined contribution plans	\$ 7,022	\$ 7,337	\$ 21,006	\$ 21,331
Defined benefit plans	<u>57</u>	<u>83</u>	<u>169</u>	<u>250</u>
	7,079	7,420	21,175	21,581
Short-term employee benefits	<u>109,349</u>	<u>101,063</u>	<u>308,208</u>	<u>317,417</u>
	<u>\$ 116,428</u>	<u>\$ 108,483</u>	<u>\$ 329,383</u>	<u>\$ 338,998</u>
An analysis by function				
Operating costs	\$ 83,079	\$ 75,175	\$ 227,561	\$ 234,800
Operating expenses	<u>33,349</u>	<u>33,308</u>	<u>101,822</u>	<u>104,198</u>
	<u>\$ 116,428</u>	<u>\$ 108,483</u>	<u>\$ 329,383</u>	<u>\$ 338,998</u>

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 nine months ended September 30, 2023 and 2022, the Company incurred a net loss; hence, no employees' compensation and remuneration of directors and supervisors were accrued.

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.

There is no compensation of employees, and remuneration of directors and supervisors accrued, because of the net loss in 2022.

The Company's board of directors resolved the appropriations of employees' compensation of \$10,331 thousand and remuneration of directors of \$2,583 thousand in cash for 2021 on March 23, 2022. There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2021.

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. The major components of income tax expense (benefit) recognized in profit or loss are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 2,004	\$ (11,005)	\$ 2,253	\$ 16,866
Adjustments for prior periods	<u>-</u>	<u>1,410</u>	<u>426</u>	<u>(4,346)</u>
	<u>2,004</u>	<u>(9,595)</u>	<u>2,679</u>	<u>12,520</u>
Deferred tax				
In respect of the current period	(22,702)	(18,830)	(66,990)	(42,214)
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>(10,888)</u>	<u>-</u>
	<u>(22,702)</u>	<u>(18,830)</u>	<u>(77,878)</u>	<u>(42,214)</u>
	<u>\$ (20,698)</u>	<u>\$ (28,425)</u>	<u>\$ (75,199)</u>	<u>\$ (29,694)</u>

- b. Income tax benefit (expense) recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
Disposal of investments in equity instruments designated as at FVTOCI	\$ -	\$ 13	\$ -	\$ 148

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Deferred tax				
Disposal of investments in equity instruments designated as at FVTOCI	\$ -	\$ (13)	\$ -	\$ (148)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
				(Concluded)

c. Income tax benefit (expense) recognized in other comprehensive income (loss)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Deferred tax				
In respect of the current period				
Translation of foreign operations	\$ (193)	\$ (2,041)	\$ (1,439)	\$ (4,931)
Fair value changes of financial assets at FVTOCI	<u>8</u>	<u>47</u>	<u>12</u>	<u>178</u>
	<u>\$ (185)</u>	<u>\$ (1,994)</u>	<u>\$ (1,427)</u>	<u>\$ (4,753)</u>

d. Income tax assessments

The income tax returns of the Company and GEM VN through 2021 and 2020 have been assessed by the tax authorities. GEM Dongguan and GEM Suzhou had completed the filing of their income tax returns through 2022 with the tax authorities.

23. NET LOSS PER SHARE

Due to the net losses incurred for the nine months ended September 30, 2023 and 2022, and for the three months ended September 30, 2023 and 2022, there is no dilutive effect on the computation of diluted loss per share.

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

Net loss for the period - attributable to owners of the Company

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net loss used in the computation of diluted net loss per share	<u>\$ (50,238)</u>	<u>\$ (40,511)</u>	<u>\$ (119,012)</u>	<u>\$ (37,835)</u>

Weighted average number of ordinary shares outstanding (in thousands)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares in computation of diluted net loss per share	<u>165,899</u>	<u>165,899</u>	<u>165,899</u>	<u>165,899</u>

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Gold Passbook	\$ 7,148	\$ -	\$ -	\$ 7,148
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 29,035	\$ -	\$ -	\$ 29,035
Overseas listed shares	<u>572</u>	<u>-</u>	<u>-</u>	<u>572</u>
	<u>\$ 29,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,607</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ <u>620</u>	\$ -	\$ -	\$ <u>620</u>

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Overseas listed shares	\$ <u>1,740</u>	\$ -	\$ -	\$ <u>1,740</u>

There were no transfers between Level 1 and Level 2 for the nine months ended September 30, 2023 and 2022.

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 1,902,753	\$ 2,006,490	\$ 2,083,937
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	7,148	-	-
Financial assets at FVTOCI			
Equity instruments	29,607	620	1,740
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	2,739,189	2,451,393	2,524,140

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.

	For the Nine Months Ended September 30	
	2023	2022
USD	\$ 4,308	\$ 7,379
HKD	338	97

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:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 234,263	\$ 341,960	\$ 419,333
Financial liabilities	307,207	448,008	640,240
Cash flow interest rate risk			
Financial assets	736,797	841,109	873,993
Financial liabilities	1,365,414	1,434,346	1,434,821

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 nine months ended September 30, 2023 and 2022 would decrease/increase \$4,715 thousand and \$4,206 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 Passbook 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 Gold Passbook prices had been 1% higher/lower, the pre-tax profit (loss) for the nine months ended September 30, 2023, would increase/decrease by \$71 thousand, as a result of holding these investments.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would increase/decrease by \$296 thousand and \$17 thousand, respectively, as a result of the changes in 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 receivables are significantly concentrated in certain individuals. Accounts receivable from customers with significant carrying amounts were disclosed in Note 9.

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.

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
Fixed interest rate liabilities	\$ 100,575	\$ 933	\$ 155,041	\$ 100,710	\$ -
Variable interest rate liabilities	61,164	76,751	659,605	600,103	14,307
Lease liabilities	90	179	806	470	-
Financial guarantee contracts	5,655	11,676	6,096	-	-
Non-interest bearing	<u>480,854</u>	<u>356,843</u>	<u>228,555</u>	<u>-</u>	<u>-</u>
	<u>\$ 648,338</u>	<u>\$ 446,382</u>	<u>\$1,050,103</u>	<u>\$ 701,283</u>	<u>\$ 14,307</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
Fixed interest rate liabilities	\$ 151,084	\$ 1,384	\$ 201,801	\$ 102,211	\$ -
Variable interest rate liabilities	57,591	25,001	728,812	650,461	17,660
Lease liabilities	90	179	806	1,275	-
Financial guarantee contracts	9,078	6,974	3,459	-	-
Non-interest bearing	<u>258,220</u>	<u>127,431</u>	<u>183,553</u>	<u>-</u>	<u>-</u>
	<u>\$ 476,063</u>	<u>\$ 160,969</u>	<u>\$1,118,431</u>	<u>\$ 753,947</u>	<u>\$ 17,660</u>

September 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years
Fixed interest rate liabilities	\$ 51,344	\$ 161,482	\$ 337,521	\$ 102,715	\$ -
Variable interest rate liabilities	29,769	159,740	583,652	690,870	15,882
Lease liabilities	80	239	636	1,034	-
Financial guarantee contracts	2,277	6,418	4,295	-	-
Non-interest bearing	<u>267,710</u>	<u>115,169</u>	<u>66,251</u>	<u>-</u>	<u>-</u>
	<u>\$ 351,180</u>	<u>\$ 443,048</u>	<u>\$ 992,355</u>	<u>\$ 794,619</u>	<u>\$ 15,882</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:

	September 30, 2023	December 31, 2022	September 30, 2022
Transferred but not derecognized (Note 1)	\$ 59,460	\$ 23,794	\$ 22,444
Transferred and derecognized (Note 2)	<u>23,427</u>	<u>19,511</u>	<u>12,990</u>
	<u>\$ 82,887</u>	<u>\$ 43,305</u>	<u>\$ 35,434</u>
Maturity date	2023.10-2024.02	2023.01-2023.05	2022.10-2023.02

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 nine months ended September 30, 2023 and 2022, 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

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
Guu, Heng-Chang	Key management personnel
Su, Hong-Yue-Chi	Other related parties
Su, Tun-Jen	Other related parties
Su, Tun-Yi	Other related parties

b. Service fees

Key management of subsidiaries and other related parties provided consulting services to the Company and the service fees of \$561 thousand, \$921 thousand, \$1,683 thousand and \$3,239 thousand were recognized as operating expenses and paid for the three months and six months ended September 30, 2023 and 2022, respectively.

c. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 3,470	\$ 3,138	\$ 10,290	\$ 9,113
Post-employment benefits	<u>66</u>	<u>65</u>	<u>196</u>	<u>195</u>
	<u>\$ 3,536</u>	<u>\$ 3,203</u>	<u>\$ 10,486</u>	<u>\$ 9,308</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.

d. Lease arrangements

Line Item	Related Party Name	September 30, 2023	December 31, 2022	September 30, 2022
Lease liabilities	Su, Chung-Hong	<u>\$ 314</u>	<u>\$ 342</u>	<u>\$ -</u>

Line Item	Related Party Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Financial costs	Su, Chung-Hong	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ -</u>
Rental expense	Su, Tun-Li	<u>\$ 223</u>	<u>\$ 223</u>	<u>\$ 668</u>	<u>\$ 668</u>

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

e. Acquisition of property, plant and equipment

In June 2022, the Company has contracted a land purchase agreement with the related party, Su Hong-Yue-Chi to build a plant. The purchase price was 99,600 thousand determined based on the professional appraisal report. The transaction has been completed and the right of the land has been transferred on July 29, 2022.

f. Guarantees

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

Guarantor	September 30, 2023	December 31, 2022	September 30, 2022
Su, Tun-Li	\$ 888,641	\$ 926,699	\$ 877,142
Su, Chung-Hong	<u>676,774</u>	<u>757,648</u>	<u>807,679</u>
	<u>\$ 1,565,415</u>	<u>\$ 1,684,347</u>	<u>\$ 1,684,821</u>

27. ASSETS PLEDGED AS COLLATERAL OR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 59,460	\$ 23,794	\$ 22,444
Property, plant and equipment	483,288	496,201	507,208
Pledged deposits (under other financial assets)	13,580	10,470	11,654
Right-of-use assets	<u>29,039</u>	<u>29,495</u>	<u>30,324</u>
	<u>\$ 585,367</u>	<u>\$ 559,960</u>	<u>\$ 571,630</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of September 30, 2023, the Group's significant contingent liabilities and unrecognized commitments, were as follows:

- The unrecognized amount of contracts for the Group's purchases of property, plant, and equipment was \$118,204 thousand.
- The unrecognized amount of contracts for the Group's purchases of raw materials was \$58,973 thousand.

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)
<hr/> September 30, 2023			
Financial assets			
Monetary items			
USD	\$ 10,428	32.270 (USD: NTD)	\$ 336,526
USD	19,945	7.3092 (USD: RMB)	643,631
USD	22,758	7.8249 (USD: HKD)	734,409
USD	4,832	24.577 (USD: VND)	155,920
HKD	338	4.1240 (HKD: NTD)	1,393
HKD	16,918	0.9341 (HKD: RMB)	69,769
HKD	1,261	0.1278 (HKD: USD)	<u>5,202</u>
			<u>\$ 1,946,850</u>

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
Financial liabilities				
Monetary items				
USD	\$ 967	32.270	(USD:NTD)	\$ 31,206
USD	4,468	7.3092	(USD:RMB)	144,193
USD	18,588	7.8249	(USD:HKD)	599,822
USD	20,590	24,577	(USD:VND)	664,437
HKD	10,038	4.1240	(HKD:NTD)	41,399
HKD	283	0.9341	(HKD:RMB)	<u>1,166</u>
				<u>\$ 1,482,223</u>

December 31, 2022

Financial assets				
Monetary items				
USD	19,587	30.7150	(USD:NTD)	\$ 601,615
USD	9,465	6.9664	(USD:RMB)	290,703
USD	14,559	7.7977	(USD:HKD)	447,188
USD	4,057	23,736	(USD:VND)	124,608
HKD	426	3.9390	(HKD:NTD)	1,676
HKD	26,387	0.8934	(HKD:RMB)	103,937
HKD	1,236	0.1282	(HKD:USD)	<u>4,870</u>
				<u>\$ 1,574,597</u>

Financial liabilities				
Monetary items				
USD	1,192	30.7150	(USD:NTD)	\$ 36,617
USD	3,643	6.9664	(USD:RMB)	111,899
USD	11,209	7.7977	(USD:HKD)	344,283
USD	18,524	23,736	(USD:VND)	568,964
HKD	17,226	3.9390	(HKD:NTD)	67,852
HKD	153	0.8934	(HKD:RMB)	<u>601</u>
				<u>\$ 1,130,216</u>

September 30, 2022

Financial assets				
Monetary items				
USD	27,250	31.755	(USD:NTD)	\$ 865,329
USD	14,913	7.0929	(USD:RMB)	473,573
USD	13,414	7.8504	(USD:HKD)	425,966
USD	4,673	23,930	(USD:VND)	148,394
HKD	218	4.045	(HKD:NTD)	881
HKD	19,849	0.9035	(HKD:RMB)	80,288
HKD	1,229	0.1274	(HKD:USD)	<u>4,972</u>
				<u>\$ 1,999,403</u>

Financial liabilities				
Monetary items				
USD	1,042	31.755	(USD:NTD)	\$ 33,078
USD	3,297	7.0929	(USD:RMB)	104,699
USD	11,299	7.8504	(USD:HKD)	358,803
USD	21,377	23,930	(USD:VND)	678,816

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
HKD	\$ 18,782	4.045	(HKD:NTD)	\$ 75,973
HKD	120	0.9035	(HKD:RMB)	<u>486</u>
				<u>\$ 1,251,855</u> (Concluded)

For the three and nine months ended September 30, 2023 and 2022, realized and unrealized foreign exchange were net gain \$9,938 thousand, net gain \$63,253 thousand, net gain \$29,117 thousand and net gain \$131,111 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 nine months ended September 30, 2023, net loss of futures contracts was \$24 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: Tables 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: Tables 7 and 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 reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

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 were as follows:

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

Segment revenues and results

The following was an analysis of the Group's revenue and results from operations by reportable segments:

	The Company	GEM Dongguan & Genius HK	GEM Suzhou & Global HK	GEM VN	Others	Adjustment and Elimination	Consolidated Amount
For the nine months ended September 30, 2023							
Revenue from external customers	\$ 256,261	\$ 609,467	\$ 952,857	\$ 22,451	\$ -	\$ -	\$ 1,841,036
Inter-segment revenue	<u>44,547</u>	<u>275,220</u>	<u>1,211,534</u>	<u>615,522</u>	<u>-</u>	<u>(2,146,823)</u>	<u>-</u>
Segment revenue	<u>\$ 300,808</u>	<u>\$ 884,687</u>	<u>\$ 2,164,391</u>	<u>\$ 637,973</u>	<u>\$ -</u>	<u>\$(2,146,823)</u>	<u>\$ 1,841,036</u>
Segment loss	<u>\$(56,334)</u>	<u>\$(107,615)</u>	<u>\$(17,180)</u>	<u>\$(44,401)</u>	<u>\$(972)</u>	<u>\$ 19,437</u>	\$ (207,065)
Interest income							12,346
Other income							3,555
Other gains and losses							26,359
Finance costs							<u>(29,406)</u>
Consolidated loss before income tax							(194,211)
Income tax							<u>75,199</u>
Consolidated net loss							<u>\$ (119,012)</u>
September 30, 2023							
Segment assets	<u>\$ 3,802,030</u>	<u>\$ 1,055,786</u>	<u>\$ 2,669,854</u>	<u>\$ 1,092,015</u>	<u>\$ 69,294</u>	<u>\$(3,692,384)</u>	<u>\$ 4,996,595</u>
Segment liabilities	<u>\$ 1,587,404</u>	<u>\$ 224,977</u>	<u>\$ 1,912,650</u>	<u>\$ 688,481</u>	<u>\$ 13,346</u>	<u>\$(1,644,889)</u>	<u>\$ 2,781,969</u>
For the nine months ended September 30, 2022							
Revenue from external customers	\$ 383,078	\$ 892,714	\$ 947,718	\$ 5,484	\$ -	\$ -	\$ 2,228,994
Inter-segment revenue	<u>114,733</u>	<u>269,368</u>	<u>1,024,453</u>	<u>741,104</u>	<u>-</u>	<u>(2,149,658)</u>	<u>-</u>
Segment revenue	<u>\$ 497,811</u>	<u>\$ 1,162,082</u>	<u>\$ 1,972,171</u>	<u>\$ 746,588</u>	<u>\$ -</u>	<u>\$(2,149,658)</u>	<u>\$ 2,228,994</u>
Segment income (loss)	<u>\$(22,110)</u>	<u>\$(76,016)</u>	<u>\$(63,471)</u>	<u>\$ 1,899</u>	<u>\$(1,029)</u>	<u>\$(873)</u>	\$ (161,600)
Interest income							4,972
Other income							4,683
Other gains and losses							120,398
Finance costs							<u>(35,982)</u>
Consolidated income before income tax							(67,529)
Income tax							<u>29,694</u>
Consolidated net income							<u>\$ (37,835)</u>
September 30, 2022							
Segment assets	<u>\$ 4,146,904</u>	<u>\$ 1,221,008</u>	<u>\$ 2,237,684</u>	<u>\$ 955,283</u>	<u>\$ 67,186</u>	<u>\$(3,603,560)</u>	<u>\$ 5,024,505</u>
Segment liabilities	<u>\$ 1,725,653</u>	<u>\$ 166,930</u>	<u>\$ 867,993</u>	<u>\$ 700,237</u>	<u>\$ 26,473</u>	<u>\$(884,032)</u>	<u>\$ 2,603,254</u>

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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	\$ 368,580	\$ 193,620	\$ 64,540	5.63-5.8	Short-term financing	\$ -	Business development	\$ -	-	\$ -	\$ 442,925	\$ 885,850	Note 1
0	The Company	Genius HK	Other receivables - related parties	Yes	153,575	-	-	-	Short-term financing	-	Business development	-	-	-	442,925	885,850	Note 1
1	Vibo	GEM VN	Other receivables - related parties	Yes	32,270	32,270	32,270	5.76	Short-term financing	-	Business development	-	-	-	423,836	847,673	Note 1
2	GEM Dongguan	GEM Suzhou	Other receivables - related parties	Yes	44,150	44,150	44,150	3	Short-term financing	-	Business development	-	-	-	165,600	331,201	Note 1

Note 1: Under the Company's and the subsidiaries' "Operational Procedures for Loaning 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\$32.270 and CNY\$1 : NT\$4.4152.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
 SEPTEMBER 30, 2023
 (In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				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	139	-	139	
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at FVTOCI - current	13,000	6,799	-	6,799	
	Silicon Integrated Systems	-	Financial assets at FVTOCI - current	400,000	15,100	-	15,100	
	QUANTA COMPUTER INC.	-	Financial assets at FVTOCI - current	10,000	2,395	-	2,395	
	MediaTek Inc.	-	Financial assets at FVTOCI - current	4,000	2,940	-	2,940	
	Quanta Storage Inc.	-	Financial assets at FVTOCI - current	20,000	<u>1,662</u>	-	<u>1,662</u>	
					<u>29,035</u>		<u>29,035</u>	
GEM Suzhou	<u>Stock</u>							
	Jiangsu Yanghe Brewery Joint-stock Co., Ltd.	-	Financial assets at FVTOCI - current	1,000	<u>572</u>	-	<u>572</u>	
					<u>\$ 29,607</u>	-	<u>\$ 29,607</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 NINE MONTHS ENDED SEPTEMBER 30, 2023

(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	GEM Dongguan	Affiliate	Sales	\$ 489,110	23	120 days after monthly closing	Note 1	Note 2	\$ 59,762	6	Note 3
	Global HK	Affiliate	Sales	649,785	31	120 days after monthly closing	Note 1	Note 2	449,130	44	Note 3
GEM VN	Genius HK	Affiliate	Sales	233,509	37	120 days after monthly closing	Note 1	Note 2	-	-	Note 3
	Global HK	Affiliate	Sales	354,338	56	120 days after monthly closing	Note 1	Note 2	109,207	92	Note 3
Genius HK	GEM Dongguan The Company	Affiliate The Ultimate Parent Company	Sales	240,126	49	120 days after monthly closing	Note 1	Note 2	29,475	24	Note 3
			Sales	116,316	24	120 days after monthly closing	Note 1	Note 2	39,376	32	Note 3
GEM Dongguan	Genius HK	Affiliate	Sales	250,265	28	120 days after monthly closing	Note 1	Note 2	81,356	19	Note 3
	GEM Suzhou	Affiliate	Sales	157,025	18	120 days after monthly closing	Note 1	Note 2	119,239	29	Note 3
Global HK	Gem Suzhou	Affiliate	Sales	363,517	33	120 days after monthly closing	Note 1	Note 2	110,543	19	Note 3
	GEM VN	Affiliate	Sales	642,215	59	120 days after monthly closing	Note 1	Note 2	442,123	76	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

SEPTEMBER 30, 2023

(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 Suzhou	Global HK	Affiliate	\$ 464,371	2.69	\$ -	-	\$ 106,158	\$ -
GEM Dongguan	GEM Suzhou	Affiliate	165,491	2.24	-	-	20,474	-
GEM VN	Global HK	Affiliate	109,207	6.41	-	-	109,207	-
Global HK	GEM VN	Affiliate	442,123	2.86	-	-	96,520	-
Global HK	GEM Suzhou	Affiliate	110,543	6.51	-	-	110,603	-

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Shares/ Units	%	Carrying Amount			
The Company	Global Cayman	Grand Cayman, Cayman Islands	International investment	\$ 1,295,208	\$ 1,295,208	40,137,184	100	\$ 2,070,735	\$ (72,627)	\$ (72,366)	Notes 1 and 2
	GEM Cayman	Grand Cayman, Cayman Islands	International investment	573,029	392,669	18,598,333	100	401,139	(44,264)	(44,264)	Notes 1 and 2
	Genius	British Virgin Islands	International investment and trading	23,282	23,282	750,000	100	128,904	4,517	4,517	Note 1
Genius	Genius HK	Hong Kong	International trading	90,134	90,134	21,999,998	100	115,898	4,150	4,210	Notes 1 and 2
Global Cayman	Vibo	Hong Kong	International investment and trading	1,541,063	1,541,063	359,972,616	100	2,119,182	(73,260)	(73,260)	Note 1
	Global HK	Hong Kong	International trading	3,747	3,747	1,000,000	100	9,864	3,044	352	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	386,780	-	100	412,862	(41,363)	(44,051)	Notes 1 and 2

Note 1: It was eliminated on consolidation.

Note 2: Net of unrealized profits.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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, 2023	Remittance of Fund		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Notes 1 and 3)	Carrying Amount as of September 30, 2022 (Notes 1 and 3)	Accumulated Repatriation of Investment Income as of September 30, 2023	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.	\$ 748,224	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	\$ 452,130	\$ -	\$ -	\$ 452,130	\$ (76,707)	100	\$ (70,024)	\$ 810,706	\$ 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.	1,106,789	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	741,320	-	-	741,320	8,435	100	3,777	1,285,513	753,650	

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2022	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	\$ 1,829,709 (US\$56,700thousand)	\$ 1,328,776

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(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	\$ 37,104	120 days after monthly closing	No significant difference with those to third parties	\$ 3,113	3	\$ 7,420	
		Purchase	62	120 days after monthly closing	No significant difference with those to third parties	(7)	-	-	
	GEM Dongguan	Disposal of property, plant, and equipment	25,890	120 days after monthly closing	No comparable transactions with those in the market	1,057	2	16,418	
		Sales	1,108	120 days after monthly closing	No significant difference with those to third parties	1,166	1	-	
		Purchase	19	120 days after monthly closing	No significant difference with those to third parties	(7)	-	-	
Global HK	GEM Suzhou	Sales	363,517	120 days after monthly closing	No significant difference with those to third parties	110,543	19	3,499	
		Purchase	649,785	120 days after monthly closing	No significant difference with those to third parties	(449,130)	77	4,422	
		Purchase of property plant, and equipment	73,918	120 days after monthly closing	No comparable transactions with those in the market	(15,241)	3	6,478	
Genius HK	GEM Dongguan	Sales	240,126	120 days after monthly closing	No significant difference with those to third parties	29,475	24	-	
		Purchase	250,265	120 days after monthly closing	No significant difference with those to third parties	(81,356)	96	(68)	
		Purchase of property plant, and equipment	1,780	120 days after monthly closing	No comparable transactions with those in the market	(1,888)	2	119	

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(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	Global HK	(1)	Sales	\$ 1,128	Payment term of 4 months	-		
		Global HK	(1)	Accounts receivable	1,170	Payment term of 4 months	-		
		GEM Suzhou	(1)	Sales	37,104	Payment term of 4 months	2		
		GEM Suzhou	(1)	Accounts receivable	3,113	Payment term of 4 months	-		
		GEM Suzhou	(1)	Disposal of property, plant and equipment	25,890	Payment term of 4 months	1		
		GEM Suzhou	(1)	Other receivables	1,057	Payment term of 4 months	-		
		GEM VN	(1)	Sales	5,207	Payment term of 4 months	-		
		GEM VN	(1)	Accounts receivable	538	Payment term of 4 months	-		
		GEM VN	(1)	Disposal of property, plant and equipment	8,756	Payment term of 4 months	-		
		GEM VN	(1)	Interest income	2,698	Annual Interest rate of 2.1%-5.63%	-		
		GEM VN	(1)	Other receivables	65,267	According to working capital conditions to change payment deeding	1		
		GEM Dongguan	(1)	Sales	1,108	Payment term of 4 months	-		
		GEM Dongguan	(1)	Accounts receivable	1,166	Payment term of 4 months	-		
		Genius HK	(1)	Interest income	247	Annual Interest rate of 1.87%	-		
		1	GEM Dongguan	The Company	(2)	Sales	19	Payment term of 4 months	-
The Company	(2)			Accounts receivable	7	Payment term of 4 months	-		
Genius HK	(3)			Sales	250,265	Payment term of 4 months	14		
Genius HK	(3)			Accounts receivable	81,356	Payment term of 4 months	2		
Genius HK	(3)			Other income	158	Payment term of 4 months	-		
Genius HK	(3)			Disposal of property, plant and equipment	1,780	Payment term of 4 months	-		
Genius HK	(3)			Other receivables	1,888	According to working capital conditions to change payment deeding	-		
GEM Suzhou	(3)			Sales	157,025	Payment term of 4 months	9		
GEM Suzhou	(3)			Accounts receivable	119,239	Payment term of 4 months	2		
GEM Suzhou	(3)			Other income	70	Payment term of 4 months	-		
GEM Suzhou	(3)			Disposal of property, plant and equipment	5,424	Payment term of 4 months	-		
GEM Suzhou	(3)			Interest income	245	Annual Interest rate of 3%	-		
GEM Suzhou	(3)			Other receivables	46,252	According to working capital conditions to change payment deeding	1		
2	Genius HK			The Company	(2)	Sales	116,316	Payment term of 4 months	6
				The Company	(2)	Accounts receivable	39,376	Payment term of 4 months	1
		The Company	(2)	Other receivables	2,085	According to working capital conditions to change payment deeding	-		
		GEM Dongguan	(3)	Sales	240,126	Payment term of 4 months	13		
		GEM Dongguan	(3)	Accounts receivable	29,475	Payment term of 4 months	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)	Terms	
2	Genius HK	GEM Dongguan	(3)	Other receivables	\$ 398	According to working capital conditions to change payment deeding	-
		GEM VN	(3)	Sales	1,860	Payment term of 4 months	-
		GEM VN	(3)	Accounts receivable	1,923	Payment term of 4 months	-
3	Global HK	The Company	(2)	Sales	80,148	Payment term of 4 months	4
		The Company	(2)	Accounts receivable	30,753	Payment term of 4 months	1
		GEM VN	(3)	Sales	642,214	Payment term of 4 months	35
		GEM VN	(3)	Accounts receivable	442,123	Payment term of 4 months	9
		GEM Suzhou	(3)	Sales	363,517	Payment term of 4 months	20
		GEM Suzhou	(3)	Accounts receivable	110,543	Payment term of 4 months	2
4	GEM Suzhou	The Company	(2)	Sales	62	Payment term of 4 months	-
		The Company	(2)	Accounts receivable	7	Payment term of 4 months	-
		Global HK	(3)	Sales	649,785	Payment term of 4 months	35
		Global HK	(3)	Accounts receivable	449,130	Payment term of 4 months	9
		Global HK	(3)	Other income	392	Payment term of 4 months	-
		Global HK	(3)	Disposal of property, plant and equipment	73,918	Payment term of 4 months	4
		Global HK	(3)	Other receivables	15,241	According to working capital conditions to change payment deeding	-
		GEM Dongguan	(3)	Sales	489,110	Payment term of 4 months	27
		GEM Dongguan	(3)	Accounts receivable	59,762	Payment term of 4 months	1
		GEM Dongguan	(3)	Disposal of property, plant and equipment	5,190	Payment term of 4 months	-
		GEM Dongguan	(3)	Other income	1,516	Payment term of 4 months	-
		GEM Dongguan	(3)	Other receivables	883	According to working capital conditions to change payment deeding	-
5	Vibo	GEM VN	(3)	Interest income	931	Annual Interest rate of 2.4%-5.76%	-
		GEM VN	(3)	Other receivables	32,932	According to working, capital conditions to change payment deeding	1
6	GEM VN	The Company	(2)	Sales	27,620	Payment term of 4 months	2
		Genius HK	(3)	Sales	233,509	Payment term of 4 months	13
		Global HK	(3)	Sales	354,338	Payment term of 4 months	19
		Global HK	(3)	Accounts receivable	109,207	Payment term of 4 months	2
		GEM Suzhou	(3)	Sales	55	Payment term of 4 months	-

(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.****INFORMATION OF MAJOR STOCKHOLDERS
SEPTEMBER 30, 2023**

Name of The Major Stockholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Tsung-Fu Investment Co., Ltd.	31,467,914	18.60
Ting-Yao Investment Co., Ltd.	23,483,792	13.88
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.