

G.M.I. Technology Inc. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of G.M.I. Technology Inc. and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024 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 the total assets amounting to \$397,552 thousand and \$179,811 thousand, constituting 3.41% and 2.27% of the consolidated total assets; and the total liabilities amounting to \$458,332 thousand and \$199,176 thousand, constituting 5.53% and 3.95% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; as well as the total comprehensive income(loss) amounting to \$9,767 thousand and \$(12,260) thousand, constituting 5.20% and (6.98)% of consolidated total comprehensive income (loss) for the three months then ended respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$16,169 thousand and \$14,623 thousand as of March 31, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$65 thousand and \$33 thousand for the three months then ended, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of G.M.I. Technology Inc. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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, a subsidiary of the G.M.I. Technology Inc. and its subsidiaries. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd, is based solely on the review report of another auditor. The financial statements of Unitech Electronics Co., Ltd reflect the total assets amounting to \$235,960 thousand and \$224,729 thousand, constituting 2.02% and 2.84% of the consolidated total assets as of March 31, 2025 and 2024, respectively; and share of profit of associate accounted for using equity method amounting to \$3,224 thousand and \$1,513 thousand, constituting 1.58% and 1.32% of the consolidated profit before income tax for the three months ended March 31, 2025 and 2024, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Chi, Meng-Chun and Yang, Shu-Chih.

KPMG

Taipei, Taiwan (Republic of China)
May 9, 2025

Notes to Readers

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

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

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**Consolidated Balance Sheets****March 31, 2025, December 31, 2024, and March 31, 2024****(Expressed in Thousands of New Taiwan Dollars)**

		March 31, 2025		December 31, 2024		March 31, 2024						March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Assets																	
Current assets:																	
1100	Cash and cash equivalents (note (6)(a))	\$	1,610,608	14	2,098,460	20	1,892,794	24	2100	Short-term borrowings (notes (6)(j) and (8))	\$	2,856,065	24	2,095,898	20	1,462,851	18
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (l))		600	-	1,200	-	-	-	2110	Short-term notes and bills payable (note (6)(i))		499,494	4	449,326	4	528,832	7
1150	Notes receivable (notes (6)(c) and (r))		165,621	1	201,942	2	107,922	1	2130	Current contract liabilities (note (6)(r))		26,780	-	14,657	-	40,540	1
1170	Accounts receivable (notes (6)(c), (r) and (8))		5,200,268	45	3,867,829	37	3,456,121	44	2170	Accounts payable		178,832	2	162,251	2	121,492	2
1181	Accounts receivable due from related parties (notes (6)(c), (r) and (7))		32,007	-	10,993	-	18,023	-	2180	Accounts payable to related parties (note (7))		3,608,415	31	2,468,239	24	2,485,935	31
1199	Finance lease payment receivable - related party (notes(6) (d), (r) and (7))		313,823	3	85,929	1	-	-	2213	Payable on machinery and equipment		25,007	-	912,248	9	-	-
1200	Other receivables		32,977	-	20,700	-	27,717	1	2219	Other payables		71,033	1	115,215	1	55,514	1
1220	Current income tax assets		7,981	-	20,422	-	19,227	-	2220	Other payables to related parties (note (7)))		200	-	200	-	-	-
130X	Inventories (note (6)(e))		1,596,517	14	1,218,109	12	1,198,179	15	2230	Current income tax liabilities		51,398	-	21,771	-	47,934	1
1476	Other financial assets - current(note (8))		239,163	2	231,596	2	234,231	3	2280	Current lease liabilities (note (6)(m))		7,438	-	10,592	-	12,083	-
1470	Other current assets		59,534	1	45,338	1	83,827	1	2300	Other current liabilities		-	-	-	-	80,000	-
	Total current assets		<u>9,259,099</u>	<u>80</u>	<u>7,802,518</u>	<u>75</u>	<u>7,038,041</u>	<u>89</u>	2322	Long-term borrowings, current portion (notes (6)(k) and (8))		-	-	-	-	26,775	-
Non-current assets:																	
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))		81,342	1	91,045	1	70,414	1		Total current liabilities		<u>7,324,662</u>	<u>62</u>	<u>6,250,397</u>	<u>60</u>	<u>4,861,956</u>	<u>61</u>
1550	Investments accounted for using the equity method (notes (6)(f), (7) and (8))		252,129	2	247,312	3	239,352	3		Non-Current liabilities:							
1600	Property, plant and equipment (notes (6)(g), (7) and (8))		340,226	3	1,769,960	17	524,136	7	2530	Bonds payable (note (6)(l))		951,557	8	946,322	9	-	-
1755	Right-of-use assets (note (6)(h))		8,384	-	11,278	-	17,139	-	2540	Long-term borrowings (notes (6)(k) and (8))		-	-	-	-	168,831	2
1840	Deferred income tax assets		10,979	-	10,927	-	27,150	-	2580	Non-current lease liabilities (note (6)(m))		1,530	-	1,463	-	6,171	-
1915	Prepayments for business facilities		-	-	27,876	-	-	-	2570	Total deferred tax liabilities		9,194	-	9,194	-	-	-
194K	Long-term finance lease payment receivable—related parties (notes (6)(d), (r) and (7))		1,693,389	14	419,117	4	-	-		Total non-current liabilities		<u>962,281</u>	<u>8</u>	<u>956,979</u>	<u>9</u>	<u>175,002</u>	<u>2</u>
1975	Net defined benefit assets- non current		6,131	-	6,131	-	2,387	-		Total liabilities		<u>8,286,943</u>	<u>70</u>	<u>7,207,376</u>	<u>69</u>	<u>5,036,958</u>	<u>63</u>
1900	Other non-current assets		4,310	-	4,290	-	4,233	-		Equity attributable to owners of the parent company (note (6)(p)):							
	Total noncurrent assets		<u>2,396,890</u>	<u>20</u>	<u>2,587,936</u>	<u>25</u>	<u>884,811</u>	<u>11</u>	3110	Ordinary share		1,626,254	14	1,626,254	16	1,626,254	20
									3200	Capital surplus		309,256	3	309,068	3	223,116	3
									3310	Legal reserve		178,894	2	178,894	2	146,600	2
									3350	Unappropriated retained earnings		950,273	8	779,596	7	712,547	9
									3400	Other equity interests		221,158	2	194,251	2	119,819	2
										Total equity attributable to owners of parent:		<u>3,285,835</u>	<u>29</u>	<u>3,088,063</u>	<u>30</u>	<u>2,828,336</u>	<u>36</u>
									36XX	Non-controlling interests		83,211	1	95,015	1	57,558	1
										Total equity		<u>3,369,046</u>	<u>30</u>	<u>3,183,078</u>	<u>31</u>	<u>2,885,894</u>	<u>37</u>
										Total liabilities and equity		<u>\$ 11,655,989</u>	<u>100</u>	<u>10,390,454</u>	<u>100</u>	<u>7,922,852</u>	<u>100</u>
	Total assets	\$	<u>11,655,989</u>	<u>100</u>	<u>10,390,454</u>	<u>100</u>	<u>7,922,852</u>	<u>100</u>									

See accompanying notes to consolidated financial statements.

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

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

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r) and (7))	\$ 5,707,162	100	4,030,790	100
5000	Operating costs (notes (6)(e) and (7))	<u>5,353,683</u>	<u>94</u>	<u>3,815,557</u>	<u>95</u>
	Gross profit (loss) from operations	<u>353,479</u>	<u>6</u>	<u>215,233</u>	<u>5</u>
	Operating expenses (notes (6)(m), (n) and (s)):				
6100	Selling expenses	86,317	2	83,950	2
6200	Administrative expenses	49,123	1	39,646	1
6300	Research and development expenses	10,080	-	10,749	-
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9 (note (6)(c))	<u>1,498</u>	<u>-</u>	<u>11,909</u>	<u>-</u>
	Total operating expenses	<u>147,018</u>	<u>3</u>	<u>146,254</u>	<u>3</u>
	Net operating income	<u>206,461</u>	<u>3</u>	<u>68,979</u>	<u>2</u>
	Non-operating income and expenses (notes (6)(f), (m) and (t)):				
7100	Interest income	4,322	-	4,698	-
7010	Other income	1,429	-	6,550	-
7020	Other gains and losses, net	13,073	-	45,237	1
7050	Finance costs	(25,142)	-	(12,619)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	<u>3,289</u>	<u>-</u>	<u>1,546</u>	<u>-</u>
	Total non-operating income and expenses	<u>(3,029)</u>	<u>-</u>	<u>45,412</u>	<u>1</u>
7900	Profit before income tax	203,432	3	114,391	3
7950	Less: Income tax expense (note (6)(o))	<u>42,421</u>	<u>1</u>	<u>24,566</u>	<u>1</u>
	Profit	<u>161,011</u>	<u>2</u>	<u>89,825</u>	<u>2</u>
8300	Other comprehensive income (loss):				
8310	Items that may not reclassified subsequently to profit or loss				
	Share of other comprehensive income of associates and joint ventures accounted for using equity method,				
8320	components of other comprehensive income that will not be reclassified	-	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	25,378	-	84,740	2
	Share of other comprehensive income of associates and joint ventures accounted for using equity method,				
8370	components of other comprehensive income that will be reclassified to profit or loss	1,529	-	1,126	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total of intems that may be reclassified to profit or loss	<u>26,907</u>	<u>-</u>	<u>85,866</u>	<u>2</u>
8300	Other comprehensive income, net	<u>26,907</u>	<u>-</u>	<u>85,866</u>	<u>2</u>
	Total comprehensive income	<u>\$ 187,918</u>	<u>2</u>	<u>175,691</u>	<u>4</u>
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ 170,677	2	93,651	2
8620	Profit (loss), attributable to non-controlling interests	<u>(9,666)</u>	<u>-</u>	<u>(3,826)</u>	<u>-</u>
		<u>\$ 161,011</u>	<u>2</u>	<u>89,825</u>	<u>2</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 197,584	2	179,517	4
8720	Comprehensive income, attributable to non-controlling interests	<u>(9,666)</u>	<u>-</u>	<u>(3,826)</u>	<u>-</u>
		<u>\$ 187,918</u>	<u>2</u>	<u>175,691</u>	<u>4</u>
	Basic earnings per share (note (6)(q))				
	Basic earnings per share	<u>\$ 1.05</u>		<u>0.58</u>	
	Diluted earnings per share	<u>\$ 1.00</u>		<u>0.58</u>	

See accompanying notes to consolidated financial statements.

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent								
	Share capital		Retained earnings		Total other equity interest				
	Ordinary shares	Capital surplus	Legal 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	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 1,626,254	223,116	146,600	618,896	33,510	443	2,648,819	61,384	2,710,203
Profit for the period	-	-	-	93,651	-	-	93,651	(3,826)	89,825
Other comprehensive income or loss for the period	-	-	-	-	85,866	-	85,866	-	85,866
Total comprehensive income or loss for the period	-	-	-	93,651	85,866	-	179,517	(3,826)	175,691
Balance at March 31, 2024	<u>\$ 1,626,254</u>	<u>223,116</u>	<u>146,600</u>	<u>712,547</u>	<u>119,376</u>	<u>443</u>	<u>2,828,336</u>	<u>57,558</u>	<u>2,885,894</u>
Balance at January 1, 2025	\$ 1,626,254	309,068	178,894	779,596	192,754	1,497	3,088,063	95,015	3,183,078
Profit for the period	-	-	-	170,677	-	-	170,677	(9,666)	161,011
Other comprehensive income or loss for the period	-	-	-	-	25,378	1,529	26,907	-	26,907
Total comprehensive income	-	-	-	170,677	25,378	1,529	197,584	(9,666)	187,918
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	188	-	-	-	-	188	-	188
Changes in non-controlling interests	-	-	-	-	-	-	-	(2,138)	(2,138)
Balance at March 31, 2025	<u>\$ 1,626,254</u>	<u>309,256</u>	<u>178,894</u>	<u>950,273</u>	<u>218,132</u>	<u>3,026</u>	<u>3,285,835</u>	<u>83,211</u>	<u>3,369,046</u>

See accompanying notes to consolidated financial statements.

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 203,432	114,391
Adjustment:		
Adjustments to reconcile profit (loss):		
Depreciation expense	5,737	5,446
Expected credit loss (gain)	1,498	11,909
Interest expense	25,142	12,619
Interest revenue	(4,322)	(4,698)
Finance lease interest revenue	(37,434)	-
Loss (gain) on financial assets at fair value through profit or loss	304	(229)
Share of loss of associates accounted for using equity method	(3,289)	(1,546)
Total adjustments to reconcile profit	(12,364)	23,501
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	38,265	(12,364)
Increase in accounts receivable	(1,289,840)	(281,862)
Increase in accounts receivable due from related parties	(21,015)	(10,862)
Decrease in finance lease receivable due from related parties	74,692	-
Increase in other receivable	(12,506)	(6,336)
Increase in inventories	(365,067)	(132,986)
(Increase) decrease in other current assets	(14,115)	4,619
Total changes in operating assets	(1,589,586)	(439,791)
Changes in operating liabilities:		
Increase (decrease) in accounts payable	471	(96,358)
Increase in accounts payable to related parties	1,117,530	524,950
Decrease in other payable	(42,001)	(30,534)
Decrease in other payable to related parties	(4,923)	(4,974)
Increase in other current liabilities	11,729	86,425
Total changes in operating liabilities	1,082,806	479,509
Total adjustments	(519,144)	63,219
Cash inflow (outflow) from operations	(315,712)	177,610
Interest received	4,641	5,041
Interest paid	(17,674)	(11,073)
Income taxes paid	(250)	(240)
Net cash flows from operating activities	(328,995)	171,338
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	10,000	-
Acquisition of property, plant and equipment	(997,058)	(195,865)
Increase in other financial assets	(5,158)	(358)
Increase in other non-current assets	-	(104)
Decrease in prepayments for business facilities	27,876	-
Net cash flows from (used in) investing activities	(964,340)	(196,327)
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	2,318,263	1,108,517
Decrease in short-term borrowing	(1,562,150)	(1,000,372)
Increase in short-term notes and bills	1,447,478	667,978
Decrease in short-term notes and bills	(1,397,310)	(338,747)
Repayments of long-term debt	-	(6,694)
Payment of lease liabilities	(4,318)	(3,961)
Contribution by non-controlling interests	(1,950)	-
Net cash flows from (used in) financing activities	800,013	426,721
Effect of exchange rate changes on cash and cash equivalents	5,470	(6,846)
Net increase (decrease) in cash and cash equivalents	(487,852)	394,886
Cash and cash equivalents at beginning of period	2,098,460	1,497,908
Cash and cash equivalents at end of period	\$ 1,610,608	1,892,794

See accompanying notes to consolidated financial statements.

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

(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 ,machinery and equipment rental, as well as related business services.

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

The consolidated financial statements for the three Months ended March 31, 2025 and 2024 were authorized for issuance by the board of directors on May 9, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7.

(Continued)

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

- (c) The impact of IFRS Accounting Standards 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
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. 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”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100 %	100 %	100 %	Note 1
The Company	Rehear Audiology Co., Ltd.	Research, Development and sales of medical equipment	27.62 %	25.76 %	29 %	Note 2 、 3
The Company	GMI USA Corporation	Server Leasing	100 %	- %	- %	Note 4
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100 %	100 %	100 %	Note 1

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name investor	Name of investee	Scope of business	Percentage of ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic	Trading of electronic components and investment holding	100 %	100 %	100 %	Note 1
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and business marketing consultancy service	100 %	100 %	100 %	Note 1
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100 %	100 %	100 %	Note 1

Note 1: Its financial statements were not audited due to being an immaterial subsidiary.

Note 2: Rehear Audiology Co., Ltd. (Rehear Audiology) was established and registered on March 22, 2023. Although the Company owns less than 50% of Rehear Audiology's shares, the Company, together with its related parties, held more than 50% of its equity, resulting in Rehear Audiology to become a subsidiary of the Company, wherein the Company is able to determine its related operating activities.

Note 3: The subsidiary repurchases 390 thousand shares on the end of March 2025, resulting in the Company's shareholding ratio to increase to 27.62%.

Note 4: The subsidiary has completed its establishment and registration procedures on February 12, 2025, but its share capital has yet to be invested.

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

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

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

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

(d) Employee benefits

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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.

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES
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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, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 1,826	1,324	2,819
Cheques and demand deposits	1,608,782	2,097,136	1,889,975
	\$ 1,610,608	2,098,460	1,892,794

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

	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss-current:			
Issued of convertible corporate bonds- Embedded recall right	\$ 600	1,200	-
Mandatorily measured at fair value through profit or loss-non current:			
Beneficiary funds	\$ 81,342	91,045	70,414

(i) Please refer to note 6(t) for the amount of the financial assets at fair value through profit or loss.

(ii) None of the Group's financial asset at fair valule through profit or loss had been pledged as collateral.

(c) Notes and accounts receivable

(i) The detail are as follow:

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable - arising from operations	\$ 166,119	202,550	108,247
Accounts receivable - measured at amortized cost	5,239,223	3,904,248	3,502,520
Accounts receivable due from related parties	32,007	10,993	18,023
Less: Allowance for losses	(39,453)	(37,027)	(46,724)
	\$ 5,397,896	4,080,764	3,582,066

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

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

March 31, 2025			
	Notes and accounts receivable carrying amount	Weighted- average loss ratio	Allowance provision
Current	\$ 5,436,931	0.73%	39,451
Less than 90 days past due	418	0.48%	2
	\$ 5,437,349		39,453
December 31, 2024			
	Notes and accounts receivable carrying amount	Weighted- average loss ratio	Allowance provision
Current	\$ 4,101,726	0.86%	35,395
Less than 90 days past due	15,719	8.18%	1,286
More than 180 days past due	346	100%	346
	\$ 4,117,791		37,027
March 31, 2024			
	Notes and accounts receivable carrying amount	Weighted- average loss ratio	Allowance provision
Current	\$ 3,542,724	1.11%	39,499
Less than 90 days past due	86,066	8.39%	7,225
	\$ 3,628,790		46,724

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

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

	For the three months ended March 31,	
	2025	2024
Balance at January 1	\$ 37,027	33,650
Impairment losses recognized	1,498	11,909
Foreign exchange gains or (losses)	928	1,165
Balance at March 31	\$ 39,453	46,724

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

(d) Finance lease payment receivable - related party

The Group leases the GPU server to its related party, GMI Computing International Ltd., wherein the Group classified the lease as a finance lease because the leases included the whole of the remaining term of the head lease. Please refer to note 7 for the description of related party transactions.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	March 31, 2025		December 31, 2024		March 31, 2024	
	USD	NTD	USD	NTD	USD	NTD
Less than one year	\$ 17,949	595,981	4,680	153,449	-	-
1~2 year	17,949	595,981	4,680	153,449	-	-
2~3 year	17,949	595,982	4,680	153,449	-	-
3~4 year	17,948	595,981	4,680	153,449	-	-
4~5 year	13,332	442,707	2,342	76,722	-	-
Total lease payments receivable	85,127	2,826,632	21,062	690,518	-	-
Unearned finance income	(24,678)	(819,420)	(5,803)	(185,472)	-	-
Present value of lease payments receivable	\$ 60,449	2,007,212	15,259	505,046	-	-

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

	March 31, 2025	December 31, 2024	March 31, 2024
Finance lease payment receivable - current	\$ 313,823	85,929	-
Long term finance lease payment receivable	1,693,389	419,117	-
	<u>\$ 2,007,212</u>	<u>505,046</u>	<u>-</u>

For credit risk information, please refer to note 6(u).

For the financing guarantees on March 31, 2025 and December 31, 2024, please refer to note 8.

(e) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Goods for sale	<u>\$ 1,596,517</u>	<u>1,218,109</u>	<u>1,198,179</u>
		For the three months ended March 31,	
		2025	2024
Cost of goods sold		\$ 5,384,081	3,831,289
Write down of inventory (Reversal of write down)		(30,398)	(15,732)
Operating Cost		<u>\$ 5,353,683</u>	<u>3,815,557</u>

(f) Investments accounted for using the equity method

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

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	\$ 575,706	570,889	562,929
Accumulated impairment	(323,577)	(323,577)	(323,577)
	<u>\$ 252,129</u>	<u>247,312</u>	<u>239,352</u>

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

(ii) Associates

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

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights		
			March 31, 2025	December 31, 2024	March 31, 2024
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73 %	12.73 %	12.73 %

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

1) Unitech Electronics's Aggregate Financial Information:

	March 31, 2025	December 31, 2024	March 31, 2024
Current Asset	\$ 1,990,566	2,004,388	1,813,924
Non-Current Asset	526,011	547,490	570,032
Current Liability	(535,503)	(567,107)	(480,924)
Non-Current Liability	(107,119)	(101,189)	(101,696)
Net Assets	<u>\$ 1,873,955</u>	<u>1,883,582</u>	<u>1,801,336</u>
	For the three months ended March 31,		
	2025	2024	
Operating Income	<u>\$ 563,722</u>	<u>526,840</u>	
Current period net profit	\$ 25,462	11,995	
Other comprehensive gains and losses	9,970	3,407	
Total comprehensive gains and losses	<u>\$ 35,432</u>	<u>15,402</u>	

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Notes to the Consolidated Financial Statements

	For the three months ended March 31,	
	2025	2024
Beginning carrying balance of the Group's share of net assets of affiliates	\$ 231,361	222,590
The Group's total gains and losses attributable to affiliates	4,599	2,139
Ending balance of the Group's share of net assets of affiliates	<u><u>\$ 235,960</u></u>	<u><u>224,729</u></u>

- 2) As of March 31, 2025, the Group's equity-accounted investment—Unitech Electronics incurred impairment losses of \$76,640 thousand because its carrying amount had exceeded fair value..
- 3) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of equity in individual insignificant associates	<u><u>\$ 307,800</u></u>	<u><u>371,845</u></u>	<u><u>278,645</u></u>

- (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, 2025, 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 (amounts included in the Group's consolidated financial statements):

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of equity in individual insignificant associates	<u><u>\$ 16,169</u></u>	<u><u>15,951</u></u>	<u><u>14,623</u></u>

	For the three months ended March 31,	
	2025	2024
Attributable to the Group:		
Net gain for the period	65	33
Other comprehensive income or loss	153	501
Comprehensive income or loss	<u><u>\$ 218</u></u>	<u><u>534</u></u>

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

(v) Collaterals

As of March 31, 2025 and 2024, some of the Group's investments accounted for using the equity method had been pledged as collateral, please refer to note 8.

(g) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the three month ended March 31, 2025 and 2024 were as follows:

		<u>Land</u>	<u>Buildings and Construction</u>	<u>Machinery and equipment</u>	<u>Transportati on equipment</u>	<u>Leasehold improvements</u>	<u>office equipment</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
Costs										
Balance on January 1, 2025	\$	270,496	51,264	1,819	156	1,356	18,303	3,807	1,440,041	1,787,242
Additions		-	-	108,479	-	-	1,338	-	-	109,817
Reclassification		-	-	1,440,041	-	-	-	-	(1,440,041)	-
Disposal		-	-	(1,537,977)	-	-	-	-	-	(1,537,977)
Effects of changes in foreign exchange rates		-	-	25	4	28	108	1	-	166
Balance on March 31, 2025	\$	<u>270,496</u>	<u>51,264</u>	<u>12,387</u>	<u>160</u>	<u>1,384</u>	<u>19,749</u>	<u>3,808</u>	<u>-</u>	<u>359,248</u>
Balance on January 1, 2024	\$	270,496	51,264	1,171	151	4,236	18,118	2,127	-	347,563
Additions		-	-	-	-	-	409	-	195,456	195,865
Effects of changes in foreign exchange rates		-	-	22	3	134	145	8	-	312
Balance on March 31, 2024	\$	<u>270,496</u>	<u>51,264</u>	<u>1,193</u>	<u>154</u>	<u>4,370</u>	<u>18,672</u>	<u>2,135</u>	<u>195,456</u>	<u>543,740</u>
Depreciation and impairment losses:										
Balance on January 1, 2025	\$	-	5,775	1,141	148	1,288	8,087	843	-	17,282
Additions		-	425	24	-	-	971	206	-	1,626
Effects of changes in foreign exchange rates		-	-	23	4	27	60	-	-	114
Balance on March 31, 2025	\$	<u>-</u>	<u>6,200</u>	<u>1,188</u>	<u>152</u>	<u>1,315</u>	<u>9,118</u>	<u>1,049</u>	<u>-</u>	<u>19,022</u>
Balance on January 1, 2024	\$	-	4,076	1,054	143	3,851	8,011	711	-	17,846
Additions		-	424	-	-	83	909	94	-	1,510
Effects of changes in foreign exchange rates		-	-	20	3	128	91	6	-	248
Balance on March 31, 2024	\$	<u>-</u>	<u>4,500</u>	<u>1,074</u>	<u>146</u>	<u>4,062</u>	<u>9,011</u>	<u>811</u>	<u>-</u>	<u>19,604</u>
Carrying amounts:										
Balance on January 1, 2025	\$	<u>270,496</u>	<u>45,489</u>	<u>678</u>	<u>8</u>	<u>68</u>	<u>10,216</u>	<u>2,964</u>	<u>1,440,041</u>	<u>1,769,960</u>
Balance on March 31, 2025	\$	<u>270,496</u>	<u>45,064</u>	<u>11,199</u>	<u>8</u>	<u>69</u>	<u>10,631</u>	<u>2,759</u>	<u>-</u>	<u>340,226</u>
Balance on January 1, 2024	\$	<u>270,496</u>	<u>47,188</u>	<u>117</u>	<u>8</u>	<u>385</u>	<u>10,107</u>	<u>1,416</u>	<u>-</u>	<u>329,717</u>
Balance on March 31, 2024	\$	<u>270,496</u>	<u>46,764</u>	<u>119</u>	<u>8</u>	<u>308</u>	<u>9,661</u>	<u>1,324</u>	<u>195,456</u>	<u>524,136</u>

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In order to expand its business and rendering various kinds of services, the Company built a total of 52 GPU servers, which were completed in June 2024, based on a resolution approved during its board meeting held on March 12, 2024. After continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July, the Company entered into an agreement with GMI Computing International Ltd., a related party, to lease out the GPU servers that have been built, to which it charge a rental fee from them.

The 127 GPU servers acquired by the Company have been received and installed as of March 31, 2025 for cloud computing operations, based on the resolution approved during its board meeting held on September 5, 2024. Moreover, the said equipment was recognized as "payable on machinery equipment" as of March 31, 2025, and December 31, 2024 since the relevant construction work has been completed and the servers were leased to GMI Computing, wherein the rental fees of \$25,007 thousand and \$912,248 thousand, respectively, have been collected.

Based on the decisions made by its board on September 5 and October 22, 2024, to be submitted during its shareholders' meeting for approval on December 10, 2024, the Group recognized the above lease, and the disposal of the subject asset, as a finance lease because the lease included the entire remaining term of the head lease, and finance lease receivable, respectively. Please refer to note 6(d) and note 7 for the finance lease payment receivable disclosed in the following table and related party transactions, respectively.

As of March 31, 2025, December 31 and March 31, 2024, certain property, plant and equipment of the Group had been pledged as collateral. Please refer to note 8.

(h) Right-of-use assets

	Buildings and Construction	Transportation Equipment	Total
Carrying amounts :			
Balance on January 1, 2025	\$ <u>9,102</u>	<u>2,176</u>	<u>11,278</u>
Balance on March 31, 2025	\$ <u>6,752</u>	<u>1,632</u>	<u>8,384</u>
Balance on January 1, 2024	\$ <u>16,158</u>	<u>4,352</u>	<u>20,510</u>
Balance on March 31, 2024	\$ <u>13,331</u>	<u>3,808</u>	<u>17,139</u>

During the three months ended March 31, 2025 and 2024, the Group's right-of-use assets, recognized for leases of building structures, did not experience any significant increase, impairment, or reversal. For relevant information, please refer to note 6(h) to the consolidated financial statements for the year ended December 31, 2024.

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(i) Short-term notes and bills payable

	March 31, 2025	December 31, 2024	March 31, 2024
Commercial paper payable	<u>\$ 499,494</u>	<u>449,326</u>	<u>528,832</u>

(i) Loans and payments

For three months ended March 31, 2025 and 2024, the amounts, with interest rates ranging from 1.93%~1.96% and 1.78%~1.90%, and maturing dates that fall between April and May 2025, as well as April and June 2024, increased by \$1,447,478 thousand and \$667,978 thousand, resulting in the payments of \$1,397,310 thousand and \$338,747 thousand, respectively, during the periods.

(ii) Collateral for short-term notes

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

(j) Short-term borrowing

The short-term borrowings were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	\$ 2,144,613	1,815,898	1,366,800
Secured bank loans	<u>711,452</u>	<u>280,000</u>	<u>96,051</u>
	<u>\$ 2,856,065</u>	<u>2,095,898</u>	<u>1,462,851</u>
Unused short-term credit lines	<u>\$ 4,560,644</u>	<u>5,978,199</u>	<u>6,103,074</u>
Range of Interest rate	<u>1.85%~5.85%</u>	<u>1.88%~6.29%</u>	<u>1.78%~6.81%</u>

(i) Loans and repayments

For the three months ended March 31, 2025 and 2024, the amounts, with interest rates ranging from 1.85% ~ 5.85% and 1.78%~6.81%, maturing between April and September 2025 and 2024, were \$2,318,263 thousand and \$1,108,517 thousand, resulting in the payments of \$1,562,150 thousand and \$1,000,372 thousand, respectively, during the periods.

(ii) Collateral for bank loans

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

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(k) Long-term borrowings

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

	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank loans	\$ -	-	195,606
Less: current portion	-	-	(26,775)
	<u>\$ -</u>	<u>-</u>	<u>168,831</u>
Unused short-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates (%)	<u>-</u>	<u>-</u>	<u>1.90%</u>

(i) Loans and repayments

There were no significant released, repurchases and payments of long-term borrowings for the three months ended March 31, 2025 and 2024. Information on interest expense for the period is discussed in note 6(t). Please refer to note 6(k) to the 2024 annual consolidated financial statements for other related information.

(l) Bonds Payable

(i) The information of the Group's Unsecured Bonds issued were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total convertible corporate bond issued	\$ 1,000,000	1,000,000	-
Unamortised discount on corporate bonds payable	(48,443)	(53,678)	-
Balance of corporate bonds payable at end of period	<u>\$ 951,557</u>	<u>946,322</u>	<u>-</u>
Embedded derivative – recallable right, included in financial assets at fair value through profit or loss	<u>\$ 600</u>	<u>1,200</u>	<u>-</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 65,872</u>	<u>65,872</u>	<u>-</u>

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	For the three months ended March 31,	
	2025	2024
Embedded derivative – recallable right at fair value through profit or loss, included in financial liabilities at fair value through profit or loss	\$ <u>(600)</u>	<u>-</u>

(ii) The principal terms of issue of the first convertible corporate bonds are as follows:

- 1) Periods: 3 Year (As of June 25, 2024 to June 25, 2027)
- 2) Coupon rate : 0%
- 3) Redemption method: The Company may redeem the bonds under the following circumstances:
 - A. For the period from 3 months after the issuance date to the 40 days before the expiration of the issuance period. If the Company's ordinary shares, which are listed on the Taiwan Stock Exchange (TWSE), have a closing price exceeding the current conversion price more than 30% for 30 consecutive business days, the Company has the right to redeem the bonds at the face value.
 - B. For the period from 3 months after the issuance date to the 40 days before expiration of the issuance period. If the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issue, the Company has the right to redeem the bonds at face value.
- 4) Conversion Method:
 - A. Creditors may apply for conversion into ordinary shares of the Company in accordance with the conversion method from September 26, 2024 to June 25, 2027.
 - B. Conversion Price: \$76.8 per share at the time of issuance, and in the event of an adjustment of the conversion price of the Company's common shares in accordance with the provisions of the issuance terms, the conversion price shall be adjusted in accordance with the formula specified in the issuance terms.

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES
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(m) Lease liabilities

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>7,438</u>	<u>10,592</u>	<u>12,083</u>
Non-current	\$ <u>1,530</u>	<u>1,463</u>	<u>6,171</u>

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

	For the three months ended March 31,	
	2025	2024
Interest expense on lease liabilities	\$ <u>129</u>	<u>247</u>
Expenses relating to short-term leases	\$ <u>497</u>	<u>478</u>

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

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>4,944</u>	<u>4,686</u>

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.

(n) 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, 2024 and 2023 to measure and disclose the pension costs for the interim period.

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

	For the three months ended March 31,	
	2025	2024
Operating Expense	\$ <u>85</u>	<u>95</u>

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES
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(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,	
	2025	2024
Operating Expense	<u><u>\$ 4,214</u></u>	<u><u>3,699</u></u>

(o) Income taxes

	For the three months ended March 31,	
	2025	2024
Current tax expense		
Current period	<u><u>\$ 42,421</u></u>	<u><u>24,566</u></u>

There were no income tax expense recognized the Group equity and other comprehensive income for amount on March 31, 2025 and 2024.

The Company's tax returns for the years through 2022 were assessed by the National Taxation Bureau of R.O.C..

(p) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2025 and 2024. For the related information, please refer to note 6(n) to the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The balances of capital surplus as of March 31, 2025 and 2024, were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Share capital at premium	<u>\$ 219,941</u>	<u>219,941</u>	<u>219,941</u>
Capital Surplus from actual acquisition or disposal of subsidiary equity at a price different from book value	558	370	-
Changes in net equity of associates recognized by equity method	36	36	36
Employee stock options	3,139	3,139	3,139
Subsidiary cash capital increase	19,710	19,710	-
Convertible corporate bonds stock options	<u>65,872</u>	<u>65,872</u>	<u>-</u>
	<u><u>\$ 309,256</u></u>	<u><u>309,068</u></u>	<u><u>223,116</u></u>

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group did not participate in the cash capital increase of its subsidiary, Rehear Audiology, who issued 1,000 thousand shares, at a par value of \$5 per share and an issue price of \$80, with the base date set on August 1, 2024, based on its board meeting held on March 25, 2024. Instead, the entire shares above, totaling \$80,000 thousand, had been fully subscribed by Transcend Information, Inc., with the relevant procedures having been completed on August 16, 2024, resulting in the Group's shareholding ratio to decrease from 27.05% to 25.76%, while maintaining control over Rehear Audiology and its relevant activities. Considering the future business development needs of its subsidiary and to optimize the shareholder structure, the Group repurchased 390 thousand shares on March 21, 2025, increasing its ownership percentage from 25.76% to 27.62%. Furthermore, the above transaction resulted in an increase of \$188 thousand in the Group's capital reserve.

(ii) Retained earning

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

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

1) Earing distribution

On May 9, 2025, the 2024 earnings appropriation was resolved in a board meeting. On June 26, 2024, the 2023 earnings appropriation was approved in a general shareholders' meeting. The amounts of dividends distributed to owners were as follows

	2024		2023	
	Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.40	<u><u>227,675</u></u>	1.20	<u><u>195,150</u></u>

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES
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(q) Earnings per share

(i) Basic earnings per share

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

	For the three months ended March 31,	
	2025	2024
Profit attributable to ordinary shareholders of the Company	\$ <u>170,677</u>	<u>93,651</u>
Weighted-average number of outstanding ordinary shares (thousand shares)	<u>162,625</u>	<u>162,625</u>
Earning per shares	\$ <u>1.05</u>	<u>0.58</u>

(ii) Diluted earnings per share

	For the three months ended March 31,	
	2025	2024
Profit (Loss) attributable to ordinary shareholders of the Company (basic)	\$ 170,677	93,651
Effect of dilutive potential ordinary shares		
Interest expense on convertible bonds, net of tax and gains on remeasurements of redemption of convertible corporate bonds at fair value	<u>4,788</u>	<u>-</u>
Profit attributable to ordinary shareholders of the Company (dilutive)	\$ <u>175,465</u>	<u>93,651</u>
Weighted-average number of ordinary shares outstanding (thousand shares)	162,625	162,625
Bonds payable	13,193	-
Effect of employee share bonus	<u>15</u>	<u>13</u>
Weighted-average number of ordinary shares outstanding at March 31 (dilution) (thousand shares)	<u>175,833</u>	<u>162,638</u>
Diluted Earnings per share	\$ <u>1.00</u>	<u>0.58</u>

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

(i) Details of revenue

	For the three months ended March 31,	
	2025	2024
Primary geographical markets:		
Taiwan	\$ 155,217	158,414
United states	19,424	-
China	5,162,101	3,731,295
Other	<u>370,420</u>	<u>141,081</u>
	<u>\$ 5,707,162</u>	<u>4,030,790</u>
Major products/service lines:		
Digital Communication Solutions and Components	\$ 5,164,692	3,584,816
Storage Applications Solutions and Components	458,211	396,816
Analog Electronic Components	46,825	49,158
Server lease interest revenue	<u>37,434</u>	<u>-</u>
	<u>\$ 5,707,162</u>	<u>4,030,790</u>

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 166,119	202,550	108,247
Accounts receivable	5,239,223	3,904,248	3,502,520
Accounts receivable due from related parties	32,007	10,993	18,023
Less: Loss allowance	<u>(39,453)</u>	<u>(37,027)</u>	<u>(46,724)</u>
Total	<u>\$ 5,397,896</u>	<u>4,080,764</u>	<u>3,582,066</u>
Contract liabilities	<u>\$ 26,780</u>	<u>14,657</u>	<u>40,540</u>

The opening balances of contract liabilities of \$7,608 thousand and \$24,360 thousand on January 1, 2025 and 2024 were recognized as income for the three months ended March 2025 and 2024, respectively.

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

For details on finance lease payment receivable and allowance for impairment, please refer to note 6(d).

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G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES
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(s) 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.

For the three months ended March 31, 2025 and 2024, the Company estimated its employee remuneration amounting to 300 thousand and 150 thousand, and directors' and supervisors' remuneration amounting to 4,000 thousand and 2,400 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the three months ended March 31, 2025 and 2024. 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 2024 and 2023, employee remunerations were estimated at \$600 thousand and \$450 thousand, respectively; director remunerations were estimated at \$10,000 thousand and \$8,200 thousand, respectively. There is no difference between the actual distribution and the estimated distribution. Relevant information is available on the Market Observation Post System website.

(t) Non-operating income and expenses:

(i) Interest income

Interest income of the Group are detailed as follows:

	For the three months ended	
	March 31,	
	2025	2024
Interest income	\$ <u>4,322</u>	<u>4,698</u>

(ii) Other income

The Group's other income was as follows:

	For the three months ended	
	March 31,	
	2025	2024
Other	\$ <u>1,429</u>	<u>6,550</u>

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

(iii) Other gains and losses

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

	For the three months ended March 31,	
	2025	2024
Foreign exchange gains	13,377	45,008
Net gain on financial assets at fair value through profit or loss	(304)	229
	\$ 13,073	45,237

(iv) Finance costs

Finance costs of the Group are detailed as follows:

	For the three months ended March 31,	
	2025	2024
Interest on bank loans	\$ (19,778)	(12,372)
Interest expenses on lease liabilities	(129)	(247)
Interest expenses on convertible corporate bonds	(5,235)	-
	\$ (25,142)	(12,619)

(u) 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(u) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(i) Currency risk

1) Exposure of foreign currency risk

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

	March 31, 2025				December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	319,863	33.205	10,621,051	248,307	32.785	8,140,745	194,783	32.000	6,233,056
RMB		336	4.573	1,537	219	4.478	981	523	4.408	2,305
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		193,829	33.205	6,436,092	131,228	32.785	4,302,310	125,619	32.000	4,019,808

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

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD and the CNY at March 31, 2025 and 2024, would have increased or decreased the profit before tax by \$41,865 thousand and \$22,156 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. For the the three months ended March 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$13,377 thousand and \$45,008 thousand, respectively.

(ii) Fair value of financial instruments

1) Fair value hierarchy

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

	March 31, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Fund	\$ 81,342	81,342	-	-	81,342
Convertible corporate bonds-recallable right	600	-	600	-	600
	\$ 81,942	81,342	600	-	81,942

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		December 31, 2024				
		Book Value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss						
Fund	\$	91,045	91,045	-	-	91,045
Convertible corporate bond recallable rights		1,200	-	1,200	-	1,200
	\$	92,245	91,045	1,200	-	92,245
		March 31, 2024				
		Book Value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss						
Fund	\$	70,414	70,414	-	-	70,414

2) Valuation techniques for financial instruments measured at fair value

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

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

(v) Financial risk management

The Group's financial risk management objectives and policies do not differ materially from those disclosed in note 6(v) to the consolidated financial statements for the year ended December 31, 2024.

(w) 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, 2024. 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, 2024. For relevant information, please refer to note 6(w) to the consolidated financial statements for the year ended December 31, 2024.

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(x) Investing and financing activities not affecting cash flows

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

	January 1, 2025	Cash flows	Non-Cash changes			March 31, 2025
			Amortization of discount premium	Lease modification	Foreign exchange movement	
Short-term notes and bills payables	\$ 449,326	50,168	-	-	-	499,494
Short-term borrowings	2,095,898	756,113	-	-	4,054	2,856,065
Lease liabilities	12,055	(4,318)	-	1,087	144	8,968
Bonds payable	946,322	-	5,235	-	-	951,557
Total liabilities from financing activities	<u>\$ 3,503,601</u>	<u>801,963</u>	<u>5,235</u>	<u>1,087</u>	<u>4,198</u>	<u>4,316,084</u>

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

(7) Related-party transactions

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
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.

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Actions Technology (HK) Company Ltd. (hereinafter referred to as “ Actions (HK)”).	The Chairman of the company is the beneficial party of the entity
GMI Computing International Ltd. (hereinafter referred to as“ GMI Computing”)	The Chairman of the company is the first- degree family of the Chairman of the company.
HI-JET INCORPORATION (hereinafter referred to as “HI-JET”)	The Chairman of the company is the same as of the Chairman of the company
Realsil Microelectronics (Suzhou) Co., Ltd. - Realsil (hereinafter referred to as “Realsil”)	Subsidiary of Realtek Semiconductor Co.
Chia-Wen Yeh	The Chairman of the company.
Wan-Yu Cho	The senior manager of the company.
Po-Jen Liao	The senior manager of the company.

(b) Significant related-party transactions

(i) Sale revenue

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

	For the three months ended March 31,	
	2025	2024
Other related parties-Realtek	\$ 17,132	23,708
Other related parties-Realtek Singapore	13,765	1,792
Other related parties-Unitech Electronics	45	121
	\$ 30,942	25,621

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.

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(ii) Purchases

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

	For the three months ended March 31,	
	2025	2024
Other related parties-Realtek	\$ 3,582,451	2,500,943
Other related parties-Realtek Singapore	1,613,611	925,229
Other related parties-RayMx	57,598	47,034
Other related parties-Actions (HK)	44,140	59,429
Other related parties-Realsil	3	-
	\$ 5,297,803	3,532,635

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

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Receivable to related parties	Realtek	\$ 15,736	2,539	15,381
Receivable to related parties	Realtek Singapore	16,224	8,407	2,515
Receivable to related parties	Unitech Electronics	47	47	127
Financial lease payment receivables -related parties	GMI Computing	2,007,212	505,046	-
		\$ 2,039,219	516,039	18,023

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(iv) Payable from related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Payables to related parties	Realtek	\$ 2,483,122	1,343,386	1,806,009
Payables to related parties	Realtek Singapore	1,052,564	1,057,514	627,153
Payables to related parties	RayMx	28,171	36,050	28,356
Payables to related parties	Actions (HK)	<u>44,558</u>	<u>31,289</u>	<u>24,417</u>
		<u><u>\$ 3,608,415</u></u>	<u><u>2,468,239</u></u>	<u><u>2,485,935</u></u>

(v) Property transaction

In April 2024, the Group sold its 200 thousand shares in Rehear Audiology to its management for \$1,000 thousand, which has already been received. As the Company considers its development and improvement of its shareholder structure, it has reached an agreement with the aforementioned management on December 31, 2024 for the Group to repurchase the entire shares above at the original price on March 21, 2025, wherein the payment has been made as of the reporting date.

(vi) Financial leases

The Group entered into two 5-year lease agreements, at the total contract amounts of \$2,202,835 thousand (US\$66,340 thousand) and \$747,936 thousand (US\$23,402 thousand), for its 127 and 52 units of GPU servers to be leased out to its related party, GMI Computing, starting from March 1, 2025 and July 1, 2024, with the monthly rentals of US\$1,106 thousand (excluding tax) and US\$390 thousand (excluding tax) within seven days after invoicing, wherein the Group had obtained the principal notes of \$461,133 thousand and \$134,267 thousand, respectively, from GMI Computing .

The lease periods under the aforementioned agreements cover the major useful life of the underlying assets. Based on the contractual terms, substantially all risks and rewards incidental to ownership of the assets have been transferred. Therefore, the Group has classified these leases as finance leases. On March 1, 2025 (the lease commencement date) and July 1, 2024 (the lease commencement date), the Group derecognized the machinery and equipment costs of \$1,537,977 thousand and \$524,347 thousand, respectively, and recognized finance lease receivables from the related party. As of March 31, 2025, the present value of the outstanding lease receivables amounted to \$2,007,212 thousand (USD 60,449 thousand). For related disclosures, please refer to note 6(d).

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According to above trade, the Group recognizes rental interest of \$37,434 thousand (be recognized in operating revenue), related rental payment was \$74,692 thousand (US\$ 2,276 thousand) had been fully reimbursed .

The leasing of the aforementioned machinery and equipment to a related party was primarily based on the Company's continuous evaluation and consideration. Given the lengthy time required to establish a cloud computing service team and the difficulty in cultivating technical expertise, along with GMI Computing's stronger familiarity with the market and the importance of seizing business opportunities in a timely manner, the Company decided to lease all originally planned self-operated servers to GMI Computing and collect rental income accordingly. These related-party transactions were approved by the Board of Directors on September 5 and October 22, 2024, and subsequently approved by the Extraordinary Shareholders' Meeting on December 10, 2024.

In addition, during the period from January 1 to March 31, 2025, the Group paid server room rental and related expenses totaling \$21,925 thousand (excluding tax) on behalf of another related party, GMI Computing. As of March 31, 2025, the related amounts had been fully reimbursed.

(vii) Others

During the periods from January 1 to March 31 of 2025 and 2024, the Group paid investment advisory fees of \$571 thousand to another related party. As of March 31, 2025 and 2024, unpaid amounts totaling NT\$200 thousand for each year were recorded under "Other payables to related parties."

(viii) Endorsement

As of March 31, 2025, the Group's bank loans were jointly guaranteed by the chairman of the Company to the extent of \$250,000 thousand.

(c) Key management personnel compensation

Key management personnel compensation includes:

	For the three months ended	
	March 31,	
	2025	2024
Short-term employee benefits	\$ 21,935	14,113
Post-employment benefits	50	75
	\$ 21,985	14,188

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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Time deposit (classified under other financial assets)	Bank loan limit	\$ 239,163	231,596	234,231
Accounts receivable	The unused letters of credit and secured loans	183,328	-	101,025
Property, plant and equipment	Short-term bank loans	294,640	294,867	-
Property, plant and equipment	Long-term bank loans	-	-	295,548
Stock (classified under Investments accounted for using the equity method)	Short-term notes and bills payable	235,960	231,361	224,729
Finance lease receivables(note)	Short-term bank loans	486,525	505,046	-
		<u><u>\$ 1,439,616</u></u>	<u><u>1,262,870</u></u>	<u><u>855,533</u></u>

Note: Since the machinery and equipment were recognized as assets held under finance leases, the amount of net lease investment had been accounted for as finance lease receivables.

(9) Commitments and contingencies:

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

	March 31, 2025	December 31, 2024	March 31, 2024
Purchase Guarantee	<u><u>\$ 309,230</u></u>	<u><u>306,710</u></u>	<u><u>302,000</u></u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Outstanding standby letters of credit	<u><u>\$ 3,685,974</u></u>	<u><u>2,924,951</u></u>	<u><u>2,395,022</u></u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Taxes on imported goods guaranteed by banks	<u><u>\$ 4,000</u></u>	<u><u>4,000</u></u>	<u><u>4,000</u></u>

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- (d) As of March 31, 2025, December 31 and March 31, 2024, the Group had issued \$1,222,645 thousand, \$1,252,645 thousand and \$999,025 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:

- (a) Exchange risk

From March 31 to May 9, 2025, the increase in the exchange rate of 9.12% in NTD against the USD mainly resulted from cash, cash equivalents, accounts receivable, and other comprehensive income, where US dollar was used for valuation. This impact is expected to result in foreign exchange losses on translation. For exchange rate risk sensitive analysis, please refer to note 6(u).

- (b) Assets sold

On May 9, 2025, the Company's Board of Directors decided to resale 127 GPU servers to GMI USA Corporation for NTD1,614,880 thousand.

(12) Other:

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

By item	By funtion	For the three months ended March 31					
		2025			2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
	Salary	-	51,670	51,670	-	56,784	56,784
	Labor and health insurance	-	3,993	3,993	-	3,444	3,444
	Pension	-	4,299	4,299	-	3,794	3,794
	Others	-	4,384	4,384	-	3,939	3,939
	Depreciation	-	5,737	5,737	-	5,446	5,446

- (b) Seasonality of operations

The operations Group was not influence by seasonality or cyclical factors.

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(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Company holding securities	Security type and name	Relationship with company	Account	March 31, 2025				Remark
				Shares (in thousands)	Carrying value	Percentage of ownership (%)	Market value (or net value)	
Rehear Audiology Company Ltd.	CTBC Hua Win Money Market Fund	-	Non-current financial assets at fair through profit or loss	-	81,342	- %	81,342	-

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 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	3,582,451	62.50 %	O/A 45 days	No purchases from other vendors	No material variance	(2,483,122)	(65.57)%	-
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	1,613,611	28.15 %	O/A 45 days	No purchases from other vendors	No material variance	(1,052,564)	(27.79)%	-
The Company	Vector Electronic Co. Ltd	Subsidiaries	Sales	(219,471)	(3.85) %	O/A 60 days	No material variance	No material variance	288,158	5.34%	Note

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

(v) 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	Note
					Amount	Action taken			
The Company	G.M.I (Shanghai)	Subsidiaries	141,026	216.12 %	65,640	Collecting	60,857	-	Note
The Company	Vector Electronic Co. Ltd	Subsidiaries	288,158	372.30 %	66,606	Collecting	45,046	-	Note
The Company	GMI Computing	The Chairman of the company is the first-degree family of the Chairman of the Company.	2,007,212	21.20 %	-		48,625	-	-

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

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	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	22,831	Monthly payment	0.40%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	74,678	Based on cost-plus approach	1.31%
0	GMI company	G.M.I (Shanghai)	1	Business consultation fees	14,802	Monthly payment	0.26%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	141,026	Monthly payment O/A 60 days	1.21%
0	GMI company	Vector Electronic	1	Sales revenue	219,471	Based on cost-plus approach	3.85%
0	GMI company	Vector Electronic	1	Accounts receivable	288,158	Monthly payment O/A 60 days	2.47%

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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(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (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, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of wnership	Carrying value			
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00 %	(60,781)	10,605	10,605	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21 %	16,169	628	65	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73 %	235,960	25,324	3,224	
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 %	(60,866)	10,605	10,605	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMITED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00 %	80	-	-	Note
HARKEN INVESTMENTS LIMITED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00 %	-	-	-	
GMI Technology Inc.	Rehear Audiology Company LTD.	Taiwan	Research, development and sales of medical equipments	29,000	27,050	5,800	27.62 %	25,988	(13,020)	(3,354)	Note
GMI Technology Inc.	GMI USA Corporation	USA	Service Leasing	-	-	-	- %	-	-	-	

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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period	Note
					Outflow	Inflow							
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(2)	48,708	-	-	48,708 (Nnote 2)	941	100.00%	941	(73,320)	-	
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(2)	44,660	-	-	44,660 (Nnote 2)	3,799	100.00%	3,799	(6,798)	-	

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

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

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

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
93,368	629,123	1,971,501

(iii) Significant transactions:

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

(Continued)

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(14) Segment information:

The Group added a new equipment leasing business department in July, 2024, resulting in a departmental division basis that is different from the consolidated financial report for the first quarter of 2024. The reportable departments after adjustment are as follows:

(a) General information

The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately. The management of the acquired divisions remains employed by the Group.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the segment profit before tax from internal management reports reviewed by the chief operating decision maker as the basis for resource allocation and performance evaluation by management.

For the three months ended March 31, 2025				
	Business department	Leasing business department	Reconciliati on and eliminations	Total
Revenue :				
Revenue from external customers	\$ 5,669,728	37,434	-	5,707,162
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 5,669,728</u>	<u>37,434</u>	<u>-</u>	<u>5,707,162</u>
Reportable segment profit and loss	<u>\$ 170,458</u>	<u>36,003</u>	<u>-</u>	<u>206,461</u>

For the three months ended March 31, 2024				
	Business department	Leasing business department	Reconciliati on and eliminations	Total
Revenue :				
Revenue from external customers	\$ 4,030,790	-	-	4,030,790
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 4,030,790</u>	<u>-</u>	<u>-</u>	<u>4,030,790</u>
Reportable segment profit and loss	<u>\$ 68,979</u>	<u>-</u>	<u>-</u>	<u>68,979</u>