

**GMI TECHNOLOGY INC. LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022**

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

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Independent Auditors' Review Report

To the Board of Directors
GMI Technology Inc. Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of GMI Technology Inc. Ltd. and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$298,196 thousand and \$189,606 thousand, constituting 4.15% and 2.32% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities amounting to \$262,626 thousand and \$124,402 thousand, constituting 5.93% and 2.04% of consolidated total liabilities as of March 31, 2023 and 2022, respectively, and total comprehensive income(loss) amounting to \$4,367 thousand and \$(1,517) thousand, constituting 12.58% and (0.84)% of consolidated total comprehensive income (loss) for the three months ended March 31, 2023 and 2022, respectively.

Notes to Readers

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

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

Furthermore, as stated in Note 6(d), the other equity accounted investments of GMI Technology Inc. Ltd. and its subsidiaries in its investee companies of \$13,311 thousand and \$14,099 thousand as of March 31, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$73 thousand and \$0 thousand for the three months ended March 31, 2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of GMI Technology Inc. Ltd. and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of Unitech Electronics Co., Ltd, subsidiaries of GMI Technology Inc. Ltd. and its subsidiaries. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd, is based solely on the review report of another auditor. The financial statements of Unitech Electronics Co., Ltd reflect total assets amounting to \$224,496 thousand and \$216,713 thousand, constituting 3.12% and 2.65% of consolidated total assets as of March 31, 2023 and 2022, respectively, and total operating revenues amounting to \$587 thousand and \$3,069 thousand, constituting 0.76% and 1.75% of consolidated total operating revenues for the three months ended March 31, 2023 and 2022, respectively.

KPMG

Taipei, Taiwan (Republic of China)
May 9, 2023

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2023, December 31, 2022, and March 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

	March 31, 2023		December 31, 2022		March 31, 2022			March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets							Liabilities and Equity						
1100 Cash and cash equivalents(note (6)(a))	\$ 1,882,075	27	1,455,659	18	1,472,307	18	Current liabilities:						
1150 Notes receivable, net(notes (6)(b)and (q))	96,211	1	96,006	1	128,029	2	2100 Short-term borrowings(notes (6)(h)and (8))	\$ 1,655,185	23	2,238,874	27	1,663,114	20
1170 Accounts receivable, net(notes (6)(b), (p)and (8))	2,396,103	32	3,442,658	42	4,176,852	51	2110 Short-term notes and bills payable(note (6)(g))	598,414	8	379,163	5	609,030	7
1181 Accounts receivable from related parties(notes (6)(b), (p)and (7))	5,810	-	71	-	39,128	-	2170 Accounts payable	179,854	3	397,049	5	379,208	5
1200 Other receivables	14,273	-	17,899	-	28,927	-	2180 Accounts payable to related parties(note (7))	1,642,691	23	2,264,502	27	2,977,823	36
1220 Current tax assets	4,835	-	6,529	-	-	-	2219 Other payables, others(note (6)(k))	50,766	1	79,774	1	87,245	1
130X Inventories	1,846,196	26	2,319,295	27	1,424,675	17	2230 Current income tax liabilities	16,894	-	3,287	-	106,458	1
1476 Other current financial assets(note (6)(g))	229,715	3	231,773	3	216,188	3	2280 Current lease liabilities(note (6)(j))	15,573	-	12,785	-	5,221	-
1470 Other current assets	75,037	1	80,192	1	131,180	2	2300 Other current liabilities	41,109	1	21,866	-	42,643	1
Total current assets	6,550,255	90	7,650,082	92	7,617,286	93	2322 Long-term borrowings, current portion(notes (6)(i)and (8))	11,900	-	11,900	-	11,900	-
Non-current assets:							Total current liabilities	4,212,386	59	5,409,200	65	5,882,642	71
1550 Investments accounted for using equity method, net(notes (6)(d)and (7))	237,807	4	237,492	3	230,812	3	Non-Current liabilities:						
1600 Property, plant and equipment(notes (6)(e)and (8))	331,418	5	331,763	4	307,288	4	2540 Long-term borrowings(notes (6)(i)and (8))	199,325	3	202,300	2	211,225	3
1755 Right-of-use assets(note (6)(f))	32,564	-	28,937	-	10,628	-	2580 Non-current lease liabilities(note (6)(j))	17,835	-	16,768	-	5,878	-
1840 Deferred income tax assets	35,986	1	36,038	1	5,944	-	2640 Net defined benefit liability, non-current	-	-	-	-	138	-
1975 Net defined benefit asset, non-current	1,426	-	1,426	-	-	-	Total non-current liabilities	217,160	3	219,068	2	217,241	3
1900 Other non-current assets	4,043	-	1,768	-	2,829	-	Total liabilities	4,429,546	62	5,628,268	67	6,099,883	74
Total non-current assets	643,244	10	637,424	8	557,501	7	Equity attributable to owners of parent:						
							3110 Ordinary share	1,626,254	22	1,626,254	20	1,376,254	17
							3200 Capital surplus	223,116	3	223,116	3	44,977	1
							3310 Legal reserve	101,075	1	101,075	1	56,557	1
							3320 Special reserve	113,848	2	113,848	1	76,185	1
							3350 Unappropriated retained earnings	614,532	9	552,882	7	592,507	7
							3400 Other equity interest	15,128	-	42,063	1	(71,576)	(1)
							Total equity attributable to owners of parent:	2,693,953	37	2,659,238	33	2,074,904	26
							36XX Non-controlling interests	70,000	1	-	-	-	-
							Total equity	2,763,953	38	2,659,238	33	2,074,904	26
Total assets	\$ 7,193,499	100	8,287,506	100	8,174,787	100	Total liabilities and equity	\$ 7,193,499	100	8,287,506	100	8,174,787	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(o) and (7))	\$ 3,320,282	100	5,184,110	100
5000	Operating costs (notes (6)(c) and (7))	<u>3,119,039</u>	<u>94</u>	<u>4,903,035</u>	<u>95</u>
	Gross profit from operations	<u>201,243</u>	<u>6</u>	<u>281,075</u>	<u>5</u>
	Operating expenses (notes (6)(j), (k) and (p))				
6100	Selling expenses	72,660	2	84,549	2
6200	Administrative expenses	40,389	1	36,282	1
6300	Research and development expenses	6,329	-	4,952	-
6450	Reversal of impairment loss determined in accordance with IFRS9 (note (6)(b))	<u>(14,329)</u>	<u>-</u>	<u>(4,983)</u>	<u>-</u>
	Total operating expenses	<u>105,049</u>	<u>3</u>	<u>120,800</u>	<u>3</u>
	Net operating income	<u>96,194</u>	<u>3</u>	<u>160,275</u>	<u>2</u>
	Non-operating income and expenses (notes (6)(j) and (q))				
7100	Interest income	1,897	-	201	-
7010	Other income	1,571	-	1,109	-
7020	Other gains and losses, net	4,611	-	18,519	-
7050	Finance costs	<u>(27,937)</u>	<u>(1)</u>	<u>(7,783)</u>	<u>-</u>
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>660</u>	<u>-</u>	<u>3,069</u>	<u>-</u>
	Total non-operating income and expenses	<u>(19,198)</u>	<u>(1)</u>	<u>15,115</u>	<u>-</u>
7900	Profit from continuing operations before tax	76,996	2	175,390	2
7950	Less: Income tax expenses (note (6)(l))	<u>15,346</u>	<u>-</u>	<u>37,952</u>	<u>1</u>
	Profit	<u>61,650</u>	<u>2</u>	<u>137,438</u>	<u>1</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	53	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(26,590)	(1)	42,272	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(398)	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(26,988)</u>	<u>(1)</u>	<u>42,272</u>	<u>1</u>
8300	Other comprehensive income	<u>(26,935)</u>	<u>(1)</u>	<u>42,272</u>	<u>1</u>
	Total comprehensive income	<u>\$ 34,715</u>	<u>1</u>	<u>179,710</u>	<u>2</u>
	Profit (loss), attributable to:				
	Profit (loss), attributable to owners of parent	\$ 61,650	2	137,438	1
	Profit (loss), attributable to non-controlling interests	-	-	-	-
		<u>\$ 61,650</u>	<u>2</u>	<u>137,438</u>	<u>1</u>
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 34,715	1	179,710	2
	Comprehensive income, attributable to non-controlling interests	-	-	-	-
		<u>\$ 34,715</u>	<u>1</u>	<u>179,710</u>	<u>2</u>
	Basic earnings per share (note (6)(n))				
	Basic earnings per share	<u>\$ 0.38</u>		<u>1.00</u>	
	Diluted earnings per share	<u>\$ 0.38</u>		<u>1.00</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings			Total other equity interest		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
Balance at January 1, 2022	\$ 1,376,254	44,977	56,557	76,185	455,069	(113,848)	-	1,895,194	-	1,895,194
Profit for the period	-	-	-	-	137,438	-	-	137,438	-	137,438
Other comprehensive income for the period	-	-	-	-	-	42,272	-	42,272	-	42,272
Total comprehensive income for the period	-	-	-	-	137,438	42,272	-	179,710	-	179,710
Balance at March 31, 2022	\$ 1,376,254	44,977	56,557	76,185	592,507	(71,576)	-	2,074,904	-	2,074,904
Balance at January 1, 2023	\$ 1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238	-	2,659,238
Profit for the period	-	-	-	-	61,650	-	-	61,650	-	61,650
Other comprehensive income for the period	-	-	-	-	-	(26,988)	53	(26,935)	-	(26,935)
Total comprehensive income for the period	-	-	-	-	61,650	(26,988)	53	34,715	-	34,715
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	70,000	70,000
Balance at March 31, 2023	\$ 1,626,254	223,116	101,075	113,848	614,532	15,037	91	2,693,953	70,000	2,763,953

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 76,996	175,390
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	5,575	4,848
Gains on reversal of expected credit losses	(14,329)	(4,983)
Interest expense	27,937	7,783
Interest income	(1,897)	(201)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(660)	(3,069)
Loss (gain) on disposal of property, plan and equipment	2	-
Total adjustments to reconcile profit (loss)	16,628	4,378
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(1,631)	(2,504)
Decrease (increase) in accounts receivable	1,020,212	(375,928)
Decrease (increase) in accounts receivable due from related parties	(5,739)	(1,102)
Decrease (increase) in other receivable	3,658	(11,921)
Decrease (increase) in inventories	443,159	(308,452)
Decrease (increase) in other current assets	5,231	(13,185)
Total changes in operating assets	1,464,890	(713,092)
Increase (decrease) in accounts payable	(213,476)	222,615
Increase (decrease) in accounts payable to related parties	(603,243)	104,044
Increase (decrease) in other payable	(27,244)	(29,452)
Increase (decrease) in other current liabilities	19,511	(17,053)
Total changes in operating liabilities	(824,452)	280,154
Total adjustments	657,066	(428,560)
Cash inflow (outflow) generated from operations	734,062	(253,170)
Interest received	1,859	213
Interest paid	(29,620)	(7,889)
Net cash flows from (used in) operating activities	706,301	(260,846)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(1,270)	(1,752)
Increase in other financial assets	(1,189)	(961)
Decrease (Increase) in other non-current assets	(2,734)	1,086
Net cash flows from (used in) investing activities	(5,193)	(1,627)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,918,212	1,961,996
Decrease in short-term loans	(2,491,107)	(1,708,372)
Increase in short-term notes and bills payable	1,176,584	668,189
Decrease in short-term notes and bills payable	(957,333)	(618,112)
Repayments of long-term debt	(2,975)	(2,975)
Payment of lease liabilities	(3,734)	(3,523)
Change in non-controlling interests	70,000	-
Net cash flows from (used in) financing activities	(290,353)	297,203
Effect of exchange rate changes on cash and cash equivalents	15,661	(10,140)
Net increase (decrease) in cash and cash equivalents	426,416	24,590
Cash and cash equivalents at beginning of period	1,455,659	1,447,717
Cash and cash equivalents at end of period	\$ 1,882,075	1,472,307

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2023 and 2022

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

(1) Company history

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

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

The consolidated financial statements for the three Months ended March 31, 2023 and 2022 were authorized for issuance by the board of directors on May 9, 2023 .

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name of Investor	Name of subsidiary	Principal activity	Share holding			Notes
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100.00 %	100.00 %	100.00 %	Note 1
The Company	Rehear Audiology Company Ltd	Research, development and sales of medical equipment	30.00 %	- %	- %	Note 4
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100.00 %	100.00 %	100.00 %	Note 1
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic Co. Ltd	Trading of electronic components and investment holding	100.00 %	100.00 %	100.00 %	Note 1
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and business marketing consulting Services	100.00 %	100.00 %	100.00 %	Note 1
Vector Electronic Co. Ltd	G.M.I. Vector Electronics (Shenzhen) Company	Trading of electronic components and business marketing consulting Services	- %	- %	100.00 %	Note 1、2
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100.00 %	100.00 %	100.00 %	Note 1
G.M.I (Shanghai) Trading Company Limited.	Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	100.00 %	100.00 %	- %	Note 1、3

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 1: The financial statements didn't audit because of non-important subsidiary.

Note 2: Subsidiary was established in 2007 and was approved by the board of directors for liquidation on November 8, 2022. Subsidiary was canceled on November 23, 2022. In addition, the Group was liquidated on December 6, 2022.

Note 3: The subsidiary is to be liquidated by resolution of the Board of Directors on March 28, 2023.

Note 4: This company was incorporated and registered on March 22, 2023. Despite the Company's direct shareholding ratio not exceeding 50%, it is deemed to have control over the aforementioned company due to the overall shareholding ratio of the Company and related parties surpassing 50%, in addition to the Company exerting significant influence over the relevant operating activities of the aforementioned company.

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

(c) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

(d) Employee benefits

The pension cost in the interim period is calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year. Any material volatility of the market after the report date, material reimbursement and settlement or other material one-time events should be adjusted.

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements are as follows:

(a) Judgment regarding control of subsidiaries

The Group owns less than half of Rehear Audiology Company Ltd; however, management has determined that the Group controls the entity. The Group has control over Rehear Audiology Company Ltd on a de facto basis because the voting rights controlled by the Company and the related party are over 50%, and the Company determined the operating activities of Rehear Audiology Company Ltd.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2022 consolidated financial statements. Please refer to note 6 to the 2022 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 5,221	5,784	6,855
Cheques and demand deposits	1,876,854	1,449,875	1,465,452
	<u>\$ 1,882,075</u>	<u>1,455,659</u>	<u>1,472,307</u>

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable-arising from operations	\$ 96,500	96,295	128,414
Accounts receivable-measured at amortized cost	2,433,571	3,495,090	4,231,204
Accounts receivable due from related parties	5,810	71	39,128
Less : Allowance for losses	<u>(37,757)</u>	<u>(52,721)</u>	<u>(54,737)</u>
	<u>\$ 2,498,124</u>	<u>3,538,735</u>	<u>4,344,009</u>

The Group holds derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to, arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as held-for-trading financial assets and liabilities:

	March 31, 2023		
	Notes and accounts receivable carrying amount	Weighted- average loss rate	Allowance provision
Current	\$ 2,366,045	0.85%	20,166
Less than 90 days past due	<u>169,836</u>	10.36%	<u>17,591</u>
	<u>\$ 2,535,881</u>		<u>37,757</u>
	December 31, 2022		
	Notes and accounts receivable carrying amount	Weighted- average loss rate	Allowance provision
Current	\$ 3,379,158	1.09%	36,776
Less than 90 days past due	<u>212,298</u>	7.51%	<u>15,945</u>
	<u>\$ 3,591,456</u>		<u>52,721</u>

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022		
	Notes and accounts receivable carrying amount	Weighted- average loss rate	Allowance provision
Current	\$ 4,320,127	0.83%	35,685
Less than 90 days past due	60,211	1.07%	644
More than 180 days past due	18,408	100%	18,408
	\$ 4,398,746		54,737

The movement in the allowance for notes and accounts receivable were as follows :

	For the three months ended March 31	
	2023	2022
Balance on January 1	\$ 52,721	58,490
Gains on reversal of impairment losses	(14,329)	(4,983)
Foreign exchange gains or losses	(635)	1,230
Balance on March 31	\$ 37,757	54,737

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

(c) Inventories

	March 31, 2023	December 31, 2022	March 31, 2022
Goods for sale	\$ 1,846,196	2,319,295	1,424,675

Inventories recognized as cost of sales amounted to \$3,063,928 thousand and \$4,899,901 thousand for March 31, 2023 and 2022, respectively.

The inventory depreciation loss of \$55,111 thousand and \$3,134 thousand was recognized as cost of goods sold due to the write down of inventories to net realizable value for March 31, 2023 and 2022, respectively.

(d) Investments accounted for using the equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows :

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	\$ 561,384	561,069	554,389
Accumulated impairment	(323,577)	(323,577)	(323,577)
	\$ 237,807	237,492	230,812

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Associates

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

<u>Associate Name</u>	<u>Nature of the relationship with the Group</u>	<u>Main business sector/Country of company registration</u>	<u>Proportion of ownership interest and voting rights</u>		
			<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73 %	12.73 %	12.73 %

For Affiliates that are significant to the Group have been listed on the stock exchange, their fair values are as follows :

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unitech Electronics	\$ <u>313,057</u>	<u>214,600</u>	<u>197,871</u>

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

1) Unitech Electronics's Aggregate Financial Information:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current Asset	\$ 1,740,224	1,920,808	1,780,905
Non-Current Asset	587,229	580,061	527,596
Current Liability	(376,139)	(541,419)	(451,807)
Non-Current Liability	<u>(125,723)</u>	<u>(137,518)</u>	<u>(83,955)</u>
Net Assets	\$ <u>1,825,591</u>	<u>1,821,932</u>	<u>1,772,739</u>

	<u>For the three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Operating Income	\$ <u>496,424</u>	<u>534,450</u>
Current period net profit	\$ 4,703	24,170
Other comprehensive gains and losses	<u>(1,044)</u>	<u>5,409</u>
Total comprehensive gains and losses	\$ <u>3,659</u>	<u>29,579</u>

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended	
	March 31	
	2023	2022
Beginning carrying balance of the Group's share of net assets of affiliates	\$ 224,079	213,644
The Group's total gains and losses attributable to affiliates	417	3,069
Ending balance of the Group's share of net assets of affiliates	224,496	216,713
Ending carrying balance of the Group's interest in affiliates	\$ 224,496	216,713

- (ii) As of March 31, 2023, the Group's equity-accounted investment—Unitech Electronics incurred impairment losses of \$76,640 thousand because its carrying amount had exceeded fair value.
- (iii) The Group lost control of its investee company, GW Electronics, in June 2017 and changed to using the equity method. During 2017, the Group assessed that there was uncertainty in the recovery of the investment in GW Electronics, hence, recognized the full amount as impairment. As of March 31, 2023, the accumulated impairment loss was \$246,937 thousand.
- (iv) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows:

	March 31,	December 31,	March 31,
	2023	2022	2022
Carrying amount of equity in individual insignificant associates	\$ 13,311	13,413	14,099

	For the three months ended	
	March 31	
	2023	2022
Attributable to the Group:		
Net Income for the period	\$ 73	-
Other comprehensive loss	(175)	-
Total comprehensive income or loss	\$ (102)	-

- (v) Collaterals

None of the Group's investments accounted for using the equity method had been pledged as collateral.

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group Form January 1 to March 31, 2023 and 2022 were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Machinery and equipment</u>	<u>Transport ation equipment</u>	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost :								
Balance at January 1, 2023	\$ 270,496	51,264	1,192	154	4,307	22,499	1,352	351,264
Additions	-	-	-	-	-	820	450	1,270
Disposal	-	-	-	-	-	(6,054)	-	(6,054)
Effects of changes in foreign exchange rates	-	-	7	1	(27)	1	3	(15)
Balance at March 31, 2023	<u>\$ 270,496</u>	<u>51,264</u>	<u>1,199</u>	<u>155</u>	<u>4,280</u>	<u>17,266</u>	<u>1,805</u>	<u>346,465</u>
Balance at January 1, 2022	\$ -	-	1,232	152	4,388	16,128	3,225	25,125
Additions	-	-	-	-	-	1,752	-	1,752
Reclassification	270,496	28,155	-	-	(354)	81	273	298,651
Disposal	-	-	-	-	-	(120)	-	(120)
Effects of changes in foreign exchange rates	-	-	46	6	134	180	66	432
Balance at March 31, 2022	<u>\$ 270,496</u>	<u>28,155</u>	<u>1,278</u>	<u>158</u>	<u>4,168</u>	<u>18,021</u>	<u>3,564</u>	<u>325,840</u>
Depreciation and impairment losses: :								
Balance at January 1, 2023	\$ -	2,376	1,073	122	3,159	12,306	465	19,501
Additions	-	425	-	9	240	879	60	1,613
Disposal	-	-	-	-	-	(6,052)	-	(6,052)
Effects of changes in foreign exchange rates	-	-	6	1	(26)	2	2	(15)
Balance at March 31, 2023	<u>\$ -</u>	<u>2,801</u>	<u>1,079</u>	<u>132</u>	<u>3,373</u>	<u>7,135</u>	<u>527</u>	<u>15,047</u>
Balance at January 1, 2022	\$ -	-	1,112	84	2,311	9,643	2,637	15,787
Additions	-	228	-	9	228	991	103	1,559
Disposal	-	-	-	-	-	(120)	-	(120)
Reclassification	-	1,059	-	-	(276)	54	222	1,059
Effects of changes in foreign exchange rates	-	-	41	4	71	93	58	267
Balance at March 31, 2022	<u>\$ -</u>	<u>1,287</u>	<u>1,153</u>	<u>97</u>	<u>2,334</u>	<u>10,661</u>	<u>3,020</u>	<u>18,552</u>
Carrying Amounts :								
Balance at January 1, 2023	\$ 270,496	48,888	119	32	1,148	10,193	887	331,763
Balance at March 31, 2023	<u>\$ 270,496</u>	<u>48,463</u>	<u>120</u>	<u>23</u>	<u>907</u>	<u>10,131</u>	<u>1,278</u>	<u>331,418</u>
Balance at March 31, 2022	<u>\$ 270,496</u>	<u>26,868</u>	<u>125</u>	<u>61</u>	<u>1,834</u>	<u>7,360</u>	<u>544</u>	<u>307,288</u>
Balance at January 1, 2022	<u>\$ -</u>	<u>-</u>	<u>120</u>	<u>68</u>	<u>2,077</u>	<u>6,485</u>	<u>588</u>	<u>9,338</u>

As of March 31, 2023, December 31 and March 31, 2022, the Group's property, plant and equipment had been guaranteed as long-term loans and financing guarantees, please refer to note 8.

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Right-of-use assets

The Group leases buildings and structures, and the movements in the costs and accumulated depreciation were as follows:

	<u>Building and Construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:			
Balance at March 31, 2023	\$ <u>26,580</u>	<u>5,984</u>	<u>32,564</u>
Balance at March 31, 2022	\$ <u>10,628</u>	<u>-</u>	<u>10,628</u>

During the three months ended March 31, 2023 and 2022, the Group's right-of-use assets, recognized for leases of buildings and structures, did not experience material increase, impairment, and reversal. For relevant information, please refer to note 6(6) to the consolidated financial statements for the year ended December 31, 2022.

(g) Short-term notes and bills payable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Commercial paper payable	\$ <u>598,414</u>	<u>379,163</u>	<u>609,030</u>

During the three months ended March 31, 2023 and 2022, the amounts increased by \$1,176,584 thousand and \$668,189 thousand respectively, with interest rates ranging from 1.88% to 1.98% and 1.10% to 1.33%. The maturity dates fall between April and June, 2023 and 2022. During the same periods, the repayments amounted to \$957,333 thousand and \$618,112 thousand, respectively.

No assets of the Group were pledged as guarantee for the payment of short-term notes and bills.

(h) Short-term borrowing

The short-term borrowings were summarized as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unsecured bank loans	\$ 1,168,371	1,526,057	1,023,957
Secured bank loans	486,814	712,817	639,157
	<u>\$ 1,655,185</u>	<u>2,238,874</u>	<u>1,663,114</u>
Unused short-term credit lines	<u>\$ 5,155,244</u>	<u>3,894,372</u>	<u>2,415,426</u>
Range of Interest rate	<u>1.74%~6.45%</u>	<u>1.85%~6.58%</u>	<u>1.00%~2.30%</u>

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Loans and repayments

During the three months ended March 31, 2023 and 2022, the amounts increased by \$1,918,212 thousand and \$1,961,996 thousand respectively, with interest rates ranging from 1.74% to 6.45% and 1.00% to 2.30%. The maturity dates fall between April and August, 2023 as well as April and September, 2022. During the same periods, the repayments amounted to \$2,491,107 thousand and \$1,708,372 thousand, respectively.

(ii) Collateral for bank loans

Please refer to note 8 for the assets pledged to secure bank loans.

(i) Long-term borrowings

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Secured bank loans	\$ 211,225	214,200	223,125
Less: current portion	(11,900)	(11,900)	(11,900)
	<u>\$ 199,325</u>	<u>202,300</u>	<u>211,225</u>
Unused short-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates (%)	<u>1.77%</u>	<u>1.65%</u>	<u>1.1%</u>

(i) Loans and repayments

During the three months ended March 31, 2023 and 2022, no material long-term loan was made, repurchased, or repaid. Interest expense refer to note 6(q). For further information, please refer to note 6(10) to the consolidated financial statements for the year ended December 31, 2022.

(ii) Collateral for bank loans

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

(j) Lease liabilities

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current	<u>\$ 15,573</u>	<u>12,785</u>	<u>5,221</u>
Non-current	<u>\$ 17,835</u>	<u>16,768</u>	<u>5,878</u>

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts of leases recognized in profit or loss were as follows:

	For the three months ended March 31	
	2023	2022
Interest expense on lease liabilities	\$ 418	170
Expenses relating to short-term leases	\$ 437	845

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

	For the three months ended March 31	
	2023	2022
Total cash outflow for leases	\$ 4,589	4,538

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

(k) Employee benefits

(i) Defined benefit plans

As there were no significant market fluctuations, curtailment, settlement or other significant one-off events subsequent to the previous year's reporting date, the Group adopted the actuarial pension costs as of December 31, 2022 and 2021 to measure and disclose the pension costs for the interim period.

The amounts recognized by the Group as expenses were as follows:

	For the three months ended March 31	
	2023	2022
Operating Expense	\$ 101	101

(ii) Defined contribution plans

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

	For the three months ended March 31	
	2023	2022
Operating Expense	\$ 3,431	3,336

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Income taxes

	For the three months ended March 31	
	2023	2022
Current tax expense		
Current tax	\$ 15,346	37,952

There were no income tax expense recognized the Group equity and other comprehensive income for amount on March 31, 2023 and 2022.

The Company's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(m) Capital and other equity

Except as set out below, there were no material movements in capital and other equity during the three months ended March 31, 2023 and 2022. Please refer to note 6(14) to the consolidated financial statements for the year ended December 31, 2022.

(i) Ordinary shares

After the resolution of the Board on March 24, 2022, The Company issued 25,000 thousand new ordinary shares through cash capital increase at a price of \$17 per share at premium. The total amount of new shares amounting to \$425,000 thousand and the base day for capital increase is on August 11, 2022. The Group's share capital was fully received as of August 11, 2022 and the registration of the change was completed on August 30, 2022.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	March 31, 2023	December 31, 2022	March 31, 2023
Share capital at premium	\$ 219,941	219,941	44,941
Changes in net equity of associates recognized by equity method	36	36	36
Employee stock options	3,139	3,139	-
	\$ 223,116	223,116	44,977

Please refer to note 6(14) for the shares that were issued during 2022 and reserved for employees to subscribe.

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained earnings

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

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

1) Earnings distribution

On March 28, 2023, the 2022 earnings appropriation was resolved in a board meeting. On June 23, 2022, the 2021 earnings appropriation was approved in a general shareholders' meeting. The amounts of dividends distributed to owners were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Amount per share</u>	<u>Total Amount</u>	<u>Amount per share</u>	<u>Total Amount</u>
Dividends distributed to ordinary shareholders:				
Cash	2.00	<u>325,251</u>	2.00	<u>275,251</u>
Total		<u><u>\$ 325,251</u></u>		<u><u>275,251</u></u>

(n) Earnings per share

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

(i) Basic earnings per share

	<u>For the three months ended</u>	
	<u>March 31</u>	
	<u>2023</u>	<u>2022</u>
Profit attributable to ordinary shareholders of the Company	<u>\$ 61,650</u>	<u>137,438</u>
Weighted-average number of outstanding ordinary shares	<u>162,625</u>	<u>137,625</u>
Earnings per share	<u>\$ 0.38</u>	<u>1.00</u>

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	For the three months ended	
	March 31	
	2023	2022
Profit attributable to ordinary shareholders of the Company (dilutive)	\$ 61,650	137,438
Weighted-average number of ordinary shares outstanding (basic)	162,625	137,625
Effect of employee share bonus	37	28
Weighted-average number of ordinary shares outstanding at March 31 (Dilution)	162,662	137,653
Diluted earnings per share	\$ 0.38	1.00

(o) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended	
	March 31	
	2023	2022
Primary geographical markets:		
Taiwan	\$ 132,239	315,826
China	3,146,995	4,861,669
Others	41,048	6,615
	\$ 3,320,282	5,184,110
Major products/service lines:		
Digital Communication Solutions and Components	\$ 2,799,349	4,326,772
Storage Applications Solutions and Components	505,324	805,711
Analog Electronic Components	15,609	51,627
	\$ 3,320,282	5,184,110

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	March 31, 2023	December 31, 2022	March 31, 2023
Notes receivable	\$ 96,500	96,295	128,414
Accounts receivable	2,443,571	3,495,090	4,231,204
Accounts receivable due from related parties	5,810	71	39,128
Less: Loss allowance	<u>(37,757)</u>	<u>(52,721)</u>	<u>(54,737)</u>
Total	<u>\$ 2,508,124</u>	<u>3,538,735</u>	<u>4,344,009</u>

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

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

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

From January 1 to March 31, 2023 and 2022, the Company estimated its employee remuneration amounting to 100 thousand and 200 thousand, and directors' and supervisors' remuneration amounting to 1,500 thousand and 3,500 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

During 2022 and 2021, employee remunerations were estimated at \$650 thousand and \$600 thousand, respectively; director remunerations were estimated at \$11,000 thousand and \$8,000 thousand, respectively. Relevant information is available on the Market Observation Post System website.

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Non-operating income and expenses:

(i) Interest income

The details of interest income were as follows:

	For the three months ended March 31	
	2023	2022
Interest income	\$ 1,897	201

(ii) Other income

The Group's other income was as follows:

	For the three months ended March 31	
	2023	2022
Other	\$ 1,571	1,109

(iii) Other gains and losses

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

	For the three months ended March 31	
	2023	2022
Foreign exchange gains	\$ 4,613	18,519
Losses on disposals of property, plant and equipment	(2)	-
	\$ 4,611	18,519

(iv) Other gains and losses

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

	For the three months ended March 31	
	2023	2022
Interest on bank loans	\$ (27,519)	(7,613)
Interest expenses on lease liabilities	(418)	(170)
	\$ (27,937)	(7,783)

(r) Financial instruments

Except as set out below, there was no material change in both the fair value of the Group's financial instruments and the associated exposure to credit risk, liquidity risk and market risk. Please refer to note 6(20) to the consolidated financial statements for the year ended December 31, 2022 for relevant information.

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Currency risk

1) Exposure of foreign currency risk

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

	March 31, 2023			December 31, 2022			March 31, 2022		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 151,021	30.450	4,598,589	202,908	30.710	6,231,305	234,477	28.625	6,711,904
RMB	1,120	4.431	4,963	1,223	4.408	5,391	1,375	4.506	6,196
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	121,018	30.450	3,684,998	175,824	30.710	5,399,555	197,865	28.625	5,663,886

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at March 31, 2023 and 2022, would have increased or decreased the profit before tax by \$45,928 thousand and \$52,711 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. From January 1 to March 31, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to 4,613 thousand and 18,519 thousand, respectively.

(s) Financial risk management

The Group's financial risk management objectives and policies do not differ materially from those disclosed in note 6(21) to the consolidated financial statements for the year ended December 31, 2022.

(t) Capital management

The Group's capital management objectives and policies do not differ materially from those disclosed in the consolidated financial statements for the year ended December 31, 2022. Besides, the aggregate quantitative information on capital management items do not differ materially from that disclosed in the consolidated financial statements for the year ended December 31, 2022. For relevant information, please refer to note 6(22) to the consolidated financial statements for the year ended December 31, 2022.

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Investing and financing activities not affecting cash flows

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

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

	January 1, 2022	Cash flows	Non-Cash changes		March 31, 2022
			Lease modification	Foreign exchange movement	
Short-term notes payables	\$ 558,953	50,077	-	-	609,030
Short-term borrowings	1,395,505	253,624	-	13,985	1,663,114
long-term borrowings	226,100	(2,975)	-	-	223,125
Lease liabilities	14,188	(3,523)	-	434	11,099
Total liabilities from financing activities	<u>\$ 2,194,746</u>	<u>297,203</u>	<u>-</u>	<u>14,419</u>	<u>2,506,368</u>

(7) **Related-party transactions**

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements consolidated financial statements.

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

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Sale revenue

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

	For the three months ended	
	March 31	
	<u>2023</u>	<u>2022</u>
Other related parties - Realtek	\$ 5,513	2,109
Other related parties - Realtek Singapore	-	10,134
Other related parties - Unitech Electronics	<u>21</u>	<u>-</u>
	<u>\$ 5,534</u>	<u>12,243</u>

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

(ii) Purchases

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

	For the three months ended	
	March 31	
	<u>2023</u>	<u>2022</u>
Other related parties - Realtek	\$ 1,173,823	2,764,571
Other related parties - Realtek Singapore	1,105,468	1,515,916
Other related parties - RayMx	<u>45,404</u>	<u>61,713</u>
	<u>\$ 2,324,695</u>	<u>4,342,200</u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

(iii) Receivables from related parties

The details of the Group's receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31,</u> <u>2023</u>	<u>December</u> <u>31, 2022</u>	<u>March 31,</u> <u>2022</u>
Amounts received in subsequent period	Other related parties	<u>\$ 5,810</u>	<u>71</u>	<u>39,128</u>

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Payables to related parties

The details of the Group's payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Amounts received in subsequent period	Realtek	\$ 798,033	894,388	1,988,483
Amounts received in subsequent period	Realtek Singapore	821,103	1,357,835	986,786
Amounts received in subsequent period	RayMx	23,555	11,717	2,554
Amounts received in subsequent period	Actions(HK)	-	562	-
		<u>\$ 1,642,691</u>	<u>2,264,502</u>	<u>2,977,823</u>

(c) Key management personnel compensation

Key management personnel compensation includes:

	For the three months ended March 31	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 13,702	14,562
Post-employment benefits	68	89
	<u>\$ 13,770</u>	<u>14,651</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Time deposit (classified under other financial assets)	Bank loan limit	\$ 229,715	231,773	216,188
Accounts receivable	The unused letters of credit and secured loans	143,318	219,193	118,419
Property, plant and equipment	Long-term bank loans	296,457	296,684	297,364
		<u>\$ 669,490</u>	<u>747,650</u>	<u>631,971</u>

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

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

	March 31, 2023	December 31, 2022	March 31, 2022
Purchase Guarantee	\$ <u>307,925</u>	<u>329,615</u>	<u>281,750</u>

- (b) The amount of unused outstanding letters of credit were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Outstanding standby letters of credit	\$ <u>1,104,410</u>	<u>2,107,466</u>	<u>2,612,107</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Taxes on imported goods guaranteed by banks	\$ <u>4,000</u>	<u>4,000</u>	<u>4,000</u>

- (d) As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group had issued \$1,029,025 thousand, \$1,160,065 thousand, and \$1,160,065 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

	For the three months ended March 31						
	2023			2022			
	By function	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
By item							
Employee benefits							
Salary	-	48,720	48,720	-	47,310	47,310	
Labor and health insurance	-	3,342	3,342	-	3,280	3,280	
Pension	-	3,532	3,532	-	3,437	3,437	
Other employee benefits expense	-	1,383	1,383	-	1,501	1,501	
Depreciation	-	5,575	5,575	-	4,848	4,848	

(Continued)

GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Others

Accounts receivable regarding to legal proceedings:

In January 2017, the Company filed a civil lawsuit to the Shanghai court for the overdue payment of Shanghai Hairong Information Technology Co. (Shanghai Hairong). However, in May 2017, the Shanghai court rejected the lawsuit. In July of the same year, the Company filed a criminal lawsuit to the Shenzhen Public Security Bureau against the majority shareholder of Shanghai Hairong. However, in September of that year, the Shenzhen Public Security Bureau notified the Company that the case cannot be filed. Hence, the Company has now filed a civil lawsuit against Shanghai Hairong to the Shenzhen court, and the court agreed to accept the lawsuit, which was heard on June 21, 2018. On May 22, 2019, the court ordered Shanghai Hairong to pay the Company the amount of \$5,804 thousand (US\$187 thousand). Shanghai Hairong appealed against the Company again on June 12, 2019, and The Shenzhen Intermediate People's Court ruled in the second instance to maintain the status quo ante. Shanghai Hairong negotiated a settlement with the Company on December 15, 2021. The Company has received \$5,804 thousand in June 2022 and the Company recognized allowance for bad debt for uncollected amounts of \$18,456 thousand to write off the allowance for losses for changes in allowance for doubtful debts, please refer to note 6(2).

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

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

- (i) Loans to other parties:None
(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company									
0	The Group	G.M.I (Shanghai) Trading Company Limited.	2	2,693,953	88,620 (RMB20,000*4.431)	88,620 (RMB20,000*4.431)	-	-	2,693,953	Y	-	Y

Note 1: The Company's endorsement and guarantee amount for a single enterprise is limited to 80% of the Company's shareholders' equity, but for a single overseas affiliate, it is limited to 100% of the Company's shareholders' equity.

Note 2: The relationship between the guarantor and the target of the endorsement is as follows.

- (1) Companies with business dealings.
 - (2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
 - (3) A company that directly or indirectly holds more than 50% of the voting shares of the company.
 - (4) A company in which the company directly or indirectly holds more than 90% of the voting shares.
 - (5) A company that is mutually insured by a contract between peers or co-founders for the purpose of contracting.
 - (6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
 - (7) Interbank companies that are engaged in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.
- (iii) Securities held as of March 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):None
(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	1,173,823	44.36 %	O/A 45 days	No purchases from other vendors	No material variance	(798,033)	(46.41)%	
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	1,105,468	41.78 %	O/A 45 days	No purchases from other vendors	No material variance	(821,103)	(47.76)%	
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	312,763	9.42 %	O/A 60 days	No purchases from other vendors	No material variance	219,127	9.15%	

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	G.M.I (Shanghai)	Subsidiaries	219,127	687.78%	-	-	158,303	-

Note: The transaction were written off in the consolidated financial statement.

- (ix) Trading in derivative instruments: None
(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	GMI company	Hong Da Fu Tong	1	Business consultation fees	17,450	Monthly payment	0.53%
0	GMI company	G.M.I (Shanghai)	1	Business consultation fees	7,287	Monthly payment	0.22%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	312,763	based on cost-plus approach	9.42%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	219,127	O/A 60 days	3.05%
0	GMI company	Vector Electronic	1	Accounts receivable	12,530	O/A 60 days	0.17%
0	GMI company	Vector Electronic	1	Sales revenue	7,000	based on cost-plus approach	0.21%

Note 1: Numbers are filled in as follows:

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

2: Relationship with the listed companies:

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

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00 %	35,570	4,771	4,771	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21 %	13,311	212	73	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73 %	224,496	4,611	587	
G.M.I. Technology (BVI) Ltd.	Rehear Audiology Company LTD.	Taiwan	Research, development and sales of medical equipment	30,000	-	6,000	30.00 %	30,000	-	-	Note
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00 %	35,494	4,771	4,771	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMITED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00 %	72	-	-	Note
HARKEN INVESTMENTS LIMITED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00 %	-	-	-	

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

(c) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 Note2	3,197	100.00%	3,197	8,741	-
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 Note2	2,684	100.00%	2,684	27,748	-
Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	-	(b)	-	-	-	- Note2	-	100.00%	-	-	Note4

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

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

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

Note 3: The amount was eliminated in the consolidated financial statements.

Note 4: The board of directors resolved on the liquidation of the subsidiary on March 28, 2023.

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GMI TECHNOLOGY INC. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment commission, MOEA
93,368	629,123	1,616,372

(iii) Significant transactions with the investees in Mainland China::

The significant inter-company transactions with the Group in Mainland China from January 1 to March 31, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in“ Information on significant transactions”.

(d) Major shareholders:None

Shareholder's Name	Shareholding	Shares	Percentage
De-Jet Investment Co., Ltd.		52,782,278	32.45 %
De-Jia Investment Co., Ltd.		14,018,303	8.61 %

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

(14) Segment information:

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