

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

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

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

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

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 11, 2024

Notice to Readers

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

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

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 861,834	15	\$ 1,040,692	19	\$ 959,366	19
Financial assets at fair value through profit or loss - current (Note 7)	-	-	6,247	-	7,148	-
Financial assets at fair value through other comprehensive income - current (Note 8)	31,842	1	40,219	1	29,607	1
Notes receivable (Notes 9 and 27)	175,865	3	153,039	3	152,176	3
Accounts receivable, net (Note 9)	893,832	16	807,014	15	743,133	15
Other receivables	4,495	-	799	-	2,438	-
Current tax assets	1,207	-	781	-	2,166	-
Inventories (Note 10)	1,160,198	20	1,041,787	19	903,042	18
Other financial assets - current (Notes 11 and 27)	179,313	3	30,587	1	38,615	1
Other current assets	177,789	3	187,005	4	148,874	3
Total current assets	3,486,375	61	3,308,170	62	2,986,565	60
NONCURRENT ASSETS						
Property, plant and equipment (Notes 13 and 27)	1,851,088	33	1,718,234	32	1,690,941	34
Right-of-use assets (Notes 14 and 27)	61,780	1	59,715	1	67,737	1
Deferred tax assets	192,722	4	213,742	4	182,886	4
Prepayments for equipment	55,342	1	21,015	1	54,598	1
Net defined benefit assets - noncurrent	6,335	-	4,926	-	1,537	-
Other financial assets - noncurrent (Notes 11 and 27)	8,442	-	6,890	-	7,025	-
Other noncurrent assets	10,517	-	11,784	-	5,306	-
Total noncurrent assets	2,186,226	39	2,036,306	38	2,010,030	40
TOTAL	\$ 5,672,601	100	\$ 5,344,476	100	\$ 4,996,595	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 1,273,348	23	\$ 946,834	18	\$ 563,967	11
Short-term bills payable (Note 17)	30,000	1	50,000	1	50,000	1
Notes payable (Note 15)	512,884	9	437,037	8	406,496	8
Accounts payable (Note 15)	351,567	6	535,140	10	486,394	10
Other payables (Notes 16 and 26)	232,371	4	184,969	4	174,921	4
Current tax liabilities	1,553	-	-	-	-	-
Lease liabilities - current (Notes 14 and 26)	880	-	781	-	898	-
Long-term borrowings - current portion (Note 17)	472,806	8	413,342	8	362,530	7
Other current liabilities	17,059	-	19,406	-	17,410	-
Total current liabilities	2,892,468	51	2,587,509	49	2,062,616	41
NONCURRENT LIABILITIES						
Long-term borrowings (Note 17)	678,440	12	628,770	12	694,881	14
Deferred tax liabilities	13,793	-	22,018	-	24,127	1
Lease liabilities - noncurrent (Notes 14 and 26)	1,797	-	252	-	345	-
Total noncurrent liabilities	694,030	12	651,040	12	719,353	15
Total liabilities	3,586,498	63	3,238,549	61	2,781,969	56
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Ordinary shares	1,692,000	30	1,692,000	32	1,692,000	34
Capital surplus	271,315	5	271,315	5	271,315	5
Retained earnings						
Legal reserve	364,825	7	364,825	7	364,825	8
Special reserve	97,816	2	97,816	2	97,816	2
Accumulated deficit	(260,093)	(5)	(142,334)	(3)	(89,502)	(2)
Total retained earnings	202,548	4	320,307	6	373,139	8
Other equity	(36,701)	(1)	(134,636)	(3)	(78,769)	(2)
Treasury shares	(43,059)	(1)	(43,059)	(1)	(43,059)	(1)
Total equity	2,086,103	37	2,105,927	39	2,214,626	44
TOTAL	\$ 5,672,601	100	\$ 5,344,476	100	\$ 4,996,595	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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE, NET (Note 20)	\$ 807,705	100	\$ 714,321	100	\$ 2,298,033	100	\$ 1,841,036	100
OPERATING COSTS (Notes 10 and 21)	749,257	93	700,136	98	2,111,889	92	1,801,179	98
GROSS PROFIT	58,448	7	14,185	2	186,144	8	39,857	2
OPERATING EXPENSES (Notes 21 and 26)								
Marketing	37,624	4	33,774	5	106,652	4	86,619	5
General and administrative	55,785	7	52,272	7	159,502	7	151,952	8
Research and development	(884)	-	2,563	1	(1,488)	-	8,342	-
Expected credit loss (gain) (Note 9)	587	-	403	-	(2,849)	-	9	-
Total operating expenses	93,112	11	89,012	13	261,817	11	246,922	13
LOSS FROM OPERATIONS	(34,664)	(4)	(74,827)	(11)	(75,673)	(3)	(207,065)	(11)
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 26)								
Interest income	4,226	1	4,371	1	13,059	1	12,346	1
Other income	2,586	-	465	-	6,343	-	3,555	-
Other gains and losses	10,117	1	8,332	1	(3,221)	-	26,359	2
Finance costs	(16,699)	(2)	(9,277)	(1)	(46,519)	(2)	(29,406)	(2)
Total non-operating income and expenses	230	-	3,891	1	(30,338)	(1)	12,854	1
LOSS BEFORE INCOME TAX	(34,434)	(4)	(70,936)	(10)	(106,011)	(4)	(194,211)	(10)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 22)	(19,804)	(3)	20,698	3	(18,044)	(1)	75,199	4
NET LOSS	(54,238)	(7)	(50,238)	(7)	(124,055)	(5)	(119,012)	(6)
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	(5,622)	-	4,405	-	3,204	-	4,942	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	8	-	(2)	-	12	-

(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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	\$ 34,024	4	\$ 70,871	10	\$ 102,149	4	\$ 16,431	1
Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	(193)	-	(1,120)	-	(1,439)	-
Other comprehensive income for the period, net of income tax	28,402	4	75,091	10	104,231	4	19,946	1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (25,836)</u>	<u>(3)</u>	<u>\$ 24,853</u>	<u>3</u>	<u>\$ (19,824)</u>	<u>(1)</u>	<u>\$ (99,066)</u>	<u>(5)</u>
NET LOSS ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ (54,238)</u>	<u>(7)</u>	<u>\$ (50,238)</u>	<u>(7)</u>	<u>\$ (124,055)</u>	<u>(5)</u>	<u>\$ (119,012)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ (25,836)</u>	<u>(3)</u>	<u>\$ 24,853</u>	<u>3</u>	<u>\$ (19,824)</u>	<u>(1)</u>	<u>\$ (99,066)</u>	<u>(5)</u>
NET LOSS PER SHARE								
(Note 23)								
Basic	<u>\$ (0.33)</u>		<u>\$ (0.30)</u>		<u>\$ (0.75)</u>		<u>\$ (0.72)</u>	
Diluted	<u>\$ (0.33)</u>		<u>\$ (0.30)</u>		<u>\$ (0.75)</u>		<u>\$ (0.72)</u>	

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

(Concluded)

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to the Owners of the Company						Other Equity					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, 2024	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (142,334)	\$ 320,307	\$ 7,649	\$ (149,664)	\$ 7,379	\$ (134,636)	\$ (43,059)	\$ 2,105,927
Net loss for the nine months ended September 30, 2024	-	-	-	-	(124,055)	(124,055)	-	-	-	-	-	(124,055)
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	3,202	101,029	-	104,231	-	104,231
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	(124,055)	(124,055)	3,202	101,029	-	104,231	-	(19,824)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	6,296	6,296	(6,296)	-	-	(6,296)	-	-
BALANCE AT SEPTEMBER 30, 2024	\$ 1,692,000	\$ 271,315	\$ 364,825	\$ 97,816	\$ (260,093)	\$ 202,548	\$ 4,555	\$ (48,635)	\$ 7,379	\$ (36,701)	\$ (43,059)	\$ 2,086,103
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 reservel	-	-	-	(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

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	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (106,011)	\$ (194,211)
Adjustments for:		
Depreciation expense	175,663	176,918
Amortization expense	3,522	2,478
Expected credit loss recognized (reversed)	(2,849)	9
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	6,709	(1,408)
Finance costs	46,519	29,406
Interest income	(13,059)	(12,346)
Dividend income	(1,266)	(339)
Net loss on disposal of property, plant and equipment	5,902	3,002
Write-down (reversal of write-down) of inventories	(10,661)	508
Other non-cash items	(7,854)	2,956
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(24)
Notes receivable	(22,826)	(47,527)
Accounts receivable	(84,310)	(48,176)
Other receivables	(2,168)	641
Inventories	(106,122)	(60,311)
Other current assets	9,216	(77,842)
Notes payable	75,847	185,796
Accounts payable	(183,573)	278,579
Other payables	(3,771)	26,312
Other current liabilities	(2,317)	560
Net defined benefit liabilities	(1,409)	(1,129)
Cash (used in) generated from operations	(224,818)	263,852
Interest received	11,531	12,003
Income tax paid received (paid)	(110)	13,597
Net cash generated from (used in) operating activities	<u>(213,397)</u>	<u>289,452</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(54,249)	(54,051)
Proceeds from sale of financial assets at fair value through other comprehensive income	65,831	29,957
Purchase of financial assets at fair value through profit or loss	(6,462)	(29,306)
Disposal of financial assets at fair value through profit or loss	6,000	23,590
Payments for property, plant and equipment	(253,067)	(255,745)
Proceeds from disposal of property, plant and equipment	2,573	1,272
Increase in other financial assets	(150,278)	(16,597)
Increase in other noncurrent assets	(2,361)	(703)

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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	
	2024	2023
Dividend received	\$ 1,266	\$ 339
Net cash used in investing activities	<u>(390,747)</u>	<u>(301,244)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,433,730	1,329,404
Repayments of short-term borrowings	(2,117,097)	(1,568,387)
Proceeds from short-term bills payable	30,000	60,000
Repayments of short-term bills payable	(50,000)	(10,000)
Proceeds from long-term borrowings	533,399	301,000
Repayment of long-term borrowings	(424,265)	(325,738)
Repayment of the principal portion of lease liabilities	(908)	(569)
Interest paid	<u>(51,737)</u>	<u>(33,366)</u>
Net cash generated from (used in) financing activities	<u>353,122</u>	<u>(247,656)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>72,164</u>	<u>43,772</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(178,858)	(215,676)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,040,692</u>	<u>1,175,042</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 861,834</u>	<u>\$ 959,366</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, 2024 AND 2023 (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 by the Company’s board of directors on November 11, 2024.

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

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

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

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

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

d. Other material accounting policies

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

1) Classification of current and non-current assets and liabilities

Current assets include:

Assets held primarily for the purpose of trading;

Assets expected to be realized within 12 months after the reporting period; and

Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

Liabilities held primarily for the purpose of trading;

Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

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

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

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 3,265	\$ 2,817	\$ 1,692
Checking accounts and demand deposits	667,007	899,246	736,991
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>191,562</u>	<u>138,629</u>	<u>220,683</u>
	<u>\$ 861,834</u>	<u>\$ 1,040,692</u>	<u>\$ 959,366</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits (%)	1.35-5.24	1.09-5.40	1.25-5.45

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, 2024	December 31, 2023	September 30, 2023
<u>Financial liabilities - current</u>			
Held for trading			
Non-derivative financial assets			
Beneficiary certificates	\$ -	\$ 6,247	\$ -
Gold passbooks	<u>-</u>	<u>-</u>	<u>7,148</u>
	<u>\$ -</u>	<u>\$ 6,247</u>	<u>\$ 7,148</u>

8. FINANCIAL ASSETS AT FVTOCI - CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in equity instruments at FVTOCI			
Domestic listed shares	\$ 31,842	\$ 40,006	\$ 29,035
Overseas listed shares	<u>-</u>	<u>213</u>	<u>572</u>
	<u>\$ 31,842</u>	<u>\$ 40,219</u>	<u>\$ 29,607</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 175,865</u>	<u>\$ 153,039</u>	<u>\$ 152,176</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 901,849	\$ 817,539	\$ 752,851
Less: Allowance for impairment loss	<u>8,017</u>	<u>10,525</u>	<u>9,718</u>
	<u>\$ 893,832</u>	<u>\$ 807,014</u>	<u>\$ 743,133</u>

a. Notes and accounts receivable

The main credit period of sales of goods is 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, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 360 Days Past Due	Over 360 Days Past Due	Total
Expected credit loss rate	0-0.6	0.91-55	47-72	100	100	
Gross carrying amount	\$ 1,036,320	\$ 35,066	\$ 859	\$ 2,882	\$ 2,587	\$ 1,077,714
Loss allowance (Lifetime ECLs)	<u>(894)</u>	<u>(1,055)</u>	<u>(599)</u>	<u>(2,882)</u>	<u>(2,587)</u>	<u>(8,017)</u>
	<u>\$ 1,035,426</u>	<u>\$ 34,011</u>	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,069,697</u>

December 31, 2023

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

September 30, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 180 Days Past Due	Over 180 Days Past Due	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>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 10,525	\$ 9,655
Net remeasurement of loss allowance	(2,849)	9
Foreign exchange gains and losses	<u>341</u>	<u>54</u>
Balance at September 30	<u>\$ 8,017</u>	<u>\$ 9,718</u>

10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 366,347	\$ 270,605	\$ 232,538
Work in process	292,540	162,007	230,636
Raw materials	379,856	491,573	333,462
Supplies	<u>121,455</u>	<u>117,602</u>	<u>106,406</u>
	<u>\$ 1,160,198</u>	<u>\$ 1,041,787</u>	<u>\$ 903,042</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Inventory write-downs (reversed)	\$ 10,141	\$ -	\$ (10,661)	\$ 508
Recognition (reversal) of provisions	(8)	(303)	(46)	113
Others	<u>21</u>	<u>(6)</u>	<u>300</u>	<u>(20)</u>
	<u>\$ 10,154</u>	<u>\$ (309)</u>	<u>\$ (10,407)</u>	<u>\$ 601</u>

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

11. OTHER FINANCIAL ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Pledged time deposits	\$ 1,527	\$ 9,658	\$ 13,580
Time deposits with original maturity more than 3 months	172,584	12,580	-
Refundable deposits	<u>13,644</u>	<u>15,239</u>	<u>32,060</u>
	<u>\$ 187,755</u>	<u>\$ 37,477</u>	<u>\$ 45,640</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 179,313	\$ 30,587	\$ 38,615
Non-current	<u>8,442</u>	<u>6,890</u>	<u>7,025</u>
	<u>\$ 187,755</u>	<u>\$ 37,477</u>	<u>\$ 45,640</u> (Concluded)

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

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits (%)	1.35-4.20	1.35-6.20	1.25-6.20

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

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

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

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

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

13. PROPERTY, PLANT, AND EQUIPMENT

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

Nine months ended September 30, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 245,920	\$ 1,048,512	\$ 1,807,703	\$ 44,127	\$ 782,718	\$ 233,473	\$ 4,162,453
Additions	-	13,047	127,653	5,594	47,258	81,579	275,131
Disposal	-	(3,130)	(91,985)	(7,108)	(47,013)	-	(149,236)
Effect of foreign currency exchange differences	-	32,899	(23,964)	963	28,339	5,047	43,284
Balance at September 30, 2024	<u>\$ 245,920</u>	<u>\$ 1,091,328</u>	<u>\$ 1,819,407</u>	<u>\$ 43,576</u>	<u>\$ 811,302</u>	<u>\$ 320,099</u>	<u>\$ 4,331,632</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	\$ -	\$ (645,193)	\$ (1,230,809)	\$ (25,072)	\$ (543,145)	\$ -	\$ (2,444,219)
Depreciation expenses	-	(31,016)	(81,223)	(3,234)	(57,802)	-	(173,275)
Disposal	-	2,786	87,533	7,065	43,377	-	140,761
Effect of foreign currency exchange differences	-	(21,628)	34,415	(418)	(16,180)	-	(3,811)
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ (695,051)</u>	<u>\$ (1,190,084)</u>	<u>\$ (21,659)</u>	<u>\$ (573,750)</u>	<u>\$ -</u>	<u>\$ (2,480,544)</u>
Carrying amounts at December 31, 2023 and January 1, 2024	<u>\$ 245,920</u>	<u>\$ 403,319</u>	<u>\$ 576,894</u>	<u>\$ 19,055</u>	<u>\$ 239,573</u>	<u>\$ 233,473</u>	<u>\$ 1,718,234</u>
Carrying amounts at September 30, 2024	<u>\$ 245,920</u>	<u>\$ 396,277</u>	<u>\$ 629,323</u>	<u>\$ 21,917</u>	<u>\$ 237,552</u>	<u>\$ 320,099</u>	<u>\$ 1,851,088</u>

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 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>

b. The Company purchased agricultural land of \$7,908 thousand that cannot be transferred to the Company because of statutory limitations; thus, the Company registered the property rights in the name of related party, Su Chung-Hong. The land is mortgaged to the Company and the agreement stipulated unconditional conveyance of the land to the Company.

c. The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Factory facilities
Building facilities

5-25 years
3-25 years
(Continued)

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

(Concluded)

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

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

	For the Nine Months Ended September 30	
	2024	2023
Additions to property, plant and equipment	\$ 275,131	\$ 217,456
Capitalized interest	(5,122)	(3,872)
Increase in prepayments for equipment	34,327	48,522
Increase in payables for purchase of equipment	<u>(51,269)</u>	<u>(6,361)</u>
Cash paid	<u>\$ 253,067</u>	<u>\$ 255,745</u>

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Land	\$ 56,341	\$ 55,995	\$ 63,681
Buildings	3,110	3,116	3,271
Transportation equipment	<u>2,329</u>	<u>604</u>	<u>785</u>
	<u>\$ 61,780</u>	<u>\$ 59,715</u>	<u>\$ 67,737</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets				
Transportation equipment	<u>\$ 2,552</u>	<u>\$ -</u>	<u>\$ 2,552</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets				
Land	\$ 507	\$ 500	\$ 1,506	\$ 1,494
Buildings	18	19	55	56
Transportation equipment	<u>465</u>	<u>182</u>	<u>827</u>	<u>544</u>
	<u>\$ 990</u>	<u>\$ 701</u>	<u>\$ 2,388</u>	<u>\$ 2,094</u>

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

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Current	<u>\$ 880</u>	<u>\$ 781</u>	<u>\$ 898</u>
Noncurrent	<u>\$ 1,797</u>	<u>\$ 252</u>	<u>\$ 345</u>
Range of discount rate for lease liabilities (%)			
Land	2.07	2.07	2.07
Transportation equipment	1.57	1.57	1.57

c. Material leasing activities and terms

The subsidiaries lease land and buildings for the use as plants, office and employee dormitories with lease terms of 35 to 50 years, which will expire from December 2046 to December 2066 in a row. The Group does not have bargain purchase options to acquire the leasehold land and buildings or extension options at the end of the lease terms. For the year ended December 31, 2023, the Group recognized an impairment loss of \$5,194 thousand for the land that has not obtained the land use right certificate and has no recoverable value. As of September 30 2024, the Group is in the process of obtaining the land use right certificate for a partial land lease of \$3,096 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	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 291</u>	<u>\$ 291</u>	<u>\$ 873</u>	<u>\$ 873</u>
Expenses relating to low-value assets leases	<u>\$ 14</u>	<u>\$ 7</u>	<u>\$ 52</u>	<u>\$ 41</u>
Total cash outflow for leases			<u>\$ 2,105</u>	<u>\$ 1,719</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, 2024	December 31, 2023	September 30, 2023
Payables for purchase of equipment	\$ 110,362	\$ 59,093	\$ 44,222
Payables for salaries and bonuses	41,111	41,198	35,725
Payable for freight	15,767	14,641	12,953
Payable for service fees	6,323	10,731	7,493
Payable for utilities expense	5,144	4,953	4,767
Payables for processing fees	3,003	4,536	3,981
Payables for taxes	4,261	3,777	4,153
Others	<u>46,400</u>	<u>46,040</u>	<u>61,627</u>
	<u>\$ 232,371</u>	<u>\$ 184,969</u>	<u>\$ 174,921</u>

17. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	\$ 639,229	\$ 655,618	\$ 482,822
Secured bank loans (Note 27)	<u>634,119</u>	<u>291,216</u>	<u>81,145</u>
	<u>\$ 1,273,348</u>	<u>\$ 946,834</u>	<u>\$ 563,967</u>
Unsecured bank loans annual interest rates (%)	2.18-5.70	2.05-5.70	2.05-5.70
Secured bank loans annual interest rates (%)	2.75-5.70	2.85-6.07	2.95-6.10

b. Short-term bills payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial papers			
China Bills Finance Corporation	<u>\$ 30,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Annual interest rates (%)	2.28	2.04	2.038

c. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	\$ 651,246	\$ 864,337	\$ 856,720
Secured bank loans (Note 27)	<u>500,000</u>	<u>177,775</u>	<u>200,691</u>
	1,151,246	1,042,112	1,057,411
Less: Current portion	<u>472,806</u>	<u>413,342</u>	<u>362,530</u>
	<u>\$ 678,440</u>	<u>\$ 628,770</u>	<u>\$ 694,881</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans annual interest rates (%)	2.00-2.85	2.00-2.72	2.00-2.72
Secured bank loans annual interest rates (%)	2.44	2.32	2.32-2.49
Unsecured bank loans expiration period	2024.11-2029.07	2024.05-2028.10	2024.05-2028.07
Secured bank loans expiration period	2029.03	2025.07	2025.07-2037.08 (Concluded)

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

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

18. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, employee benefit expenses in respect of the Group's defined benefit retirement plans were \$11 thousand, \$57 thousand, \$35 thousand and \$169 thousand, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

19. EQUITY

a. Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
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, 2024	December 31, 2023	September 30, 2023
<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 statements of deficit compensation for 2023 and 2022 and the special surplus reserve of \$61,769 thousand for 2022 were approved by the stockholders in their meeting held on June 13, 2024 and June 15, 2023.

d. Other equity items

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ (149,664)	\$ (102,745)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	102,149	16,431

(Continued)

	For the Nine Months Ended September 30	
	2024	2023
Income tax effect	\$ (1,120)	\$ (1,439)
Balance at September 30	<u>\$ (48,635)</u>	<u>\$ (87,753)</u> (Concluded)

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 7,649	\$ (29)
Recognized for the period		
Unrealized gain - equity instruments	3,204	4,942
Income tax effect	(2)	12
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(6,296)</u>	<u>(899)</u>
Balance at September 30	<u>\$ 4,555</u>	<u>\$ 4,026</u>

e. Treasury shares

	For the Nine Months Ended September 30	
	2024	2023
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	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 807,705</u>	<u>\$ 714,321</u>	<u>\$ 2,298,033</u>	<u>\$ 1,841,036</u>

a. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes receivable	\$ 175,865	\$ 153,039	\$ 152,176	\$ 104,649
Accounts receivable, net	<u>893,832</u>	<u>807,014</u>	<u>743,133</u>	<u>695,020</u>
	<u>\$ 1,069,697</u>	<u>\$ 960,053</u>	<u>\$ 895,309</u>	<u>\$ 799,669</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	
	2024	2023	2024	2023
Bank deposits	<u>\$ 4,226</u>	<u>\$ 4,371</u>	<u>\$ 13,059</u>	<u>\$ 12,346</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividends	\$ 742	\$ 95	\$ 1,266	\$ 339
Others	<u>1,844</u>	<u>370</u>	<u>5,077</u>	<u>3,216</u>
	<u>\$ 2,586</u>	<u>\$ 465</u>	<u>\$ 6,343</u>	<u>\$ 3,555</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains, net	\$ 13,234	\$ 9,938	\$ 10,500	\$ 29,117
Loss on disposal of property, plant and equipment, net	(2,307)	(1,334)	(5,902)	(3,002)
Gain (losses) on financial instruments at FVTPL, net	(579)	163	(6,709)	1,408
Others	<u>(231)</u>	<u>(435)</u>	<u>(1,110)</u>	<u>(1,164)</u>
	<u>\$ 10,117</u>	<u>\$ 8,332</u>	<u>\$ (3,221)</u>	<u>\$ 26,359</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest expense of borrowings	\$ 18,402	\$ 10,584	\$ 51,369	\$ 33,042
Interest on lease liabilities	183	70	272	236
Less: Amounts included in the cost of qualifying assets	<u>1,886</u>	<u>1,377</u>	<u>5,122</u>	<u>3,872</u>
	<u>\$ 16,699</u>	<u>\$ 9,277</u>	<u>\$ 46,519</u>	<u>\$ 29,406</u>
Capitalization rate (%)	2.36-3.00	2.04-2.52	2.11-3.00	2.04-4.20

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 59,105	\$ 57,766	\$ 173,275	\$ 174,824
Right-of-use assets	990	701	2,388	2,094
Other assets	<u>1,237</u>	<u>736</u>	<u>3,522</u>	<u>2,478</u>
	<u>\$ 61,332</u>	<u>\$ 59,203</u>	<u>\$ 179,185</u>	<u>\$ 179,396</u>
An analysis of depreciation by function				
Operating costs	\$ 50,478	\$ 49,685	\$ 147,946	\$ 150,523
Operating expenses	<u>9,617</u>	<u>8,782</u>	<u>27,717</u>	<u>26,395</u>
	<u>\$ 60,095</u>	<u>\$ 58,467</u>	<u>\$ 175,663</u>	<u>\$ 176,918</u>
An analysis of amortization by function				
Operating costs	\$ 72	\$ 7	\$ 158	\$ 22
Operating expenses	<u>1,165</u>	<u>729</u>	<u>3,364</u>	<u>2,456</u>
	<u>\$ 1,237</u>	<u>\$ 736</u>	<u>\$ 3,522</u>	<u>\$ 2,478</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits (Note 18)				
Defined contribution plans	\$ 8,338	\$ 7,022	\$ 23,486	\$ 21,006
Defined benefit plans	<u>11</u>	<u>57</u>	<u>35</u>	<u>169</u>
	8,349	7,079	23,521	21,175

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	<u>\$ 136,104</u>	<u>\$ 109,349</u>	<u>\$ 377,859</u>	<u>\$ 308,208</u>
	<u>\$ 144,453</u>	<u>\$ 116,428</u>	<u>\$ 401,380</u>	<u>\$ 329,383</u>
An analysis by function				
Operating costs	\$ 106,520	\$ 83,079	\$ 292,420	\$ 227,561
Operating expenses	<u>37,933</u>	<u>33,349</u>	<u>108,960</u>	<u>101,822</u>
	<u>\$ 144,453</u>	<u>\$ 116,428</u>	<u>\$ 401,380</u>	<u>\$ 329,383</u>

(Concluded)

g. 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, 2024 and 2023, the Company incurred deficit and net loss; hence, no employees' compensation or remuneration of directors was accrued for those years.

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

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

22. INCOME TAX

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ (1,565)	\$ (2,004)	\$ (1,663)	\$ (2,253)
Adjustments for prior periods	<u>425</u>	<u>-</u>	<u>426</u>	<u>(426)</u>
	<u>(1,140)</u>	<u>(2,004)</u>	<u>(1,237)</u>	<u>(2,679)</u>
Deferred tax				
In respect of the current period	(18,664)	22,702	(25,028)	66,990
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>8,221</u>	<u>10,888</u>
	<u>(18,664)</u>	<u>22,702</u>	<u>(16,807)</u>	<u>77,878</u>
	<u>\$ (19,804)</u>	<u>\$ 20,698</u>	<u>\$ (18,044)</u>	<u>\$ 75,199</u>

b. Income tax recognized directly in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Deferred tax				
In respect of the current period				
Translation of foreign operations	\$ -	\$ (193)	\$ (1,120)	\$ (1,439)
Fair value changes of financial assets at FVTOCI	-	8	(2)	12
	\$ -	\$ (185)	\$ (1,122)	\$ (1,427)

c. Income tax assessments

The income tax returns of the Company and GEM VN through 2022 have been assessed by the tax authorities. GEM Dongguan and GEM Suzhou had completed the filing of their income tax returns through 2023 with the tax authorities.

23. NET LOSS PER SHARE

Due to the net losses incurred for the nine months ended September 30, 2024 and 2023, and for the three months ended September 30, 2024 and 2023, 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	
	2024	2023	2024	2023
Net loss used in the computation of basic net loss per share	\$ (54,238)	\$ (50,238)	\$ (124,055)	\$ (119,012)

Weighted average number of ordinary shares outstanding (in thousands)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in computation of basic net loss per share	165,899	165,899	165,899	165,899

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

24. CAPITAL MANAGEMENT

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

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

25. FINANCIAL INSTRUMENTS

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

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

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

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Investments in equity instruments				
Domestic listed shares	<u>\$ 31,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,842</u>

December 31, 2023

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Gold Passbook	<u>\$ 7,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,148</u>
<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>

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

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 2,123,781	\$ 2,039,021	\$ 1,902,753
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	-	6,247	7,148
Financial assets at FVTOCI			
Equity instruments	31,842	40,219	29,607
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	3,551,416	3,196,092	2,739,189

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 number below indicates an increase in pre-tax profit for a 1% weakening of the functional currency against the relevant currency.

	For the Nine Months Ended September 30	
	2024	2023
USD	\$ 801	\$ 4,308
HKD	498	338

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, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 365,674	\$ 160,867	\$ 234,263
Financial liabilities	685,675	539,074	307,207
Cash flow interest rate risk			
Financial assets	666,813	899,053	736,797
Financial liabilities	1,771,596	1,500,905	1,365,414

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, 2024 and 2023 would decrease/increase \$8,286 thousand and \$4,715 thousand, respectively, which was mainly a result of the changes in the floating interest rate bank deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in Gold passbooks and equity securities. Equity investments are held for strategic rather than for trading purposes, the Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

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

If financial assets at FVTPL had been 1% higher/lower, the pre-tax profit (loss) for the 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, 2024 and 2023 would increase/decrease by \$318 thousand and \$296 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 significant concentration of credit risk exists when the Company's trade receivables are significantly concentrated with a few customers, most of whom are engaged in similar business activities and have similar economic characteristics, such that their ability to fulfill their contractual obligations is also similarly affected by economic or other conditions. The total carrying amount of trade receivables from customers with a significant concentration of credit risk is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Group A	<u>\$ 142,824</u>	<u>\$ 97,485</u>	<u>\$ 105,186</u>
Percentage of total trade receivables (%)	13	10	12

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, 2024

	On Demand or Less than 1 Month	1-3 Months	4 Months to 1 Year	1-5 Years
Non-interest bearing	\$ 474,917	\$ 366,230	\$ 255,675	\$ -
Fixed interest rate liabilities	171,663	182,019	336,085	-
Variable interest rate liabilities	13,127	73,440	1,044,514	705,328
Lease liabilities	183	207	930	2,137
Financial guarantee contracts	<u>9,873</u>	<u>14,476</u>	<u>7,530</u>	<u>-</u>
	<u>\$ 669,763</u>	<u>\$ 636,372</u>	<u>\$ 1,644,734</u>	<u>\$ 707,465</u>

December 31, 2023

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	4 Months to 1 Year	1-5 Years	Over 5 Years
Non-interest bearing	\$ 480,854	\$ 356,843	\$ 228,555	\$ -	\$ -
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	<u>5,655</u>	<u>11,676</u>	<u>6,096</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>

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, 2024	December 31, 2023	September 30, 2023
Transferred but not derecognized (Note 1)	\$ 74,302	\$ 49,451	\$ 59,460
Transferred and derecognized (Note 2)	<u>31,879</u>	<u>30,154</u>	<u>23,427</u>
	<u>\$ 106,181</u>	<u>\$ 79,605</u>	<u>\$ 82,887</u>
Maturity date	2024.10-2025.02	2024.01-2024.05	2023.10-2024.02

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

26. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and its relationship with the Group

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

b. Payables to related parties

Line Item	Related Party Category/Name	Septemper 30, 2024	December 31, 2023	Septemper 30, 2023
Other payables - related parties	Key management personnel			
	Su, Tun-Li	\$ 1,558	\$ 890	\$ -
	Su, Chung-Hong	<u>14</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,572</u>	<u>\$ 890</u>	<u>\$ -</u>

The above other payables were rental payables.

The outstanding payables to related parties are unsecured.

c. Service fees

Key management of subsidiaries and other related parties provided consulting services to the Company, and the service fees of \$711 thousand, \$561 thousand, \$1,833 thousand and \$1,683 thousand were recognized as operating expenses and paid for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively.

d. Lease arrangements

Line Item	Related Party Name	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities	Su, Chung-Hong	<u>\$ 266</u>	<u>\$ 303</u>	<u>\$ 314</u>

Line Item	Related Party Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Financial costs	Su, Chung-Hong	<u>\$ 17</u>	<u>\$ 20</u>	<u>\$ 53</u>	<u>\$ 61</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. Guarantees

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

Guarantor	September 30, 2024	December 31, 2023	September 30, 2023
Su, Tun-Li	\$ 1,078,673	\$ 993,903	\$ 888,641
Su, Chung-Hong	<u>922,923</u>	<u>807,003</u>	<u>676,774</u>
	<u>\$ 2,001,596</u>	<u>\$ 1,800,906</u>	<u>\$ 1,565,415</u>

f. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 2,919	\$ 3,470	\$ 9,835	\$ 10,290
Post-employment benefits	<u>66</u>	<u>66</u>	<u>196</u>	<u>196</u>
	<u>\$ 2,985</u>	<u>\$ 3,536</u>	<u>\$ 10,031</u>	<u>\$ 10,486</u>

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

27. ASSETS PLEDGED AS COLLATERAL OR SECURITY

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

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 74,302	\$ 49,451	\$ 59,460
Property, plant and equipment	443,612	372,756	483,288
Pledged deposits (under other financial assets)	1,527	9,658	13,580
Right-of-use assets	<u>28,123</u>	<u>27,934</u>	<u>29,039</u>
	<u>\$ 547,564</u>	<u>\$ 459,799</u>	<u>\$ 585,367</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

	September 30, 2024	December 31, 2023	September 30, 2023
Purchases of property, plant, and equipment	<u>\$ 89,536</u>	<u>\$ 90,580</u>	<u>\$ 118,204</u>
Purchases of raw materials	<u>\$ 43,736</u>	<u>\$ 25,336</u>	<u>\$ 58,973</u>

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
September 30, 2024				
Financial assets				
Monetary items				
USD	\$ 4,694	31.65	(USD: NTD)	\$ 148,561
USD	19,184	6.9960	(USD: RMB)	607,178
USD	23,392	7.7669	(USD: HKD)	740,357
USD	6,243	24,765	(USD: VND)	197,604
HKD	1,568	4,0750	(HKD: NTD)	6,390
HKD	12,147	0.9008	(HKD: RMB)	49,500
HKD	294	0.1288	(HKD: USD)	<u>1,200</u>
				<u>\$ 1,750,790</u>

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
Financial liabilities				
Monetary items				
USD	\$ 3,940	31.65	(USD:NTD)	\$ 124,701
USD	6,786	6.9960	(USD:RMB)	214,783
USD	18,242	7.7669	(USD:HKD)	577,369
USD	22,015	24,765	(USD:VND)	696,777
HKD	246	4.0750	(HKD:NTD)	1,001
HKD	1,542	0.9008	(HKD:RMB)	<u>6,285</u>
				<u>\$ 1,620,916</u>
<hr/> December 31, 2023 <hr/>				
Financial assets				
Monetary items				
USD	4,501	30.71	(USD:NTD)	\$ 138,228
USD	22,675	7.0957	(USD:RMB)	696,344
USD	25,229	7.8123	(USD:HKD)	774,793
USD	6,002	24,412	(USD:VND)	184,330
HKD	438	3.9310	(HKD:NTD)	1,720
HKD	12,117	0.9083	(HKD:RMB)	47,632
HKD	1,271	0.1280	(HKD:USD)	<u>4,997</u>
				<u>\$ 1,848,044</u>
Financial liabilities				
Monetary items				
USD	1,576	30.71	(USD:NTD)	\$ 48,387
USD	5,052	7.0957	(USD:RMB)	155,134
USD	21,644	7.8123	(USD:HKD)	664,672
USD	26,058	24,412	(USD:VND)	800,249
HKD	10,341	3.9310	(HKD:NTD)	40,651
HKD	100	0.9083	(HKD:RMB)	<u>392</u>
				<u>\$ 1,709,485</u>
<hr/> September 30, 2023 <hr/>				
Financial assets				
Monetary items				
USD	10,428	32.2700	(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>
Financial liabilities				
Monetary items				
USD	967	32.2700	(USD:NTD)	\$ 31,206
USD	4,468	7.3092	(USD:RMB)	144,193
USD	18,588	7.8249	(USD:HKD)	599,822

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		NTD (In Thousands)
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> (Concluded)

For the three and nine months ended September 30, 2024 and 2023, realized and unrealized foreign exchange were net gain \$13,234 thousand, net gain \$9,938 thousand, net gain \$10,500 thousand and net gain \$29,117 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, 2024, net loss of futures contracts was \$6,462 thousand.
- 10) Inter-company business relationship and material transactions and its amount: Table 8.

b. Information on investees: Table 5.

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the

mainland China area: Table 6.

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

- 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 7.
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 7.
 - 3) The amount of property transactions and the amount of the resultant gains or losses: Table 7.
 - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
 - 5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.
 - 6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: Table 8.
- d. Information of major stockholders

List all stockholders with ownership of 5% or greater showing the name of the stockholder, the number of shares owned, and percentage of ownership of each stockholder: Table 9.

31. SEGMENT INFORMATION

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

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

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

The Group's reportable segments were as follows:

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

For the nine months ended September 30, 2024

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

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

	The Company	GEM Dongguan & Genius HK	GEM Suzhou & Global HK	GEM VN	Others	Adjustment and Elimination	Consolidated Amount
<u>For the nine months ended September 30, 2024</u>							
Revenue from external customers	\$ 298,162	\$ 2,566	\$ 1,937,820	\$ 59,485	\$ -	\$ -	\$ 2,298,033
Inter-segment revenue	<u>78,972</u>	<u>147,763</u>	<u>1,090,763</u>	<u>1,247,040</u>	<u>-</u>	<u>(2,564,538)</u>	<u>-</u>
Segment revenue	<u>\$ 377,134</u>	<u>\$ 150,329</u>	<u>\$ 3,028,583</u>	<u>\$ 1,306,525</u>	<u>\$ -</u>	<u>\$(2,564,538)</u>	<u>\$ 2,298,033</u>
Segment loss	<u>\$ (75,977)</u>	<u>\$ (10,577)</u>	<u>\$ (75,497)</u>	<u>\$ 58,407</u>	<u>\$ (747)</u>	<u>\$ 28,718</u>	<u>\$ (75,673)</u>
Interest income							13,059
Other income							6,343
Other gains and losses							(3,221)
Finance costs							<u>(46,519)</u>
Consolidated loss before income tax							(106,011)
Income tax							<u>(18,044)</u>
Consolidated net loss							<u>\$ (124,055)</u>
<u>September 30, 2024</u>							
Segment assets	<u>\$ 3,904,201</u>	<u>\$ 985,779</u>	<u>\$ 2,969,186</u>	<u>\$ 1,253,372</u>	<u>\$ 69,506</u>	<u>\$(3,509,443)</u>	<u>\$ 5,672,601</u>
Segment liabilities	<u>\$ 1,818,099</u>	<u>\$ 38,309</u>	<u>\$ 1,710,545</u>	<u>\$ 800,681</u>	<u>\$ -</u>	<u>\$ (781,136)</u>	<u>\$ 3,586,498</u>
<u>For the nine months ended September 30, 2023</u>							
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>	<u>\$ (207,065)</u>
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>
<u>September 30, 2023</u>							
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>

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 2)	Actual Amount Borrowed (Notes 2 and 3)	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	The Company	GEM VN	Other receivables - related parties	Yes	\$ 195,270	\$ -	\$ -	-	Short-term financing	\$ -	Business development	\$ -	-	\$ -	\$ 417,221	\$ 834,442	Note 1
1	Vibo	GEM VN	Other receivables - related parties	Yes	32,840	31,650	31,650	5.70	Short-term financing	-	Business development	-	-	-	411,265	822,530	Note 1
2	GEM Dongguan	GEM Suzhou	Other receivables - related parties	Yes	159,110	158,340	158,340	2.85	Short-term financing	-	Business development	-	-	-	165,577	331,154	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\$31.65.

Note 3: It was eliminated on consolidation.

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	<u>Stock</u>							
	Yulon Motor Co., Ltd.	-	Financial assets at FVTOCI - current	1,680	\$ 101	-	\$ 101	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	15,000	807	-	807	
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at FVTOCI - current	15,000	14,355	-	14,355	
	Inventec Corporation	-	Financial assets at FVTOCI - current	160,000	6,896	-	6,896	
	Quanta Computer Co., Ltd.	-	Financial assets at FVTOCI - current	7,000	1,848	-	1,848	
	MediaTek Inc.	-	Financial assets at FVTOCI - current	4,000	4,700	-	4,700	
	Quanta Storage Inc.	-	Financial assets at FVTOCI - current	30,000	3,135	-	3,135	
					<u>\$ 31,842</u>	-	<u>\$ 31,842</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, 2024

(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% to Total	
GEM Suzhou	Global HK	Affiliate	Sales	\$ 1,156,535	39	120 days after monthly closing	Note 1	Note 2	\$ 453,816	34	Note 3
GEM Dongguan	GEM Suzhou	Affiliate	Sales	139,863	98	120 days after monthly closing	Note 1	Note 2	51,720	99	Note 3
Global HK	The Company	Subsidiary	Sales	211,176	9	120 days after monthly closing	Note 1	Note 2	107,424	18	Note 3
	GEM Suzhou	Affiliate	Sales	1,207,815	50	120 days after monthly closing	Note 1	Note 2	207,135	34	Note 3
	GEM VN	Affiliate	Sales	876,030	36	120 days after monthly closing	Note 1	Note 2	241,112	40	Note 3
GEM VN	Global HK	Affiliate	Sales	1,183,940	91	120 days after monthly closing	Note 1	Note 2	130,725	80	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, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 3)	Turnover Rate (Note 2)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
GEM Dongguan	GEM Suzhou	Affiliate	\$ 214,989	1.51	\$ -	-	\$ 14,982	\$ -
GEM Suzhou	Global HK	Affiliate	478,937	3.18	-	-	171,055	-
Global HK	The Company	Subsidiary	108,425	4.10	-	-	42,679	-
Global HK	GEM Suzhou	Affiliate	207,135	9.12	-	-	146,485	-
Global HK	GEM VN	Affiliate	241,112	3.22	-	-	161,336	-
GEM VN	Global HK	Affiliate	130,725	12.38	-	-	130,725	-

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, 2024
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Shares/ Units	%	Carrying Amount			
The Company	Global Cayman	Grand Cayman, Cayman Islands	International investment	\$ 1,295,208	\$ 1,295,208	40,137,184	100	\$ 2,017,381	\$ (69,400)	\$ (70,124)	Notes 1 and 2
	GEM Cayman	Grand Cayman, Cayman Islands	International investment	573,029	573,029	18,598,333	100	447,646	54,745	54,745	Note 1
	Genius	British Virgin Islands	International investment and trading	23,282	23,282	750,000	100	131,806	4,911	4,911	Note 1
Genius	Genius HK	Hong Kong	International trading	90,134	90,134	21,999,998	100	119,579	4,489	4,501	Notes 1 and 2
Global Cayman	Vibo	Hong Kong	International investment and trading	1,541,063	1,541,063	359,972,616	100	2,056,325	(69,500)	(69,500)	Note 1
	Global HK	Hong Kong	International trading	3,747	3,747	1,000,000	100	8,793	(981)	(348)	Notes 1 and 2
GEM Cayman	GEM VN	Vietnam	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production; production and processing of copper cores, copper alloys and copper bars	567,140	567,140	-	100	458,942	41,084	54,753	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, 2024**

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

Investee Company	Main Business and Product	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Fund		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Notes 1 and 3)	Carrying Amount as of September 30, 2024 (Notes 1 and 3)	Accumulated Repatriation of Investment Income as of September 30, 2024	Note
					Outward	Inward							
GEM Dongguan	Production of hardware; machine processing; electroplating for metal processing; production and processing of molds and related accessories; plastic products and related plastic accessory production.	\$ 766,675	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	\$ 452,130	\$ -	\$ -	\$ 452,130	\$ (4,618)	100	\$ (9,941)	\$ 813,877	\$ 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.	1,134,082	The investment was made through a corporation established in a third country to invest in companies located in mainland China.	741,320	-	-	741,320	(59,736)	100	(73,114)	1,205,980	753,650	

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
The Company	\$ 1,193,450	\$ 1,794,555 (US\$56,700 thousand)	\$ 1,251,662

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, 2024
(In Thousands of New Taiwan Dollars)

Investee Company	Counterparty	Transaction Type	Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
				Payment Term	Comparison with Normal Transaction	Ending Balance	%		
The Company	GEM Suzhou	Sales	\$ 42,603	120 days after monthly closing	No significant difference with those to third parties	\$ 4,142	3	\$ 5,451	
		Disposal of property, plant, and equipment	7,842	120 days after monthly closing	No comparable transactions with those in the market	3,506	20	1,794	
	GEM Dongguan	Sales	6,868	120 days after monthly closing	No significant difference with those to third parties	6,285	4	1,547	
Global HK	GEM Suzhou	Sales	1,207,815	120 days after monthly closing	No significant difference with those to third parties	207,135	34	5,747	
		Purchase	1,156,535	120 days after monthly closing	No significant difference with those to third parties	(453,816)	74	7,733	
		Purchase of property plant, and equipment	43,489	120 days after monthly closing	No comparable transactions with those in the market	(25,121)	4	12,287	
Genius HK	GEM Dongguan	Purchase	2,679	120 days after monthly closing	No significant difference with those to third parties	-	-	-	
		Purchase of property plant, and equipment	6,813	120 days after monthly closing	No comparable transactions with those in the market	-	-	(885)	

GEM TERMINAL IND. CO., LTD. AND SUBSIDIARIES

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

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
				Financial Statement Item	Amount (Note 1)	Term	
0	The Company	GEM Suzhou	(1)	Sales	\$ 42,603	Payment term of 4 months	2
		GEM Suzhou	(1)	Accounts receivable	4,142	Payment term of 4 months	-
		GEM Suzhou	(1)	Disposal of property, plant and equipment	7,842	Payment term of 4 months	-
		GEM Suzhou	(1)	Other receivables	3,506	Payment term of 4 months	-
		GEM VN	(1)	Sales	28,377	Payment term of 4 months	1
		GEM VN	(1)	Accounts receivable	6,571	Payment term of 4 months	-
		GEM VN	(1)	Disposal of property, plant and equipment	5,792	Payment term of 4 months	-
		GEM VN	(1)	Other receivables	4,917	Payment term of 4 months	-
		GEM Dongguan	(1)	Sales	6,868	Payment term of 4 months	-
		GEM Dongguan	(1)	Accounts receivable	6,285	Payment term of 4 months	-
		Global HK	(1)	Sales	1,123	Payment term of 4 months	-
		Global HK	(1)	Disposal of property, plant and equipment	6,147	Payment term of 4 months	-
		Global HK	(1)	Other receivables	5,974	Payment term of 4 months	-
		1	GEM Dongguan	Genius HK	(3)	Sales	2,679
Genius HK	(3)			Disposal of property, plant and equipment	6,813	Payment term of 4 months	-
GEM Suzhou	(3)			Sales	139,863	Payment term of 4 months	6
GEM Suzhou	(3)			Accounts receivable	51,720	Payment term of 4 months	1
GEM Suzhou	(3)			Disposal of property, plant and equipment	3,682	Payment term of 4 months	-
GEM Suzhou	(3)			Interest income	3,247	Annual Interest rate of 2.85%-3.00%	-
GEM Suzhou	(3)			Other receivables	163,269	According to working capital conditions to change payment deeding	3
2	Genius HK	GEM VN	(3)	Sales	7,099	Payment term of 4 months	-
3	Global HK	The Company	(2)	Sales	211,176	Payment term of 4 months	9
		The Company	(2)	Accounts receivable	107,424	Payment term of 4 months	2
		The Company	(2)	Other receivables	1,001	Payment term of 4 months	-
		GEM VN	(3)	Sales	876,030	Payment term of 4 months	38
		GEM VN	(3)	Accounts receivable	241,112	Payment term of 4 months	4
		GEM Suzhou	(3)	Sales	1,207,815	Payment term of 4 months	53
		GEM Suzhou	(3)	Accounts receivable	207,135	Payment term of 4 months	4

(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	
4	GEM Suzhou	Global HK	(3)	Sales	\$ 1,156,535	Payment term of 4 months	50
		Global HK	(3)	Accounts receivable	453,816	Payment term of 4 months	8
		Global HK	(3)	Other income	7,911	Payment term of 4 months	-
		Global HK	(3)	Disposal of property, plant and equipment	43,489	Payment term of 4 months	2
		Global HK	(3)	Other receivables	25,121	Payment term of 4 months	-
		GEM Dongguan	(3)	Sales	3,217	Payment term of 4 months	-
		GEM Dongguan	(3)	Disposal of property, plant and equipment	4,191	Payment term of 4 months	-
		GEM Dongguan	(3)	Other receivables	3,004	Payment term of 4 months	-
5	Vibo	GEM VN	(3)	Interest income	1,361	Annual Interest rate of 5.7%	-
		GEM VN	(3)	Other receivables	32,302	According to working capital conditions to change payment deeding	1
6	GEM VN	The Company	(2)	Sales	63,100	Payment term of 4 months	3
		The Company	(2)	Accounts receivable	16,688	Payment term of 4 months	-
		Global HK	(3)	Sales	1,183,940	Payment term of 4 months	52
		Global HK	(3)	Accounts receivable	130,725	Payment term of 4 months	2

(Concluded)

Note 1: It was eliminated on consolidation.

Note 2: 1) Parent to subsidiary.

2) Subsidiary to parent.

3) Subsidiary to subsidiary.

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

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

Note: The information of major stockholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares (including treasury stock) held by stockholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.