

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 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, 2025 and 2024, and the consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, 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\$33,439,971 thousand and NT\$35,369,742 thousand, and accounted for 47% and 44% of total consolidated assets; and their total liabilities amounted to NT\$12,017,061 thousand and NT\$13,022,470 thousand, and accounted for 33% and 30% of total consolidated liabilities as of June 30, 2025 and 2024, respectively. Their total comprehensive income amounted to NT\$328,487 thousand, NT\$191,543 thousand, NT\$322,297 thousand and NT\$132,656 thousand, and accounted for (15)%, 13%, (28)% and 5% of consolidated comprehensive income for the three months and 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\$177,723 thousand and NT\$152,350 thousand as of June 30, 2025 and 2024 with investment income of NT\$1,611 thousand, NT\$9,300 thousand, NT\$2,621 thousand and NT\$20,200 thousand for the three months and 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, 2025 and 2024, and its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and its consolidated cash flows 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 Ting-Chien Su and Shu-Jing Jiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
August 8, 2025

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, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024 (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 12,650,971	18	\$ 13,998,819	18	\$ 15,015,320	19
Financial assets at fair value through profit or loss - current (Note 7)	210,774	-	50	-	4,243	-
Financial assets at amortized cost - current (Notes 9 and 33)	292,658	1	220,139	-	61,037	-
Notes receivable (Notes 10 and 24)	161,776	-	109,018	-	89,531	-
Accounts receivable (Notes 10, 24 and 32)	10,202,134	14	10,694,425	14	10,728,737	13
Other receivables (Notes 10 and 32)	266,159	-	165,310	-	104,347	-
Current tax assets (Notes 4 and 26)	558,402	1	331,110	1	291,118	-
Inventories (Note 11)	20,219,007	29	26,290,073	33	29,026,807	36
Other current assets (Notes 14 and 24)	<u>2,694,527</u>	<u>4</u>	<u>2,612,266</u>	<u>3</u>	<u>2,113,839</u>	<u>3</u>
Total current assets	<u>47,256,408</u>	<u>67</u>	<u>54,421,210</u>	<u>69</u>	<u>57,434,979</u>	<u>71</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	28,692	-	30,005	-	30,599	-
Financial assets at amortized cost - non-current (Note 9)	3,693,577	5	3,963,915	5	3,645,802	5
Investments accounted for using the equity method (Note 13)	177,723	-	193,990	-	152,350	-
Property, plant and equipment (Note 15)	11,702,145	17	12,684,570	16	12,889,827	16
Right-of-use assets (Note 16)	3,112,883	4	3,432,830	4	2,973,334	4
Goodwill	70,526	-	70,288	-	71,439	-
Other intangible assets (Note 17)	841,656	1	849,836	1	280,262	-
Deferred tax assets (Notes 4 and 26)	3,289,614	5	2,854,118	4	2,558,519	3
Prepayments for equipment	600,191	1	355,444	1	371,025	1
Net defined benefit assets - non-current (Notes 4 and 22)	78,687	-	75,306	-	3,119	-
Other non-current assets	<u>117,217</u>	<u>-</u>	<u>102,654</u>	<u>-</u>	<u>96,471</u>	<u>-</u>
Total non-current assets	<u>23,712,911</u>	<u>33</u>	<u>24,612,956</u>	<u>31</u>	<u>23,072,747</u>	<u>29</u>
TOTAL	<u>\$ 70,969,319</u>	<u>100</u>	<u>\$ 79,034,166</u>	<u>100</u>	<u>\$ 80,507,726</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term bank loans (Notes 18 and 33)	\$ 10,156,129	14	\$ 13,410,792	17	\$ 12,336,045	15
Financial liabilities at fair value through profit or loss - current (Note 7)	30,860	-	49,445	-	19,127	-
Notes payable	1,506,512	2	1,340,986	2	1,374,699	2
Accounts payable (Note 32)	4,200,424	6	4,401,458	6	4,761,605	6
Other payables (Notes 20 and 32)	8,944,384	13	9,094,500	11	10,272,283	13
Current tax liabilities (Notes 4 and 26)	537,087	1	683,099	1	1,418,676	2
Provisions - current (Note 21)	340,226	-	334,053	-	378,805	-
Lease liabilities - current (Note 16)	556,319	1	626,222	1	594,146	1
Current portion of long-term bank borrowings and bonds payable (Notes 18 and 19)	469,883	1	4,368,836	6	551,477	-
Other current liabilities (Note 24)	<u>699,456</u>	<u>1</u>	<u>734,002</u>	<u>1</u>	<u>601,459</u>	<u>1</u>
Total current liabilities	<u>27,441,280</u>	<u>39</u>	<u>35,043,393</u>	<u>45</u>	<u>32,308,322</u>	<u>40</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 19)	-	-	-	-	3,838,218	5
Long-term bank loans (Note 18)	4,763,368	7	3,022,870	4	3,228,177	4
Deferred tax liabilities (Notes 4 and 26)	2,097,918	3	2,034,896	3	1,908,714	2
Lease liabilities - non-current (Note 16)	1,115,757	1	1,182,831	1	1,130,155	2
Deferred revenue - non-current (Note 28)	858,817	1	916,396	1	900,663	1
Other non-current liabilities (Note 21)	<u>97,910</u>	<u>-</u>	<u>96,231</u>	<u>-</u>	<u>196,620</u>	<u>-</u>
Total non-current liabilities	<u>8,933,770</u>	<u>12</u>	<u>7,253,224</u>	<u>9</u>	<u>11,202,547</u>	<u>14</u>
Total liabilities	<u>36,375,050</u>	<u>51</u>	<u>42,296,617</u>	<u>54</u>	<u>43,510,869</u>	<u>54</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	3,920,646	5	3,920,646	5	3,920,646	5
Registered capital (pending change)	8	-	-	-	-	-
Capital surplus	4,766,868	7	4,766,678	6	4,726,957	6
Retained earnings						
Legal reserve	7,008,728	10	6,876,907	9	6,876,907	9
Special reserve	1,308,238	2	1,984,825	2	1,984,825	2
Unappropriated earnings	17,754,330	25	17,514,653	22	17,868,644	22
Other equity	<u>(2,775,187)</u>	<u>(4)</u>	<u>(1,308,238)</u>	<u>(2)</u>	<u>(1,263,103)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	31,983,631	45	33,755,471	42	34,114,876	42
NON-CONTROLLING INTERESTS	<u>2,610,638</u>	<u>4</u>	<u>2,982,078</u>	<u>4</u>	<u>2,881,981</u>	<u>4</u>
Total equity	<u>34,594,269</u>	<u>49</u>	<u>36,737,549</u>	<u>46</u>	<u>36,996,857</u>	<u>46</u>
TOTAL	<u>\$ 70,969,319</u>	<u>100</u>	<u>\$ 79,034,166</u>	<u>100</u>	<u>\$ 80,507,726</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated August 8, 2025)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended June 30				Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES REVENUE (Notes 24 and 32)	\$15,754,345	100	\$21,166,075	100	\$32,605,291	100	\$37,229,232	100
COST OF GOODS SOLD (Notes 11, 25 and 32)	<u>12,534,113</u>	<u>79</u>	<u>16,475,609</u>	<u>78</u>	<u>26,388,080</u>	<u>81</u>	<u>29,302,069</u>	<u>79</u>
GROSS PROFIT	<u>3,220,232</u>	<u>21</u>	<u>4,690,466</u>	<u>22</u>	<u>6,217,211</u>	<u>19</u>	<u>7,927,163</u>	<u>21</u>
OPERATING EXPENSES (Notes 25 and 32)								
Selling and marketing expenses	1,787,730	12	2,261,382	11	3,502,601	11	3,988,734	10
General and administrative expenses	672,876	4	661,329	3	1,106,844	3	1,172,851	3
Research and development expenses	327,279	2	351,554	2	697,969	2	722,322	2
Expected credit loss (gain) (Note 10)	(6,003)	-	(184,783)	(1)	<u>46,450</u>	-	(100,803)	-
Total operating expenses	<u>2,781,882</u>	<u>18</u>	<u>3,089,482</u>	<u>15</u>	<u>5,353,864</u>	<u>16</u>	<u>5,783,104</u>	<u>15</u>
PROFIT FROM OPERATIONS	<u>438,350</u>	<u>3</u>	<u>1,600,984</u>	<u>7</u>	<u>863,347</u>	<u>3</u>	<u>2,144,059</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 25)	(192,478)	(2)	(376,782)	(1)	(421,260)	(1)	(637,349)	(2)
Share of profit of associates accounted for using the equity method (Note 13)	1,611	-	9,300	-	2,621	-	20,200	-
Interest income	132,383	1	222,891	1	227,887	-	422,829	1
Other income (Notes 25 and 32)	134,589	1	221,289	1	265,090	1	377,219	1
Other gains and losses (Notes 19 and 25)	(156,375)	(1)	<u>45,237</u>	-	(89,815)	-	<u>218,387</u>	<u>1</u>
Total non-operating income and expenses	(80,270)	(1)	<u>121,935</u>	<u>1</u>	(15,477)	-	<u>401,286</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	358,080	2	1,722,919	8	847,870	3	2,545,345	7
INCOME TAX EXPENSE (Notes 4 and 26)	<u>105,282</u>	<u>1</u>	<u>491,458</u>	<u>2</u>	<u>239,440</u>	<u>1</u>	<u>732,899</u>	<u>2</u>
NET PROFIT	<u>252,798</u>	<u>1</u>	<u>1,231,461</u>	<u>6</u>	<u>608,430</u>	<u>2</u>	<u>1,812,446</u>	<u>5</u>
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	(978)	-	7,477	-	(1,313)	-	7,133	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	(2,940,348)	(18)	312,566	1	(2,122,810)	(7)	992,801	3
Income tax related to items that may be reclassified subsequently to profit or loss	<u>519,181</u>	<u>3</u>	(56,179)	-	<u>366,409</u>	<u>1</u>	(180,493)	(1)

(Continued)

	Three Months Ended June 30				Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income (loss), net of income tax	(\$2,422,145)	(15)	\$ 263,864	1	(\$1,757,714)	(6)	\$ 819,441	2
TOTAL COMPREHENSIVE INCOME	(\$2,169,347)	(14)	\$1,495,325	7	(\$1,149,284)	(4)	\$2,631,887	7
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 189,879	1	\$1,152,495	6	\$ 557,453	2	\$1,672,197	5
Non-controlling interests	<u>62,919</u>	<u>1</u>	<u>78,966</u>	-	<u>50,977</u>	-	<u>140,249</u>	-
	<u>\$ 252,798</u>	<u>2</u>	<u>\$1,231,461</u>	<u>6</u>	<u>\$ 608,430</u>	<u>2</u>	<u>\$1,812,446</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	(\$1,887,822)	(12)	\$1,377,060	6	(\$ 909,496)	(3)	\$2,393,934	6
Non-controlling interests	(<u>281,525</u>)	(<u>2</u>)	<u>118,265</u>	<u>1</u>	(<u>239,788</u>)	(<u>1</u>)	<u>237,953</u>	<u>1</u>
	(\$2,169,347)	(14)	\$1,495,325	7	(\$1,149,284)	(4)	\$2,631,887	7
EARNINGS PER SHARE (Note 28)								
Basic	<u>\$ 0.48</u>		<u>\$ 2.94</u>		<u>\$ 1.42</u>		<u>\$ 4.27</u>	
Diluted	<u>\$ 0.48</u>		<u>\$ 2.86</u>		<u>\$ 1.42</u>		<u>\$ 4.16</u>	

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

(With Deloitte & Touche auditors' review report dated August 8, 2025)

(Concluded)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Note 23)										
							Other Equity		Total	Non-controlling Interests	Total Equity
	Ordinary Shares		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income			
	Capital Stock Ordinary Shares	Registered Capital (Pending Change)		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2024	\$ 3,920,646	\$ -	\$ 4,726,957	\$ 6,531,622	\$ 1,904,900	\$ 18,581,965	(\$ 1,980,336)	(\$ 4,489)	\$ 33,681,265	\$ 2,644,028	\$ 36,325,293
Appropriation of 2023 earnings											
Legal reserve	-	-	-	345,285	-	(345,285)	-	-	-	-	-
Special reserve	-	-	-	-	79,925	(79,925)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,960,323)	-	-	(1,960,323)	-	(1,960,323)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	15	-	(15)	-	-	-
Net profit for the six months ended June 30, 2024	-	-	-	-	-	1,672,197	-	-	1,672,197	140,249	1,812,446
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	717,575	4,162	721,737	97,704	819,441
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	1,672,197	717,575	4,162	2,393,934	237,953	2,631,887
BALANCE AT JUNE 30, 2024	\$ 3,920,646	\$ -	\$ 4,726,957	\$ 6,876,907	\$ 1,984,825	\$ 17,868,644	(\$ 1,262,761)	(\$ 342)	\$ 34,114,876	\$ 2,881,981	\$ 36,996,857
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 (Note 19)	-	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

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

(With Deloitte & Touche auditors’ review report dated August 8, 2025)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 847,870	\$ 2,545,345
Adjustments for:		
Depreciation and amortization expenses	1,293,430	1,260,262
Expected credit loss (gain)	46,450	(100,803)
Valuation loss (gain) on financial assets and liabilities at fair value through profit or loss, net	(46,823)	13,203
Impairment loss on financial liabilities at amortized cost	54,661	-
Finance costs	421,260	637,349
Interest income	(227,887)	(422,829)
Dividend income	(29)	(19)
Share of profit of associates accounted for using the equity method	(2,621)	(20,200)
Loss on disposal of property, plant and equipment, net	6,399	6,130
(Reversal of) Write-down of inventories	(8,912)	656,137
Unrealized loss (gain) on foreign currency exchange	79,720	(90,815)
Realized deferred revenue	(23,704)	(19,889)
Gain on lease modification	(92)	(1,679)
Net changes in operating assets and liabilities		
Notes receivable	(64,896)	37,309
Accounts receivable	(40,747)	1,238,090
Other receivables	(61,548)	69,654
Inventories	5,193,821	5,995,049
Other current assets	(139,102)	280,067
Notes payable	304,648	(70,825)
Accounts payable	(7,526)	775,848
Other payables	(517,950)	(902,044)
Provisions	26,118	(3,918)
Other current liabilities	(8,421)	18,230
Net defined benefit assets	(3,381)	(5,733)
Cash generated from operations	7,120,738	11,893,919
Interest received	171,117	515,908
Interest paid	(394,838)	(572,348)
Income tax paid	(678,736)	(1,951,958)
Net cash generated from operating activities	<u>6,218,281</u>	<u>9,885,521</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	37,503
Acquisitions of financial assets at amortized cost	(499,085)	(3,615,585)
Proceeds from sale of financial assets at amortized cost	315,168	1,032,945
Acquisitions of financial assets at fair value through profit or loss	(219,305)	-
Proceeds from sale of financial assets at fair value through profit or loss	74,009	-

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GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED June 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Six Months Ended June 30	
	2025	2024
Acquisitions of property, plant and equipment	(\$ 448,783)	(\$ 454,636)
Proceeds from disposal of property, plant and equipment	63,590	17,637
Acquisitions of intangible assets	(137,036)	(52,127)
Decrease (increase) in other non-current assets	(11,707)	1,463
Increase in prepayments for equipment	(364,621)	(190,619)
Other dividends received	17,801	19
Government grants received	<u>13,237</u>	<u>-</u>
Net cash used in investing activities	(<u>1,196,732</u>)	(<u>3,223,400</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(131,652)	-
Decrease in short-term bank loans	(3,008,670)	(6,259,938)
Repayment of bonds payable	(3,883,100)	-
Proceeds from long-term bank loans	2,491,855	7,823
Repayment of long-term bank loans	(661,740)	(196,589)
Repayment of the principal portion of lease liabilities	(248,938)	(230,571)
Increase in other non-current liabilities	<u>2,560</u>	<u>1,742</u>
Net cash used in financing activities	(<u>5,439,685</u>)	(<u>6,677,533</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(<u>929,712</u>)	<u>238,417</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,347,848)	223,005
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>13,998,819</u>	<u>14,792,315</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 12,650,971</u>	<u>\$ 15,015,320</u>

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

(With Deloitte & Touche auditors' review report dated August 8, 2025)

(Concluded)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(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 are 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 8, 2025.

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 for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the initial application of the above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- 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 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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were approved, the Group continues to evaluating 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 liabilities 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 7 and 8 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, 2024 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

Income tax expense 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 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 on the carrying amounts of assets and liabilities 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. These estimates and underlying assumptions are reviewed on an ongoing basis by management.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	\$ 2,685	\$ 2,781	\$ 3,329
Checking accounts and demand deposits	10,473,658	9,376,235	13,670,035
Cash equivalents			
Time deposits with original maturities of less than three months	2,037,012	4,298,315	1,250,093
Repurchase agreements collateralized by bonds	<u>140,025</u>	<u>328,060</u>	<u>105,000</u>
	12,653,380	14,005,391	15,028,457
Less: Pledged time deposits (Note 33)	(<u>2,409</u>)	(<u>6,572</u>)	(<u>13,137</u>)
	<u>\$ 12,650,971</u>	<u>\$ 13,998,819</u>	<u>\$ 15,015,320</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Investment products (a)	\$ 204,065	\$ -	\$ -
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (b)	6,709	50	-
Foreign exchange swap contracts (c)	<u>-</u>	<u>-</u>	<u>4,243</u>
	<u>\$ 210,774</u>	<u>\$ 50</u>	<u>\$ 4,243</u>

Financial liabilities – current

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)

Cross currency swap contracts (d)	\$ 27,233	\$ -	\$ -
Foreign exchange forward contracts (b)	3,627	3,045	727
Redemption rights and put options of convertible bonds (Note 19)	-	46,400	18,400
	<u>\$ 30,860</u>	<u>\$ 49,445</u>	<u>\$ 19,127</u>

- a. The Group entered into contracts with banks for non-principal-guaranteed Investment products. At initial recognition, the Group elected to designate the entire contract as a financial asset at fair value through profit or loss.
- b. 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, 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
Put	USD/AUD	2025.7.29	USD612/AUD938
<u>December 31, 2024</u>			
Sell	USD/NTD	2025.1.3-2025.2.5	USD9,000/NTD293,475
	CNY/NTD	2025.1.21-2025.2.21	CNY100,000/NTD446,070
<u>June 30, 2024</u>			
Sell	USD/NTD	2024.7.10-2024.7.30	USD4,000/NTD128,789
Put	USD/AUD	2024.7.30-2024.8.29	USD1,028/NTD1,536

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2024</u>			
Foreign exchange swap contracts	EUR/NTD	2024.11.15-2024.12.13	EUR90,000/NTD3,098,720

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

June 30, 2025

Contract Amount (In Thousands)	Maturity Date	Payable Interest Rate	Receivable Interest Rate
EUR 40,000/TWD 1,354,000	2026.01.15	3.164%	2.035%

The Group entered into foreign exchange forward contracts, foreign exchange swap contracts and cross currency swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These foreign exchange forward contracts, foreign exchange swap contracts and cross currency swap contracts 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, 2025	December 31, 2024	June 30, 2024
<u>Investments in equity instruments - non-current</u>			
Domestic unlisted company	\$ 27,717	\$ 28,752	\$ 29,131
Domestic listed company	<u>975</u>	<u>1,253</u>	<u>1,468</u>
	<u>\$ 28,692</u>	<u>\$ 30,005</u>	<u>\$ 30,599</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. 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, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 290,249	\$ 213,567	\$ 47,900
Pledged bank deposits	<u>2,409</u>	<u>6,572</u>	<u>13,137</u>
	<u>\$ 292,658</u>	<u>\$ 220,139</u>	<u>\$ 61,037</u>
	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 3,693,577</u>	<u>\$ 3,963,915</u>	<u>\$ 3,645,802</u>

Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 161,776	\$ 109,018	\$ 89,531
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 161,776</u>	<u>\$ 109,018</u>	<u>\$ 89,531</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 11,606,192	\$ 12,113,743	\$ 12,104,814
Less: Allowance for impairment loss	(<u>1,404,058</u>)	(<u>1,419,318</u>)	(<u>1,376,077</u>)
	<u>\$ 10,202,134</u>	<u>\$ 10,694,425</u>	<u>\$ 10,728,737</u>
<u>Other receivables</u>			
Other receivables	\$ 281,812	\$ 181,876	\$ 111,192
Less: Allowance for impairment loss	(<u>15,653</u>)	(<u>16,566</u>)	(<u>6,845</u>)
	<u>\$ 266,159</u>	<u>\$ 165,310</u>	<u>\$ 104,347</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, 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	<u>\$ 9,381,530</u>	<u>\$ 868,411</u>	<u>\$ 56,013</u>	<u>\$ 57,956</u>	<u>\$ -</u>	<u>\$10,363,910</u>
<u>December 31, 2024</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 10,245,561	\$ 523,650	\$ 178,918	\$ 709,797	\$ 564,835	\$12,222,761
Loss allowance (lifetime ECL)	(82,550)	(29,595)	(61,389)	(680,949)	(564,835)	(1,419,318)
Amortized cost	<u>\$ 10,163,011</u>	<u>\$ 494,055</u>	<u>\$ 117,529</u>	<u>\$ 28,848</u>	<u>\$ -</u>	<u>\$10,803,443</u>
<u>June 30, 2024</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 9,705,486	\$ 1,054,279	\$ 174,445	\$ 695,300	\$ 564,835	\$12,194,345
Loss allowance (lifetime ECL)	(77,177)	(36,323)	(55,468)	(642,274)	(564,835)	(1,376,077)
Amortized cost	<u>\$ 9,628,309</u>	<u>\$ 1,017,956</u>	<u>\$ 118,977</u>	<u>\$ 53,026</u>	<u>\$ -</u>	<u>\$10,818,268</u>

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

	Six Months Ended June 30			
	2025		2024	
	Accounts Receivable	Other Receivables	Accounts Receivable	Other Receivables
Balance at January 1	\$ 1,419,318	\$ 16,566	\$ 1,466,058	\$ 6,900
Net remeasurement (reversed) of loss allowance	46,474	(24)	(100,738)	(65)
Amounts written off	(16,983)	-	(13,549)	-
Effects of foreign currency exchange differences	(44,751)	(889)	24,306	10
Balance at June 30	<u>\$ 1,404,058</u>	<u>\$ 15,653</u>	<u>\$ 1,376,077</u>	<u>\$ 6,845</u>

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods and merchandise	\$ 13,698,506	\$ 19,220,121	\$ 20,209,175
Work in process	539,287	323,266	668,691
Raw materials and supplies	<u>5,981,214</u>	<u>6,746,686</u>	<u>8,148,941</u>
	<u>\$ 20,219,007</u>	<u>\$ 26,290,073</u>	<u>\$ 29,026,807</u>

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2025 and 2024 was \$12,032,639 thousand, \$16,043,357 thousand, \$25,474,557 thousand and \$28,506,850 thousand, respectively. The cost of goods sold for the three months and six months ended June 30, 2025 and 2024 included (reversal of) inventory write-downs of (\$104,447) thousand, \$123,998 thousand, (\$8,912) thousand and \$656,137 thousand, respectively. During the three months ended June 30, 2025 and the six months ended June 30, 2025, 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, 2025	December 31, 2024	June 30, 2024
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	Giant Bicycle (Thailand) Co., Ltd. ("Giant Thailand") (Note 1)	100	100	-
	Giant Europe B.V. ("Giant Europe")	100	100	100
Gaiwin	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 Deutschland GmbH ("Giant Germany")	100	100	100
Giant Europe	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 (China) Co., Ltd. ("Giant China")	100	100	100
Growood	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

(Continued)

Investor	Investee	% of Ownership		
		June 30, 2025	December 31, 2024	June 30, 2024
Giant Holding	Giant (Kunshan) Co., Ltd. (“Giant Kunshan”)	100	100	100
	Giant Cycling Service (Kunshan) Co., Ltd. (“Giant Cycling Service”)	100	100	100
	Giant (Jiangsu) Co., Ltd. (“Giant Jiangsu”)	100	100	100
Giant China	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
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	100	100
	Innovation Tech Investments Pte. Ltd. (“Innovation Tech”)	100	100	100
	D.Mag Precision Technology Vietnam Co., Ltd. (“D.Mag Precision”) (Note 1)	100	100	-
Innovation Tech	D.Mag Light Metal Technology Vietnam Co., Ltd. (“D.Mag Light Metal”) (Note 1)	100	100	-
(Concluded)				

Note 1: A newly established subsidiary in 2024.

Note 2: Deregistered in July 2025.

Refer to Tables 7 and 8 for the information on the main business items and the countries of incorporation of the abovementioned subsidiaries.

For the six months ended June 30, 2025 and 2024, 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, 2025	December 31, 2024	June 30, 2024
Investments in insignificant associates	\$ <u>177,723</u>	\$ <u>193,990</u>	\$ <u>152,350</u>

Refer to Tables 7 and 8 for the information on the main business items and countries of incorporation of the abovementioned associates.

In November 2024, Microprogram Information Co., Ltd. (“Microprogram”) completed a cash capital increase of \$323,000 thousand. The Company subscribed to additional new shares of Microprogram at a percentage different from its existing ownership percentage, reducing its continuing interest to 18%, and increasing the capital surplus by \$39,721 thousand.

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, 2025	December 31, 2024	June 30, 2024
Contract assets	\$ 1,221,014	\$ 1,124,032	\$ 1,049,250
Input value-added tax	699,018	913,607	312,685
Prepaid expenses	428,338	277,115	457,893
Prepayment for purchases	54,917	192,791	180,155
Others	<u>291,240</u>	<u>104,721</u>	<u>113,856</u>
	<u>\$ 2,694,527</u>	<u>\$ 2,612,266</u>	<u>\$ 2,113,839</u>

15. PROPERTY, PLANT AND EQUIPMENT

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	<u>303,020</u>	<u>112,679</u>	<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>

Six Months Ended June 30, 2024						
	Beginning Balance	Additions	Disposals	Reclassifications	Effects of foreign currency exchange differences	Ending Balance
<u>Cost</u>						
Land	\$ 998,752	\$ -	\$ -	\$ -	(\$ 1,252)	\$ 997,500
Buildings	10,340,704	28,798	7,184	10,843	200,958	10,574,119
Machinery equipment	9,426,796	22,266	161,936	159,241	234,285	9,680,652
Transportation equipment	315,164	8,014	27,950	27	7,191	302,446
						(Continued)

Office equipment	382,078	10,496	4,850	2,514	5,688	395,926
Furniture and fixtures	15,362	629	379	(36)	107	15,683
Other equipment	4,576,775	173,569	56,129	84,412	104,781	4,883,408
Construction in progress	<u>432,015</u>	<u>81,563</u>	<u>3,872</u>	<u>(114,038)</u>	<u>12,911</u>	<u>408,579</u>
	<u>26,487,646</u>	<u>\$ 325,335</u>	<u>\$ 262,300</u>	<u>\$ 142,963</u>	<u>\$ 564,669</u>	<u>27,258,313</u> (Concluded)

Accumulated depreciation

Buildings	\$ 3,819,912	\$ 215,994	\$ 5,876	\$ -	\$ 79,465	\$ 4,109,495
Machinery equipment	5,732,619	359,964	121,289	(44)	135,753	6,107,003
Transportation equipment	240,193	13,617	26,945	-	5,827	232,692
Office equipment	279,703	17,956	4,648	-	3,701	296,712
Furniture and fixtures	11,469	780	360	(36)	56	11,909
Other equipment	<u>3,272,110</u>	<u>306,231</u>	<u>49,797</u>	<u>-</u>	<u>81,184</u>	<u>3,609,728</u>
	<u>13,356,006</u>	<u>\$ 914,542</u>	<u>\$ 208,915</u>	<u>(\$ 80)</u>	<u>\$ 305,986</u>	<u>14,367,539</u>

Accumulated impairment

Machinery equipment	25,748	\$ -	\$ 26,349	\$ -	\$ 601	-
Other equipment	<u>4,113</u>	<u>-</u>	<u>3,269</u>	<u>-</u>	<u>103</u>	<u>947</u>
	<u>29,861</u>	<u>\$ -</u>	<u>\$ 29,618</u>	<u>\$ -</u>	<u>\$ 704</u>	<u>947</u>

Net	<u>\$ 13,101,779</u>					<u>\$ 12,889,827</u>
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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 5-50 years

Others 5-15 years

Machinery equipment 2-15 years

Transportation equipment 1 - 8 years

Office equipment 1-20 years

Furniture and fixtures 1-20 years

Other equipment 1-15 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Land	\$ 1,816,595	\$ 1,970,142	\$ 1,589,551
Buildings	1,180,136	1,343,102	1,257,891
Others	<u>116,152</u>	<u>119,586</u>	<u>125,892</u>
	<u>\$ 3,112,883</u>	<u>\$ 3,432,830</u>	<u>\$ 2,973,334</u>

	Six Months Ended June 30	
	2025	2024
Additions to right-of-use assets	\$ 183,219	\$ 193,111

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Depreciation charge for right-of-use assets				
Land	\$ 15,364	\$ 8,215	\$ 37,054	\$ 15,998
Buildings	80,350	95,260	194,956	182,837
Others	20,680	19,289	44,614	39,900
	<u>\$ 116,394</u>	<u>\$ 122,764</u>	<u>\$ 276,624</u>	<u>\$ 238,735</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 three months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current	\$ 556,319	\$ 626,222	\$ 594,146
Non-current	\$ 1,115,757	\$ 1,182,831	\$ 1,130,155

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

	June 30, 2025	December 31, 2024	June 30, 2024
Land	0.26-5.25	0.26-5.25	0.26-5.25
Buildings	0.17-8.00	0.17-12.88	0.17-12.88
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 of 1 to 20 years. The Group does not have bargain purchase options to acquire the leasehold 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.

17. OTHER INTANGIBLE ASSETS

	Computer Software	Patents	Trademark	Others	Total
<u>Cost</u>					
Balance at January 1, 2025	\$ 1,324,975	\$ 173,263	\$ 297,070	\$ 85,130	\$ 1,880,438
Additions	136,914	-	-	122	137,036
Disposal	(25,662)	-	-	-	(25,662)
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>
<u>Accumulated amortization</u>					
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	(25,662)	-	-	-	(25,662)
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>
Carrying amount at December 31, 2024	<u>\$ 367,831</u>	<u>\$ 167,437</u>	<u>\$ 289,525</u>	<u>\$ 25,043</u>	<u>\$ 849,836</u>

	Computer Software	Patents	Trademark	Others	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 1,063,220	\$ 4,065	\$ 3,523	\$ 76,701	\$ 1,147,509
Additions	38,555	-	-	13,572	52,127
Disposal	(1,239)	-	-	-	(1,239)
Effects of foreign currency exchange differences	11,624	129	-	2,525	14,278
Balance at June 30, 2024	<u>\$ 1,112,160</u>	<u>\$ 4,194</u>	<u>\$ 3,523</u>	<u>\$ 92,798</u>	<u>\$ 1,212,675</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2024	\$ 764,008	\$ 4,065	\$ 2,683	\$ 46,136	\$ 816,892
Amortization expense	100,575	-	163	6,144	106,882
Disposal	(1,239)	-	-	-	(1,239)
Effects of foreign currency exchange differences	8,223	-	-	1,655	9,878
Balance at June 30, 2024	<u>\$ 871,567</u>	<u>\$ 4,065</u>	<u>\$ 2,846</u>	<u>\$ 53,935</u>	<u>\$ 932,413</u>
Carrying amount at June 30, 2024	<u>\$ 240,593</u>	<u>\$ 129</u>	<u>\$ 677</u>	<u>\$ 38,863</u>	<u>\$ 280,262</u>

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:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Operating costs	\$ 6,484	\$ 5,919	\$ 12,598	\$ 11,912
Selling and marketing expenses	<u>57,771</u>	<u>47,268</u>	<u>114,424</u>	<u>94,970</u>
	<u>\$ 64,255</u>	<u>\$ 53,187</u>	<u>\$ 127,022</u>	<u>\$ 106,882</u>

18. LOANS

a. Short-term bank loans

	June 30, 2025	December 31, 2024	June 30, 2024
Credit loans	<u>\$ 10,156,129</u>	<u>\$ 13,410,792</u>	<u>\$ 12,336,045</u>
<u>Interest rates (%)</u>			
Credit loans	0.51-10.37	0.58-13.11	0.28-13.70

b. Long-term bank loans

	June 30, 2025	December 31, 2024	June 30, 2024
Credit loans	\$ 5,140,456	\$ 3,553,658	\$ 3,814,794
Less: Current portion of long-term borrowings	(356,326)	(503,691)	(551,477)
Less: Discounts on government grants (Note 28)	(<u>20,762</u>)	(<u>27,097</u>)	(<u>35,140</u>)
	<u>\$ 4,763,368</u>	<u>\$ 3,022,870</u>	<u>\$ 3,228,177</u>
Effective interest rates (%)	0.73-4.70	0.52-5.10	0.73-4.70
Maturity Date	2025-2030	2025-2030	2024-2030

The long-term bank loan originally due in December 2029 has been extended to mature in 2030 within the grace period.

19. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic unsecured convertible bonds	\$ 113,557	\$ 3,865,145	\$ 3,838,218
Less: Current portion	(113,557)	(3,865,145)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,838,218</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 2024, the conversion price of the convertible bonds has been adjusted in accordance with the issuance and conversion terms. The adjusted conversion price is \$260 per share, effective from August 31, 2024. 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 on June 13, 2025, resulting in recognizing a loss on convertible bond redemption of \$54,661 thousand, classified as "Other gains and losses" in the statement of comprehensive income. The changes in the master contract and the embedded derivatives related to the redemption right and put option from the issuance date to June 30, 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)	3,729,907

(Continued)

Interest calculated using the effective interest rate of 1.399%	135,238
Liability component as of December 31, 2024	\$ 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	<u>\$ 113,557</u>
	(Concluded)

20. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for salaries and bonus rewards	\$ 3,054,211	\$ 3,717,450	\$ 3,254,001
Payables for dividends	862,542	-	1,960,323
Payables for acquisitions of equipment	257,749	307,394	254,518
Payables for unused annual leave	188,818	197,708	180,808
Payable for compensation to employees and remuneration of directors	66,990	201,356	232,905
Others	<u>4,514,074</u>	<u>4,670,592</u>	<u>4,389,728</u>
	<u>\$ 8,944,384</u>	<u>\$ 9,094,500</u>	<u>\$ 10,272,283</u>

21. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Warranties (a)	\$ 237,611	\$ 239,969	\$ 268,978
Sales returns and allowances (b)	<u>102,615</u>	<u>94,084</u>	<u>109,827</u>
	<u>\$ 340,226</u>	<u>\$ 334,053</u>	<u>\$ 378,805</u>
<u>Non-current (classified as other non-current liabilities)</u>			
Decommissioning (c)	\$ 14,861	\$ 14,725	\$ 14,146
Warranties (a)	<u>12,218</u>	<u>9,658</u>	<u>9,921</u>
	<u>\$ 27,079</u>	<u>\$ 24,383</u>	<u>\$ 24,067</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 local sale of goods legislation. 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, 2025 and 2024 were calculated using the actuarially determined pension cost rates as of December 31, 2024 and 2023, respectively. Please refer to Note 25.

23. EQUITY

a. Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
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>\$ 3,920,646</u>	<u>\$ 3,920,646</u>	<u>\$ 3,920,646</u>
Registered capital (pending change)	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>

The convertible bondholders requested conversion of \$8 thousand for the six months ended June 30, 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. However, as of the review report date of these consolidated financial statements, the registration change has not yet been completed.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<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	255,589	-	-
Conversion of bonds	203	-	-
<u>May only be used to offset a deficit</u>			
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	50,375	50,375	10,654
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	263,283	263,283
Employee share options	95,401	95,401	95,401
Others	<u>180</u>	<u>180</u>	<u>180</u>
	<u>\$ 4,766,868</u>	<u>\$ 4,766,678</u>	<u>\$ 4,726,957</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 capital surplus 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 2024 and 2023 approved at the shareholders' meetings held in June 2025 and 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$ 131,822	\$ 345,285		
Special reserve (reversed)	(676,587)	79,925		
Cash dividends	862,542	1,960,323	\$ 2.2	\$ 5

At the shareholders' meeting held in June 2025, shareholders passed a resolution authorizing the Chairman to adjust the cash dividend distribution rate for 2024. Following the conversion of convertible bonds to ordinary shares, which increased the number of shares outstanding, 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 \$71,523 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.

24. REVENUE

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from the sale of goods	\$14,896,535	\$ 20,258,514	\$30,893,159	\$ 35,509,265
Others	<u>857,810</u>	<u>907,561</u>	<u>1,712,132</u>	<u>1,719,967</u>
	<u>\$15,754,345</u>	<u>\$ 21,166,075</u>	<u>\$32,605,291</u>	<u>\$ 37,229,232</u>
a. Contract balances				
	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes Receivable	\$ 161,776	\$ 109,018	\$ 89,531	\$ 124,617
Accounts Receivable	<u>10,202,134</u>	<u>10,694,425</u>	<u>10,728,737</u>	<u>11,937,207</u>
	<u>\$ 10,363,910</u>	<u>\$ 10,803,443</u>	<u>\$ 10,818,268</u>	<u>\$ 12,061,824</u>
Contract assets				
Others	\$ 1,221,014	\$ 1,124,032	\$ 1,049,250	\$ 612,634
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,221,014</u>	<u>\$ 1,124,032</u>	<u>\$ 1,049,250</u>	<u>\$ 612,634</u>
Contracted Liabilities				
Revenue from the sale of goods	<u>\$ 213,302</u>	<u>\$ 235,024</u>	<u>\$ 260,263</u>	<u>\$ 184,768</u>
b. Disaggregation of revenue from contracts with customers				
Refer to Note 37 for details of revenue information.				

25. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 172,467	\$ 356,455	\$ 378,062	\$ 597,075
Interest on convertible corporate bonds	11,088	13,393	24,623	26,740
Interest on lease liabilities	<u>8,923</u>	<u>6,934</u>	<u>18,575</u>	<u>13,534</u>
	<u>\$ 192,478</u>	<u>\$ 376,782</u>	<u>\$ 421,260</u>	<u>\$ 637,349</u>

b. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Government grants	\$ 65,353	\$ 166,197	\$ 92,249	\$ 196,304
Others	<u>69,236</u>	<u>55,092</u>	<u>172,841</u>	<u>180,915</u>
	<u>\$ 134,589</u>	<u>\$ 221,289</u>	<u>\$ 265,090</u>	<u>\$ 377,219</u>

c. Other gains and losses

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gain (loss), net	(\$ 230,598)	\$ 26,999	(\$ 73,941)	\$ 238,780
Valuation gain (loss) on financial assets and liabilities at FVTPL, net	138,406	38,243	46,823	(13,203)
Impairment loss on financial liabilities at amortized cost (Note 19)	(54,661)	-	(54,661)	-
Others	(<u>9,522</u>)	(<u>20,005</u>)	(<u>8,036</u>)	(<u>7,190</u>)
	(<u>\$ 156,375</u>)	<u>\$ 45,237</u>	(<u>\$ 89,815</u>)	<u>\$ 218,387</u>

d. Employee benefits expense, depreciation and amortization

Nature	Three Months Ended June 30					
	2025			2024		
	Operating Costs	Operating and Non-operating Expenses	Total	Operating Costs	Operating and Non-operating Expenses	Total
Short-term employee benefits	\$1,222,819	\$ 726,215	\$1,949,034	\$1,306,809	\$ 981,315	\$2,288,124
Labor insurance, health insurance and social welfare insurance	135,844	106,194	242,038	126,485	105,159	231,644
Post-employment benefits						
Defined contribution plans	105,140	52,305	157,445	105,029	54,502	159,531
Defined benefit plans	92	632	724	86	240	326
Other employee benefits	104,543	62,302	166,845	105,003	77,706	182,709
Depreciation and amortization expenses	289,063	326,146	615,209	297,837	336,136	633,973

Nature	Six Months Ended June 30					
	2025			2024		
	Operating Costs	Operating and Non-operating Expenses	Total	Operating Costs	Operating and Non-operating Expenses	Total
Short-term employee benefits	\$2,475,156	\$1,578,062	\$4,053,218	\$2,403,342	\$1,761,047	\$4,164,389
Labor insurance, health insurance and social welfare insurance	274,888	198,146	473,034	248,793	192,551	441,344
Post-employment benefits						
Defined contribution plans	220,262	99,955	320,217	205,777	106,606	312,383
Defined benefit plans	184	1,256	1,440	175	906	1,081
Other employee benefits	207,354	128,429	335,783	203,280	150,751	354,031
Depreciation and amortization expenses	586,005	707,425	1,293,430	586,606	673,656	1,260,262

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 employees compensation as compensation distributions for non-executive employees. The compensation of employees and the remuneration of directors accrued for the three months and the six months ended June 30, 2025 and 2024 were as follows:

	Six Months Ended June 30			
	2025		2024	
<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	
	2025	2024	2025	2024
<u>Amount</u>				
Compensation of employees	\$ 16,243	\$ 125,826	\$ 52,256	\$ 181,776
Remuneration of directors	\$ 4,586	\$ 25,334	\$ 14,734	\$ 51,129

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.

2024 and 2023 employees' compensation and remuneration of directors approved in the board of directors' meetings in March 2025 and 2024, respectively, were as follows:

	Years Ended December 31			
	2024		2023	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	7%	\$ 156,808	7%	\$ 322,534
Remuneration of directors	2%	44,548	2%	92,067

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 2024 and 2023 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 were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	\$ 217,949	\$ 931,362	\$ 340,659	\$1,323,627
Income tax on unappropriated earnings	-	-	37,522	39,969
Adjustments for prior year	(<u>64,013</u>)	(<u>99,680</u>)	(<u>64,013</u>)	(<u>99,680</u>)
	153,936	831,682	314,168	1,263,916
Deferred tax				
In respect of the current year	(<u>48,654</u>)	(<u>340,224</u>)	(<u>74,728</u>)	(<u>531,017</u>)
Income tax expense recognized in profit or loss	<u>\$ 105,282</u>	<u>\$ 491,458</u>	<u>\$ 239,440</u>	<u>\$ 732,899</u>

b. Income tax assessments

The income tax returns of the Company through 2022, as well as those of AIPS, Giant Sales, Giant Adventure and YouBike through 2023 have been assessed by the tax authorities.

c. Pillar Two income taxes

The government where Growood, Golden Rich, Light Metal Malaysia, Giant Polska, Innovation Tech, Giant Australia, Giant Vietnam Mfg., Giant SEA Bicycle, 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 and Giant Italy are incorporated, enacted the Pillar Two income tax legislation effective on January 1, 2024. Under the legislation, the above subsidiaries will be required to pay, in incorporated countries, a top-up tax on the profits of their group entities that are taxed at an effective tax rate of less than 15 percent. As of June 30, 2025, 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, 2025</u>			
Basic earnings per share			
Profit 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 three months ended June 30, 2024</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 1,152,495	392,065	<u>\$ 2.94</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	594	
Convertible bonds	<u>10,715</u>	<u>13,720</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 1,163,210</u>	<u>406,379</u>	<u>\$ 2.86</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, 2025</u>			
Basic earnings per share			
Profit 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>
	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, 2024</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 1,672,197	392,065	<u>\$ 4.27</u>
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	1,458	
Convertible bonds	<u>21,392</u>	<u>13,720</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 1,693,589</u>	<u>407,243</u>	<u>\$ 4.16</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. GOVERNMENT GRANTS

As of June 30, 2025, 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 operating turnover. The loan was expected to be repaid in installments between 2022 and 2030, 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. If the Group fails to meet the key points in the agreement during the loan period and the National Development Fund terminates the grant, the Group shall pay the original interest rate plus the annual interest rate.

29. ACQUISITION OF A GROUP OF ASSETS THAT DOES NOT CONSTITUTE A BUSINESS

In order to expand its business, SPIA acquired certain assets of Foundation Fitness, LLC and its associates for a consideration of US\$20,100 thousand in September 2024. In accordance with IFRS 3, the Group evaluated and concluded that the acquisition of group of assets did not constitute a business; therefore, the share purchase transaction is accounted for as acquisition of a group of assets.

The information relating to the assets acquired and the relevant net cash outflow on the date of acquisition:

a. Assets acquired

Current assets	
Inventories	\$ 28,231
Non - current assets	
Property, plant and equipment	16,491
Intangible assets	<u>591,463</u>
	<u>\$ 636,185</u>

b. Net cash outflow on the acquisition of group of assets.

Cash consideration paid in 2024	<u>\$ 636,185</u>
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30. 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 and other equity).

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.

31. 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, 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>
<u>December 31, 2024</u>				
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 50	\$ -	\$ 50
Financial assets at FVTOCI				
Domestic unlisted company	\$ -	\$ -	\$ 28,752	\$ 28,752
Domestic listed company	1,253	-	-	1,253
	<u>\$ 1,253</u>	<u>\$ -</u>	<u>\$ 28,752</u>	<u>\$ 30,005</u>
Financial liabilities at FVTPL				
Redemption right and put option of domestic convertible bonds	\$ -	\$ -	\$ 46,400	\$ 46,400
Foreign exchange forward contracts	-	3,045	-	3,045
	<u>\$ -</u>	<u>\$ 3,045</u>	<u>\$ 46,400</u>	<u>\$ 49,445</u>

June 30, 2024

Financial assets at FVTPL

Foreign exchange swap contracts	\$ -	\$ 4,243	\$ -	\$ 4,243
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Financial assets at FVTOCI

Domestic unlisted company	\$ -	\$ -	\$ 29,131	\$ 29,131
Domestic listed company	1,468	-	-	1,468
	<u>\$ 1,468</u>	<u>\$ -</u>	<u>\$ 29,131</u>	<u>\$ 30,599</u>

Financial liabilities at FVTPL

Redemption right and put option of domestic convertible bonds	\$ -	\$ -	\$ 18,400	\$ 18,400
Foreign exchange forward contracts	-	727	-	727
	<u>\$ -</u>	<u>\$ 727</u>	<u>\$ 18,400</u>	<u>\$ 19,127</u>

There was no transfer between Levels 1 and 2 for the six months ended June 30, 2025 and 2024.

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

Debt investments classified as financial assets at FVTPL

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Balance at January 1	\$ -	\$ -
Purchases	219,305	-
Effects of foreign currency exchange differences	(15,240)	-
Balance at June 30	<u>\$ 204,065</u>	<u>\$ -</u>

Equity investments classified as financial assets at FVTOCI

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Balance at January 1	\$ 28,752	\$ 58,804
Recognized in other comprehensive income	(1,035)	7,044
Disposals	-	(37,503)
Effects of foreign currency exchange differences	-	786
Balance at June 30	<u>\$ 27,717</u>	<u>\$ 29,131</u>

Derivative investments classified as financial liabilities at FVTPL

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Balance at January 1	\$ 46,400	\$ 33,200

(continued)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Recognized in profit or loss		
(Net loss (gain) on fair value changes of financial liabilities at fair value through profit or loss)	6,025	(14,800)
Settlements	(<u>52,425</u>)	<u>-</u>
Balance at June 30	<u>\$ -</u>	<u>\$ 18,400</u> (concluded)

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

Financial Instruments	Valuation Techniques and Inputs
Cross currency swap contracts, foreign exchange forward contracts and foreign exchange swap 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	Binomial tree pricing model of convertible bonds. Pricing is based on the volatility of conversion price, risk-free interest rate, risk discount rate and number of years to maturity.
Investment products	Counterparty quotes are used as valuation techniques and significant unobservable inputs to calculate the expected returns from these investments.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 210,774	\$ 50	\$ 4,243
Financial assets at amortized cost (1)	27,267,275	29,151,626	29,644,774
Financial assets at FVTOCI	28,692	30,005	30,599
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	30,860	49,445	19,127
Financial liabilities at amortized cost (2)	26,314,518	31,280,847	32,270,361

- 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 the 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 35.

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	
	2025	2024
USD	\$ 12,811	\$ 62,381
EUR	19,407	60,045
JPY	1,587	1,889
RMB	139	4,854

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 decreased during the current year mainly due to the disposal of USD and EUR denominated bank deposits and account receivables that resulted in lower sensitivity.

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, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 6,076,763	\$ 8,803,907	\$ 3,761,845
Financial liabilities	13,003,019	17,928,652	11,521,074
Cash flow interest rate risk			
Financial assets	10,557,758	9,376,185	14,961,227
Financial liabilities	4,058,437	4,682,899	10,157,144

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, 2025 and 2024 would increase/decrease by \$8,124 thousand and \$6,004 thousand, respectively.

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

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 55%, 41% and 43% of total accounts receivable as of June 30, 2025, December 31, 2024 and June 30, 2024, 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, 2025, December 31, 2024 and June 30, 2024, the Group had available unutilized bank loan facilities of \$48,647,827 thousand, \$46,329,339 thousand and \$59,687,508 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, 2025</u>			
Non-derivative financial liabilities			
Non-interest bearing liabilities	\$ 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>
<u>December 31, 2024</u>			
Non-derivative financial liabilities			
Non-interest bearing liabilities	\$ 10,478,349	\$ -	\$ -
Lease liabilities	639,570	393,822	1,042,454
Variable interest rate liabilities	1,660,029	2,535,976	486,894
Fixed interest rate liabilities	<u>16,119,599</u>	<u>-</u>	<u>-</u>
	<u>\$ 28,897,547</u>	<u>\$ 2,929,798</u>	<u>\$ 1,529,348</u>

	Less Than 1 Year	1-2 Years	Over 2 Years
<u>June 30, 2024</u>			
Non-derivative Financial Liabilities			
Non-interest bearing	\$ 12,316,444	\$ -	\$ -
Lease liabilities	621,533	329,945	873,199
Variable interest rate liabilities	6,928,967	2,429,350	798,827
Fixed interest rate liabilities	<u>5,958,555</u>	<u>-</u>	<u>3,838,218</u>
	<u>\$ 25,825,499</u>	<u>\$ 2,759,295</u>	<u>\$ 5,510,244</u>

32. 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
Shanghai RealMan Energy Technology Co., Ltd.	Other

Note: Formerly known as Meiki Gaint Co., Ltd. changed its name to Willbe in 2024.

b. Sales revenue

<u>Related Party Category</u>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Associates	\$ 14,916	\$ 2,556	\$ 22,478	\$ 4,978
Others	<u>928</u>	<u>4,892</u>	<u>3,335</u>	<u>6,499</u>
	<u>\$ 15,844</u>	<u>\$ 7,448</u>	<u>\$ 25,813</u>	<u>\$ 11,477</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

<u>Related Party Category</u>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Associates	\$ 11,308	\$ 103,141	\$ 30,826	\$ 195,196
Others	<u>150</u>	<u>153</u>	<u>276</u>	<u>330</u>
	<u>\$ 11,458</u>	<u>\$ 103,294</u>	<u>\$ 31,102</u>	<u>\$ 195,526</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	
	2025	2024	2025	2024
Associates	\$ <u>49,596</u>	\$ <u>23,908</u>	\$ <u>96,170</u>	\$ <u>83,601</u>

Costs for system equipment services provided.

e. Operating expense

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Others	\$ <u>945</u>	\$ <u>679</u>	\$ <u>1,633</u>	\$ <u>1,403</u>

f. Other income

Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Others	\$ <u>55</u>	\$ <u>1,028</u>	\$ <u>55</u>	\$ <u>3,704</u>

g. Receivables from related parties

Financial Statement Account	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Others	\$ 14	\$ 7	\$ 5,067
	Associates	<u>-</u>	<u>11,423</u>	<u>8</u>
		\$ <u>14</u>	\$ <u>11,430</u>	\$ <u>5,075</u>
Other receivables	Associates	\$ 8,057	\$ 5,299	\$ 1,111
	Others	<u>26</u>	<u>-</u>	<u>-</u>
		\$ <u>8,083</u>	\$ <u>5,299</u>	\$ <u>1,111</u>

h. Payables to related parties

Financial Statement Account	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable	Associates	\$ <u>12,211</u>	\$ <u>57,380</u>	\$ <u>126,981</u>
Other payables	Associates	\$ 102,363	\$ 75,591	\$ 63,256
	Others	<u>216</u>	<u>71</u>	<u>48</u>
		\$ <u>102,579</u>	\$ <u>75,662</u>	\$ <u>63,304</u>

i. Remuneration of key management

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 40,814	\$ 76,135	\$ 92,741	\$ 132,010
Post-employment benefits	<u>253</u>	<u>393</u>	<u>556</u>	<u>779</u>
	<u>\$ 41,067</u>	<u>\$ 76,528</u>	<u>\$ 93,297</u>	<u>\$ 132,789</u>

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

- a. The following assets were provided as collateral for performance guarantees of the Group, etc.:

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at amortized cost	<u>\$ 2,409</u>	<u>\$ 6,572</u>	<u>\$ 13,137</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. Unrecognized commitments were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisitions of property, plant and equipment	<u>\$ 360,365</u>	<u>\$ 457,540</u>	<u>\$ 489,467</u>

- b. The contract period of the existing product liability insurance policy (the “policy”) of the Company is from August 1, 2024 to August 1, 2025. 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 February 2031, and a total performance guarantee of \$556,251 thousand was provided.

35. 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, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial assets</u>						
Monetary items						
USD	\$ 138,526	29.587	\$ 4,098,569	\$ 175,367	32.780	\$ 5,748,530
EUR	70,181	34.272	2,405,243	39,602	34.126	1,351,458
JPY	2,371,584	0.2029	481,194	1,743,599	0.2098	365,807
RMB	30,447	4.0813	124,263	200,775	4.4790	899,271

Financial liabilities

Monetary items						
USD	95,227	29.587	2,817,481	69,241	32.780	2,269,720
EUR	13,554	34.272	464,523	20,852	34.126	711,595
JPY	1,589,640	0.2029	322,538	866,847	0.2098	181,865
RMB	27,033	4.0813	110,330	28,598	4.4790	128,090

	June 30, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 222,079	32.450	\$ 7,206,464
EUR	175,462	34.705	6,089,409
JPY	1,305,227	0.2016	263,134
RMB	135,725	4.4461	603,447

Financial liabilities

Monetary items			
USD	29,842	32.450	968,373
EUR	2,448	34.705	84,958
JPY	368,288	0.2016	74,247
RMB	26,545	4.4461	118,022

For the three months and six months ended June 30, 2025 and 2024, realized and unrealized foreign exchange gains (losses) were (\$230,598) thousand, \$26,999 thousand, (\$73,941) thousand and \$238,780 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.

36. 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) Marketable securities held (excluding investments in subsidiaries and associates). (Table 3)
- 4) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 4)

- 5) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 5)
 - 6) Intercompany relationships and significant intercompany transactions. (Table 6)
- b. Information on investees. (Table 7)
- 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 8)
 - 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 4)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 4)
 - 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)

37. 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, 2025 and 2024 are as follows:

	Segment Revenue		Segment Profit	
	Six Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Bicycle	\$ 28,888,888	\$ 33,130,905	\$ 554,093	\$ 1,743,444
Materials	2,004,271	2,378,360	123,792	357,950
Others	<u>1,712,132</u>	<u>1,719,967</u>	<u>185,462</u>	<u>42,665</u>
Total	<u>\$ 32,605,291</u>	<u>\$ 37,229,232</u>	863,347	2,144,059
Finance costs			(421,260)	(637,349)
Share of profit of associates accounted for using the equity method			2,621	20,200
Interest income			227,887	422,829
Other income			265,090	377,219
Other gains and losses			(89,815)	<u>218,387</u>
Profit before income tax			<u>\$ 847,870</u>	<u>\$ 2,545,345</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, 2025
(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	\$ 1,370,880 (EUR 40,000)	\$ 1,370,880 (EUR 40,000)	\$ 1,370,880 (EUR 40,000)	3.21%	2	\$ -	Operating Capital	\$ -	-	\$ -	\$ 3,198,363	\$ 12,793,452
		AIPS	Loans receivable - related parties	Yes	200,000	200,000	-	1.65%	2	-	Operating Capital	-	-	-	3,198,363	12,793,452
1	D. Mag	Light Metal Haian	Loans receivable - related parties	Yes	612,195 (RMB 150,000)	612,195 (RMB 150,000)	394,662 (RMB 96,700)	2.35%	2	-	Operating Capital	-	-	-	1,046,570	1,046,570
2	Gaiwin	Giant Vietnam Mfg.	Loans receivable - related parties	Yes	254,167 (USD 8,500)	179,412 (USD 6,000)	179,412 (USD 6,000)	5.90%	2	-	Operating Capital	-	-	-	2,399,040	2,399,040
		Giant Mexico	Loans receivable - related parties	Yes	598,040 (USD 20,000)	299,020 (USD 10,000)	299,020 (USD 10,000)	5.32%- 5.55%	2	-	Operating Capital	-	-	-	2,399,040	2,399,040
		SPIA	Loans receivable - related parties	Yes	747,550 (USD 25,000)	747,550 (USD 25,000)	149,510 (USD 5,000)	5.80%- 6.28%	2	-	Operating Capital	-	-	-	2,399,040	2,399,040
3	Quanzhou YouBike	Putian YouBike	Loans receivable - related parties	Yes	57,138 (RMB 14,000)	57,138 (RMB 14,000)	44,894 (RMB 11,000)	2.79%	2	-	Operating Capital	-	-	-	1,046,570	1,046,570
4	Giant Europe	SPIA	Loans receivable - related parties	Yes	149,510 (USD 5,000)	-	-	6.31%	2	-	Operating Capital	-	-	-	1,046,570	1,046,570
5	Golden Rich	Light Metal Malaysia	Loans receivable - related parties	Yes	8,816 (RMB 2,160)	8,816 (RMB 2,160)	8,816 (RMB 2,160)	2.85%	2	-	Operating Capital	-	-	-	1,046,570	1,046,570
6	Giant Holding	Giant Tianjin	Loans receivable - related parties	Yes	408,130 (RMB 100,000)	408,130 (RMB 100,000)	204,065 (RMB 50,000)	2.30%- 2.40%	2	-	Operating Capital	-	-	-	1,020,325	1,020,325
7	Giant Chengdu	Giant Tianjin	Loans receivable - related parties	Yes	204,065 (RMB 50,000)	204,065 (RMB 50,000)	204,065 (RMB 50,000)	2.40%	2	-	Operating Capital	-	-	-	1,046,570	1,046,570

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 USD35,000 thousand 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 Giant.

TABLE 2

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(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	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)	\$ 7,995,908	\$ 2,090,592 (EUR 61,000)	\$ 2,090,592 (EUR 61,000)	\$ 1,908,675 (EUR 55,692)	\$ -	6.54%	\$ 15,991,816	Y	N	N
		Giant Vietnam Mfg.	(Note 1)	7,995,908	897,060 (USD 30,000)	299,020 (USD 10,000)	84,000 (USD 2,809)	-	0.93%	15,991,816	Y	N	N
		Giant Mexico	(Note 1)	7,995,908	465,660 (MXN 300,000)	465,660 (MXN 300,000)	-	-	1.46%	15,991,816	Y	N	N
1	Giant China	Giant Holding	(Note 1)	1,046,570	4,310 (RMB 1,056)	4,310 (RMB 1,056)	4,310 (RMB 1,056)	-	0.13%	1,046,570	N	N	Y

Note 1: Refer to Note 12.

Note 2: Up to 25% of the net asset value of Giant, and up to USD35,000 thousand of other subsidiaries.

Note 3: Up to 50% (excluding 50%) of the net asset value of Giant, and up to USD35,000 thousand of other subsidiaries.

TABLE 3

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	JUNE 30, 2025				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Giant	<u>Stock</u> KMC (Kuei Meng) International Inc.	-	Financial assets at FVTOCI - non-current	10,484	\$ 975	-	\$ 975	
	Research Innovation Capital Corporation.	-	Financial assets at FVTOCI - non-current	6,000,000	27,717	-	27,717	
Giant China	<u>Investment products</u> BOC Wealth Management - Daily Delight Series 12 (Institutional Exclusive)	-	Financial assets at FVTPL - current	-	204,065		204,065	

TABLE 4

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, 2025
(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	(\$ 156,772)	(2)	T/T 15 days	(Note 2)	—	\$ 38,078	1	
	YouBike	(Note 1)	Sales	(182,864)	(3)	T/T 30 days	(Note 2)	—	22,845	1	
	Giant China	(Note 1)	Sales	(232,779)	(3)	T/T 90 days	(Note 2)	—	84,832	3	
	Giant Kunshan	(Note 1)	Sales	(346,945)	(5)	T/T 90 days	(Note 2)	—	73,957	3	
	Giant Tianjin	(Note 1)	Sales	(132,854)	(2)	T/T 90 days	(Note 2)	—	23,546	1	
	Giant Europe Mfg.	(Note 1)	Sales	(1,090,196)	(16)	T/T 90 days	(Note 2)	—	606,191	21	
	Giant Hungary Mfg.	(Note 1)	Sales	(445,499)	(6)	T/T 120 days	(Note 2)	—	411,596	14	
	Giant Europe	(Note 1)	Sales	(602,837)	(9)	T/T 60 days	(Note 2)	—	245,016	9	
	Giant Benelux	(Note 1)	Sales	(261,786)	(4)	T/T 60 days	(Note 2)	—	1,407	-	
	Giant UK	(Note 1)	Sales	(346,420)	(5)	T/T 60 days	(Note 2)	—	22,174	1	
	Giant USA	(Note 1)	Sales	(224,240)	(3)	T/T 90 days	(Note 2)	—	102,118	4	
	Giant Australia	(Note 1)	Sales	(138,145)	(2)	T/T 30 days	(Note 2)	—	42,703	1	
	Giant Germany	(Note 1)	Sales	(121,453)	(2)	T/T 60 days	(Note 2)	—	31,051	1	
	Giant Canada	(Note 1)	Sales	(114,651)	(2)	T/T 90 days	(Note 2)	—	40,713	1	
	AIPS	(Note 1)	Sales	(165,505)	(49)	T/T 30 days	(Note 2)	—	27,093	27	
Giant Vietnam	Giant USA	(Note 1)	Sales	(268,300)	(77)	T/T 90 days	(Note 2)	—	166,477	91	
Giant Tianjin	Giant Chengdu	(Note 1)	Sales	(227,237)	(7)	T/T 90 days	(Note 2)	—	79,455	32	
Giant Electric Vehicle	Giant	(Note 1)	Sales	(351,881)	(23)	T/T 60 days	(Note 2)	—	195,140	39	
	Giant Europe	(Note 1)	Sales	(148,051)	(10)	T/T 60 days	(Note 2)	—	82,063	16	
Giant Kunshan	Giant	(Note 1)	Sales	(149,536)	(3)	T/T 90 days	(Note 2)	—	72,600	11	
	Giant Sales	(Note 1)	Sales	(108,720)	(2)	T/T 60 days	(Note 2)	—	31,931	5	
	Giant Tianjin	(Note 1)	Sales	(664,682)	(14)	T/T 60 days	(Note 2)	—	176,834	27	
	Giant Japan	(Note 1)	Sales	(144,413)	(3)	T/T 60 days	(Note 2)	—	38,196	6	
	Giant Vietnam	(Note 1)	Sales	(136,572)	(3)	T/T 90 days	(Note 2)	—	60,510	9	
Giant China	Giant Kunshan	(Note 1)	Sales	(144,791)	(3)	T/T 60 days	(Note 2)	—	48,274	3	
	Giant Tianjin	(Note 1)	Sales	(510,250)	(11)	T/T 60 days	(Note 2)	—	207,771	12	
	Giant UK	(Note 1)	Sales	(107,691)	(2)	T/T 90 days	(Note 2)	—	54,616	3	
Giant Europe Mfg.	Giant Europe	(Note 1)	Sales	(1,008,504)	(25)	T/T 30 days	(Note 2)	—	85,588	8	
Giant Hungary Mfg.	Giant Benelux	(Note 1)	Sales	(175,116)	(9)	T/T 30 days	(Note 2)	—	19,338	2	
	Giant Europe	(Note 1)	Sales	(251,915)	(12)	T/T 30 days	(Note 2)	—	52,428	4	
Giant Europe	Giant Benelux	(Note 1)	Sales	(694,882)	(19)	T/T 30 days	(Note 2)	—	336,401	19	
	Giant France	(Note 1)	Sales	(1,093,415)	(29)	T/T 30 days	(Note 2)	—	686,424	38	
	Giant Germany	(Note 1)	Sales	(895,981)	(24)	T/T 30 days	(Note 2)	—	449,844	25	
	Giant UK	(Note 1)	Sales	(171,006)	(5)	T/T 30 days	(Note 2)	—	122,801	7	
	Giant Italy	(Note 1)	Sales	(404,964)	(11)	T/T 30 days	(Note 2)	—	331,890	18	
Giant Benelux	Giant Europe	(Note 1)	Sales	(902,848)	(36)	T/T 30 days	(Note 2)	—	824,803	72	
Giant Germany	Giant Europe	(Note 1)	Sales	(277,129)	(16)	T/T 30 days	(Note 2)	—	38,785	7	

(Continued)

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	
D. Mag	Giant	(Note 1)	Sales	(\$ 106,508)	(4)	T/T 60 days	(Note 2)	—	\$ 35,536	3	
	Giant China	(Note 1)	Sales	(106,978)	(4)	T/T 30 days	(Note 2)	—	47,128	3	
	Giant Kunshan	(Note 1)	Sales	(370,198)	(12)	T/T 30 days	(Note 2)	—	190,157	14	
	Giant Tianjin	(Note 1)	Sales	(183,408)	(6)	T/T 30 days	(Note 2)	—	92,910	7	
	Light Metal Haian	(Note 1)	Sales	(256,766)	(9)	T/T 120 days	(Note 2)	—	228,592	16	
	Golden Rich	(Note 1)	Sales	(174,112)	(6)	T/T 120 days	(Note 2)	—	58,610	4	
Light Metal Haian	D. Mag	(Note 1)	Sales	(276,462)	(83)	T/T 30 days	(Note 2)	—	62,722	69	

(Concluded)

- Note 1: Refer to Note 12.
- Note 2: The Company decided the price by type of products sold and market acceptance.
- Note 3: Significant intercompany accounts and transactions have been eliminated.

TABLE 5

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, 2025
(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	Giant USA	(Note 1)	Accounts receivable - related parties	\$ 102,118	6	\$ -	—	\$ 23,732	-
			Other receivables - related parties	815	-	-	—	5	-
	Giant Europe Mfg.	(Note 1)	Accounts receivable - related parties	606,191	5	-	—	182,033	-
	Giant Hungary Mfg.	(Note 1)	Accounts receivable - related parties	411,596	3	-	—	82,005	-
			Other receivables - related parties	456	-	-	—	379	-
	Giant Europe	(Note 1)	Accounts receivable - related parties	245,016	5	-	—	149,931	-
			Other receivables - related parties	1,080	-	-	—	-	-
			Loans receivable-related parties	1,370,880	-	-	—	-	-
Giant Holding	Giant Tianjin	(Note 1)	Loans receivable-related parties	204,065	-	-	—	-	-
Giant Electric Vehicle	Giant	(Note 1)	Accounts receivable - related parties	195,140	3	-	—	59,756	-
			Other receivables - related parties	2,823	-	-	—	-	-
Giant Vietnam	Gaint USA	(Note 1)	Accounts receivables - related parties	166,477	6	-	—	51,856	-
Gaiwin	Giant Europe	(Note 1)	Accounts receivable - related parties	495,573	-	382,476	—	382,476	-
	Giant Mexico	(Note 1)	Accounts receivable - related parties	25,310	-	-	—	-	-
			Other receivables - related parties	2,677	-	-	—	-	-
			Loans receivable-related parties	299,020	-	-	—	-	-
	Giant Vietnam Mfg.	(Note 1)	Loans receivable-related parties	179,412	-	-	—	-	-
	SPIA	(Note 1)	Loans receivable-related parties	149,510	-	-	—	-	-
	Giant Europe Mfg.	Giant Europe	(Note 1)	Accounts receivable - related parties	85,588	30	-	—	85,588
Other receivables - related parties				17,414	-	-	—	-	-
Giant Kunshan	Giant Tianjin	(Note 1)	Accounts receivable - related parties	176,834	6	-	—	74,581	-
			Other receivables - related parties	1,375	-	-	—	-	-
Giant Chengdu	Giant Tianjin	(Note 1)	Loans receivable-related parties	204,065	-	-	—	204,065	-
Giant China	Giant Tianjin	(Note 1)	Accounts receivable - related parties	207,771	6	-	—	115,873	-
Giant Europe	Giant Benelux	(Note 1)	Accounts receivable - related parties	366,401	7	126,208	—	-	-
			Other receivables - related parties	42,939	-	-	—	-	-
	Giant France	(Note 1)	Accounts receivable - related parties	686,424	3	453,197	—	167,635	-
			Other receivables - related parties	70,599	-	37,267	—	-	-
	Giant Germany	(Note 1)	Accounts receivable - related parties	449,844	3	284,416	—	166,750	-
	Giant Italy	(Note 1)	Accounts receivable - related parties	331,890	3	268,516	—	59,862	-
			Other receivables - related parties	14,989	-	10,825	—	-	-
	Giant UK	(Note 1)	Accounts receivable - related parties	122,801	5	103,289	—	33,604	-
			Other receivables - related parties	53,475	-	43,538	—	-	-

(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 Benelux	Giant Europe	(Note 1)	Accounts receivable - related parties	\$ 824,803	4	\$ 824,803	—	\$ -	-
Giant USA	Gaiwin	(Note 1)	Accounts receivable - related parties	100,996	-	-	—	100,996	-
D. Mag	Giant Kunshan	(Note 1)	Note receivable - related parties	119,464	-	-	—	70,495	-
			Accounts receivable - related parties	70,693	9	-	—	-	-
	Light Metal Haian	(Note 1)	Accounts receivable - related parties	228,592	2	-	—	77,193	-
			Loans receivable-related parties	394,662	-	-	—	-	-

(Concluded)

Note 1: Refer to Note 12.

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

TABLE 6

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(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 Kunshan	1	Sales	(\$ 346,945)	T/T 90 days	1
		Giant Europe Mfg.	1	Sales	(1,090,196)	T/T 90 days	3
		Giant Hungary Mfg.	1	Sales	(445,499)	T/T 120 days	1
		Giant Europe	1	Sales	(602,837)	T/T 60 days	2
			1	Loans receivable – related parties	1,370,880	(Note 3)	2
		Giant UK	1	Sales	(346,420)	T/T 60 days	1
1	Giant Electric Vehicle	Giant	2	Sales	(351,881)	T/T 60 days	1
2	Giant Kunshan	Giant Tianjin	3	Sales	(664,682)	T/T 60 days	2
3	Giant China	Giant Tianjin	3	Sales	(510,250)	T/T 60 days	2
4	Giant Europe Mfg.	Giant Europe	3	Sales	(1,008,504)	T/T 30 days	3
5	Giant Europe	Giant Benelux	3	Sales	(694,882)	T/T 30 days	2
		Giant France	3	Sales	(1,093,415)	T/T 30 days	3
		Giant Germany	3	Sales	(895,981)	T/T 30 days	3
		Giant Italy	3	Sales	(404,964)	T/T 30 days	1
		Giant Europe	3	Sales	(902,848)	T/T 30 days	3
6	Giant Benelux		3	Accounts receivable – related parties	824,803	T/T 30 days	1
7	D. Mag	Giant Kunshan	3	Sales	(370,198)	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: Following the criteria in the contract.

TABLE 7

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(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, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
Giant	Growood	Singapore	Overseas reinvested holding company	USD 18,063	USD 18,063	26,619,300	100	\$ 4,644,679	\$ 486,704	\$ 626,152	Subsidiary
	Gaiwin	Lelystad, Netherlands	Overseas reinvested holding company	USD 7,243	USD 7,243	502,661	100	9,096,837	(534,540)	(534,540)	Subsidiary
	Darzins	British Virgin Islands	Overseas reinvested holding company	USD 14,889	USD 14,889	14,888,928	100	4,003,137	76,648	87,252	Subsidiary
	Merdeka	British Virgin Islands	Overseas reinvested holding company	USD 6,000	USD 6,000	6,000,003	100	319,163	21,415	21,459	Subsidiary
	Giant Sales	Taichung	Sales of bicycles and related products and bicycle rental services	\$ 140,000	\$ 140,000	14,000,000	100	446,522	108,374	108,374	Subsidiary
	YouBike	Taichung	Public bicycle rental services	800,000	800,000	84,800,000	100	1,116,257	189,297	189,297	Subsidiary
	AIPS	Taichung	Manufacturing and sales of sporting goods	500,000	500,000	50,000,000	100	57,796	(22,375)	(20,627)	Subsidiary
	Giant Vietnam Mfg.	Binh Duong Province, Vietnam	Manufacturing and sales of bicycles	USD 23,000	USD 23,000	-	100	424,425	(37,500)	(62,454)	Subsidiary
	Giant Mexico	Mexico City, Mexico	Sales of bicycles and related products	MXN 1	MXN 1	-	-	-	(24,944)	-	Subsidiary
	Giant SEA Bicycle	Binh Duong Province, Vietnam	Manufacturing and sales of bicycles	USD 15,000	USD 15,000	-	100	464,563	23,767	23,767	Subsidiary
	Giant Thailand	Thailand	Sales of bicycles and related products	THB 102,000	THB 5,000	10,199,999	100	88,023	(2,037)	(2,037)	Subsidiary
	Microprogram	Taichung	Research of computer hardware and software and sales of related products	244,352	244,352	8,886,000	18	166,223	13,362	(Note 1)	Investments accounted for using the equity method
	Growood	Thailand	Sales of bicycles and related products	THB -	THB -	1	-	-	(USD 64)	-	Subsidiary
	Giant Sales	Giant Adventure	Undertaking domestic and international tourism trading businesses	10,000	10,000	1,000,000	100	57,723	16,706	(Note 1)	Indirectly owned subsidiary
	Gaiwin	Giant Europe	Overseas reinvested holding company and sales of bicycles and related products	EUR 45,736	EUR 45,736	1,200	100	EUR 180,262	(EUR 8,449)	(Note 1)	Indirectly owned subsidiary
Giant Europe	Giant USA	California, USA	Sales of bicycles and related products	USD 47,618	USD 47,618	200,000	100	EUR 32,980	(EUR 5,619)	(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 10,945	EUR 402	(Note 1)	Indirectly owned subsidiary
	Giant Australia	Victoria, Australia	Sales of bicycles and related products	AUD 500	AUD 500	500,000	100	EUR 22,075	(EUR 260)	(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 14,678	EUR 562	(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 3,967	EUR 149	(Note 1)	Indirectly owned subsidiary
	Giant Mexico	Mexico, Mexico	Sales of bicycles and related products	MXN 70,059	MXN 70,059	-	100	EUR 1,487	(EUR 717)	(Note 1)	Indirectly owned subsidiary
	SPIA	Delaware, USA	Sales of sporting goods	USD 8,000	USD 500	1,251	100	EUR 4,393	(EUR 1,225)	(Note 1)	Indirectly owned subsidiary
	Giant Germany	Erkrath, Germany	Sales of bicycles and related products	EUR 3,472	EUR 3,472	-	100	EUR 8,496	(EUR 1,856)	(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 10,270	(EUR 904)	(Note 1)	Indirectly owned subsidiary
	Giant UK	Leicester, United Kingdom	Sales of bicycles and related products	GBP 200	GBP 200	200,000	100	EUR 18,295	EUR 1,590	(Note 1)	Indirectly owned subsidiary
	Giant Europe Mfg.	Lelystad, Netherlands	Manufacturing and sales of bicycles	EUR 227	EUR 227	5,000	100	EUR 65,973	EUR 3,246	(Note 1)	Indirectly owned subsidiary
	Giant Polska	Warsaw, Poland	Sales of bicycles and related products	PLN 150	PLN 150	240	100	EUR 9,625	EUR 642	(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 21,394	EUR 1,482	(Note 1)	Indirectly owned subsidiary
	Giant Italy	Gallarate, Italy	Sales of bicycles and related products	EUR 200	EUR 200	-	100	(EUR 835)	(EUR 2,320)	(Note 1)	Indirectly owned subsidiary
	Giant Hungary Mfg.	Gyongyos, Hungary	Manufacturing and sales of bicycles	EUR 45,000	EUR 45,000	-	100	EUR 32,537	(EUR 4,360)	(Note 1)	Indirectly owned subsidiary
D. Mag	Golden Rich	Hong Kong	International trading	USD 100	USD 100	100,000	100	RMB 12,100	RMB 980	(Note 1)	Indirectly owned subsidiary
	Light Metal Malaysia	Malaysia	Sales of medium and high-end aluminum wheel hub products	USD 100	USD 100	-	100	(RMB 2,323)	-	(Note 1)	Indirectly owned subsidiary
Innovation Tech	Innovation Tech	Singapore	Investments	USD 44,000	USD 44,000	75,000,000	100	RMB 307,997	RMB 906	(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 6,395	(USD 87)	(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 35,312	USD 218	(Note 1)	Indirectly owned subsidiary

Note 1: Not applicable.

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

TABLE 8

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(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, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Value as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outflow	Inflow						
Giant Holding	Overseas reinvested holding company	RMB 577,569 (USD 88,500)	(Note 2)	\$ 2,681,933	\$ -	\$ -	\$ 2,681,933	\$ 145,120	100%	\$ 230,708	\$ 5,945,804	\$ 1,829,019
Giant Kunshan	Manufacturing and sales of bicycles and parts	RMB 236,288 (USD 35,000)	(Note 3)	(Note 3)	-	-	(Note 3)	107,173	100%	192,761	3,670,510	-
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	3,029	-
Giant Jiangsu	Manufacturing and sales of bicycles and parts	RMB 331,779 (USD 52,500)	(Note 3)	(Note 3)	-	-	(Note 3)	14,373	100%	14,373	1,608,533	-
Willbe Co., Ltd.	Sales and maintenance services of electrical and mechanical equipment and related devices	RMB 3,200	(Note 3)	(Note 3)	-	-	(Note 3)	172	33%	249	11,501	-
Quanzhou YouBike	Undertaking China public bicycle rental services	RMB 50,000	(Note 5)	(Note 5)	-	-	(Note 5)	(549)	100%	(549)	110,897	-
Putian YouBike	Undertaking China public bicycle rental services	RMB 50,000	(Note 5)	(Note 5)	-	-	(Note 5)	(47,579)	100%	(47,579)	(27,789)	-
Giant China	Manufacturing and sales of bicycles and parts	RMB 273,040 (USD 37,500)	(Note 1)	489,599			489,599	373,768	100%	432,577	3,160,566	11,795,162
Giant Electric Vehicle	Manufacturing and sales of electric bicycles	RMB 40,465 (USD 5,000)	(Note 1)	(Note 1)	-	-	(Note 1)	83,179	100%	162,795	423,882	5,539,267
Giant Tianjin	Manufacturing and sales of bicycles and parts	RMB 89,614 (USD 12,000)	(Note 1)	(Note 1)	-	-	(Note 1)	84,405	100%	85,427	1,262,130	2,070,097
Giant Chengdu	Sales of bicycles and parts	RMB 49,663 (USD 6,000)	(Note 1)	199,182	-	-	199,182	21,758	100%	21,802	315,187	283,803
Jiangsu Giant	Undertaking China tourism businesses	RMB 5,000	(Note 4)	(Note 4)	-	-	(Note 4)	16	100%	16	7,637	-
D. Mag	Manufacturing and sales of new aluminum alloy products	RMB 360,000	(Note 6)	(Note 6)	-	-	(Note 6)	128,710	60%	88,337	3,965,689	-
Light Metal Haian	Manufacturing and sales of alloy materials, semi-solid aluminum, and superplastic aluminum	RMB 120,000	(Note 7)	(Note 7)	-	-	(Note 7)	(45,747)	60%	(27,628)	136,281	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 3,646,639	USD 178,000 and RMB 21,261	(Note 8)

Note 1: Reinvestment made in Mainland China made by the Company through the investor’s investment company in a third area.

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 merged in November 2020. After the merger, D. Mag was the surviving entity. 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 acquired the approval from the Industrial Development Bureau regarding the Company’s establishment of an operating headquarter in Taiwan.

Note 9: Significant intercompany accounts and transactions have been eliminated.