

**Giant Manufacturing Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2026 and 2025 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Giant Manufacturing Co., Ltd.

Introduction

We have reviewed the accompanying consolidated financial statements of Giant Manufacturing Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of June 30, 2026 and 2025, and the consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

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

Basis for Qualified Conclusion

As stated in Note 12 of the consolidated financial statements, the financial statements of some immaterial subsidiaries for the same period included in the consolidated financial statements as defined in the Introduction paragraph are not reviewed by independent auditors. The total assets of these subsidiaries amounted to NT\$33,087,583 thousand and NT\$33,439,971 thousand, and accounted for 45% and 47% of total consolidated assets; and their total liabilities amounted to NT\$11,152,619 thousand and NT\$12,017,061 thousand, and accounted for 31% and 33% of total consolidated liabilities as of June 30, 2026 and 2025, respectively. Their total comprehensive income amounted to NT\$426,565 thousand, NT\$328,487 thousand, NT\$537,224 thousand and NT\$322,297 thousand, accounted for 52%, (15)%, 44% and (28)% of consolidated comprehensive income for the three months and the six months then ended, respectively. Moreover, as stated in Note 13 of the consolidated financial statements, the balances of investments accounted for using the equity method were NT\$234,292 thousand and NT\$177,723 thousand as of June 30, 2026 and 2025 with investment income of NT\$5,528 thousand, NT\$1,611 thousand, NT\$8,411 thousand and NT\$2,621 thousand for the three months and the six months then ended, respectively. Those amounts were recognized and disclosed based on unreviewed financial statements of the investees for the same period.

Qualified Conclusion

Based on our reviews, except for the financial statements of immaterial subsidiaries and investments accounted for using the equity method described in the Basis for Qualified Conclusion paragraph which may lead to adjustments in the consolidated financial statements if they were reviewed by independent auditors, we did not discover matters which would lead us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and for the six months then ended 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.

The engagement partners on the reviews resulting in this independent auditors’ review report are Shu-Chin Chiang and Jui-Lung Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China
August 7, 2026

Notice to Readers

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

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

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025 (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 15,479,668	21	\$ 12,298,072	18	\$ 12,650,971	18
Financial assets at fair value through profit or loss - current (Note 7)	18	-	-	-	210,774	-
Financial assets at amortized cost - current (Notes 9 and 31)	5,113,365	7	722,948	1	292,658	1
Notes receivable (Notes 10 and 24)	256,645	-	254,129	-	161,776	-
Accounts receivable (Notes 10, 24, 30 and 31)	8,728,342	12	9,189,673	13	10,202,134	14
Other receivables (Notes 10 and 30)	428,519	1	337,536	-	266,159	-
Current tax assets (Notes 4 and 26)	573,050	1	581,713	1	558,402	1
Inventories (Note 11)	20,435,057	28	20,241,818	29	20,219,007	29
Other current assets (Notes 14 and 24)	<u>2,208,354</u>	<u>3</u>	<u>1,997,486</u>	<u>3</u>	<u>2,694,527</u>	<u>4</u>
Total current assets	<u>53,223,018</u>	<u>73</u>	<u>45,623,375</u>	<u>65</u>	<u>47,256,408</u>	<u>67</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	28,672	-	27,919	-	28,692	-
Financial assets at amortized cost - non-current (Note 9)	-	-	3,773,280	6	3,693,577	5
Investments accounted for using the equity method (Note 13)	234,292	-	222,969	-	177,723	-
Property, plant and equipment (Note 15)	12,173,379	17	12,348,298	18	11,702,145	17
Right-of-use assets (Note 16)	3,092,037	4	3,130,007	5	3,112,883	4
Goodwill	74,646	-	75,792	-	70,526	-
Other intangible assets (Note 17 and 30)	803,685	1	850,358	1	841,656	1
Deferred tax assets (Notes 4 and 26)	2,544,112	4	2,951,171	4	3,289,614	5
Prepayments for equipment	541,258	1	521,729	1	600,191	1
Net defined benefit assets - non-current (Notes 4 and 22)	115,376	-	112,234	-	78,687	-
Other non-current assets	<u>153,465</u>	<u>-</u>	<u>110,955</u>	<u>-</u>	<u>117,217</u>	<u>-</u>
Total non-current assets	<u>19,760,922</u>	<u>27</u>	<u>24,124,712</u>	<u>35</u>	<u>23,712,911</u>	<u>33</u>
TOTAL	<u>\$ 72,983,940</u>	<u>100</u>	<u>\$ 69,748,087</u>	<u>100</u>	<u>\$ 70,969,319</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term bank loans (Notes 18 and 31)	\$ 8,745,935	12	\$ 7,370,538	10	\$ 10,156,129	14
Financial liabilities at fair value through profit or loss - current (Note 7)	1,001	-	144,265	-	30,860	-
Notes payable	2,104,872	3	1,355,008	2	1,506,512	2
Accounts payable (Note 30)	5,392,622	7	4,092,096	6	4,200,424	6
Other payables (Notes 20 and 30)	9,509,072	13	8,864,596	13	8,944,384	13
Current tax liabilities (Notes 4 and 26)	165,324	-	397,383	1	537,087	1
Provisions - current (Note 21)	399,774	1	370,853	-	340,226	-
Lease liabilities - current (Note 16)	579,059	1	571,412	1	556,319	1
Current portion of long-term bank borrowings and bonds payable (Notes 18 and 19)	1,329,535	2	854,357	1	469,883	1
Other current liabilities (Note 24)	<u>664,160</u>	<u>1</u>	<u>654,654</u>	<u>1</u>	<u>699,456</u>	<u>1</u>
Total current liabilities	<u>28,891,354</u>	<u>40</u>	<u>24,675,162</u>	<u>35</u>	<u>27,441,280</u>	<u>39</u>
NON-CURRENT LIABILITIES						
Long-term bank loans (Note 18)	2,988,927	4	3,745,782	6	4,763,368	7
Deferred tax liabilities (Notes 4 and 26)	1,894,672	3	2,235,077	3	2,097,918	3
Lease liabilities - non-current (Note 16)	993,907	1	1,058,917	2	1,115,757	1
Deferred revenue - non-current (Note 18)	881,360	1	909,331	1	858,817	1
Other non-current liabilities (Note 21)	<u>73,973</u>	<u>-</u>	<u>106,806</u>	<u>-</u>	<u>97,910</u>	<u>-</u>
Total non-current liabilities	<u>6,832,839</u>	<u>9</u>	<u>8,055,913</u>	<u>12</u>	<u>8,933,770</u>	<u>12</u>
Total liabilities	<u>35,724,193</u>	<u>49</u>	<u>32,731,075</u>	<u>47</u>	<u>36,375,050</u>	<u>51</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	3,920,654	5	3,920,654	5	3,920,646	5
Registered capital (pending change)	-	-	-	-	8	-
Capital surplus	4,806,157	7	4,806,157	7	4,766,868	7
Retained earnings						
Legal reserve	7,081,409	10	7,008,728	10	7,008,728	10
Special reserve	905,479	1	1,308,238	2	1,308,238	2
Unappropriated earnings	17,983,103	25	17,923,688	26	17,754,330	25
Other equity	(357,866)	(1)	(905,479)	(1)	(2,775,187)	(4)
Treasury shares	<u>(282,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>34,056,521</u>	<u>47</u>	<u>34,061,986</u>	<u>49</u>	<u>31,983,631</u>	<u>45</u>
NON-CONTROLLING INTERESTS	<u>3,203,226</u>	<u>4</u>	<u>2,955,026</u>	<u>4</u>	<u>2,610,638</u>	<u>4</u>
Total equity	<u>37,259,747</u>	<u>51</u>	<u>37,017,012</u>	<u>53</u>	<u>34,594,269</u>	<u>49</u>
TOTAL	<u>\$ 72,983,940</u>	<u>100</u>	<u>\$ 69,748,087</u>	<u>100</u>	<u>\$ 70,969,319</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated August 7, 2026)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three MONTHS Ended June 30				Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES REVENUE (Notes 24 and 32)	\$16,664,748	100	\$15,754,345	100	\$29,188,289	100	\$32,605,291	100
COST OF GOODS SOLD (Notes 11, 25 and 32)	<u>12,625,007</u>	<u>76</u>	<u>12,534,113</u>	<u>79</u>	<u>22,689,745</u>	<u>78</u>	<u>26,388,080</u>	<u>81</u>
GROSS PROFIT	<u>4,039,741</u>	<u>24</u>	<u>3,220,232</u>	<u>21</u>	<u>6,498,544</u>	<u>22</u>	<u>6,217,211</u>	<u>19</u>
OPERATING EXPENSES (Notes 25 and 32)								
Selling and marketing expenses	2,166,518	13	1,787,730	12	3,877,671	13	3,502,601	11
General and administrative expenses	567,716	3	672,876	4	1,180,629	4	1,106,844	3
Research and development expenses	312,240	2	327,279	2	617,841	2	697,969	2
Expected credit loss (gain) (Note 10)	(7,130)	-	(6,003)	-	13,447	-	46,450	-
Total operating expenses	<u>3,039,344</u>	<u>18</u>	<u>2,781,882</u>	<u>18</u>	<u>5,689,588</u>	<u>19</u>	<u>5,353,864</u>	<u>16</u>
PROFIT FROM OPERATIONS	<u>1,000,397</u>	<u>6</u>	<u>438,350</u>	<u>3</u>	<u>808,956</u>	<u>3</u>	<u>863,347</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 25)	(99,749)	(1)	(192,478)	(2)	(229,554)	(1)	(421,260)	(1)
Share of profit of associates accounted for using the equity method (Note 13)	5,528	-	1,611	-	8,411	-	2,621	-
Interest income	56,798	-	132,383	1	136,794	-	227,887	-
Other income (Notes 18, 25 and 30)	80,228	1	134,589	1	147,180	1	265,090	1
Other gains and losses (Notes 25)	(47,359)	-	(156,375)	(1)	(46,507)	-	(89,815)	-
Total non-operating income and expenses	<u>(4,554)</u>	<u>-</u>	<u>(80,270)</u>	<u>(1)</u>	<u>16,324</u>	<u>-</u>	<u>(15,477)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	<u>995,843</u>	<u>6</u>	<u>358,080</u>	<u>2</u>	<u>825,280</u>	<u>3</u>	<u>847,870</u>	<u>3</u>
INCOME TAX EXPENSE (Notes 4 and 26)	<u>278,662</u>	<u>2</u>	<u>105,282</u>	<u>1</u>	<u>255,190</u>	<u>1</u>	<u>239,440</u>	<u>1</u>
NET PROFIT	<u>717,181</u>	<u>4</u>	<u>252,798</u>	<u>1</u>	<u>570,090</u>	<u>2</u>	<u>608,430</u>	<u>2</u>

(Continued)

	Three Months Ended June 30				Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(\$ 189)	-	(\$ 978)	-	\$ 753	-	(\$ 1,313)	-
Share of other comprehensive income of associates accounted for using the equity method	231	-	-	-	1,751	-	-	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	117,092	1	(2,940,348)	(18)	794,111	3	(2,122,810)	(7)
Share of other comprehensive income of associates accounted for using the equity method	125	-	-	-	440	-	-	-
Income tax related to items that may be reclassified subsequently to profit or loss	(18,105)	-	519,181	3	(136,277)	(1)	366,409	1
Other comprehensive income (loss), net of income tax	99,154	1	(2,422,145)	(15)	660,778	2	(1,757,714)	(6)
TOTAL COMPREHENSIVE INCOME	\$ 816,335	5	(\$ 2,169,347)	(14)	\$ 1,230,868	4	(\$ 1,149,284)	(4)
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 634,828	4	\$ 189,879	1	\$ 435,055	2	\$ 557,453	2
Non-controlling interests	82,353	-	62,919	1	135,035	-	50,977	-
	\$ 717,181	4	\$ 252,798	2	\$ 570,090	2	\$ 608,430	2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 707,289	4	(\$ 1,887,822)	(12)	\$ 982,668	3	(\$ 909,496)	(3)
Non-controlling interests	109,046	1	(281,525)	(2)	248,200	1	(239,788)	(1)
	\$ 816,335	5	(\$ 2,169,347)	(14)	\$ 1,230,868	4	(\$ 1,149,284)	(4)
EARNINGS PER SHARE (Note 27)								
Basic	\$ 1.62		\$ 0.48		\$ 1.11		\$ 1.42	
Diluted	\$ 1.62		\$ 0.48		\$ 1.11		\$ 1.42	

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

(With Deloitte & Touche auditors' review report dated August 7, 2026)

(Concluded)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Note 23)											
							Other Equity		Treasury shares	Total	Non-controlling Interests	Total Equity
							Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income				
	Ordinary Shares	Registered Capital (Pending Change)	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2025	\$ 3,920,646	\$ -	\$ 4,766,678	\$ 6,876,907	\$ 1,984,825	\$ 17,514,653	(\$ 1,307,984)	(\$ 254)	\$ -	\$ 33,755,471	\$ 2,982,078	\$ 36,737,549
Appropriation of 2024 earnings												
Legal reserve	-	-	-	131,821	-	(131,821)	-	-	-	-	-	-
Special reserve	-	-	-	-	(676,587)	676,587	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(862,542)	-	-	-	(862,542)	-	(862,542)
Net profit for the six months ended June 30, 2025	-	-	-	-	-	557,453	-	-	-	557,453	50,977	608,430
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	(1,465,636)	(1,313)	-	(1,466,949)	(290,765)	(1,757,714)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	557,453	(1,465,636)	(1,313)	-	(909,496)	(239,788)	(1,149,284)
Cash dividends for shareholders of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(131,652)	(131,652)
Convertible bonds converted to ordinary shares	-	8	190	-	-	-	-	-	-	198	-	198
BALANCE AT JUNE 30, 2025	\$ 3,920,646	\$ 8	\$ 4,766,868	\$ 7,008,728	\$ 1,308,238	\$ 17,754,330	(\$ 2,773,620)	(\$ 1,567)	\$ -	\$ 31,983,631	\$ 2,610,638	\$ 34,594,269
BALANCE AT JANUARY 1, 2026	\$ 3,920,654	\$ -	\$ 4,806,157	\$ 7,008,728	\$ 1,308,238	\$ 17,923,688	(\$ 902,817)	(\$ 2,662)	\$ -	\$ 34,061,986	\$ 2,955,026	\$ 37,017,012
Appropriation of 2025 earnings												
Legal reserve	-	-	-	72,681	-	(72,681)	-	-	-	-	-	-
Special reserve	-	-	-	-	(402,759)	402,759	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(705,718)	-	-	-	(705,718)	-	(705,718)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(282,415)	(282,415)	-	(282,415)
Net profit for the six months ended June 30, 2026	-	-	-	-	-	435,055	-	-	-	435,055	135,035	570,090
Other comprehensive income for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	545,109	2,504	-	547,613	113,165	660,778
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	435,055	545,109	2,504	-	982,668	248,200	1,230,868
BALANCE AT June 30, 2026	\$ 3,920,654	\$ -	\$ 4,806,157	\$ 7,081,409	\$ 905,479	\$ 17,983,103	(\$ 357,708)	(\$ 158)	(\$ 282,415)	\$ 34,056,521	\$ 3,203,226	\$ 37,259,747

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

(With Deloitte & Touche auditors’ review report dated August 7, 2026)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 825,280	\$ 847,870
Adjustments for:		
Depreciation and amortization expenses	1,269,748	1,293,430
Expected credit loss	13,447	46,450
Valuation loss (gain) on financial assets and liabilities at fair value through profit or loss, net	(40,615)	(46,823)
Loss on financial liabilities measured at amortized cost	-	54,661
Finance costs	229,554	421,260
Interest income	(136,794)	(227,887)
Dividend income	(20)	(29)
Share of profit of associates accounted for using the equity method	(8,411)	(2,621)
Loss on disposal of property, plant and equipment, net	3,129	6,399
Reversal of inventories	(413,964)	(8,912)
Unrealized loss on foreign currency exchange	56,480	79,720
Realized deferred revenue	(38,639)	(23,704)
Loss on lease modification	7,684	(92)
Net changes in operating assets and liabilities		
Notes receivable	7,239	(64,896)
Accounts receivable	530,317	(40,747)
Other receivables	(64,796)	(61,548)
Inventories	423,159	5,193,821
Other current assets	(198,468)	(139,102)
Notes payable	677,832	304,648
Accounts payable	1,202,450	(7,526)
Other payables	(79,451)	(517,950)
Provisions	19,904	26,118
Other current liabilities	(42)	(8,421)
Net defined benefit assets	(3,142)	(3,381)
Cash generated from operations	4,281,881	7,120,738
Interest received	120,144	171,117
Interest paid	(253,061)	(394,838)
Income tax paid	(527,992)	(678,736)
Net cash generated from operating activities	<u>3,620,972</u>	<u>6,218,281</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at amortized cost	(837,750)	(499,085)
Proceeds from sale of financial assets at amortized cost	411,061	315,168
Derecognition of financial assets at fair value through profit or loss	(102,684)	(145,296)
Acquisitions of property, plant and equipment	(624,508)	(448,783)

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GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Six Months Ended June 30	
	2026	2025
Proceeds from disposal of property, plant and equipment	\$ 8,912	\$ 63,590
Acquisitions of intangible assets	(20,783)	(137,036)
Increase in other non-current assets	(41,407)	(11,707)
Increase in prepayments for equipment	(131,874)	(364,621)
Other dividends received	20	17,801
Government grants received	-	13,237
Net cash used in investing activities	(<u>1,339,013</u>)	(<u>1,196,732</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	1,280,718	(3,008,670)
Repayment of bonds payable	-	(3,883,100)
Proceeds from long-term bank loans	-	2,491,855
Repayment of long-term bank loans	(263,028)	(661,740)
Repayment of the principal portion of lease liabilities	(267,473)	(248,938)
Payments to acquire treasury shares	(282,415)	-
Increase (decrease) in other non-current liabilities	(30,482)	2,560
Cash dividends paid to non-controlling interests	-	(<u>131,652</u>)
Net cash generated from (used in) financing activities	<u>437,320</u>	(<u>5,439,685</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>462,317</u>	(<u>929,712</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,181,596	(1,347,848)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>12,298,072</u>	<u>13,998,819</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 15,479,668</u>	<u>\$ 12,650,971</u>

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

(With Deloitte & Touche auditors' review report dated August 7, 2026)

(Concluded)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

1. GENERAL INFORMATION

Giant Manufacturing Co., Ltd. (“Giant” or the “Company”) was incorporated in October 1972. Its shares have been listed on the Taiwan Stock Exchange since December 1994.

Giant manufactures and sells bicycles, electric bicycles and related parts.

The consolidated financial statements of Giant and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 7, 2026.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC to be applied in 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027(Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027(Note 2)

Note 1: The FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period.

Note 2: These amendments shall be applied concurrently with the application of IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments and amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income tax and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income tax and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.
- On initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity (or that holds such an investment indirectly through such an entity) may change its election to measure investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendment to IAS 28 clarifies that the aforementioned “similar entities” include entities that, based on an assessment under IFRS 18, have investing in particular types of assets as their main business activity. If the consolidated entity meets the aforementioned criteria, it may elect to make this change as of the date of initial application.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

The Group does not plan to early adopt IFRS 18 and the related consequential amendments.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB) (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs

are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., the subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 12 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the descriptions set out below, please refer to the consolidated financial statements for the year ended December 31, 2025 for a summary of significant accounting policies.

1) Defined benefit retirement benefit plan

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

2) Income tax expense (benefit)

Income tax expense (benefit) represents the total of the current tax payable and deferred tax. Income tax for an interim period is calculated on an annual basis, by applying the expected tax rate applicable to the annual earnings to the net profit (loss) before income tax of the interim period.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions those that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. However, actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projections, growth rates, discount rates, profitability and other relevant material estimates. Management reviews these estimates and underlying assumptions on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	\$ 40,670	\$ 2,446	\$ 2,685
Checking accounts and demand deposits	13,574,036	10,945,956	10,473,658
Cash equivalents			
Time deposits with original maturities of six months or less	1,594,943	1,079,665	2,034,603
Repurchase agreements collateralized by bonds	<u>270,019</u>	<u>270,005</u>	<u>140,025</u>
	<u>\$ 15,479,668</u>	<u>\$ 12,298,072</u>	<u>\$ 12,650,971</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets – current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (a)	\$ 18	\$ -	\$ 6,709
Investment products (b)	-	-	204,065
	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 210,774</u>
<u>Financial liabilities – current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Cross currency swap contracts (d)	\$ -	\$ 139,487	\$ 27,233
Foreign exchange forward contracts (a)	63	4,778	3,627
Metal futures contracts(c)	938	-	-
	<u>\$ 1,001</u>	<u>\$ 144,265</u>	<u>\$ 30,860</u>

- a. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2026</u>			
Sell	USD/NTD	2026.7.31	USD2,000/NTD63,643
<u>December 31, 2025</u>			
Sell	EUR/NTD	2026.1.9-2026.1.30	EUR8,000/NTD291,745
	CAD/NTD	2026.1.20-2026.2.24	CAD3,100/NTD69,745
<u>June 30, 2025</u>			
Sell	USD/NTD	2025.7.2-2025.8.29	USD7,400/NTD223,671
	EUR/NTD	2025.7.18-2025.7.21	EUR4,500/NTD154,142
	CAD/NTD	2025.7.18	CAD580/NTD12,511
Buy	USD/AUD	2025.7.29	USD612/AUD938

- b. The Group entered into non-principal-guaranteed wealth management product contracts with banks. The Group designated the entire contract as a financial asset measured at fair value through profit or loss upon initial recognition.

- c. At the end of the reporting period, outstanding metal future contracts not under hedge accounting were as follows:

Financial Instrument	Trading Type	Quantity (Metric Tons)	Contract Date	Maturity Date	Contract Amount (In Thousands)	Market Price (In Thousands)	Unrealized Valuation Loss (In Thousands)
<u>June 30, 2026</u>							
Metal futures – Aluminum	Buy	500	2026.06	2026.07	RMB11,500	RMB11,300	RMB 200

- d. At the end of the reporting period, outstanding cross currency swap contracts not under hedge accounting were as follows:

Contract Amount (In Thousands)	Maturity Date	Payable Interest Rate	Receivable Interest Rate
<u>December 31, 2025</u>			
EUR 40,000/TWD 1,354,000	2026.01.15	3.164%	2.035%
<u>June 30, 2025</u>			
EUR 40,000/TWD 1,354,000	2026.01.15	3.164%	2.035%

The Group entered into foreign exchange forward contracts, cross currency swap contracts and metal futures to manage exposures to raw material price fluctuations and exchange rate fluctuations of foreign currency denominated assets and liabilities. These foreign exchange forward contracts, cross currency swap contracts and metal futures did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Investments in equity instruments - non-current</u>			
Domestic unlisted company	\$ 27,776	\$ 26,968	\$ 27,717
Domestic listed company	<u>896</u>	<u>951</u>	<u>975</u>
	<u>\$ 28,672</u>	<u>\$ 27,919</u>	<u>\$ 28,692</u>

These investments in equity instruments are held for medium- to long-term strategic purposes and expect to profit from these long-term investments. Accordingly, the management has elected to designate these investments in equity instruments as measured at FVTOCI as they believe that recognizing short-term fluctuations in the fair value of these investments in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 5,110,782	\$ 694,532	\$ 290,249
Restricted time deposits (Note 31)	-	25,900	-
Pledged bank deposits (Note 31)	<u>2,583</u>	<u>2,516</u>	<u>2,409</u>
	<u>\$ 5,113,365</u>	<u>\$ 722,948</u>	<u>\$ 292,658</u>
	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	\$ -	\$ 3,773,280	\$ 3,693,577

Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 256,645	\$ 254,129	\$ 161,776
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 256,645</u>	<u>\$ 254,129</u>	<u>\$ 161,776</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 9,699,778	\$ 10,454,450	\$ 11,606,192
Less: Allowance for impairment loss	(<u>971,436</u>)	(<u>1,264,777</u>)	(<u>1,404,058</u>)
	<u>\$ 8,728,342</u>	<u>\$ 9,189,673</u>	<u>\$ 10,202,134</u>
<u>Other receivables</u>			
Other receivables	\$ 429,013	\$ 337,809	\$ 281,812
Less: Allowance for impairment loss	(<u>494</u>)	(<u>273</u>)	(<u>15,653</u>)
	<u>\$ 428,519</u>	<u>\$ 337,536</u>	<u>\$ 266,159</u>

The average credit period of sales of goods ranges from 30 to 120 days. No interest is charged on accounts receivable. The Group adopts a policy of conducting business only with entities rated the equivalent of investment grade or higher and, where appropriate, obtaining sufficient collateral to mitigate the risk of

financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if such information is not available, the Group uses other publicly available financial information or its own trading records to assess the creditworthiness of its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is managed through counterparty limits, which are reviewed and approved annually by the internal risk management administrator.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime expected credit losses (ECLs). The lifetime ECLs on accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position and the economic condition of the industry in which the debtors operate. Due to indication of default on certain customers, the Group applies different provision matrices for these customers and determines the expected credit loss ratio by referencing the expected recoverable amounts.

The Group writes off accounts receivable when there is evidence indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Group continues to pursue enforcement actions to attempt to recover the receivables due. Any recoveries made are recognized in profit or loss.

The following table details the loss allowance of notes receivable and accounts receivable:

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 180 Days	Indication of Default	Total
<u>June 30, 2026</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 8,300,035	\$ 691,292	\$ 91,521	\$ 801,844	\$ 71,731	\$ 9,956,423
Loss allowance (lifetime ECL)	(83,967)	(22,380)	(29,150)	(764,208)	(71,731)	(971,436)
Amortized cost	\$ 8,216,068	\$ 668,912	\$ 62,371	\$ 37,636	\$ -	\$ 8,984,987
<u>December 31, 2025</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 8,483,854	\$ 905,805	\$ 180,494	\$ 759,718	\$ 378,708	\$ 10,708,579
Loss allowance (lifetime ECL)	(68,943)	(27,820)	(70,238)	(719,068)	(378,708)	(1,264,777)
Amortized cost	\$ 8,414,911	\$ 877,985	\$ 110,256	\$ 40,650	\$ -	\$ 9,443,802
<u>June 30, 2025</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 9,472,010	\$ 898,480	\$ 85,868	\$ 746,775	\$ 564,835	\$ 11,767,968
Loss allowance (lifetime ECL)	(90,480)	(30,069)	(29,855)	(688,819)	(564,835)	(1,404,058)
Amortized cost	\$ 9,381,530	\$ 868,411	\$ 56,013	\$ 57,956	\$ -	\$ 10,363,910

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

	Six Months Ended June 30			
	2026		2025	
	Accounts Receivable	Other Receivables	Accounts Receivable	Other Receivables
Balance at January 1	\$ 1,264,777	\$ 273	\$ 1,419,318	\$ 16,566
Net remeasurement (reversal) of loss allowance	13,240	207	46,474	(24)
Amounts written off	(319,023)	-	(16,983)	-
Effects of foreign currency exchange differences	<u>12,442</u>	<u>14</u>	<u>(44,751)</u>	<u>(889)</u>
Balance at June 30	<u>\$ 971,436</u>	<u>\$ 494</u>	<u>\$ 1,404,058</u>	<u>\$ 15,653</u>

11. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods and merchandise	\$ 13,939,037	\$ 14,687,244	\$ 13,698,506
Work in process	848,119	222,966	539,287
Raw materials and supplies	<u>5,647,901</u>	<u>5,331,608</u>	<u>5,981,214</u>
	<u>\$ 20,435,057</u>	<u>\$ 20,241,818</u>	<u>\$ 20,219,007</u>

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2026 and 2025 was \$12,017,002 thousand, \$12,032,639 thousand, \$21,597,047 thousand and \$25,474,557 thousand, respectively. The cost of goods sold for the three months and six months ended June 30, 2026 and 2025 included reversal of inventory write-downs of \$217,986 thousand, \$104,447 thousand, \$413,964 thousand and \$8,912 thousand, respectively. During the three months ended June 30, 2026 and the six months ended June 30, 2026, the Group recognized the reversals of inventory write down primarily due to the disposal of previously written-down inventory.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	% of Ownership		
		June 30, 2026	December 31, 2025	June 30, 2025
Giant	Gaiwin B.V. ("Gaiwin")	100	100	100
	Growood Investment Ltd. ("Growood")	100	100	100
	Darzins Holdings Ltd. ("Darzins")	100	100	100
	Merdeka International Ltd. ("Merdeka")	100	100	100
	Giant Sales Co., Ltd. ("Giant Sales")	100	100	100
	YouBike Co., Ltd. ("YouBike")	100	100	100
	Giant Holding Co., Ltd. ("Giant Holding")	100	100	100
	Giant Bicycle Mexico S. de R.L. de C.V. ("Giant Mexico")	-	-	-
	AIPS Technology Co., Ltd. ("AIPS")	100	100	100
	Giant Vietnam Manufacturing Co., Ltd. ("Giant Vietnam Mfg.")	100	100	100
	Giant SEA Bicycle Co., Ltd. ("Giant SEA Bicycle")	100	100	100
	Giant Bicycle (Thailand) Co., Ltd. ("Giant Thailand")	100	100	100
				(Continued)

Investor	Investee	% of Ownership		
		June 30, 2026	December 31, 2025	June 30, 2025
Giant	SPIA Cycling (Taiwan) Co., Ltd. ("SPIA Taiwan") (Note 1)	100	-	-
Gaiwin	Giant Europe B.V. ("Giant Europe")	100	100	100
	Giant Co., Ltd. ("Giant Japan")	100	100	100
	Giant Bicycle Inc. ("Giant USA")	100	100	100
	Giant Korea Co., Ltd. ("Giant Korea")	100	100	100
	Giant Bicycle Canada Inc. ("Giant Canada")	100	100	100
	Giant Bicycle Company Pty. Ltd. ("Giant Australia")	100	100	100
	Giant Mexico	100	100	100
	SPIA Cycling Inc. ("SPIA")	100	100	100
Giant Europe	Giant Deutschland GmbH ("Giant Germany")	100	100	100
	Giant Polska Sp. ZO.O. ("Giant Polska")	100	100	100
	Giant Europe Manufacturing B.V. ("Giant Europe Mfg.")	100	100	100
	Giant France S.A.R.L. ("Giant France")	100	100	100
	Giant U.K. Ltd. ("Giant UK")	100	100	100
	Giant Benelux B.V. ("Giant Benelux")	100	100	100
	Giant Italia S.R.L. ("Giant Italy")	100	100	100
	Giant Manufacturing Hungary Ltd. ("Giant Hungary Mfg.")	100	100	100
	Giant Bicycle Spain SL ("Giant Spain")(Note 1)	100	-	-
	Giant (China) Co., Ltd. ("Giant China")	100	100	100
	Giant Electric Vehicle (Kunshan) Co., Ltd. ("Giant Electric Vehicle")	100	100	100
	Giant (Tianjin) Co., Ltd. ("Giant Tianjin")	100	100	100
Darzins	Giant Thailand	-	-	-
	D. Mag (Kunshan) New Material Technology Co., Ltd. ("D. Mag")	60	60	60
Merdeka	Giant (Chengdu) Co., Ltd. ("Giant Chengdu")	100	100	100
Giant Sales	Giant Adventure Co., Ltd. ("Giant Adventure")	100	100	100
Giant Holding	Giant (Kunshan) Co., Ltd. ("Giant Kunshan")	100	100	100
	Giant Cycling Service (Kunshan) Co., Ltd. ("Giant Cycling Service")	100	100	100
Giant China	Giant (Jiangsu) Co., Ltd. ("Giant Jiangsu")	100	100	100
	Jiangsu Giant Adventure Co., Ltd. ("Jiangsu Giant")	100	100	100
Giant Kunshan	Quanzhou YouBike Co., Ltd ("Quanzhou YouBike")	100	100	100
	Putian YouBike Co., Ltd. ("Putian YouBike")	100	100	100
	Giant Sports Culture Development (Suzhou) Co., Ltd. ("Giant Sports Culture Development") (Note 1)	100	-	-
D. Mag	Golden Rich Ltd. ("Golden Rich")	100	100	100
	Giant Light Metal Technology (Haian) Co., Ltd. ("Light Metal Haian")	100	100	100
	Giant Light Metal Technology (Malaysia) Sdn. Bhd.. ("Light Metal Malaysia") (Note 2)	-	-	100
	Innovation Tech Investments Pte. Ltd. ("Innovation Tech")	100	100	100
Innovation Tech	D.Mag Precision Technology Vietnam Co., Ltd. ("D.Mag Precision")	100	100	100
	D.Mag Light Metal Technology Vietnam Co., Ltd. ("D.Mag Light Metal")	100	100	100

(Concluded)

Note 1:A newly established subsidiary in 2026.

Note 2:Deregistered in July 2025.

Refer to Tables 6 and 7 for the information on the main business items and the countries of incorporation of the abovementioned subsidiaries.

For the six months ended June 30, 2026 and 2025, the financial statements of subsidiaries included in the consolidated financial statements were not reviewed by independent auditors, except for Giant China, Giant Electric Vehicle, Giant Tianjin, Giant Jiangsu, Giant Holding, Giant Kunshan, Gaiwin, Giant Europe and Growood.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
Investments in insignificant associates	\$ 234,292	\$ 222,969	\$ 177,723

Refer to Tables 6 and 7 for the information on the main business items and countries of incorporation of the abovementioned associates.

In July 2025, Microprogram Information Co., Ltd. (“Microprogram”) completed cash capital increases. The Company did not subscribe to newly issued shares in proportion to its existing ownership, resulting in a reduction of its continuing interest to 16%. These changes affected the net equity value of the investment, resulting in an increase of \$39,289 thousand, which was recognized as an adjustment to capital surplus.

The investments accounted for using the equity method and the Group’s share of profit or loss of those investments were based on unreviewed financial statements.

14. OTHER CURRENT ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Contract assets	\$ 707,119	\$ 767,970	\$ 1,221,014
Input value-added tax	644,467	746,755	699,018
Prepaid expenses	491,644	272,722	428,338
Prepayment for purchases	227,731	40,293	54,917
Others	137,393	169,746	291,240
	<u>\$ 2,208,354</u>	<u>\$ 1,997,486</u>	<u>\$ 2,694,527</u>

15. PROPERTY, PLANT AND EQUIPMENT

	Six Months Ended June 30, 2026					Ending Balance
	Beginning Balance	Additions	Disposals	Reclassifications	Effects of foreign currency exchange differences	
<u>Cost</u>						
Land	\$ 1,053,813	\$ -	\$ -	\$ 1,794	(\$5,168)	\$ 1,050,439
Buildings	10,979,746	8,171	1,959	4,863	176,189	11,167,010
Machinery equipment	10,566,406	114,009	58,173	26,881	321,630	10,970,753
Transportation equipment	313,685	5,075	14,702	-	8,348	312,406
Office equipment	430,526	6,685	3,255	1,094	3,669	438,719
Furniture and fixtures	24,244	3,895	2,588	(16)	396	25,931
Other equipment	5,421,060	141,383	48,441	35,416	68,950	5,618,368
Construction in progress	157,142	168,922	2,095	(10,184)	6,013	319,798
	<u>28,946,622</u>	<u>\$ 448,140</u>	<u>\$ 131,213</u>	<u>\$ 59,848</u>	<u>\$ 580,027</u>	<u>29,903,424</u>

(Continued)

Accumulated depreciation

Buildings	4,767,275	\$ 218,964	\$ 1,225	\$ -	\$ 115,275	5,100,289
Machinery equipment	6,947,785	342,355	55,728	-	208,406	7,442,818
Transportation equipment	239,779	14,723	14,356	-	6,955	247,101
Office equipment	343,087	17,170	2,882	-	3,290	360,665
Furniture and fixtures	14,015	1,992	1,375	(16)	176	14,792
Other equipment	<u>4,275,674</u>	<u>269,216</u>	<u>43,606</u>	<u>(152)</u>	<u>52,071</u>	<u>4,553,203</u>
	<u>16,587,615</u>	<u>\$ 864,420</u>	<u>\$ 119,172</u>	<u>(\$ 168)</u>	<u>\$ 386,173</u>	<u>17,718,868</u>

Accumulated impairment

Machinery equipment	9,751	\$ -	\$ -	\$ -	\$ 426	10,177
Other equipment	<u>958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>1,000</u>
	<u>10,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>11,177</u>

Net \$ 12,348,298 \$ 12,173,379
(Concluded)

Six Months Ended June 30, 2025

	Beginning Balance	Additions	Disposals	Reclassifications	Effects of foreign currency exchange differences	Ending Balance
<u>Cost</u>						
Land	\$ 997,713	\$ -	\$ -	\$ 43,694	(\$ 2,477)	\$ 1,038,930
Buildings	10,679,266	26,122	9,974	16,245	(446,217)	10,265,442
Machinery equipment	10,059,485	116,570	136,145	92,762	(657,230)	9,475,442
Transportation equipment	313,017	18,630	20,995	2,800	(19,661)	293,791
Office equipment	407,804	10,062	5,281	3,931	(16,683)	399,833
Furniture and fixtures	18,657	1,177	902	-	(672)	18,260
Other equipment	5,040,330	128,653	73,123	38,917	(197,792)	4,936,985
Construction in progress	303,020	112,679	<u>18,556</u>	<u>(138,581)</u>	<u>(18,423)</u>	<u>240,139</u>
	<u>27,819,292</u>	<u>\$ 413,893</u>	<u>\$ 264,976</u>	<u>\$ 59,768</u>	<u>(\$ 1,359,155)</u>	<u>26,668,822</u>
<u>Accumulated depreciation</u>						
Buildings	\$ 4,341,237	\$ 229,509	\$ 9,339	(\$ 21,323)	(\$ 245,837)	\$ 4,294,247
Machinery equipment	6,406,083	341,744	99,310	-	(410,945)	6,237,572
Transportation equipment	238,437	14,983	18,526	-	(15,607)	219,287
Office equipment	310,033	18,856	4,938	-	(13,116)	310,835
Furniture and fixtures	11,847	1,486	813	-	(258)	12,262
Other equipment	<u>3,826,130</u>	<u>282,532</u>	<u>62,061</u>	<u>(267)</u>	<u>(154,731)</u>	<u>3,891,603</u>
	<u>15,133,767</u>	<u>\$ 889,110</u>	<u>\$ 194,987</u>	<u>(\$ 21,590)</u>	<u>(\$ 840,494)</u>	<u>14,965,806</u>
<u>Accumulated impairment</u>						
Other equipment	<u>955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 84)</u>	<u>871</u>
Net	<u>\$ 12,684,570</u>					<u>\$ 11,702,145</u>

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

Buildings	
Main buildings	3-60 years
Electrical power equipment	5-10 years
Others	5-10 years
Machinery equipment	2-13 years
Transportation equipment	1 - 8 years
Office equipment	1-20 years
Furniture and fixtures	3-20 years
Other equipment	1-15 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			
Land	\$ 1,894,141	\$ 1,908,712	\$ 1,816,595
Buildings	1,049,784	1,116,863	1,180,136
Others	<u>148,112</u>	<u>104,432</u>	<u>116,152</u>
	<u>\$ 3,092,037</u>	<u>\$ 3,130,007</u>	<u>\$ 3,112,883</u>

	<u>Six Months Ended June 30</u>	
	2026	2025
Additions to right-of-use assets	<u>\$ 198,112</u>	<u>\$ 183,219</u>

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2026	2025	2026	2025
Depreciation charge for right-of-use assets				
Land	\$ 13,022	\$ 15,364	\$ 26,854	\$ 37,054
Buildings	89,458	80,350	187,660	194,956
Others	<u>25,302</u>	<u>20,680</u>	<u>48,982</u>	<u>44,614</u>
	<u>\$ 127,782</u>	<u>\$ 116,394</u>	<u>\$ 263,496</u>	<u>\$ 276,624</u>

Except for the additions and recognized depreciation expenses listed above, the Group's right-of-use assets did not have any significant subleases or impairment for the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amount</u>			
Current	<u>\$ 579,059</u>	<u>\$ 571,412</u>	<u>\$ 556,319</u>
Non-current	<u>\$ 993,907</u>	<u>\$ 1,058,917</u>	<u>\$ 1,115,757</u>

Ranges of discount rates (%) for lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	0.26-5.25	0.26-5.25	0.26-5.25
Buildings	0.17-8.00	0.17-8.00	0.17-8.00
Others	0.17-13.52	0.17-13.52	0.17-13.52

c. Material leasing activities and terms

The Group leases land and buildings for the use of headquarters offices, plants, employee dormitories and retail stores from Central Taiwan Science Park Bureau, Ministry of Science and Technology and other lessors with lease terms ranging from 1 to 20 years. The Group does not have bargain purchase options to acquire the underlying assets at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

The Group acquired land use rights from the government of the People's Republic of China and Vietnam. The land use rights may be subleased or assigned to third parties under the agreement. The leased land was utilized to build manufacturing facilities, office buildings and employee dormitory facilities and is responsible for various taxes and fees payable in connection with the use of the land.

17. OTHER INTANGIBLE ASSETS

	Computer Software	Patent	Trademark	Others	Total
<u>Cost</u>					
Balance at January 1, 2026	\$ 1,564,352	\$ 173,300	\$ 297,070	\$ 88,864	\$ 2,123,586
Additions	17,449	-	-	3,334	20,783
Reclassification	68,041	-	-	-	68,041
Disposal	(11,382)	-	-	(160)	(11,542)
Effects of foreign currency exchange differences	<u>11,747</u>	<u>557</u>	<u>-</u>	<u>3,451</u>	<u>15,755</u>
Balance at June 30, 2026	<u>\$ 1,650,207</u>	<u>\$ 173,857</u>	<u>\$ 297,070</u>	<u>\$ 95,489</u>	<u>\$ 2,216,623</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2026	\$ 1,121,209	\$ 18,229	\$ 62,302	\$ 71,488	\$ 1,273,228
Amortization expense	103,005	6,240	27,378	4,503	141,126
Disposal	(11,382)	-	-	(160)	(11,542)
Effects of foreign currency exchange differences	<u>7,120</u>	<u>330</u>	<u>-</u>	<u>2,676</u>	<u>10,126</u>
Balance at June 30, 2026	<u>\$ 1,219,952</u>	<u>\$ 24,799</u>	<u>\$ 89,680</u>	<u>\$ 78,507</u>	<u>\$ 1,412,938</u>
Carrying amount at June 30, 2026	<u>\$ 430,255</u>	<u>\$ 149,058</u>	<u>\$ 207,390</u>	<u>\$ 16,982</u>	<u>\$ 803,685</u>
Carrying amount at January 1, 2026	<u>\$ 443,143</u>	<u>\$ 155,071</u>	<u>\$ 234,768</u>	<u>\$ 17,376</u>	<u>\$ 850,358</u>

(Continued)

Cost

Balance at January 1, 2025	\$ 1,324,975	\$ 173,263	\$ 297,070	\$ 85,130	\$ 1,880,438
Additions	136,914	-	-	122	137,036
Disposal	(25,622)	-	-	-	(25,622)
Effects of foreign currency exchange differences	(37,286)	(1,125)	-	(6,954)	(45,365)
Balance at June 30, 2025	<u>\$ 1,398,981</u>	<u>\$ 172,138</u>	<u>\$ 297,070</u>	<u>\$ 78,298</u>	<u>\$ 1,946,487</u>

Accumulated amortization

Balance at January 1, 2025	\$ 957,144	\$ 5,826	\$ 7,545	\$ 60,087	\$ 1,030,602
Amortization expense	87,945	5,944	27,379	5,754	127,022
Disposal	(25,622)	-	-	-	(25,622)
Effects of foreign currency exchange differences	(21,560)	(441)	-	(5,170)	(27,171)
Balance at June 30, 2025	<u>\$ 997,907</u>	<u>\$ 11,329</u>	<u>\$ 34,924</u>	<u>\$ 60,671</u>	<u>\$ 1,104,831</u>

Carrying amount at June 30, 2025	<u>\$ 401,074</u>	<u>\$ 160,809</u>	<u>\$ 262,146</u>	<u>\$ 17,627</u>	<u>\$ 841,656</u>
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(Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
Patents	3-16 years
Trademark	5-10 years
Others	2-15 years

Amortization expense aggregated by function:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Operating costs	\$ 6,615	\$ 6,484	\$ 13,403	\$ 12,598
Operating expenses	<u>63,215</u>	<u>57,771</u>	<u>127,723</u>	<u>114,424</u>
	<u>\$ 69,830</u>	<u>\$ 64,255</u>	<u>\$ 141,126</u>	<u>\$ 127,022</u>

18. LOANS

a. Short-term bank loans

	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans	\$ 8,745,935	\$ 6,708,292	\$ 10,136,808
Secured loans (Note 33)	<u>-</u>	<u>662,246</u>	<u>19,321</u>
	<u>\$ 8,745,935</u>	<u>\$ 7,370,538</u>	<u>\$ 10,156,129</u>
<u>Interest rates (%)</u>			
Credit loans	0.86-8.91	0.85-9.39	0.51-10.37
Secured loans	-	2.31-4.60	4.66

b. Long-term bank loans

	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans	\$ 4,330,528	\$ 4,615,874	\$ 5,140,456
Less: Current portion of long-term borrowings	(1,329,535)	(854,357)	(356,326)
Discounts on government grants	(<u>12,066</u>)	(<u>15,735</u>)	(<u>20,762</u>)
	<u>\$ 2,988,927</u>	<u>\$ 3,745,782</u>	<u>\$ 4,763,368</u>
Effective interest rates (%)	0.73-3.18	0.73-6.30	0.73-4.70
Maturity Date	2026-2030	2026-2030	2025-2030

As of June 30, 2026, the Group received a preferential interest rate loan of \$1,799,000 thousand from the government's "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan". The amount was used in capital expenditure and working capital. The loan was expected to be repaid in installments from 2022, and the loan originally due in December 2029 has been extended to mature in December 2030. The fair value of the loan was estimated using the prevailing market interest rate at an equivalent loan rate of 1.35%-1.6%. The difference between the proceeds and the fair value of the loan was the benefit derived from the preferential interest rate loan and has been recognized as deferred revenue. The deferred revenue was transferred to other income over the term of the loan. If the Company fails to meet the key points in the agreement during the loan period and the loan bank terminates the grant, the Company shall pay the interest at the original interest rate plus an additional annual interest rate.

The Company entered into a joint credit agreement with a syndicate of financial institutions, such as Taishin International Bank in October 2025. According to the joint credit agreement, during the term of the agreement or until full repayment, the Company shall ensure that both the annual consolidated financial statements audited by independent auditors and the second quarter consolidated financial statements reviewed by independent auditors comply with the following financial ratios at all times:

- 1) The current ratio shall be maintained at 100% or above.
- 2) The net financial liabilities ratio shall remain below 100% (inclusive).
- 3) The interest coverage ratio shall remain above 3 (inclusive).

All financial ratios in the consolidated financial statements were in compliance with the requirements of the agreement. As of June 30, 2026, the credit facility had not been utilized yet.

19. BONDS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Domestic unsecured convertible bonds	\$ -	\$ -	\$ 113,557
Less: Current portion	<u>-</u>	<u>-</u>	(<u>113,557</u>)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Company issued 40,000 units of domestic unsecured convertible bonds with a principal amount of \$100 thousand at an issue price of 100.5% of the principal amount, and a 0% coupon rate, for a total amount of \$4,020,000 thousand on June 13, 2022. The bonds have a maturity of five years and the maturity date is June 13, 2027.

Bondholders may convert the bonds into ordinary shares of the Company at a conversion price of \$290.7 per share during the conversion period from September 14, 2022 to June 13, 2027. The conversion price of the convertible bonds shall be adjusted in accordance with the conversion price adjustment formula if any ex-rights or ex-dividend events occur between the determination date and the actual issuance date. Due to the Company's cash dividend distribution in 2025, the conversion price of the convertible bonds has been adjusted in accordance with the issuance and conversion terms. The adjusted conversion price is \$255 per share, effective from September 1, 2025. Bonds held until maturity will be redeemed in cash at the principal amount. Other major terms are as follows:

a. Put option of the bondholders

Bondholders may request the Company to redeem the convertible bonds three years after the issue date (the put date is June 13, 2025) at the principal amount. Upon such request, the Company shall redeem the bonds in cash.

b. Redemption right of the Company

Between the day immediately following 3 months from the issue date (i.e., September 14, 2022) and 40 days prior to the maturity date (i.e., May 4, 2027), the Company may redeem the outstanding convertible bonds in cash at the principal amount in accordance with the relevant rules when the closing price of the Company's ordinary shares exceeds the conversion price at that time by 30% (inclusive) for a period of thirty consecutive trading days or when the balance of the outstanding bonds is less than 10% of the issue amount.

The convertible bonds contain a liability component and an equity component. The equity component is presented as capital surplus - stock options. For the liability component, the effective interest rate at initial recognition is 1.399%. Derivatives from the redemption right and put option are recognized as financial liabilities at fair value through profit or loss - current at the net amount.

Bondholders exercised their put option in June, 2025, and the Company exercised its redemption right in October 2025 and terminated the over-the-counter trading of the convertible bonds, resulting in the recognition of a loss on redemption of bonds payable of \$57,274 thousand. The changes in the master contract and the embedded derivatives related to the redemption right and put option from the issuance date to December 31, 2025, are as follows:

Proceeds from issuance (net of transaction cost of \$4,810 thousand)	\$ 4,015,190
Equity component (net of transaction cost allocated to the equity component of \$317 thousand)	(263,283)
Derivatives from the redemption right and put option	(22,000)
Liability component as of the issue date (net of transaction cost allocated to the liability component of \$4,493 thousand)	<u>\$ 3,729,907</u>
Liability component as of January 1, 2025	\$ 3,865,145
Interest calculated using the effective interest rate of 1.399%	24,623
Exercise of Bondholders' put option	(3,776,017)
Conversion into ordinary shares	(194)
Liability component as of June 30, 2025	113,557
Interest calculated using the effective interest rate of 1.399%	530
Exercise of the Company's redemption rights	(114,087)
Liability component as of December 31, 2025	<u>\$ -</u>

20. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Payables for salaries and bonus rewards	\$ 3,097,855	\$ 3,340,480	\$ 3,054,211
Payables for dividends	705,718	-	862,542
Payables for acquisitions of equipment	124,323	298,032	257,749
Payables for unused annual leave	228,622	227,652	188,818
Payable for compensation to employees and remuneration of directors	53,470	85,207	66,990
Others	<u>5,299,084</u>	<u>4,913,225</u>	<u>4,514,074</u>
	<u>\$ 9,509,072</u>	<u>\$ 8,864,596</u>	<u>\$ 8,944,384</u>

21. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Current</u>			
Warranties (a)	\$ 319,414	\$ 273,734	\$ 237,611
Sales returns and allowances (b)	<u>80,360</u>	<u>97,119</u>	<u>102,615</u>
	<u>\$ 399,774</u>	<u>\$ 370,853</u>	<u>\$ 340,226</u>
<u>Non-current (classified as other non-current liabilities)</u>			
Decommissioning (c)	\$ 14,379	\$ 14,694	\$ 14,861
Warranties (a)	<u>14,196</u>	<u>18,050</u>	<u>12,218</u>
	<u>\$ 28,575</u>	<u>\$ 32,744</u>	<u>\$ 27,079</u>

- The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under sale contracts. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.
- The provision for sales returns and allowances was based on historical experience, management's judgments and other known reasons estimated product returns and rebates may occur in the year. The provision was recognized as a reduction of operating income in the year of the related goods sold.
- The provision for decommissioning consists of estimated costs of dismantling and removal of structure and recovery of the site at the end of the lease period.

22. RETIREMENT BENEFIT PLANS

Pension expenses under defined benefit plan for the six months ended June 30, 2026 and 2025 were calculated using the actuarially determined pension cost rates as of December 31, 2025 and 2024, respectively. Please refer to Note 25.

23. EQUITY

a. Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Shares authorized (in thousands of shares)	495,000	495,000	495,000
Shares authorized	<u>\$ 4,950,000</u>	<u>\$ 4,950,000</u>	<u>\$ 4,950,000</u>
Shares issued and paid (in thousands of shares)	392,065	392,065	392,065
Shares issued and paid	<u>\$ 3,920,654</u>	<u>\$ 3,920,654</u>	<u>\$ 3,920,646</u>
Registered capital (pending change)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>

The convertible bondholders requested conversion of \$8 thousand for the year ended December 31, 2025, resulting in the issuance of 0.8 thousand ordinary shares. The Board of Directors resolved to set August 11, 2025 as the record date for the capital increase. The registration has completed on August 14, 2025.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Additional paid-in capital	\$ 4,284,624	\$ 4,284,624	\$ 4,284,624
Expired stock options	263,270	263,270	255,589
Conversion of bonds	203	203	203
Changes in percentage of ownership interests in subsidiaries	71,570	71,570	71,570
Changes in equity of associates accounted for using the equity method	89,664	89,664	50,375
Change in capital surplus from investments in associates accounted for using the equity method	1,245	1,245	1,245
<u>May not be used for any purpose</u>			
Recognition of equity component of convertible bonds	-	-	7,681
Employee share options	95,401	95,401	95,401
Others	180	180	180
	<u>\$ 4,806,157</u>	<u>\$ 4,806,157</u>	<u>\$ 4,766,868</u>

1) Such capital surplus may only be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with

applicable laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The Company's dividend policy is stipulated based on its current and future development plans, together with the consideration of the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Earnings distribution to common shareholders shall not be less than 20% of distributable earnings. Dividends may be distributed to shareholders in cash or shares, with cash dividends being no less than 20% of the total dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 109015022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company.

The appropriation of earnings for 2025 and 2024 approved at the shareholders' meetings held in June 2026 and 2025, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2025	2024	2025	2024
Legal reserve	\$ 72,681	\$ 131,821		
Special reserve (reversed)	(402,759)	(676,587)		
Cash dividends	705,718	862,542	\$ 1.8	\$ 2.2

At the shareholders' meeting held in June 2026, a resolution was passed authorizing the Chairman to adjust the cash dividend distribution rate for 2025, following the repurchase of treasury shares, which resulted in an decrease in the number of shares outstanding. Consequently, the dividend per share was adjusted from \$1.8 to \$1.81855357.

At the shareholders' meeting held in June 2025, a resolution was passed authorizing the Chairman to adjust the cash dividend distribution rate for 2024, following the conversion of convertible bonds to ordinary shares, which resulted in an increase in the number of shares outstanding. Consequently, the dividend per share was adjusted from \$2.2 to \$2.19999568.

d. Special reserve

The increase in retained earnings that resulted from the first-time adoption of IFRS Accounting Standards was not enough for this appropriation; therefore, the Company appropriated for special reserve an amount of \$677,989 thousand, the increase in retained earnings that resulted from all IFRS Accounting Standards adjustments on the transition to IFRSs. The reversal of special reserve that resulted from disposal of subsidiaries was \$71,253 thousand and \$476 thousand in 2015 and 2013, respectively.

The special reserve appropriated on the first-time adoption of IFRS Accounting Standards relating to land may be reversed on disposal or reclassification. A proportionate share of the special reserve relating to exchange differences on translating the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Group's disposal of foreign operations; in the Group's loss of significant influence, however, the entire special reserve will be reversed.

e. Treasury shares

Reason for repurchase	Beginning shares (in thousands of shares)	Increase (in thousands of shares)	Ending shares (in thousands of shares)
<u>For the six months ended June 30, 2026</u>			
Transfer to employee	<u>-</u>	<u>3,940</u>	<u>3,940</u>

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

24. REVENUE

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Revenue from contracts with customers				
Revenue from the sale of goods	\$15,626,351	\$ 14,896,535	\$27,289,549	\$ 30,893,159
Others	<u>1,038,397</u>	<u>857,810</u>	<u>1,898,740</u>	<u>1,712,132</u>
	<u>\$16,664,748</u>	<u>\$ 15,754,345</u>	<u>\$29,188,289</u>	<u>\$ 32,605,291</u>

a. Contract balances

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30 2025</u>	<u>January 1, 2025</u>
Notes Receivable	\$ 256,645	\$ 254,129	\$ 161,776	\$ 109,018
Accounts Receivable	<u>8,728,342</u>	<u>9,189,673</u>	<u>10,202,134</u>	<u>10,694,425</u>
	<u>\$ 8,984,987</u>	<u>\$ 9,443,802</u>	<u>\$ 10,363,910</u>	<u>\$ 10,803,443</u>
Contract assets				
Others	\$ 707,119	\$ 767,970	\$ 1,221,014	\$ 1,124,032
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 707,119</u>	<u>\$ 767,970</u>	<u>\$ 1,221,014</u>	<u>\$ 1,124,032</u>
Contract Liabilities				
Revenue from the sale of goods	<u>\$ 225,452</u>	<u>\$ 233,854</u>	<u>\$ 213,302</u>	<u>\$ 235,024</u>

b. Disaggregation of revenue from contracts with customers
Refer to Note 35 for details of revenue information.

25. NET PROFIT

a. Finance costs

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	\$ 92,129	\$ 172,467	\$ 213,234	\$ 378,062
Interest on convertible corporate bonds	-	11,088	-	24,623
Interest on lease liabilities	<u>7,620</u>	<u>8,923</u>	<u>16,320</u>	<u>18,575</u>
	<u>\$ 99,749</u>	<u>\$ 192,478</u>	<u>\$ 229,554</u>	<u>\$ 421,260</u>

b. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Government grants	\$ 29,861	\$ 65,353	\$ 56,223	\$ 92,249
Others	<u>50,367</u>	<u>69,236</u>	<u>90,957</u>	<u>172,841</u>
	<u>\$ 80,228</u>	<u>\$ 134,589</u>	<u>\$ 147,180</u>	<u>\$ 265,090</u>

c. Other gains and losses

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Foreign exchange loss, net	(\$ 84,485)	(\$ 230,598)	(\$ 100,403)	(\$ 73,941)
Valuation gain on financial assets and liabilities at FVTPL, net	8,428	138,406	40,615	46,823
Loss on financial liabilities at amortized cost (Note 19)	-	(54,661)	-	(54,661)
Others	<u>28,698</u>	<u>(9,522)</u>	<u>13,281</u>	<u>(8,036)</u>
	<u>(\$ 47,359)</u>	<u>(\$ 156,375)</u>	<u>(\$ 46,507)</u>	<u>(\$ 89,815)</u>

c. Employee benefits expense, depreciation and amortization

	Three Months Ended June 30					
	2026			2025		
Nature	Operating Costs	Operating and Non-operating Expenses	Total	Operating Costs	Operating and Non-operating Expenses	Total
Short-term employee benefits	\$1,229,282	\$ 896,170	\$2,125,452	\$1,222,819	\$ 726,215	\$1,949,034
Labor insurance, health insurance and social welfare insurance	141,066	103,582	244,648	135,844	106,194	242,038
Post-employment benefits						
Defined contribution plans	110,185	54,355	164,540	105,140	52,305	157,445
Defined benefit plans	83	439	522	92	632	724
Other employee benefits	115,919	82,068	197,987	104,543	62,302	166,845
Depreciation and amortization expenses	296,693	335,419	632,112	289,063	326,146	615,209

Nature	Six Months Ended June 30					
	2026			2025		
	Operating Costs	Operating and Non-operating Expenses	Total	Operating Costs	Operating and Non-operating Expenses	Total
Short-term employee benefits	\$2,307,348	\$1,693,996	\$4,001,344	\$2,475,156	\$1,578,062	\$4,053,218
Labor insurance, health insurance and social welfare insurance	277,676	194,275	471,951	274,888	198,146	473,034
Post-employment benefits						
Defined contribution plans	215,034	103,609	318,643	220,262	99,955	320,217
Defined benefit plans	167	875	1,042	184	1,256	1,440
Other employee benefits	220,654	150,562	371,216	207,354	128,429	335,783
Depreciation and amortization expenses	592,328	677,420	1,269,748	586,005	707,425	1,293,430

e. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 6%-12% and no higher than 2%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved and approved the amendments to the Company's Articles at its 2025 general meeting. The amendments explicitly stipulate the allocation of 30% of the employee's compensation as compensation distributions for non-executive employees. The compensation of employees and the remuneration of directors accrued for the three and six months ended June 30, 2026 and 2025 were as follows:

	Six Months Ended June 30	
	2026	2025
<u>Accrual Rate</u>		
Compensation of employees	7.1%	7.1%
Remuneration of directors	2.0%	2.0%

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
<u>Amount</u>				
Compensation of employees	\$ 41,718	\$ 16,243	\$ 41,718	\$ 52,256
Remuneration of directors	\$ 11,752	\$ 4,586	\$ 11,752	\$ 14,734

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

2025 and 2024 employees' compensation and remuneration of directors approved in the board of directors' meetings in March 2026 and 2025, respectively, were as follows:

	Years Ended December 31			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	7.1%	\$ 66,473	7%	\$ 156,808
Remuneration of directors	2.0%	18,734	2%	44,548

There was no difference between the amounts of compensation of employees and remuneration of directors which were approved by the Company's board of directors for 2025 and 2024 and the amounts recognized in the consolidated financial statements.

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

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current year	\$ 293,375	\$ 217,949	\$ 308,726	\$ 340,659
Income tax on unappropriated earnings	-	-	-	37,522
Adjustments for prior year	(48,112)	(64,013)	(13,534)	(64,013)
	245,263	153,936	295,192	314,168
Deferred tax				
In respect of the current year	33,399	(48,654)	(40,002)	(74,728)
Income tax expense recognized in profit or loss	<u>\$ 278,662</u>	<u>\$ 105,282</u>	<u>\$ 255,190</u>	<u>\$ 239,440</u>

b. Income tax assessments

The income tax returns of the Company as well as those of AIPS and Giant Sales, Giant Adventure and YouBike through 2024 have been assessed by the tax authorities.

c. Pillar Two income taxes

The government where Growood, Golden Rich, Giant Polska, Innovation Tech, Giant Australia, Giant Vietnam Mfg., Giant SEA Bicycle, Giant Thailand, D.Mag Precision, D.Mag Light Metal, Giant Japan, Giant Korea, Giant UK, Giant Germany, Gaiwin, Giant Europe Mfg., Giant Europe, Giant Benelux, Giant Hungary Mfg., Giant Canada, Giant France , Giant Italy and Giant Spain are incorporated, have enacted or substantively enacted the Pillar Two income tax legislation. Under the legislation, the above subsidiaries may be required to pay a top-up tax in their respective countries of incorporation or other jurisdictions on the profits of their group entities that are taxed at an effective tax rate of less than 15 percent. As of June 30, 2026, the exposures of the Pillar Two income tax had no significant impact on the Group's income tax. The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

27. EARNINGS PER SHARE

	Net profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NTD)
<u>For the three months ended June 30, 2026</u>			
Basic earnings per share			
Profit attributable to owners of the Company	\$ 634,828	390,865	<u>\$ 1.62</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>530</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 634,828</u>	<u>391,395</u>	<u>\$ 1.62</u>

	Net profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NTD)
<u>For the three months ended June 30, 2025</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 189,879	392,065	<u>\$ 0.48</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>481</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 189,879</u>	<u>392,546</u>	<u>\$ 0.48</u>

	Net profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NTD)
<u>For the six months ended June 30, 2026</u>			
Basic earnings per share			
Profit attributable to owners of the Company	\$ 435,055	391,462	<u>\$ 1.11</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	<u>-</u>	<u>892</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 435,055</u>	<u>392,354</u>	<u>\$ 1.11</u>

Net profit	Number of	Earnings Per
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	Attributable to Owners of the Company	Shares (In Thousands)	Share (NTD)
<u>For the six months ended June 30, 2025</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 557,453	392,065	<u>\$ 1.42</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	877	
Convertible bonds	<u>19,699</u>	<u>13,952</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 577,152</u>	<u>406,894</u>	<u>\$ 1.42</u>

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

If the outstanding convertible bonds issued by the Company were converted to ordinary shares during the three months ended June 30, 2025, they would be anti-dilutive and were therefore excluded from the computation of diluted earnings per share.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising ordinary shares, capital surplus, retained earnings, other equity and treasury shares).

Key management of the Group reviews the capital structure on a quarterly basis. As part of this review, the key management considers the cost of capital and the risks associated with each class. Based on recommendations of the key management, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

29. FINANCIAL INSTRUMENTS

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

The management of Group considers that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values or the fair values cannot be reliably estimated.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>June 30, 2026</u>				
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 18	\$ -	\$ 18
Financial assets at FVTOCI				
Domestic unlisted company	\$ -	\$ -	\$ 27,776	\$ 27,776
Domestic listed company	896	-	-	896
	<u>\$ 896</u>	<u>\$ -</u>	<u>\$ 27,776</u>	<u>\$ 28,672</u>
Financial liabilities at FVTPL				
Metal futures contracts	\$ -	\$ 938	\$ -	\$ 938
Foreign exchange forward contracts	-	63	-	63
	<u>\$ -</u>	<u>\$ 1,001</u>	<u>\$ -</u>	<u>\$ 1,001</u>
<u>December 31, 2025</u>				
Financial liabilities at FVTPL				
Cross currency swap contracts	\$ -	\$ 139,487	\$ -	\$ 139,487
Foreign exchange forward contracts	-	4,778	-	4,778
	<u>\$ -</u>	<u>\$ 144,265</u>	<u>\$ -</u>	<u>\$ 144,265</u>
Financial assets at FVTOCI				
Domestic unlisted company	\$ -	\$ -	\$ 26,968	\$ 26,968
Domestic listed company	951	-	-	951
	<u>\$ 951</u>	<u>\$ -</u>	<u>\$ 26,968</u>	<u>\$ 27,919</u>
<u>June 30, 2025</u>				
Financial assets at FVTPL				
Investment products	\$ -	\$ -	\$ 204,065	\$ 204,065
Foreign exchange forward contracts	-	6,709	-	6,709
	<u>\$ -</u>	<u>\$ 6,709</u>	<u>\$ 204,065</u>	<u>\$ 210,774</u>
Financial assets at FVTOCI				
Domestic unlisted company	\$ -	\$ -	\$ 27,717	\$ 27,717
Domestic listed company	975	-	-	975
	<u>\$ 975</u>	<u>\$ -</u>	<u>\$ 27,717</u>	<u>\$ 28,692</u>
Financial liabilities at FVTPL				
Cross currency swap contracts	\$ -	\$ 27,233	\$ -	\$ 27,233
Foreign exchange forward contracts	-	3,627	-	3,627
	<u>\$ -</u>	<u>\$ 30,860</u>	<u>\$ -</u>	<u>\$ 30,860</u>

There was no transfer between Levels 1 and 2 for the six months ended June 30, 2026 and 2025.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Debt investments classified as financial assets at FVTPL

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Balance at January 1	\$ -	\$ -
Purchases	-	219,305
Effects of foreign currency exchange differences	-	(15,240)
Balance at June 30	<u>\$ -</u>	<u>\$ 204,065</u>

Equity investments classified as financial assets at FVTOCI

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Balance at January 1	\$ 26,968	\$ 28,752
Recognized in other comprehensive income	808	(1,035)
Balance at June 30	<u>\$ 27,776</u>	<u>\$ 27,717</u>

Derivative investments classified as financial liabilities at FVTPL

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Balance at January 1	\$ -	\$ 46,400
Recognized in profit or loss (Net loss (gain) on fair value changes of financial liabilities at FVTPL)	-	6,025
Settlement	-	(52,425)
Balance at June 30	<u>\$ -</u>	<u>\$ -</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Cross currency swap contracts and foreign exchange forward contracts	Discounted cash flows. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract exchange rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Equity investments of domestic unlisted company and foreign unlisted company	Calculated by reference to the net book value of the company based on its financial information, calculating the present value of profit and loss that is expected to be derived from holding such investment.
Redemption right and put option of convertible bonds	Valued using a binomial tree pricing model for convertible bonds, based on conversion price volatility, risk-free interest rate, risk discount rate and remaining time to maturity.

c. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 18	\$ -	\$ 210,774
Financial assets at amortized cost (1)	30,006,539	26,575,638	27,267,275
Financial assets at FVTOCI	28,672	27,919	28,692
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	1,001	144,265	30,860
Financial liabilities at amortized cost (2)	30,070,963	26,282,377	30,040,700

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable and other receivables.
- 2) The balances included financial liabilities at amortized cost, which comprise short-term bank loans, notes payable, accounts payable, other payables, bonds payable and long-term bank loans (including the current portion).

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, financial assets at amortized cost, equity investments, accounts receivable, payables, bonds payable, bank loans and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign currency risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including foreign exchange forward contracts to hedge the exchange rate risk arising from import and export.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which exposes the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters

utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and those derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD, EUR, JPY and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management represents management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusted their translation at the end of the period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit with the relevant currency strengthening 1% against New Taiwan dollars. For a 1% weakening of the relevant currency against New Taiwan dollars, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

Currency	Currency Impact	
	Six Months Ended June 30	
	2026	2025
USD	\$ 24,310	\$ 12,811
EUR	17,848	19,407
JPY	1,037	1,587
RMB	370	139

This was mainly attributable to the exposures of outstanding receivables and payables in USD, EUR, JPY and RMB that were not hedged at the end of the reporting period.

The Company's sensitivity to foreign currency exchange increased during the current year mainly due to the decrease in USD denominated account payables.

b) Interest rate risk

The Group's interest rate risk mainly arises from fixed and floating interest rate bank deposits, cash equivalents, bonds payable, bank loans and lease liabilities, which generate interest rate exposure.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	\$ 6,942,178	\$ 5,843,382	\$ 6,076,763
Financial liabilities	8,699,398	6,935,359	13,003,019
Cash flow interest rate risk			
Financial assets	13,610,185	10,945,956	10,557,758
Financial liabilities	5,937,965	6,665,647	4,058,437

Sensitivity analysis

The sensitivity analysis is determined based on the Group's exposure to interest rate risk for both derivative and non-derivative instruments at the end of the reporting period. A 1 basis point increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2026 and 2025 would increase/decrease by \$9,590 thousand and \$8,124 thousand, respectively.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in floating rate bank deposits.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's concentration of credit risk of 29%, 36% and 55% of total accounts receivable as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively, was attributable to the Group's two largest customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had available unutilized bank loan facilities of \$47,479,380 thousand, \$57,729,745 thousand and \$48,647,827 thousand, respectively.

The following liquidity and interest risk rate table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest dates on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Less Than 1 Year	1-2 Years	Over 2 Years
<u>June 30, 2026</u>			
Non-derivative financial liabilities			
Non-interest bearing liabilities	\$ 17,006,566	\$ -	\$ -
Lease liabilities	618,772	353,495	764,686
Variable interest rate liabilities	2,949,038	2,650,680	338,247
Fixed interest rate liabilities	<u>7,126,432</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,700,808</u>	<u>\$ 3,004,175</u>	<u>\$ 1,102,933</u>

	Less Than 1 Year	1-2 Years	Over 2 Years
<u>December 31, 2025</u>			
Non-derivative financial liabilities			
Non-interest bearing liabilities	\$ 14,311,700	\$ -	\$ -
Lease liabilities	600,942	299,826	843,786
Variable interest rate liabilities	2,919,865	1,556,645	2,189,137
Fixed interest rate liabilities	<u>5,305,030</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,137,537</u>	<u>\$ 1,856,471</u>	<u>\$ 3,032,923</u>

	Less Than 1 Year	1-2 Years	Over 2 Years
<u>June 30, 2025</u>			
Non-derivative Financial Liabilities			
Non-interest bearing	\$ 10,925,138	\$ -	\$ -
Lease liabilities	617,409	319,588	928,729
Variable interest rate liabilities	2,154,156	1,458,745	445,536
Fixed interest rate liabilities	<u>8,471,856</u>	<u>20,416</u>	<u>2,838,671</u>
	<u>\$ 22,168,559</u>	<u>\$ 1,798,749</u>	<u>\$ 4,212,936</u>

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed in the other notes, details of transactions between the Group and other related parties were as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Microprogram	Associate
Microprogram Information (Kunshan) Co., Ltd.	Associate
Willbe Co., Ltd. ("Willbe") (Note)	Associate
Cycling Life-style Foundation	Other
Appa (Kunshan) Co., Ltd.	Other

b. Sales revenue

<u>Related Party Category</u>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Associates	\$ 23,901	\$ 14,916	\$ 41,718	\$ 22,478
Others	<u>3,606</u>	<u>928</u>	<u>3,867</u>	<u>3,335</u>
	<u>\$ 27,507</u>	<u>\$ 15,844</u>	<u>\$ 45,585</u>	<u>\$ 25,813</u>

The products sold to related parties are own branding products, etc. The Group determines the price by type of products sold. The pricing strategy also differs from that for original equipment manufacturing products.

c. Purchases of goods

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Associates	\$ 34,727	\$ 11,308	\$ 58,352	\$ 30,826
Others	<u>112</u>	<u>150</u>	<u>265</u>	<u>276</u>
	<u>\$ 34,839</u>	<u>\$ 11,458</u>	<u>\$ 58,617</u>	<u>\$ 31,102</u>

The prices of the purchases from related parties are based on the specific diversity of products and related market trends.

d. Operating costs

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Associates	\$ 59,403	\$ 49,596	\$ 113,291	\$ 96,170

Costs for system equipment services provided.

e. Operating expense

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Others	\$ 336	\$ 945	\$ 576	\$ 1,633

f. Other income

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Others	\$ 53	\$ 55	\$ 53	\$ 55

g. Receivables from related parties

Financial Statement Account	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Associates	9,197	-	-
	Others	<u>35</u>	<u>6</u>	<u>14</u>
		<u>\$ 9,232</u>	<u>\$ 6</u>	<u>\$ 14</u>
Other receivables	Associates	\$ 3,853	\$ 6,842	\$ 8,057
	Others	<u>-</u>	<u>-</u>	<u>26</u>
		<u>\$ 3,853</u>	<u>\$ 6,842</u>	<u>\$ 8,083</u>

h. Payables to related parties

Financial Statement Account	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable	Associates	\$ 40,701	\$ 22,884	\$ 12,211
Other payables	Associates	\$ 75,954	\$ 104,576	\$ 102,363
	Others	38	112	216
		<u>\$ 75,992</u>	<u>\$ 104,688</u>	<u>\$ 102,579</u>

i. Acquisition of other assets

		Purchase amount Six Months Ended June 30	
Related Party Category	Financial Statement Account	2026	2025
Associates	Other intangible asset	\$ 1,280	\$ -

j. Remuneration of key management

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 44,309	\$ 40,814	\$ 83,083	\$ 92,741
Post-employment benefits	<u>193</u>	<u>253</u>	<u>386</u>	<u>556</u>
	\$ 44,502	\$ 41,067	\$ 83,469	\$ 93,297

The remunerations of directors and key executives, as determined by the remuneration committee, are based on the individual performance and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

- a. The following assets were provided as collateral for cross currency swap contracts, bank loans and performance guarantees of the Group, etc.:

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost	\$ 2,583	\$ 28,416	\$ 2,409
Notes receivable and account receivable	-	662,246	19,321
	<u>\$ 2,583</u>	<u>\$ 690,662</u>	<u>\$ 21,730</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. Unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisitions of property, plant and equipment	\$ 548,313	\$ 581,991	\$ 360,365

- b. The contract period of the existing product liability insurance policy (the “policy”) of the Company is

from August 1, 2025 to August 1, 2026. The policy covers all products manufactured by the Company that are sold all over the world. The maximum indemnity for claims arising from one originating cause is US\$10,000 thousand.

- c. YouBike signed several contracts to provide public bicycle rental services with the Department of Transportation under each city/county Government. The contract duration is from November 2017 to June 2033, and a total performance guarantee of \$555,654 thousand was provided.

33. SIGNIFICANT SUBSEQUENT EVENTS

In August 2026, the Board of Directors resolved that Giant Holding will acquire a 37% equity interest in D. Mag from a related party, United King Limited (Samoa), for a purchase price of approximately RMB 596,993 thousand to enhance management efficiency. Upon completion of this transaction, the Group will hold a 97% equity interest in D. Mag.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	June 30, 2026			December 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial assets</u>						
Monetary items						
USD	\$ 120,061	31.837	\$ 3,822,382	\$ 123,193	31.438	\$ 3,872,942
EUR	59,604	36.267	2,161,658	99,214	36.837	3,654,746
JPY	2,465,385	0.1961	483,462	2,545,313	0.2005	510,335
RMB	38,589	4.6889	180,940	31,884	4.4920	143,223

Financial liabilities

Monetary items						
USD	43,703	31.837	1,391,372	37,513	31.438	1,179,334
EUR	10,390	36.267	376,814	16,841	36.837	620,372
JPY	1,936,661	0.1961	379,779	1,588,197	0.2005	318,433
RMB	30,694	4.6889	143,921	32,680	4.4920	146,799

	June 30, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 138,526	29.587	\$ 4,098,569
EUR	70,181	34.272	2,405,243
JPY	2,371,584	0.2029	481,194
RMB	30,447	4.0813	124,263

Financial liabilities

Monetary items			
USD	95,227	29.587	2,817,481
EUR	13,554	34.272	464,523
JPY	1,589,640	0.2029	322,538
RMB	27,033	4.0813	110,330

For the three months and the six months ended June 30, 2026 and 2025, realized and unrealized foreign exchange gains (losses) were \$84,485 thousand, \$230,598 thousand, 100,403 thousand and 73,941 thousand, respectively. It is impractical to disclose foreign exchange gains (losses) on each significant foreign currency as there were many foreign currency transactions and the Group entities had different functional currencies.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Significant marketable securities held (excluding investments in subsidiaries and associates). (None)
- 4) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 3)
- 5) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 4)
- 6) Intercompany relationships and significant intercompany transactions. (Table 5)

b. Information on investees. (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, the ending balance of carrying amount of the investment, repatriations of investment income, and limits on the amount of investment in the mainland China area. (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 3)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 3)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (None)
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments, bicycle, materials and others, for the six months ended June 30, 2026 and 2025 are as follows:

	Segment Revenue		Segment Profit	
	Six Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Bicycle	\$ 24,903,596	\$ 28,888,888	\$ 298,026	\$ 554,093
Materials	2,385,953	2,004,271	354,668	123,792
Others	<u>1,898,740</u>	<u>1,712,132</u>	<u>156,262</u>	<u>185,462</u>
Total	<u>\$ 29,188,289</u>	<u>\$ 32,605,291</u>	808,956	863,347
Finance costs			(229,554)	(421,260)
Share of profit of associates accounted for using the equity method			8,411	2,621
Interest income			136,794	227,887
Other income			147,180	265,090
Other gains and losses			(<u>46,507</u>)	(<u>89,815</u>)
Profit before income tax			<u>\$ 825,280</u>	<u>\$ 847,870</u>

Segment profit represents the profit before tax earned by each segment excluding finance costs, share of profit of associates accounted for using the equity method, interest income, other income, other gains and losses and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

TABLE 1

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount (Note 1)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limits (Notes 4 and 5)
													Item	Value		
0	Giant	Giant Europe	Loans receivable - related parties	Yes	\$ 1,450,680 (EUR 40,000)	\$ -	\$ -	-	2	\$ -	Operating Capital	\$ -	-	\$ -	\$ 3,405,652	\$ 13,622,608
		AIPS	Loans receivable - related parties	Yes	500,000	500,000	200,000	1.83%	2	-	Operating Capital	-	-	-	3,405,652	13,622,608
1	D. Mag	Light Metal Haian	Loans receivable - related parties	Yes	703,335 (RMB 150,000)	703,335 (RMB 150,000)	359,639 (RMB 76,700)	2.25%-2.35%	2	-	Operating Capital	-	-	-	1,114,295	1,114,295
2	Gaiwin	Giant Vietnam Mfg.	Loans receivable - related parties	Yes	254,696 (USD 8,000)	254,696 (USD 8,000)	-	-	2	-	Operating Capital	-	-	-	2,538,690	2,538,690
		Giant Mexico	Loans receivable - related parties	Yes	318,370 (USD 10,000)	318,370 (USD 10,000)	-	-	2	-	Operating Capital	-	-	-	2,538,690	2,538,690
		SPIA	Loans receivable - related parties	Yes	795,925 (USD 25,000)	795,925 (USD 25,000)	159,185 (USD 5,000)	4.75%-5.16%	2	-	Operating Capital	-	-	-	2,538,690	2,538,690
		Giant USA	Loans receivable - related parties	Yes	891,436 (USD 28,000)	891,436 (USD 28,000)	366,126 (USD 11,500)	4.45%-5.15%	2	-	Operating Capital	-	-	-	2,538,690	2,538,690
3	Quanzhou YouBike	Putian YouBike	Loans receivable - related parties	Yes	65,645 (RMB 14,000)	-	-	-	2	-	Operating Capital	-	-	-	1,114,295	1,114,295
4	Giant Holding	Giant Tianjin	Loans receivable - related parties	Yes	515,779 (RMB 110,000)	515,779 (RMB 110,000)	-	-	2	-	Operating Capital	-	-	-	1,172,225	1,172,225
5	Giant Chengdu	Giant Tianjin	Loans receivable - related parties	Yes	328,223 (RMB 70,000)	328,223 (RMB 70,000)	-	-	2	-	Operating Capital	-	-	-	1,114,295	1,114,295
6	Giant Kunshan	Putian YouBike	Loans receivable - related parties	Yes	84,400 (RMB 18,000)	84,400 (RMB 18,000)	56,267 (RMB 12,000)	2.20%	2	-	Operating Capital	-	-	-	1,114,295	1,114,295

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: The nature of financing provided could be
1) business relationship,
2) short-term financial assistance.

Note 3: The financing limit for each borrower is up to 10% of the net asset value of Giant.

Note 4: 1) Giant China, Giant Electric Vehicle and Giant Holding: Up to RMB 0.46 billion, RMB 0.3 billion and RMB 0.25 billion, respectively, for the financing limit for each borrower and the aggregate financing limit.
2) YouBike: Up to 10% and 40% of its net asset value in the most recent financial statements as the financing limit for each borrower and the aggregate financing limit, respectively.
3) Gaiwin: Up to EUR 70 million for the financing limit for each borrower and the aggregate financing limit.
4) The other subsidiaries: Up to USD35 million for the financing limit for each borrower and the aggregate financing limit.

Note 5: The aggregate financing limit is up to 40% of the net asset value of the current period of Giant.

TABLE 2

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given to Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 4)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent to Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries to Parent	Endorsement/ Guarantee Given to Companies in Mainland China
		Name	Relationship										
0	Giant	Giant Hungary Mfg.	(Note 1)	\$ 8,514,130	\$ 2,212,287 (EUR 61,000)	\$ 2,212,287 (EUR 61,000)	\$ 2,089,907 (EUR 57,626)	\$ -	6.50%	\$ 17,028,261	Y	N	N
		Giant Vietnam Mfg.	(Note 1)	8,514,130	318,370 (USD 10,000)	318,370 (USD 10,000)	90,750 (USD 2,850)	-	0.93%	17,028,261	Y	N	N
		Giant Mexico	(Note 1)	8,514,130	1,093,140 (MXN 600,000)	1,093,140 (MXN 600,000)	482,804 (MXN 265,000)	-	3.21%	17,028,261	Y	N	N
1	Giant China	Giant Holding	(Note 1)	1,114,295	4,951 (RMB 1,056)	4,951 (RMB 1,056)	4,951 (RMB 1,056)	-	0.23%	1,114,295	N	N	Y

Note 1: Refer to Note 12.

Note 2: Up to 25% of the net asset value of Giant, and up to USD 35 million of other subsidiaries.

Note 3: Up to 50% (excluding 50%) of the net asset value of Giant, and up to USD 35 million of other subsidiaries.

Note 4: This is the endorsement/guarantee limit approved by the board of directors

TABLE 3

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Purchaser or Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchase or Sale	Amount	% to Total	Collection Terms	Unit Price	Collection Terms	Ending Balance (Note 3)	% to Total	
Giant	Giant Sales	(Note 1)	Sales	(\$ 259,386)	(4)	T/T 15 days	(Note 2)	—	\$ 67,349	2	
	YouBike	(Note 1)	Sales	(192,207)	(3)	T/T 30 days	(Note 2)	—	48,380	2	
	Giant China	(Note 1)	Sales	(153,598)	(2)	T/T 90 days	(Note 2)	—	68,055	2	
	Giant Kunshan	(Note 1)	Sales	(193,496)	(3)	T/T 90 days	(Note 2)	—	116,217	4	
	Giant Australia	(Note 1)	Sales	(201,447)	(3)	T/T 30 days	(Note 2)	—	41,577	1	
	Giant Europe Mfg.	(Note 1)	Sales	(776,320)	(11)	T/T 90 days	(Note 2)	—	477,432	16	
	Giant Hungary Mfg.	(Note 1)	Sales	(388,978)	(6)	T/T 90 days	(Note 2)	—	259,485	9	
	Giant Europe	(Note 1)	Sales	(2,223,762)	(32)	T/T 60 days	(Note 2)	—	664,749	22	
	Giant UK	(Note 1)	Sales	(657,830)	(9)	T/T 60 days	(Note 2)	—	226,194	8	
	Giant Polska	(Note 1)	Sales	(121,496)	(2)	T/T 60 days	(Note 2)	—	18,960	1	
	Giant Canada	(Note 1)	Sales	(309,432)	(4)	T/T 90 days	(Note 2)	—	134,610	5	
	Giant Vietnam Mfg.	(Note 1)	Sales	(134,903)	(23)	T/T 60 days	(Note 2)	—	15,184	6	
	Giant USA	(Note 1)	Sales	(111,206)	(19)	T/T 90 days	(Note 2)	—	77,241	28	
Giant Tianjin	Giant Kunshan	(Note 1)	Sales	(148,503)	(5)	T/T 90 days	(Note 2)	—	97,094	22	
	Giant Chengdu	(Note 1)	Sales	(288,071)	(9)	T/T 90 days	(Note 2)	—	142,970	33	
Giant Electric Vehicle	Giant	(Note 1)	Sales	(432,235)	(13)	T/T 60 days	(Note 2)	—	286,355	27	
	Giant Hungary Mfg.	(Note 1)	Sales	(352,417)	(11)	T/T 60 days	(Note 2)	—	191,573	18	
	Giant Europe	(Note 1)	Sales	(399,178)	(12)	T/T 60 days	(Note 2)	—	74,572	7	
	Giant Benelux	(Note 1)	Sales	(262,617)	(8)	T/T 60 days	(Note 2)	—	30,390	3	
	Giant UK	(Note 1)	Sales	(334,182)	(10)	T/T 60 days	(Note 2)	—	99,613	9	
	Giant Canada	(Note 1)	Sales	(105,686)	(3)	T/T 60 days	(Note 2)	—	80,646	8	
	Giant	(Note 1)	Sales	(176,477)	(4)	T/T 90 days	(Note 2)	—	89,458	11	
	Giant Sales	(Note 1)	Sales	(145,933)	(3)	T/T 60 days	(Note 2)	—	50,552	6	
Giant Kunshan	Giant Tianjin	(Note 1)	Sales	(338,375)	(8)	T/T 60 days	(Note 2)	—	212,559	27	
	Giant Europe Mfg.	(Note 1)	Sales	(124,609)	(3)	T/T 90 days	(Note 2)	—	84,789	11	
	Giant Vietnam Mfg.	(Note 1)	Sales	(150,055)	(3)	T/T 60 days	(Note 2)	—	59,126	8	
	Giant Electric Vehicle	(Note 1)	Sales	(134,180)	(4)	T/T 60 days	(Note 2)	—	22,661	1	
	Giant Hungary Mfg.	(Note 1)	Sales	(241,758)	(6)	T/T 120 days	(Note 2)	—	175,403	10	
	Giant Europe	(Note 1)	Sales	(169,194)	(5)	T/T 60 days	(Note 2)	—	77,650	4	
	Giant UK	(Note 1)	Sales	(205,299)	(5)	T/T 90 days	(Note 2)	—	93,105	5	
	Giant Europe Mfg.	(Note 1)	Sales	(909,118)	(51)	T/T 30 days	(Note 2)	—	144,351	32	
Giant Europe Mfg. Giant Europe	Giant Benelux	(Note 1)	Sales	(1,525,460)	(29)	T/T 30 days	(Note 2)	—	308,412	15	
	Giant France	(Note 1)	Sales	(1,521,049)	(29)	T/T 30 days	(Note 2)	—	794,136	40	
	Giant Germany	(Note 1)	Sales	(1,614,404)	(30)	T/T 30 days	(Note 2)	—	653,754	33	
	Giant Italy	(Note 1)	Sales	(262,545)	(5)	T/T 30 days	(Note 2)	—	173,242	9	
	Giant Hungary Mfg.	(Note 1)	Sales	(1,038,408)	(58)	T/T 30 days	(Note 2)	—	222,428	71	
	D. Mag	(Note 1)	Sales	(127,659)	(4)	T/T 60 days	(Note 2)	—	55,242	3	
	Giant Kunshan	(Note 1)	Sales	(394,068)	(12)	T/T 30 days	(Note 2)	—	282,350	16	
	Giant Tianjin	(Note 1)	Sales	(253,634)	(8)	T/T 30 days	(Note 2)	—	202,749	12	
Light Metal Haian	Light Metal Haian	(Note 1)	Sales	(184,343)	(6)	T/T 120 days	(Note 2)	—	79,096	5	
	Golden Rich	(Note 1)	Sales	(106,056)	(3)	T/T 120 days	(Note 2)	—	35,431	2	
	D. Mag	(Note 1)	Sales	(193,377)	(58)	T/T 30 days	(Note 2)	—	13,501	13	

Note 1: Refer to Note 12.

Note 2: Prices were determined based on product differences and market acceptance.

Note 3: Significant intercompany accounts and transactions have been eliminated.

TABLE 4

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Financial Statement Account & Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance
						Amount	Action Taken		
Giant	AIPS	(Note 1)	Loans receivable-related parties	\$ 200,000	-	\$ -	—	\$ -	-
			Other receivables - related parties	7	-	-	—	-	-
	Giant Kunshan	(Note 1)	Accounts receivable - related parties	116,217	4	-	—	24,406	-
			Other receivables - related parties	30,916	-	-	—	397	-
	Giant Europe Mfg.	(Note 1)	Accounts receivable - related parties	477,432	7	-	—	164,896	-
			Other receivables - related parties	228	-	-	—	228	-
	Giant Hungary Mfg.	(Note 1)	Accounts receivable - related parties	259,485	3	-	—	79,572	-
			Other receivables - related parties	125	-	-	—	72	-
	Giant Europe	(Note 1)	Accounts receivable - related parties	664,749	6	-	—	446,296	-
			Other receivables - related parties	96	-	-	—	36	-
	Giant UK	(Note 1)	Accounts receivable - related parties	226,194	6	-	—	-	-
			Other receivables - related parties	60	-	-	—	-	-
	Giant Canada	(Note 1)	Loans receivable-related parties	134,610	5	-	—	41,856	-
			Other receivables - related parties	282	-	-	—	8	-
Giant Tianjin	Giant Chengdu	(Note 1)	Accounts receivable - related parties	142,970	6	19,003	—	-	-
Giant Electric Vehicle	Giant	(Note 1)	Accounts receivable - related parties	286,355	3	-	—	99,788	-
			Other receivables - related parties	18,704	-	-	—	-	-
	Giant Hungary Mfg.	(Note 1)	Accounts receivables - related parties	191,573	4	-	—	73,909	-
			Other receivables - related parties	721	-	-	—	-	-
Gaiwin	Giant Europe	(Note 1)	Accounts receivables - related parties	939,680	-	42,070	—	42,070	-
	Giant USA	(Note 1)	Accounts receivable - related parties	16,749	-	16,749	—	16,749	-
			Loans receivable-related parties	366,126	-	-	—	143,267	-
Giant USA	SPIA	(Note 1)	Loans receivable-related parties	159,185	-	-	—	-	-
Giant USA	Gaiwin	(Note 1)	Loans receivable-related parties	128,985	-	128,985	—	128,985	-
Giant Kunshan	Giant Tianjin	(Note 1)	Loans receivable-related parties	212,559	5	-	—	-	-
			Accounts receivable - related parties	2,602	-	-	—	-	-
Giant China	Giant Hungary Mfg.	(Note 1)	Loans receivable-related parties	175,403	4	8,508	—	8,508	-
Giant Europe Mfg.	Giant Europe	(Note 1)	Accounts receivable - related parties	144,351	14	-	—	144,351	-
			Accounts receivable - related parties	5,872	-	-	—	5,872	-

(Continued)

Company Name	Related Party	Relationship	Financial Statement Account & Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance
						Amount	Action Taken		
Giant Europe	Giant Benelux	(Note 1)	Accounts receivable - related parties	\$ 308,412	15	\$ 192,676	—	\$ 308,412	\$ -
			Other receivables - related parties	141,292	-	-		123,714	-
	Giant France	(Note 1)	Accounts receivable - related parties	794,136	4	460,643		245,409	-
			Other receivables - related parties	65,602	-	-		-	-
	Giant Germany	(Note 1)	Accounts receivable - related parties	653,754	8	318,979		278,970	-
			Other receivables - related parties	50,421	-	2,380		-	-
	Giant UK	(Note 1)	Accounts receivable - related parties	46,744	7	108,561		-	-
			Other receivables - related parties	124,974	-	-		-	-
	Giant Italy	(Note 1)	Accounts receivable - related parties	173,242	3	132,881		42,319	-
			Other receivables - related parties	12,180	-	-		-	-
Giant Hungary Mfg D. Mag	Giant Europe	(Note 1)	Accounts receivable - related parties	222,428	15	-		222,428	-
		(Note 1)	Other receivables - related parties	183,201	-	-		183,201	-
	Giant Kunshan	(Note 1)	Accounts receivable - related parties	99,149	11	-		-	3,066
			Other receivables - related parties	136,374	-	-		136,374	-
	Giant Tianjin	(Note 1)	Accounts receivable - related parties	66,375	12	-		-	2,053
D.Mag Precision	Light Metal Haian	(Note 1)	Accounts receivable - related parties	79,096	2	-		-	-
			Other receivables - related parties	359,639	-	-		-	-
			Accounts receivable - related parties	462	4			-	14
			Loans receivable - related parties						
			Accounts receivable - related parties						

Note 1: Refer to Note 12.
Note 2: Significant intercompany accounts and transactions have been eliminated.

(Concluded)

TABLE 5

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)**

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Transaction Terms	% to Consolidated Sales or Total Assets
0	Giant	Giant Europe Mfg.	1	Sales	(\$ 776,320)	T/T 90 days	3
		Giant Hungary Mfg.	1	Sales	(388,978)	T/T 90 days	1
		Giant Europe	1	Sales	(2,223,762)	T/T 60 days	8
		Giant UK	1	Sales	(657,830)	T/T 60 days	2
		Giant Canada	1	Sales	(309,432)	T/T 90 days	1
1	Giant Electric Vehicle	Giant	2	Sales	(432,235)	T/T 60 days	1
		Giant Hungary Mfg.	3	Sales	(352,417)	T/T 60 days	1
		Giant Europe	3	Sales	(399,178)	T/T 60 days	1
		Giant UK	3	Sales	(334,182)	T/T 60 days	1
		Giant Tianjin	3	Sales	(338,375)	T/T 60 days	1
2	Giant Kunshan	Giant Tianjin	3	Sales	(338,375)	T/T 60 days	1
3	Gaiwin	Giant Europe	3	Accounts receivable – related parties	939,680	T/T 30 days	1
4	Giant Europe Mfg.	Giant Europe	3	Sales	(909,118)	T/T 30 days	3
5	Giant Europe	Giant Benelux	3	Sales	(1,525,460)	T/T 30 days	5
		Giant France	3	Sales	(1,521,049)	T/T 30 days	5
			3	Accounts receivable – related parties	794,136	T/T 30 days	1
		Giant Germany	3	Sales	(1,614,404)	T/T 30 days	6
		Giant Europe	3	Sales	(1,038,408)	T/T 30 days	4
6	D. Mag	Giant Kunshan	3	Sales	(394,068)	T/T 30 days	1

Note 1: Relationship of counterparty:
(1) parent company to subsidiary;
(2) subsidiary to parent company;
(3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

Note 3: Based on the terms specified in the respective agreements.

TABLE 6

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of JUNE 30, 2026			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				JUNE 30, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
Giant	Growood	Singapore	Overseas reinvested holding company	USD 18,063	USD 18,063	26,619,300	100	\$ 6,354,997	\$ 612,931	\$ 595,226	Subsidiary
	Gaiwin	Lelystad, Netherlands	Overseas reinvested holding company	USD 7,243	USD 7,243	502,661	100	9,497,362	(301,471)	(301,471)	Subsidiary
	Darzins	British Virgin Islands	Overseas reinvested holding company	USD 14,889	USD 14,889	14,888,928	100	4,675,506	187,628	192,150	Subsidiary
	Merdeka	British Virgin Islands	Overseas reinvested holding company	USD 6,000	USD 6,000	6,000,003	100	264,152	24,019	24,019	Subsidiary
	Giant Sales	Taichung	Sales of bicycles and related products and bicycle rental services	\$ 140,000	\$ 140,000	14,000,000	100	497,237	135,867	135,867	Subsidiary
	YouBike	Taichung	Public bicycle rental services	800,000	800,000	84,800,000	100	1,179,312	189,818	189,818	Subsidiary
	AIPS	Taichung	Manufacturing and sales of sporting goods	500,000	500,000	50,000,000	100	(22,174)	1,307	975	Subsidiary
	Giant Vietnam Mfg.	Binh Duong Province, Vietnam	Manufacturing and sales of bicycles	USD 23,000	USD 23,000	-	100	435,815	(30,227)	36,193	Subsidiary
	Giant Mexico	Mexico City, Mexico	Sales of bicycles and related products	MXN 1	MXN 1	-	-	-	40	-	Subsidiary
	Giant SEA Bicycle	Binh Duong Province, Vietnam	Manufacturing and sales of bicycles	USD 15,000	USD 15,000	-	100	485,359	(5,053)	(5,053)	Subsidiary
	Giant Thailand	Thailand	Sales of bicycles and related products	THB 102,000	THB 102,000	10,199,999	100	87,662	21	21	Subsidiary
	SPIA Taiwan	Taichung	Sales of sporting goods	10,000	-	1,000,000	100	9,959	(41)	(41)	Subsidiary
	Microprogram	Taichung	Research of computer hardware and software and sales of related products	244,352	244,352	8,886,000	16	213,945	36,809	(Note 1)	Investments accounted for using the equity method
	Growood	Giant Thailand	Sales of bicycles and related products	THB -	THB -	1	-	-	USD 1	-	Subsidiary
	Giant Sales	Giant Adventure	Undertaking domestic and international tourism trading businesses	10,000	10,000	1,000,000	100	62,696	17,863	(Note 1)	Indirectly owned subsidiary
Gaiwin	Giant Europe	Lelystad, Netherlands	Overseas reinvested holding company and sales of bicycles and related products	EUR 45,736	EUR 45,736	1,200	100	EUR 185,412	(EUR 4,776)	(Note 1)	Indirectly owned subsidiary
	Giant USA	California, USA	Sales of bicycles and related products	USD 47,618	USD 47,618	200,000	100	EUR 18,338	(EUR 2,217)	(Note 1)	Indirectly owned subsidiary
	Giant Japan	Kawasaki, Japan	Sales of bicycles and related products	JPY 200,000	JPY 200,000	4,000	100	EUR 9,058	EUR 278	(Note 1)	Indirectly owned subsidiary
	Giant Australia	Victoria, Australia	Sales of bicycles and related products	AUD 500	AUD 500	500,000	100	EUR 24,893	EUR 307	(Note 1)	Indirectly owned subsidiary
	Giant Canada	Vancouver, Canada	Sales of bicycles and related products	CAD 1,052	CAD 1,052	1,051,987	100	EUR 15,246	EUR 1,134	(Note 1)	Indirectly owned subsidiary
	Giant Korea	Seoul, South Korea	Sales of bicycles and related products	KRW 734,000	KRW 734,000	146,800	100	EUR 3,246	(EUR 189)	(Note 1)	Indirectly owned subsidiary
	Giant Mexico	Mexico, Mexico	Sales of bicycles and related products	MXN 70,059	MXN 70,059	-	100	EUR 1,572	EUR 1	(Note 1)	Indirectly owned subsidiary
	SPIA	Delaware, USA	Sales of sporting goods	USD 8,000	USD 8,000	1,251	100	EUR 2,052	(EUR 1,562)	(Note 1)	Indirectly owned subsidiary
	Giant Germany	Erkrath, Germany	Sales of bicycles and related products	EUR 3,472	EUR 3,472	-	100	EUR 11,141	(EUR 688)	(Note 1)	Indirectly owned subsidiary
	Giant France	Aix en Provence, France	Sales of bicycles and related products	EUR 4,200	EUR 4,200	10,500	100	EUR 12,055	EUR 1,489	(Note 1)	Indirectly owned subsidiary
	Giant UK	Leicester, United Kingdom	Sales of bicycles and related products	GBP 200	GBP 200	200,000	100	EUR 19,031	EUR 844	(Note 1)	Indirectly owned subsidiary
	Giant Europe Mfg.	Lelystad, Netherlands	Manufacturing and sales of bicycles	EUR 227	EUR 227	5,000	100	EUR 52,661	EUR 538	(Note 1)	Indirectly owned subsidiary
	Giant Polska	Warsaw, Poland	Sales of bicycles and related products	PLN 150	PLN 150	240	100	EUR 10,045	EUR 545	(Note 1)	Indirectly owned subsidiary
	Giant Benelux	Lelystad, Netherlands	Sales of bicycles and related products	EUR 3,230	EUR 3,230	23,000	100	EUR 21,777	EUR 1,397	(Note 1)	Indirectly owned subsidiary
	Giant Italy	Gallarate, Italy	Sales of bicycles and related products	EUR 200	EUR 200	-	100	EUR 1,008	(EUR 484)	(Note 1)	Indirectly owned subsidiary
D. Mag	Giant Hungary Mfg.	Gyongyos, Hungary	Manufacturing and sales of bicycles	EUR 45,000	EUR 45,000	-	100	EUR 33,449	(EUR 1,974)	(Note 1)	Indirectly owned subsidiary
	Giant Spain	Girona, Spain	Sales of bicycles and related products	EUR 1,000	-	-	100	EUR 1,000	-	(Note 1)	Indirectly owned subsidiary
	Golden Rich	Hong Kong	International trading	USD 100	USD 100	100,000	100	RMB 13,415	RMB 447	(Note 1)	Indirectly owned subsidiary
Innovation Tech	Innovation Tech	Singapore	Investments	USD 44,000	USD 44,000	75,000,000	100	RMB 289,863	RMB 1,021	(Note 1)	Indirectly owned subsidiary
	D.Mag Precision	Binh Duong Province, Vietnam	Manufacturing and sales of wheel hub products	USD 7,000	USD 7,000	-	100	USD 6,343	(USD 17)	(Note 1)	Indirectly owned subsidiary
	D.Mag Light Metal	Binh Duong Province, Vietnam	Manufacturing and sales of aluminum, steel, and other metal application products	USD 37,000	USD 37,000	-	100	USD 35,994	USD 172	(Note 1)	Indirectly owned subsidiary

Note 1: Exempt from disclosure according to regulations.

Note 2: Transactions have been eliminated.

TABLE 7

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)**

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of JUNE 30, 2026	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 9)	Carrying Value as of JUNE 30, 2026	Accumulated Repatriation of Investment Income as of JUNE 30, 2026
					Outflow	Inflow						
Giant Holding	Overseas reinvested holding company	RMB 577,569 (USD 88,500)	(Note 2)	\$ 2,681,933	\$ -	\$ -	\$ 2,681,933	\$ 93,013	100%	\$ 180,519	\$ 7,155,276	\$ 1,829,019
Giant Kunshan	Manufacturing and sales of bicycles and parts	RMB 236,288 (USD 35,000)	(Note 3)	(Note 3)	-	-	(Note 3)	64,124	100%	151,630	3,541,734	-
Giant Cycling	Lease of bicycles and promotion of outdoor activities	RMB 6,595 (USD 1,000)	(Note 3)	(Note 3)	-	-	(Note 3)	1	100%	1	3,482	-
Giant Jiangsu	Manufacturing and sales of bicycles and parts	RMB 331,779 (USD 52,500)	(Note 3)	(Note 3)	-	-	(Note 3)	14,897	100%	14,897	1,878,609	-
Willbe Co., Ltd.	Sales and maintenance services of electrical and mechanical equipment and related devices	RMB 3,200	(Note 3)	(Note 3)	-	-	(Note 3)	7,586	33%	2,503	18,596	-
Quanzhou YouBike	Undertaking China public bicycle rental services	RMB 50,000	(Note 5)	(Note 5)	-	-	(Note 5)	418	100%	418	148,056	-
Putian YouBike	Undertaking China public bicycle rental services	RMB 50,000	(Note 5)	(Note 5)	-	-	(Note 5)	(3,307)	100%	(3,307)	(42,649)	-
Giant China	Manufacturing and sales of bicycles and parts	RMB 273,040 (USD 37,500)	(Note 1)	489,599	-	-	489,599	248,213	100%	247,459	2,076,947	11,795,162
Giant Electric Vehicle	Manufacturing and sales of electric bicycles	RMB 40,465 (USD 5,000)	(Note 1)	(Note 1)	-	-	(Note 1)	186,876	100%	162,380	821,103	5,539,267
Giant Tianjin	Manufacturing and sales of bicycles and parts	RMB 89,614 (USD 12,000)	(Note 1)	(Note 1)	-	-	(Note 1)	30,119	100%	37,664	1,340,021	2,070,097
Giant Chengdu	Sales of bicycles and parts	RMB 49,663 (USD 6,000)	(Note 1)	199,182	-	-	199,182	23,956	100%	23,956	259,668	417,351
Jiangsu Giant	Undertaking China tourism businesses	RMB 5,000	(Note 4)	(Note 4)	-	-	(Note 4)	(382)	100%	(382)	7,625	-
D. Mag	Manufacturing and sales of new aluminum alloy products	RMB 360,000	(Note 6)	(Note 6)	-	-	(Note 6)	340,942	60%	210,430	4,860,810	195,217
Light Metal Haian	Manufacturing and sales of alloy materials, semi-solid aluminum, and superplastic aluminum	RMB 120,000	(Note 7)	(Note 7)	-	-	(Note 7)	38,512	60%	23,259	197,214	-
Giant Sports Culture Development	Sales of bicycles and related merchandise and lease of bicycles	RMB 15,000	(Note 5)	(Note 5)	-	-	(Note 5)	589	100%	589	70,934	-

Accumulated Outward Remittance for Investment in Mainland China as of JUNE 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 3,646,639	USD 149,000 and RMB 594,064	(Note 8)

- Note 1: Reinvestment made in Mainland China through an investment company established in a third region.
- Note 2: Investee of Giant.
- Note 3: Investee of Giant Holding.
- Note 4: Investee of Giant China.
- Note 5: Investee of Giant Kunshan.
- Note 6: Investee of Giant Light Metal Technology (Kunshan) Co., Ltd. (“Giant Light Metal”), an investee of Darzins. Giant Light Metal was dissolved through merger in November 2020. After the merger, with D. Mag as the surviving company. Accumulated investment amount was \$275,925 thousand.
- Note 7: Investee of D. Mag.
- Note 8: According to the “Principles for Reviewing Investment or Technical Cooperation in the Mainland China” issued by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, the investment in mainland China has no maximum limitation since the Company obtained a certificate from the Industrial Development Bureau regarding the Company’s establishment of an operating headquarter in Taiwan.
- Note 9: Giant China, Giant Electric Vehicle, Giant Jiangsu, Giant Holding, Giant Tianjin and Giant Kunshan are recognized based on the financial statements reviewed by the certified public accountant of the parent company in Taiwan.
- Note 10: Transactions have been eliminated.