

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

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2024 and 2023 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 March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three 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\$39,151,689 thousand and NT\$45,153,144 thousand, and accounted for 46% and 47% of total consolidated assets; and their total liabilities amounted to NT\$16,809,898 thousand and NT\$19,824,414 thousand, and accounted for 36% and 33% of total consolidated liabilities as of March 31, 2024 and 2023, respectively. Their total comprehensive income amounted to NT\$(58,887) thousand and NT\$212,177 thousand, and accounted for (5%) and 21% of consolidated comprehensive income for the three months then ended. Moreover, as stated in Note 13 of the consolidated financial statements, the balances of investments accounted for using the equity method were NT\$142,918 thousand and NT\$103,991 thousand as of March 31, 2024 and 2023 with investment income of NT\$10,900 thousand and NT\$2,702 thousand for the three 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 March 31, 2024 and 2023, and its consolidated financial performance and cash flows for the three 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  
May 10, 2024

### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the 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

MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024 (Reviewed)		December 31, 2023 (Audited)		March 31, 2023 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 17,596,454	21	\$ 14,792,315	18	\$ 14,966,986	16
Financial assets at fair value through profit or loss - current (Note 7)	-	-	31,512	-	-	-
Financial assets at amortized cost - current (Notes 9 and 32)	536,235	1	1,072,875	1	864,494	1
Notes receivable (Notes 10, 25 and 32)	103,493	-	124,617	-	104,119	-
Accounts receivable (Notes 10, 25, 31 and 32)	12,762,063	15	12,549,841	15	17,584,754	18
Other receivables (Notes 10 and 31)	173,595	-	260,298	-	314,141	-
Inventories (Note 11)	32,946,601	39	34,760,187	41	41,360,821	43
Other current assets (Note 14)	802,733	1	1,315,902	2	1,062,682	1
Total current assets	64,921,174	77	64,907,547	77	76,257,997	79
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	60,299	-	60,183	-	69,191	-
Financial assets at amortized cost - non-current (Note 9)	-	-	-	-	1,375,222	2
Investments accounted for using the equity method (Note 13)	142,918	-	131,735	-	103,991	-
Property, plant and equipment (Note 15)	13,032,692	16	13,101,779	16	12,963,132	13
Right-of-use assets (Note 16)	2,983,793	4	2,934,693	4	2,581,818	3
Goodwill (Note 17)	70,833	-	69,673	-	68,283	-
Other intangible assets (Note 18)	302,068	-	330,617	-	392,339	-
Deferred tax assets (Notes 4 and 27)	2,632,203	3	2,674,866	3	2,178,667	2
Prepayments for equipment (Note 31)	341,093	-	313,685	-	683,820	1
Net defined benefit assets	1,494	-	-	-	-	-
Other non-current assets	91,281	-	98,559	-	155,453	-
Total non-current assets	19,658,674	23	19,715,790	23	20,571,916	21
<b>TOTAL</b>	<b>\$ 84,579,848</b>	<b>100</b>	<b>\$ 84,623,337</b>	<b>100</b>	<b>\$ 96,829,913</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term bank loans (Notes 19 and 32)	\$ 17,945,004	21	\$ 18,169,514	21	\$ 24,298,764	25
Financial liabilities at fair value through profit or loss - current (Note 7)	53,134	-	33,200	-	47,466	-
Notes payable	1,265,579	1	1,401,506	2	1,748,203	2
Accounts payable (Note 31)	3,867,715	5	3,898,008	5	7,577,965	8
Other payables (Notes 21 and 31)	8,625,981	10	9,135,394	11	9,873,003	10
Current tax liabilities (Note 4)	1,865,340	2	2,070,434	2	2,696,642	3
Provisions - current (Note 22)	372,975	-	367,777	-	434,903	-
Lease liabilities - current (Note 16)	587,992	1	559,948	1	540,778	-
Current portion of long-term bank borrowings (Note 19)	557,457	1	449,750	-	1,660,327	2
Other current liabilities (Note 25)	589,160	1	679,572	1	652,779	1
Total current liabilities	35,730,337	42	36,765,103	43	49,530,830	51
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 20)	3,824,824	5	3,811,478	5	3,771,717	4
Long-term bank loans (Note 19)	3,284,573	4	3,439,568	4	2,356,479	3
Deferred tax liabilities (Notes 4 and 27)	2,016,438	3	2,125,580	3	1,917,537	2
Lease liabilities - non-current (Note 16)	1,151,379	1	1,156,489	1	1,200,184	1
Deferred revenue - non-current (Note 29)	911,185	1	904,244	1	952,587	1
Net defined benefit liabilities (Note 4)	-	-	2,614	-	80,318	-
Other non-current liabilities (Note 22)	199,257	-	92,968	-	113,606	-
Total non-current liabilities	11,387,656	14	11,532,941	14	10,392,428	11
Total liabilities	47,117,993	56	48,298,044	57	59,923,258	62
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>						
Ordinary shares	3,920,646	5	3,920,646	5	3,920,646	4
Capital surplus	4,726,957	6	4,726,957	5	4,716,303	5
Retained earnings						
Legal reserve	6,531,622	8	6,531,622	8	5,939,679	6
Special reserve	1,904,900	2	1,904,900	2	2,522,195	2
Unappropriated earnings	19,101,667	22	18,581,965	22	18,997,683	20
Other equity	(1,487,653)	(2)	(1,984,825)	(2)	(1,795,848)	(2)
Total equity attributable to owners of the Company	34,698,139	41	33,681,265	40	34,300,658	35
<b>NON-CONTROLLING INTERESTS</b>	<b>2,763,716</b>	<b>3</b>	<b>2,644,028</b>	<b>3</b>	<b>2,605,997</b>	<b>3</b>
Total equity	37,461,855	44	36,325,293	43	36,906,655	38
<b>TOTAL</b>	<b>\$ 84,579,848</b>	<b>100</b>	<b>\$ 84,623,337</b>	<b>100</b>	<b>\$ 96,829,913</b>	<b>100</b>

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

(With Deloitte & Touche auditors' review report dated May 10, 2024)

# GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET SALES REVENUE (Notes 25 and 31)	\$ 16,063,157	100	\$ 20,119,279	100
COST OF GOODS SOLD (Notes 11, 26 and 31)	<u>12,826,460</u>	<u>80</u>	<u>15,714,644</u>	<u>78</u>
GROSS PROFIT	<u>3,236,697</u>	<u>20</u>	<u>4,404,635</u>	<u>22</u>
OPERATING EXPENSES (Notes 26 and 31)				
Selling and marketing expenses	1,727,352	11	1,718,298	9
General and administrative expenses	511,522	3	449,735	2
Research and development expenses	370,768	2	350,793	2
Expected credit loss (Note 10)	<u>83,980</u>	<u>1</u>	<u>195,981</u>	<u>1</u>
Total operating expenses	<u>2,693,622</u>	<u>17</u>	<u>2,714,807</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>543,075</u>	<u>3</u>	<u>1,689,828</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 26)	( 260,567)	( 1)	( 242,377)	( 1)
Share of profit (loss) of associates accounted for using the equity method (Note 13)	10,900	-	2,702	-
Interest income	199,938	1	112,068	-
Other gains and losses (Notes 29 and 31)	175,499	1	60,926	-
Foreign exchange gain (loss), net	211,781	1	( 82,635)	-
Loss on disposal of property, plant and equipment, net	( 6,754)	-	( 1,212)	-
Valuation loss on financial assets and liabilities at fair value through profit or loss	<u>( 51,446)</u>	<u>-</u>	<u>( 14,408)</u>	<u>-</u>
Total non-operating income and expenses	<u>279,351</u>	<u>2</u>	<u>( 164,936)</u>	<u>( 1)</u>
PROFIT BEFORE INCOME TAX	822,426	5	1,524,892	7
INCOME TAX EXPENSE (Notes 4 and 27)	<u>241,441</u>	<u>1</u>	<u>641,535</u>	<u>3</u>
NET PROFIT	<u>580,985</u>	<u>4</u>	<u>883,357</u>	<u>4</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	( 344)	-	16	-

(Continued)

# GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	\$ 680,235	4	\$ 150,656	1
Income tax related to items that may be reclassified subsequently to profit or loss (Note 27)	( 124,314)	( 1)	( 27,259)	-
Other comprehensive income (loss), net of income tax	<u>555,577</u>	<u>3</u>	<u>123,413</u>	<u>1</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 1,136,562</u>	<u>7</u>	<u>\$ 1,006,770</u>	<u>5</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 519,702	3	\$ 835,814	4
Non-controlling interests	<u>61,283</u>	<u>1</u>	<u>47,543</u>	<u>-</u>
	<u>\$ 580,985</u>	<u>4</u>	<u>\$ 883,357</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 1,016,874	6	\$ 944,866	5
Non-controlling interests	<u>119,688</u>	<u>1</u>	<u>61,904</u>	<u>-</u>
	<u>\$ 1,136,562</u>	<u>7</u>	<u>\$ 1,006,770</u>	<u>5</u>
<b>EARNINGS PER SHARE (Note 28)</b>				
Basic	<u>\$ 1.33</u>		<u>\$ 2.13</u>	
Diluted	<u>\$ 1.30</u>		<u>\$ 2.07</u>	

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

(Concluded)

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Ordinary Shares (Note 24)	Capital Surplus (Note 24)	Retained Earnings (Note 24)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	\$ 3,920,646	\$ 4,716,303	\$ 5,939,679	\$ 2,522,195	\$ 18,161,869	(\$ 1,905,281)	\$ 381	\$ 33,355,792	\$ 2,544,093	\$ 35,899,885
Net profit for the three months ended March 31, 2023	-	-	-	-	835,814	-	-	835,814	47,543	883,357
Other comprehensive income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	109,036	16	109,052	14,361	123,413
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	835,814	109,036	16	944,866	61,904	1,006,770
BALANCE AT MARCH 31, 2023	<u>\$ 3,920,646</u>	<u>\$ 4,716,303</u>	<u>\$ 5,939,679</u>	<u>\$ 2,522,195</u>	<u>\$ 18,997,683</u>	<u>(\$ 1,796,245)</u>	<u>\$ 397</u>	<u>\$ 34,300,658</u>	<u>\$ 2,605,997</u>	<u>\$ 36,906,655</u>
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
Net profit for the three months ended March 31, 2024	-	-	-	-	519,702	-	-	519,702	61,283	580,985
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	497,516	(344)	497,172	58,405	555,577
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	519,702	497,516	(344)	1,016,874	119,688	1,136,562
BALANCE AT MARCH 31, 2024	<u>\$ 3,920,646</u>	<u>\$ 4,726,957</u>	<u>\$ 6,531,622</u>	<u>\$ 1,904,900</u>	<u>\$ 19,101,667</u>	<u>(\$ 1,482,820)</u>	<u>(\$ 4,833)</u>	<u>\$ 34,698,139</u>	<u>\$ 2,763,716</u>	<u>\$ 37,461,855</u>

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

# GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 822,426	\$ 1,524,892
Adjustments for:		
Depreciation and amortization expenses	626,289	578,273
Expected credit loss	83,980	195,981
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	51,446	14,408
Finance costs	260,567	242,377
Interest income	( 199,938)	( 112,068)
Dividend income	( 11)	( 24)
Share of (profit) loss of associates accounted for using the equity method	( 10,900)	( 2,702)
Loss on disposal of property, plant and equipment, net	6,754	1,212
Write-down of inventories	532,139	159,582
Unrealized gain on foreign currency exchange	( 95,564)	( 40,085)
Realized deferred revenue	( 7,640)	( 8,235)
Loss on lease modification	110	89
Net changes in operating assets and liabilities		
Notes receivable	22,793	13,320
Accounts receivable	( 1,125)	( 1,527,526)
Other receivables	46,679	66,207
Inventories	1,943,876	122,503
Other current assets	529,396	206,443
Notes payable	( 164,698)	( 361,675)
Accounts payable	( 87,414)	( 36,687)
Other payables	( 511,820)	( 474,338)
Provisions	( 1,161)	( 9,252)
Other current liabilities	( 96,374)	39,128
Net defined benefit liabilities	( 4,108)	( 4,823)
Cash generated from operations	3,745,702	587,000
Interest received	245,051	105,694
Interest paid	( 226,798)	( 203,669)
Income tax paid	( 510,935)	( 466,490)
Net cash generated from operating activities	<u>3,253,020</u>	<u>22,535</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	( 30,000)
Purchase of financial assets at amortized cost	-	( 7,500)
Proceeds from sale of financial assets at amortized cost	551,926	501,712
Proceeds from sale of financial assets at fair value through profit or loss	-	443,817

(Continued)

# GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Payments for property, plant and equipment	(\$ 307,514)	(\$ 317,626)
Proceeds from disposal of property, plant and equipment	4,072	9,611
Payments for intangible assets	( 11,937)	( 25,586)
Decrease in other non-current assets	7,362	99,824
Increase in prepayments for equipment	( 77,983)	( 206,416)
Other dividends received	<u>11</u>	<u>24</u>
Net cash generated from investing activities	<u>165,937</u>	<u>467,860</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term bank loans	( 542,166)	2,697,124
Proceeds from long-term bank loans	7,823	63,410
Repayment of long-term bank loans	( 104,468)	( 80,407)
Repayment of the principal portion of lease liabilities	( 112,769)	( 93,522)
Increase in other non-current liabilities	<u>104,263</u>	<u>( 4,060)</u>
Net cash (used in) generated from financing activities	<u>( 647,317)</u>	<u>2,582,545</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>32,499</u>	<u>( 60,538)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,804,139	3,012,402
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>14,792,315</u>	<u>11,954,584</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$17,596,454</u>	<u>\$14,966,986</u>

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

(Concluded)

# GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars and Foreign Currencies, Unless Stated Otherwise) (Reviewed, Not Audited)

---

### 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 May 10, 2024.

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

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

The initial application of the amended IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendment to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

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

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- 2) 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.
- 3) 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.
- 4) 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, - 11 - including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

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

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

value measurement in its entirety, are described as follows:

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective dates of acquisition up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line 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 descriptions set out below, please refer to the consolidated financial statements for the year ended December 31, 2023 for a summary of significant accounting policies.

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

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to

refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

- c) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

2) 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.

3) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax of an interim period is calculated on an annual basis, i.e., 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

Please refer to the critical accounting judgements and key sources of estimation uncertainty section in the consolidated financial statements for the year ended December 31, 2023 for details.

## 6. CASH AND CASH EQUIVALENTS

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash on hand and petty cash	\$ 2,705	\$ 2,605	\$ 2,897
Checking accounts and demand deposits	16,791,382	14,193,315	12,593,410
Cash equivalents			
Commercial papers	328,031	194,000	145,011
Time deposits with original maturities of less than three months	<u>487,461</u>	<u>497,501</u>	<u>2,228,082</u>
	17,609,579	14,887,421	14,969,400
Less: Pledged time deposits (Note 32)	( <u>13,125</u> )	( <u>95,106</u> )	( <u>2,414</u> )
	<u>\$ 17,596,454</u>	<u>\$ 14,792,315</u>	<u>\$ 14,966,986</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Foreign exchange forward contracts (a)	\$ -	\$ 727	\$ -
Swap contracts (b)	-	30,785	-
	<u>\$ -</u>	<u>\$ 31,512</u>	<u>\$ -</u>
<u>Financial liabilities – current</u>			
Financial liabilities held for trading			
Foreign exchange forward contracts (a)	\$ 7,901	\$ -	\$ 12,666
Swap contracts (b)	29,233	-	-
Redemption and put options of convertible bonds (Note 20)	16,000	33,200	34,800
	<u>\$ 53,134</u>	<u>\$ 33,200</u>	<u>\$ 47,466</u>

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

	Currency	Maturity Date	Notional Amounts (In Thousands)	Range of Interest Rates Received
<u>March 31, 2024</u>				
Sell	USD/NTD	2024.04.03-2024.05.24	USD10,600/NTD330,514	31-31.5
<u>December 31, 2023</u>				
Sell	USD/NTD	2024.1.10	USD1,100/NTD34,474	31.34
<u>March 31, 2023</u>				
Sell	USD/NTD	2023.04.06-2023.04.28	USD21,500/NTD654,153	30.33-30.54
	EUR/NTD	2023.04.07-2023.04.21	EUR30,430/NTD996,755	32.65-33.07
	USD/JPY	2023.04.13-2023.04.27	USD2,000/JPY263,890	131.25-132.64

b. At the end of the year, outstanding swap contracts not under hedge accounting were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>March 31, 2024</u>			
Swap contracts	EUR/NTD	2024.5.15-2024.6.14	EUR90,000/NTD3,058,270
<u>December 31, 2023</u>			
Swap contracts	EUR/NTD	2024.5.15-2024.6.14	EUR90,000/NTD3,058,270

The Group entered into foreign exchange forward contracts and swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These foreign exchange forward 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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Investments in equity instruments - non-current</u>			
Domestic listed company	\$ 1,478	\$ 1,379	\$ 1,499
Domestic unlisted company	29,301	29,486	29,984
Foreign unlisted company	<u>29,520</u>	<u>29,318</u>	<u>37,708</u>
	<u>\$ 60,299</u>	<u>\$ 60,183</u>	<u>\$ 69,191</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value 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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 523,110	\$ 977,769	\$ 862,080
Pledged bank deposits (b)	<u>13,125</u>	<u>95,106</u>	<u>2,414</u>
	<u>\$ 536,235</u>	<u>\$ 1,072,875</u>	<u>\$ 864,494</u>
			(Continued)

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>1,375,222</u> (Concluded)

- a. The ranges of interest rates for time deposits with original maturities of more than three months were 0.47%-4.00%, 0.59%-4.00% and 0.98%-5.3% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

#### 10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Notes receivable</u>			
Notes receivable	\$ <u>103,493</u>	\$ <u>124,617</u>	\$ <u>104,119</u>
<u>Accounts receivable</u>			
Accounts receivable	\$ 14,328,304	\$ 14,015,899	\$ 18,728,746
Less: Allowance for impairment loss	( <u>1,566,241</u> )	( <u>1,466,058</u> )	( <u>1,143,992</u> )
	<u>\$ 12,762,063</u>	<u>\$ 12,549,841</u>	<u>\$ 17,584,754</u>
<u>Other receivables</u>			
Other receivables	\$ 180,441	\$ 267,198	\$ 321,528
Less: Allowance for impairment loss	( <u>6,846</u> )	( <u>6,900</u> )	( <u>7,387</u> )
	<u>\$ 173,595</u>	<u>\$ 260,298</u>	<u>\$ 314,141</u>

The average credit period of sales of goods is 30 to 120 days. No interest is charged on accounts receivable. The Group adopts a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating 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 rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the internal risk management administrator annually.

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 uses different provision matrixes from other customers and determines the expected credit loss ratio

by reference to expected recoverable amounts.

The Group writes off an accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, they 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>March 31, 2024</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 11,688,062	\$ 1,128,458	\$ 352,169	\$ 698,273	\$ 564,835	\$14,431,797
Loss allowance (lifetime ECL)	( 59,527)	( 165,903)	( 152,380)	( 623,596)	( 564,835)	( 1,566,241)
Amortized cost	<u>\$ 11,628,535</u>	<u>\$ 962,555</u>	<u>\$ 199,789</u>	<u>\$ 74,677</u>	<u>\$ -</u>	<u>\$12,865,556</u>
<u>December 31, 2023</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	100%	
Gross carrying amount	\$ 10,860,072	\$ 1,700,963	\$ 426,512	\$ 558,991	\$ 593,978	\$14,140,516
Loss allowance (lifetime ECL)	( 63,059)	( 193,048)	( 142,198)	( 473,775)	( 593,978)	( 1,466,058)
Amortized cost	<u>\$ 10,797,013</u>	<u>\$ 1,507,915</u>	<u>\$ 284,314</u>	<u>\$ 85,216</u>	<u>\$ -</u>	<u>\$12,674,458</u>
<u>March 31, 2023</u>						
ECL rate	0%-3%	0.5%-70%	30%-90%	80%-100%	80%-100%	
Gross carrying amount	\$ 16,637,346	\$ 932,969	\$ 341,836	\$ 391,877	\$ 528,837	\$18,832,865
Loss allowance (lifetime ECL)	( 111,178)	( 36,247)	( 195,490)	( 341,810)	( 459,267)	( 1,143,992)
Amortized cost	<u>\$ 16,526,168</u>	<u>\$ 896,722</u>	<u>\$ 146,346</u>	<u>\$ 50,067</u>	<u>\$ 69,570</u>	<u>\$17,688,873</u>

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

	<b>Three Months Ended March 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Accounts Receivable</b>	<b>Other Receivables</b>	<b>Accounts Receivable</b>	<b>Other Receivables</b>
Balance at January 1	\$ 1,466,058	\$ 6,900	\$ 946,711	\$ 7,404
Add(less): Net remeasurement (reversed) of loss allowance	84,041	( 61)	196,002	( 21)
Less: Amounts written off	( 2,283)	-	( 1,491)	-
Foreign exchange gains and losses	<u>18,425</u>	<u>7</u>	<u>2,770</u>	<u>4</u>
Balance at March 31	<u>\$ 1,566,241</u>	<u>\$ 6,846</u>	<u>\$ 1,143,992</u>	<u>\$ 7,387</u>

Refer to Note 32 for information relating to notes receivable and accounts receivable pledged as security.

## 11. INVENTORIES

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Finished goods and merchandise	\$ 23,905,946	\$ 25,268,850	\$ 25,074,796
Work in process	739,465	279,294	1,093,554
Raw materials and supplies	<u>8,301,190</u>	<u>9,212,043</u>	<u>15,192,471</u>
	<u>\$ 32,946,601</u>	<u>\$ 34,760,187</u>	<u>\$ 41,360,821</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2024 and 2023 was \$12,463,493 thousand and \$15,401,627 thousand, respectively.

The cost of goods sold for the three months ended March 31, 2024 and 2023 included inventory write-downs of \$532,139 thousand and \$159,582 thousand, respectively.

## 12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			
			March 31, 2024	December 31, 2023	March 31, 2023	
Giant	Gaiwin B.V. ("Gaiwin")	Overseas reinvested holding company	100	100	100	
	Growood Investment Ltd. ("Growood")	Overseas reinvested holding company	100	100	100	
	Darzins Holdings Ltd. ("Darzins")	Overseas reinvested holding company	100	100	100	
	Merdeka International Ltd. ("Merdeka")	Overseas reinvested holding company	100	100	100	
	Giant Sales Co., Ltd. ("Giant Sales")	Sale of bicycles and related products and bicycle rental	100	100	100	
	YouBike Co., Ltd. ("YouBike")	Public bicycle rental	100	100	100	
	Giant Holding Co., Ltd. ("Giant Holding")	Overseas reinvested holding company	100	100	100	
	Giant Bicycle Mexico S. de R.L. de C.V. ("Giant Mexico")	Sale of bicycles and related products	-	-	-	
	AIPS Technology Co., Ltd. ("AIPS")	Manufacture and sale of sporting goods	100	100	100	
	Giant Vietnam Manufacturing Company Limited ("Giant Vietnam Mfg.")	Manufacture and sale of bicycles	100	100	100	
	Giant SEA Bicycle Company Limited ("Giant SEA Bicycle") (Note 1)	Manufacture and sale of bicycles	100	100	-	
	Gaiwin	Giant Europe B.V. ("Giant Europe")	Overseas reinvested holding company and sale of bicycles and related products	100	100	100

(Continued)

Investor	Investee	Main Business	% of Ownership		
			March 31, 2024	December 31, 2023	March 31, 2023
Gaiwin	Giant Co., Ltd. ("Giant Japan")	Sale of bicycles and related products	100	100	100
	Giant Bicycle Inc. ("Giant USA")	Sale of bicycles and related products	100	100	100
	Giant Korea Co., Ltd. ("Giant Korea")	Sale of bicycles and related products	100	100	100
	Giant Bicycle Canada Inc. ("Giant Canada")	Sale of bicycles and related products	100	100	100
	Giant Bicycle Company Pty. Ltd. ("Giant Australia")	Sale of bicycles and related products	100	100	100
	Giant Mexico	Sale of bicycles and related products	100	100	100
	SPIA Cycling Inc. (Note 2)	Overseas reinvested holding company	100	100	100
Giant Europe	Giant Deutschland GmbH ("Giant Germany")	Sale of bicycles and related products	100	100	100
	Giant Polska Sp. ZO.O. ("Giant Polska")	Sale of bicycles and related products	100	100	100
	Giant Europe Manufacturing B.V. ("Giant Europe Mfg.")	Manufacture and sale of bicycles	100	100	100
	Giant France	Sale of bicycles and related products	100	100	100
	Giant U.K. Ltd. ("Giant UK")	Sale of bicycles and related products	100	100	100
	Giant Benelux B.V. ("Giant Benelux")	Sale of bicycles and related products	100	100	100
	Giant Italia S.R.L. ("Giant Italy")	Sale of bicycles and related products	100	100	100
	Giant Manufacturing Hungary Ltd. ("Giant Hungary Mfg.")	Manufacture and sale of bicycles	100	100	100
Growood	Giant (China) Co., Ltd. ("Giant China")	Manufacture and sale of bicycles	100	100	100
	Giant Electric Vehicle (Kunshan) Co., Ltd. ("Giant Electric Vehicle")	Manufacture and sale of electric bicycles	100	100	100
	Giant (Tianjin) Co., Ltd. ("Giant Tianjin")	Manufacture and sale of bicycles	100	100	100
Darzins	D. Mag (Kunshan) New Material Technology Co., Ltd. ("D. Mag")	Manufacture and sale of new aluminum alloy products	60	60	60
Merdeka	Giant (Chengdu) Co., Ltd. ("Giant Chengdu")	Sale of bicycles	100	100	100
Giant Sales	Giant Adventure Co., Ltd. ("Giant Adventure")	Undertake domestic and international tourism business	100	100	100
Giant Holding	Giant (Kunshan) Co., Ltd. ("Giant Kunshan")	Manufacture and sale of bicycles	100	100	100
	Giant Cycling Service (Kunshan) Co., Ltd. ("Giant Cycling Service")	Leases of bicycles and promotion of outdoor activities	100	100	100
	Giant (Jiangsu) Co., Ltd. ("Giant Jiangsu")	Manufacture and sale of bicycles	100	100	100
Giant China	Jiangsu Giant Adventure Co., Ltd. ("Jiangsu Giant")	Undertake China tourism business	100	100	100

(Continued)

Investor	Investee	Main Business	% of Ownership		
			March 31, 2024	December 31, 2023	March 31, 2023
Giant Kunshan	Quanzhou YouBike Co., Ltd ("Quanzhou YouBike")	Undertake China public bicycle rental	100	100	100
	Putian YouBike Co., Ltd. ("Putian YouBike")	Undertake China public bicycle rental	100	100	100
D. Mag	Golden Rich Ltd. ("Golden Rich")	International trade	100	100	100
	Giant Light Metal Technology (Haian) Co., Ltd. ("Light Metal Haian")	Manufacture and sale of new aluminum alloy materials, semi-solid aluminum, and superplastic aluminum	100	100	100
	Giant Light Metal Technology (Malaysia) Co., Ltd. ("Light Metal Malaysia")	Sale of medium and high-end aluminum wheel hub products	100	100	100
	Innovation Tech Investment Pte. Ltd. (Innovation Tech) (Note 3)	Overseas reinvested holding company	100	100	-

(Concluded)

Note 1: A newly established subsidiary focusing on manufacture and sale of bicycles.

Note 2: Gaiwin US I Investment Inc. was renamed SPIA Cycling Inc. in January 2024.

Note 3: A newly established subsidiary is principally engaged in the investment business

For the three months ended March 31, 2024 and 2023, 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

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in insignificant associates	<u>\$ 142,918</u>	<u>\$ 131,735</u>	<u>\$ 103,991</u>
		<b>Three Months Ended March 31</b>	
		<b>2024</b>	<b>2023</b>
The Group's share of:			
Net profit		<u>\$ 10,900</u>	<u>\$ 2,702</u>

Refer to Tables 7 and 8 for the nature of activities, principal places of business and countries of incorporation of the above mentioned associates.

In March 2023, Microprogram Information Co., Ltd. ("Microprogram") had a cash capital increase of \$18,000 thousand. The Company subscribed for additional new shares of Microprogram at a percentage

different from its existing ownership percentage, reduced its continuing interest from 27% to 20%, and increased the capital surplus by \$10,654 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

	March 31, 2024	December 31, 2023	March 31, 2023
Prepaid expenses	\$ 343,417	\$ 271,320	\$ 303,932
Value-added tax	256,532	733,622	482,498
Prepayment for purchases	140,192	135,701	123,900
Others	<u>62,592</u>	<u>175,259</u>	<u>152,352</u>
	<u>\$ 802,733</u>	<u>\$ 1,315,902</u>	<u>\$ 1,062,682</u>

#### 15. PROPERTY, PLANT AND EQUIPMENT

	Three Months Ended March 31, 2024					Ending Balance
	Beginning Balance	Additions	Disposals	Reclassifications	Translation Differences	
<u>Cost</u>						
Land	\$ 998,752	\$ -	\$ -	\$ -	\$ 814	\$ 999,566
Buildings	10,340,704	10,667	( 5,098 )	382	139,720	10,486,375
Machinery equipment	9,426,796	18,320	( 49,564 )	7,876	159,227	9,562,655
Transportation equipment	315,164	3,789	( 5,130 )	27	4,790	318,640
Office equipment	382,078	6,608	( 3,000 )	4	4,496	390,186
Furniture and fixtures	15,362	196	( 374 )	-	70	15,254
Other equipment	4,576,775	88,402	( 17,362 )	45,923	71,680	4,765,418
Construction in progress	<u>432,015</u>	<u>43,855</u>	<u>( 1,321 )</u>	<u>( 7,192 )</u>	<u>9,241</u>	<u>476,598</u>
	<u>26,487,646</u>	<u>\$ 171,837</u>	<u>( \$ 81,849 )</u>	<u>\$ 47,020</u>	<u>\$ 390,038</u>	<u>27,014,692</u>
<u>Accumulated depreciation</u>						
Buildings	3,819,912	\$ 107,474	( \$ 4,174 )	\$ -	\$ 56,240	3,979,452
Machinery equipment	5,732,619	177,939	( 42,918 )	-	92,073	5,959,713
Transportation equipment	240,193	6,623	( 4,654 )	-	3,871	246,033
Office equipment	279,703	8,570	( 2,874 )	-	3,049	288,448
Furniture and fixtures	11,469	390	( 360 )	-	38	11,537
Other equipment	<u>3,272,110</u>	<u>155,575</u>	<u>( 16,043 )</u>	<u>-</u>	<u>54,668</u>	<u>3,466,310</u>
	<u>13,356,006</u>	<u>\$ 456,571</u>	<u>( \$ 71,023 )</u>	<u>\$ -</u>	<u>\$ 209,939</u>	<u>13,951,493</u>
<u>Accumulated impairment</u>						
Machinery equipment	25,748	\$ -	\$ -	\$ -	\$ 557	26,305
Other equipment	<u>4,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>4,202</u>
	<u>29,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646</u>	<u>30,507</u>
Net	<u>\$ 13,101,779</u>					<u>\$ 13,032,692</u>

(Continued)

	<b>Three Months Ended March 31, 2023</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications</b>	<b>Translation Differences</b>	<b>Ending Balance</b>
<u>Cost</u>						
Land	\$ 999,356	\$ -	\$ -	\$ -	\$ 718	\$ 1,000,074
Buildings	10,115,952	5,220	( 1,169)	9,221	48,064	10,177,288
Machinery equipment	8,612,629	53,956	( 46,564)	74,276	39,111	8,733,408
Transportation equipment	337,162	5,462	( 3,669)	501	464	339,920
Office equipment	370,489	4,445	( 1,902)	15	416	373,463
Furniture and fixtures	28,967	309	( 881)	( 11,689)	18	16,724
Other equipment	4,029,098	134,584	( 20,712)	8,641	15,142	4,166,753
Construction in progress	<u>707,263</u>	<u>42,494</u>	<u>( 3,901)</u>	<u>( 81,186)</u>	<u>5,872</u>	<u>670,542</u>
	<u>25,200,916</u>	<u>\$ 246,470</u>	<u>( \$ 78,798)</u>	<u>( \$ 221)</u>	<u>\$ 109,805</u>	<u>25,478,172</u>
<u>Accumulated depreciation</u>						
Buildings	3,474,465	\$ 104,604	( \$ 952)	\$ 1	\$ 15,366	3,593,484
Machinery equipment	5,240,316	170,543	( 40,200)	1	23,277	5,393,937
Transportation equipment	249,535	7,281	( 3,669)	-	364	253,511
Office equipment	267,847	7,664	( 1,854)	1	33	273,691
Furniture and fixtures	14,668	631	( 881)	( 1,373)	12	13,057
Other equipment	<u>2,831,083</u>	<u>135,349</u>	<u>( 20,419)</u>	<u>( 27)</u>	<u>10,032</u>	<u>2,956,018</u>
	<u>12,077,914</u>	<u>\$ 426,072</u>	<u>( \$ 67,975)</u>	<u>( \$ 1,397)</u>	<u>\$ 49,084</u>	<u>12,483,698</u>
<u>Accumulated impairment</u>						
Machinery equipment	26,803	\$ -	\$ -	\$ -	\$ 151	26,954
Other equipment	<u>4,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>4,388</u>
	<u>31,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>31,342</u>
Net	<u>\$ 13,091,836</u>					<u>\$ 12,963,132</u> (Concluded)

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

<b>Buildings</b>	
Main buildings	3-60 years
Electrical power equipment	5-50 years
Others	5-15 years
<b>Machinery equipment</b>	2-13 years
<b>Transportation equipment</b>	1 - 8 years
<b>Office equipment</b>	1-20 years
<b>Furniture and fixtures</b>	1-10 years
<b>Other equipment</b>	1-15 years

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Carrying amount</u>			
Land	\$ 1,574,090	\$ 1,543,886	\$ 1,153,215
Buildings	1,272,189	1,247,839	1,311,244
Others	<u>137,514</u>	<u>142,968</u>	<u>117,359</u>
	<u>\$ 2,983,793</u>	<u>\$ 2,934,693</u>	<u>\$ 2,581,818</u>

(Continued)

	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	\$ <u>101,517</u>	\$ <u>70,279</u>
Depreciation charge for right-of-use assets		
Land	\$ 7,783	\$ 7,814
Buildings	87,577	79,898
Others	<u>20,611</u>	<u>14,145</u>
	<u>\$ 115,971</u>	<u>\$ 101,857</u>

(Concluded)

Except for additions and the recognized depreciation expenses listed above, the Group's right-of-use assets did not have significant subleases or impairment for the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Carrying amount</u>			
Current	\$ <u>587,992</u>	\$ <u>559,948</u>	\$ <u>540,778</u>
Non-current	\$ <u>1,151,379</u>	\$ <u>1,156,489</u>	\$ <u>1,200,184</u>

Ranges of discount rates for lease liabilities were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Land	0.26%-5.25%	0.26%-4.65%	0.26%-3.29%
Buildings	0.17%-12.88%	0.17%-12.88%	0.13%-5.30%
Others	0.17%-8.00%	0.17%-8.00%	0.13%-8.00%

c. Material leasing activities and terms

The Group leases land and buildings for the use of plants, offices, employee dormitories and retail stores with lease term of 1 to 20 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings 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 leases land from Central Taiwan Science Park Bureau, Ministry of Science and Technology with a term that will expire on December 31, 2035, due for renewal.

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. GOODWILL

	<u>Three Months Ended March 31</u>	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 69,673	\$ 67,402
Effect of foreign currency exchange differences	<u>1,160</u>	<u>881</u>
Balance at March 31	<u>\$ 70,833</u>	<u>\$ 68,283</u>

## 18. OTHER INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Computer software cost	\$ 273,026	\$ 299,212	\$ 352,783
Others	<u>29,042</u>	<u>31,405</u>	<u>39,556</u>
	<u>\$ 302,068</u>	<u>\$ 330,617</u>	<u>\$ 392,339</u>

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

Computer software cost	1-10 years
Others	2-15 years

## 19. LOANS

### a. Short-term bank loans

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured bank loans (Note 32)</u>			
Notes and accounts receivable secured loans	\$ 468,788	\$ -	\$ 456,055
<u>Unsecured bank loans</u>			
Line of credit loans	<u>17,476,216</u>	<u>18,169,514</u>	<u>23,842,709</u>
	<u>\$ 17,945,004</u>	<u>\$ 18,169,514</u>	<u>\$ 24,298,764</u>
<u>Effective interest rates (%)</u>			
Notes and accounts receivable secured loans	5.35-5.47	-	1.95-5.35
Line of credit loans	0.17-13.53	0.14-13.53	0.13-13.81

b. Long-term bank loans

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Unsecured bank loans</u>			
Line of credit loans	\$ 3,888,374	\$ 3,937,950	\$ 4,084,804
Less: Current portion of long-term borrowings	( 557,457)	( 449,750)	( 1,660,327)
Less: Discounts on government grants (Note 29)	( 46,344)	( 48,632)	( 67,998)
	<u>\$ 3,284,573</u>	<u>\$ 3,439,568</u>	<u>\$ 2,356,479</u>
<u>Effective interest rates (%)</u>			
Line of credit loans	0.60-7.40	0.60-7.40	0.48-7.40

Line of credit loans are due between 2024 and 2029.

**20. BONDS PAYABLES**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Domestic unsecured convertible bonds	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Less: Discount on bonds payable	( 175,176)	( 188,522)	( 228,283)
	<u>\$ 3,824,824</u>	<u>\$ 3,811,478</u>	<u>\$ 3,771,717</u>

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

Bondholders may convert the bonds into ordinary shares of the Company at the conversion price of \$290.7 per share during the conversion period of September 14, 2022 to June 13, 2027. Bonds held until maturity would be redeemed in cash at the principal amount. Other major clauses 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 (i.e., 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 the 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 contains a liability component and an equity component. The equity component is presented as capital surplus - stock options. For 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.

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	( <u>22,000</u> )
Liability component as of the issue date (net of transaction cost allocated to the liability component of \$4,493 thousand)	3,729,907
Interest calculated using an effective interest rate of 1.399%	<u>81,571</u>
Liability component as of December 31, 2023	3,811,478
Interest calculated using an effective interest rate of 1.399%	<u>13,346</u>
Liability component as of March 31, 2024	<u>\$ 3,824,824</u>

## 21. OTHER PAYABLES

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Payables for salaries and bonuses	\$ 1,986,325	\$ 2,144,848	\$ 2,324,160
Payable for compensation to employees and remuneration of directors	1,976,125	1,767,278	1,907,496
Others	<u>4,663,531</u>	<u>5,223,268</u>	<u>5,641,347</u>
	<u>\$ 8,625,981</u>	<u>\$ 9,135,394</u>	<u>\$ 9,873,003</u>

## 22. PROVISIONS

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Current</u>			
Warranties (a)	\$ 271,188	\$ 286,933	\$ 305,270
Sales returns and allowances (b)	<u>101,787</u>	<u>80,844</u>	<u>129,633</u>
	<u>\$ 372,975</u>	<u>\$ 367,777</u>	<u>\$ 434,903</u>
<u>Non-current (classified as other non-current liabilities)</u>			
Warranties (a)	\$ 16,187	\$ 15,632	\$ 35,176
Decommissioning (c)	<u>14,012</u>	<u>14,357</u>	<u>15,595</u>
	<u>\$ 30,199</u>	<u>\$ 29,989</u>	<u>\$ 50,771</u>

- a. 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.

- b. The provision of 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.
- c. 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.

### 23. RETIREMENT BENEFIT PLANS

Pension expenses under defined benefit plan for the three months ended March 31, 2024 and 2023 were calculated using the actuarially determined pension cost rates as of December 31, 2023 and 2022, respectively. Please refer to Note 26.

### 24. EQUITY

- a. Ordinary shares

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Shares authorized (in thousands of shares)	<u>495,000</u>	<u>495,000</u>	<u>495,000</u>
Shares authorized	<u>\$ 4,950,000</u>	<u>\$ 4,950,000</u>	<u>\$ 4,950,000</u>
Shares issued and fully paid (in thousands of shares)	<u>392,065</u>	<u>392,065</u>	<u>392,065</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

- b. Capital surplus

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Share premium	\$ 4,284,624	\$ 4,284,624	\$ 4,284,624
Recognition of equity component of convertible bonds	263,283	263,283	263,283
Employee share options	95,401	95,401	95,401
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	10,654	10,654	-
Change in capital surplus from investments in associates accounted for using the equity method	1,245	1,245	1,245
Others	<u>180</u>	<u>180</u>	<u>180</u>
	<u>\$ 4,726,957</u>	<u>\$ 4,726,957</u>	<u>\$ 4,716,303</u>

The capital surplus from shares issued in excess of par and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from changing in percentage of ownership interests in subsidiaries may be used to offset a deficit only. Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

The capital surplus from investments accounted for using the equity method, employee share options and recognition of equity component from the issuance of convertible bonds may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

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. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 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 2023 proposed by the Company's board of directors on March 13, 2024 and the appropriation of earnings for 2022 approved in the shareholders' meeting on June 21, 2023 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 345,285	\$ 591,943		
Special reserve (reverse)	79,925	( 617,295)		
Cash dividends	1,960,323	3,058,104	\$ 5	\$ 7.8

The appropriation of earnings for 2023 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 21, 2024.

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; on the Group's loss of significant influence, however, the entire special reserve will be reversed.

## 25. REVENUE

### Operating revenue

	<u>Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	<u>\$ 16,063,157</u>	<u>\$ 20,119,279</u>

### Contract balances

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Notes Receivable	\$ 103,493	\$ 124,617	\$ 104,119	\$ 117,090
Accounts Receivable (Net)	<u>12,762,063</u>	<u>12,549,841</u>	<u>17,584,754</u>	<u>16,110,300</u>
	<u>\$ 12,865,556</u>	<u>\$ 12,674,458</u>	<u>\$ 17,688,873</u>	<u>\$ 16,227,390</u>
Contracted Liabilities -Current	<u>\$ 213,135</u>	<u>\$ 184,768</u>	<u>\$ 290,088</u>	<u>\$ 243,322</u>

Refer to Note 36 for details of revenue information.

## 26. NET PROFIT FROM CONTINUING OPERATIONS

### a. Finance costs

	<u>Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Interest on bank loans	\$ 240,620	\$ 224,598
Interest on lease liabilities	6,600	4,618
Interest on Convertible Corporate Bonds	<u>13,347</u>	<u>13,161</u>
	<u>\$ 260,567</u>	<u>\$ 242,377</u>

### b. Employee benefits expense, depreciation and amortization

Nature	<u>Three Months Ended March 31</u>					
	<u>2024</u>			<u>2023</u>		
	Operating Costs	Operating and Non-operating Expenses	Total	Operating Costs	Operating and Non-operating Expenses	Total
Short-term employee benefits	\$1,096,533	\$ 779,732	\$1,876,265	\$1,313,045	\$ 814,634	\$2,127,679
Labor insurance, health insurance and social welfare insurance	122,308	87,392	209,700	126,196	76,528	202,724
Post-employment benefits						
Defined contribution plans	100,748	52,104	152,852	101,558	35,361	136,919
Defined benefit plans	89	666	755	401	528	929
Other employee benefits	98,277	73,045	171,322	112,982	79,263	192,245
Depreciation and amortization expenses	288,769	337,520	626,289	253,051	325,222	578,273

c. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 6%-12% and no higher than 2%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and the remuneration of directors accrued for the three months ended March 31, 2024 and 2023 were as follows:

	<b>Three Months Ended March 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Accrual Rate</b>	<b>Amount</b>	<b>Accrual Rate</b>	<b>Amount</b>
Employees' compensation	7.1%	\$ 55,950	6.9%	\$ 89,067
Remuneration of directors	2.0%	15,795	2.0%	25,815

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.

2023 and 2022 employees' compensation and remuneration of directors approved in the board of directors' meetings on March 13, 2024 and March 10, 2023, respectively, were as follows:

	<b>Years Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Accrual Rate</b>	<b>Amount</b>	<b>Accrual Rate</b>	<b>Amount</b>
Employees' compensation	7.0%	\$ 322,534	7.1%	\$ 538,258
Remuneration of directors	2.0%	92,067	2.0%	152,366

There was no difference between the amounts of employees' compensation and remuneration to directors which were approved by the Company's board of directors for 2023 and 2022 and the amounts recognized in the consolidated financial statements.

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

## 27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 392,265	\$ 550,895
Income tax on unappropriated earnings	<u>39,969</u>	<u>144,334</u>
	432,234	695,229
Deferred tax		
In respect of the current year	( 190,793)	( 53,694)
Income tax expense recognized in profit or loss	<u>\$ 241,441</u>	<u>\$ 641,535</u>

b. Income tax recognized in other comprehensive income

	<b>Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translation of the financial statements of foreign operations	<u>\$ 124,314</u>	<u>\$ 27,259</u>

c. Income tax assessments

The income tax returns of the Company through 2020 and AIPS through 2021, YouBike, Giant Sales and Giant Adventure through 2022 have been assessed by the tax authorities.

d. The income tax rate applicable to the Group's subsidiaries in China is 25%. According to Measures for the Administration of the Recognition of Hi-tech Enterprises, a designated high and new technology enterprise is allowed a 15% income tax rate. The income tax expenses generated from other subsidiaries are calculated based on local tax rates.

e. Pillar Two income taxes

The government where Giant Vietnam Mfg., Giant Japan, Giant Korea, Giant UK, Giant Germany, Gaiwin, Giant Europe Mfg., Giant Europe, Giant Benelux and Giant Hungary Mfg. is incorporated, enacted the Pillar Two income tax legislation effective from 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 its group entities that are taxed at an effective tax rate of less than 15 percent. As of March 31, 2024, 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.

## 28. EARNINGS PER SHARE

	<b>Net profit Attributable to Owners of the Company</b>	<b>Number of Shares (In Thousands)</b>	<b>Earnings Per Share (NTD)</b>
<u>For the three months ended March 31, 2024</u>			
Basic earnings per share			
Profit attributable to owners of the Company	\$ 519,702	392,065	<u>\$ 1.33</u>
Effect of potentially dilutive ordinary shares			
Employees' compensation	-	1,458	
Convertible bonds	<u>10,677</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>\$ 530,379</u>	<u>407,243</u>	<u>\$ 1.30</u>

(Continued)

	<b>Net profit Attributable to Owners of the Company</b>	<b>Number of Shares (In Thousands)</b>	<b>Earnings Per Share (NTD)</b>
<u>For the three months ended March 31, 2023</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 835,814	392,065	<u>\$ 2.13</u>
Effect of potentially dilutive ordinary shares			
Employees' compensation	-	2,529	
Convertible bonds	<u>10,529</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>\$ 846,343</u>	<u>408,314</u>	<u>\$ 2.07</u>
			(Concluded)

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 resolved in the following year.

## 29. GOVERNMENT GRANTS

As of March 31, 2024, 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 2023 and 2027. Using the prevailing market interest rate at an equivalent loan rate of 1.35%-1.6%, the fair value of the loan was estimated at \$1,627,734 thousand on initial recognition. The difference of \$171,266 thousand between the proceeds and the fair value of the loan was the benefit derived from the preferential interest rate loan and has been recognized as deferred revenue. The revenue was transferred to other revenue over the period of the term.

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.

### 30. FINANCIAL INSTRUMENTS

#### a. 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>March 31, 2024</u>				
Financial assets at FVTOCI				
Domestic listed company	\$ 1,478	\$ -	\$ -	\$ 1,478
Domestic unlisted company	-	-	29,301	29,301
Foreign unlisted company	-	-	29,520	29,520
	<u>\$ 1,478</u>	<u>\$ -</u>	<u>\$ 58,821</u>	<u>\$ 60,299</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 7,901	\$ -	\$ 7,901
Swap contracts	-	29,233	-	29,233
Redemption right and put option of domestic convertible bonds	-	16,000	-	16,000
	<u>\$ -</u>	<u>\$ 53,134</u>	<u>\$ -</u>	<u>\$ 53,134</u>
<u>December 31, 2023</u>				
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 727	\$ -	\$ 727
Swap contracts	-	30,785	-	30,785
	<u>\$ -</u>	<u>\$ 31,512</u>	<u>\$ -</u>	<u>\$ 31,512</u>
Financial assets at FVTOCI				
Domestic listed company	\$ 1,379	\$ -	\$ -	\$ 1,379
Domestic unlisted company	-	-	29,486	29,486
Foreign unlisted company	-	-	29,318	29,318
	<u>\$ 1,379</u>	<u>\$ -</u>	<u>\$ 58,804</u>	<u>\$ 60,183</u>
Financial liabilities at FVTPL				
Redemption right and put option of domestic convertible bonds	\$ -	\$ 33,200	\$ -	\$ 33,200
	<u>\$ -</u>	<u>\$ 33,200</u>	<u>\$ -</u>	<u>\$ 33,200</u>
<u>March 31, 2023</u>				
Financial assets at FVTOCI				
Domestic listed company	\$ 1,499	\$ -	\$ -	\$ 1,499
Domestic unlisted company	-	-	29,984	29,984
Foreign unlisted company	-	-	37,708	37,708
	<u>\$ 1,499</u>	<u>\$ -</u>	<u>\$ 67,692</u>	<u>\$ 69,191</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 12,666	\$ -	\$ 12,666
Redemption right and put option of domestic convertible bonds	-	34,800	-	34,800
	<u>\$ -</u>	<u>\$ 47,466</u>	<u>\$ -</u>	<u>\$ 47,466</u>

There was no transfer between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

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

Equity investments classified as financial assets at FVTOCI

	<b>Three Months Ended March 31, 2024</b>	<b>Three Months Ended March 31, 2023</b>
Balance at January 1, 2024	\$ 58,804	\$ 37,496
Additions	-	30,000
Effects of changes in foreign exchange rates	461	212
Recognized in other comprehensive income	( 444 )	( 16 )
Balance at March 31, 2024	<u>\$ 58,821</u>	<u>\$ 67,692</u>

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

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

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

Financial assets at fair value through other comprehensive income of domestic and foreign unlisted of investments in equity instruments is evaluated as level 3. The fair value is calculated by reference to the net book value of the company based on its financial information, comparing the average net price of listed companies or firms in the same industry to the estimated price, and calculating the present value of profit and loss that is expected to be derived from holding of such investment.

b. Categories of financial instruments

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Financial assets</u>			
Financial assets at FVTPL	\$ -	\$ 31,512	\$ -
Financial assets at amortized cost (1)	31,171,840	28,799,946	35,210,105
Financial assets at FVTOCI	60,299	60,183	69,191
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	53,134	33,200	47,466
Financial liabilities at amortized cost (2)	34,730,580	35,849,874	46,478,304

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables and long-term receivables.

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

c. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, bonds payable, borrowings 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, credit 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 on 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 Company and subsidiaries have 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 of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

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 personnel and 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 adjusts 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 strengthen 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	
	Three Months Ended March 31	
	2024	2023
USD	\$ 78,660	\$ 86,599
EUR	66,174	66,923
JPY	1,316	1,942
RMB	5,683	3,112

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.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites, ensuring the most cost-effective hedging strategies are applied.

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 1,256,946	\$ 1,655,282	\$ 4,572,995
Financial liabilities	14,595,037	15,331,774	27,848,118
Cash flow interest rate risk			
Financial assets	16,873,038	14,238,816	12,630,810
Financial liabilities	12,809,326	12,288,173	6,027,597

Sensitivity analysis

The sensitivity analysis was 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. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each assets and liability outstanding at the end of the reporting period was outstanding for the whole period. A 1 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel 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 three months ended March 31, 2024 and 2023 would increase/decrease by \$2,540 thousand and \$4,127 thousand, respectively.

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 31% , 37% and 41% of total accounts receivable as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, was attributable to the Group's the 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 March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized bank loan facilities of \$52,541,457 thousand, \$53,023,319 thousand and \$47,442,106 thousand, respectively.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table have 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.

<b>Non-derivative Financial Liabilities</b>	<b>Less Than 1 Year</b>	<b>1-2 Years</b>	<b>Over 2 Years</b>
<u>March 31, 2024</u>			
Short-term bank loans	\$ 17,945,004	\$ -	\$ -
Payables	5,133,294	-	-
Lease liabilities	613,309	330,611	891,654
Other payables	3,985,428	-	-
Bonds Payable	-	-	3,824,824
Long-term bank loans	<u>557,457</u>	<u>1,376,240</u>	<u>1,908,333</u>
	<u>\$ 28,234,492</u>	<u>\$ 1,706,851</u>	<u>\$ 6,624,811</u>
<u>December 31, 2023</u>			
Short-term bank loans	\$ 18,169,514	\$ -	\$ -
Payables	5,299,514	-	-
Lease liabilities	594,261	336,967	891,035
Other payables	4,680,050	-	-
Bonds Payable	-	-	3,811,478
Long-term bank loans	<u>449,750</u>	<u>1,541,517</u>	<u>1,898,051</u>
	<u>\$ 29,193,089</u>	<u>\$ 1,878,484</u>	<u>\$ 6,600,564</u>

(Continued)

<b>Non-derivative Financial Liabilities</b>	<b>Less Than 1 Year</b>	<b>1-2 Years</b>	<b>Over 2 Years</b>
<u>March 31, 2023</u>			
Short-term bank loans	\$ 24,298,764	\$ -	\$ -
Payables	9,326,168	-	-
Lease liabilities	558,532	305,921	976,622
Other payables	5,064,849	-	-
Bonds Payable	-	-	3,771,717
Long-term bank loans	<u>1,660,327</u>	<u>63,531</u>	<u>2,292,948</u>
	<u>\$ 40,908,640</u>	<u>\$ 369,452</u>	<u>\$ 7,041,287</u> (Concluded)

### 31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries 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 disclosed as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Microprogram	Associates
Microprogram Information (Kunshan) Co., Ltd.	Associates
Meiki Giant Co., Ltd. (Meiki Giant)	Associates
Cycling Life-style Foundation	Others
Appa (Kunshan) Co., Ltd.	Others

b. Sales revenue

<b>Financial Statement Account</b>	<b>Related Party Category</b>	<b>Three Months Ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Sales	Others	\$ 1,607	\$ 3,518
	Associates	<u>2,422</u>	<u>64</u>
		<u>\$ 4,029</u>	<u>\$ 3,582</u>

The products sold to related parties are own branding and manufacturing (OBM) products. The Group decided the prices and gross profit ratio by type of products sold. The OBM pricing strategy also differed from that for original equipment manufacturing (OEM) products.

c. Purchases of goods

<b>Related Party Category</b>	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates	\$ 92,055	\$ 62,732
Others	<u>177</u>	<u>207</u>
	<u>\$ 92,232</u>	<u>\$ 62,939</u>

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

d. Operating costs

<b>Related Party Category</b>	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates	<u>\$ 59,693</u>	<u>\$ 33,204</u>

e. Operating expense

<b>Related Party Category</b>	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Others	<u>\$ 724</u>	<u>\$ 642</u>

f. Non-operating gains

<b>Related Party Category</b>	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates	<u>\$ 2,676</u>	<u>\$ 1,023</u>

g. Receivables from related parties

<b>Financial Statement Account</b>	<b>Related Party Category</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Accounts receivable	Others	<u>\$ 23</u>	<u>\$ 1,761</u>	<u>\$ 3,465</u>
Other receivables	Associates	<u>\$ 3,758</u>	<u>\$ 3,708</u>	<u>\$ 3,619</u>

h. Prepayments for Equipment

<b>Related Party Category</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Others	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ -</u>

i. Payables to related parties

<b>Financial Statement Account</b>	<b>Related Party Category</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Accounts payable	Associates	\$ <u>115,057</u>	\$ <u>81,171</u>	\$ <u>68,540</u>
Other payables	Associates	\$ 78,383	\$ 82,406	\$ 53,848
	Others	<u>62</u>	<u>114</u>	<u>699</u>
		\$ <u>78,445</u>	\$ <u>82,520</u>	\$ <u>54,547</u>

i. Remuneration of key management personnel

Total remunerations of directors and key executives were as follows:

	<b>Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 55,875	\$ 69,566
Post-employment benefits	<u>386</u>	<u>241</u>
	\$ <u>56,261</u>	\$ <u>69,807</u>

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

### 32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

a. The following assets were provided as collateral for short-term bank loans:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes and accounts receivable	\$ <u>468,788</u>	\$ <u>-</u>	\$ <u>456,055</u>

b. The following assets were provided as guarantee deposits for tourism and leased national land:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Pledged bank deposits (classified as financial assets at amortized cost)	\$ <u>13,125</u>	\$ <u>95,106</u>	\$ <u>2,414</u>

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments of the Group as of March 31, 2024 were as follows:

- a. The Group had a commitment to acquire property, plant and equipment for \$400,618 thousand.
- b. Product liability

The contract period of the existing product liability insurance policy (the “policy”) of the Group is from August 1, 2023 to August 1, 2024. The policy covers all products manufactured by the Group that are sold all over the world. The maximum indemnity for claims arising from one originating cause is US\$10,000 thousand.

- c. The Group signed several contracts to provide public bicycle rental service with the Department of Transportation under the Taipei City Government, the Department of Transportation under the New Taipei City Government, the Department of Transportation under the Taichung City Government, the Department of Transportation under Taoyuan City Government, the Hsinchu City Government, Hsinchu Science Park Bureau under the Ministry of Science and Technology, the Miaoli County Government, the Department of Transportation under Kaohsiung City Government, Chiayi City Government, the Hsinchu County Government, the Pingtung County Government and the Department of Transportation under Tainan City Government. The contract duration is from November 8, 2017 to December 31, 2031.
- d. Since contracts were signed to provide public bicycle rental service, the Group has to provide deposit of \$455,585 thousand to the Dajia Branch of Chang Hwa Bank in order for the Chang Hwa Bank to provide guarantee. The validity period ends on March 31, 2032.
- e. The Group entered into concession arrangements with the Putian City Garden Administration Bureau authorized by the People’s Government of Putian City, Fujian Province. The contract duration is from March 27, 2018 to March 26, 2025.

### 34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2024			December 31, 2023		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial assets</u>						
Monetary items						
USD	\$ 281,610	31.990	\$ 9,008,704	\$ 368,378	30.735	\$11,322,098
EUR	201,090	34.406	6,918,703	183,404	33.845	6,207,308
JPY	1,398,477	0.2111	295,218	1,008,119	0.2163	218,056
RMB	157,878	4.4021	694,995	174,383	4.3089	751,399
<u>Financial liabilities</u>						
Monetary items						
USD	35,721	31.990	1,142,715	45,563	30.735	1,400,379
EUR	8,758	34.406	301,328	14,234	33.845	481,750
JPY	775,044	0.2111	163,612	1,022,870	0.2163	221,247
RMB	28,771	4.4021	126,653	42,555	4.3089	183,365

(Continued)

<b>March 31, 2023</b>			
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollar</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 342,650	30.454	\$10,435,063
EUR	223,134	33.166	7,400,462
JPY	3,002,839	0.2288	687,050
RMB	132,932	4.4362	589,713
<u>Financial liabilities</u>			
Monetary items			
USD	58,290	30.454	1,775,164
EUR	21,352	33.166	708,160
JPY	2,154,145	0.2288	492,868
RMB	62,778	4.4362	278,496
			(Concluded)

The Group is mainly exposed to USD, EUR, JPY and RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

<b>Three Months Ended March 31</b>				
<b>Functional Currency</b>	<b>2024</b>		<b>2023</b>	
	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>
NTD	1 (NTD:NTD)	\$ 241,328	1 (NTD:NTD)	\$ 4,482
RMB	4.3629 (RMB:NTD)	( 1,330)	4.4382 (RMB:NTD)	( 76,808)
EUR	34.121 (EUR:NTD)	( 41,958)	32.596 (EUR:NTD)	( 35,983)
		<u>\$ 198,040</u>		<u>( \$ 108,309)</u>

### 35. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and b. investees:
- 1) Financing provided to others. (Table 1)
  - 2) Endorsements/guarantees provided. (Table 2)
  - 3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 3)
  - 4) Marketable securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital. (None)
  - 5) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital. (None)
  - 6) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital. (None)
  - 7) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 4)
  - 8) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 5)
  - 9) Trading in derivative instruments. (Note 7)
  - 10) Intercompany relationships and significant intercompany transactions. (Table 6)
  - 11) 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 limit 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 9)
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 9)
    - 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)
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

### 36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments, bicycle, materials and others, on March 31<sup>st</sup> of 2024 and 2023 are as follows:

	Segment Revenue		Segment Profit	
	Three Months Ended March 31 2024	2023	Three Months Ended March 31 2024	2023
Bicycle	\$ 14,163,038	\$ 18,392,231	\$ 261,650	\$ 1,428,542
Materials	1,087,713	1,156,796	159,928	158,086
Others	<u>812,406</u>	<u>570,252</u>	<u>121,497</u>	<u>103,200</u>
Total for continuing operations	<u>\$ 16,063,157</u>	<u>\$ 20,119,279</u>	543,075	1,689,828
Finance costs			( 260,567)	( 242,377)
Share of profit (loss) of associates accounted for using the equity method			10,900	2,702
Interest income			199,938	112,068
Other gains and losses			175,499	60,926
Foreign exchange gain (loss), net			211,781	( 82,635)
Loss on disposal of property, plant and equipment, net			( 6,754)	( 1,212)
Valuation gain (loss) on financial assets and liabilities at FVTPL			( <u>51,446</u> )	( <u>14,408</u> )
Profit before income tax (continuing operations)			<u>\$ 822,426</u>	<u>\$ 1,524,892</u>

Segment profit represents the profit earned by each segment without finance costs, share of profit (loss) of associates accounted for using the equity method, interest income, other gains and losses, net foreign exchange gain (loss), net loss on disposal of property, plant and equipment, valuation gain (loss) on financial assets (liabilities) at fair value through profit or loss and income tax expense. This was the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 6 and 7)	Ending Balance (Note 6)	Actual Borrowing Amount (Notes 7 and 8)	Interest Rate	Nature of Financing (Note 4)	Business Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	Company	Giant Europe	Loans receivable - related parties	Yes	\$ 2,752,480 ( EUR 80,000 )	\$ 2,752,480 ( EUR 80,000 )	\$ 2,752,480 ( EUR 80,000 )	4.83%- 4.96%	2	\$ -	Operating Capital	\$ -	-	\$ -	\$ 3,469,814 ( Note 2 )	\$ 13,879,256 ( Note 5 )
		Giant Europe Mfg.	Loans receivable - related parties	Yes	1,376,240 ( EUR 40,000 )	1,376,240 ( EUR 40,000 )	1,376,240 ( EUR 40,000 )	4.96%	2	-	Operating Capital	-	-	-	3,469,814 ( Note 2 )	13,879,256 ( Note 5 )
		Giant Vietnam Mfg.	Loans receivable - related parties	Yes	639,800 ( USD 20,000 )	-	-	6.17%	2	-	Operating Capital	-	-	-	3,469,814 ( Note 2 )	13,879,256 ( Note 5 )
		AIPS	Loans receivable - related parties	Yes	200,000	200,000	-	-	-	2	-	Operating Capital	-	-	-	3,469,814 ( Note 2 )
1	Giant China	Jiangsu Giant Adventure Co., Ltd	Loans receivable - related parties	Yes	8,804 ( RMB 2,000 )	8,804 ( RMB 2,000 )	8,804 ( RMB 2,000 )	3.20%	2	-	Operating Capital	-	-	-	2,024,966 ( Note 3 )	2,024,966 ( Note 3 )
2	D. Mag	Light Metal Malaysia	Loans receivable - related parties	Yes	8,804 ( RMB 2,000 )	8,804 ( RMB 2,000 )	8,804 ( RMB 2,000 )	2.85%- 3.35%	2	-	Operating Capital	-	-	-	1,119,650 ( Note 3 )	1,119,650 ( Note 3 )
		Light Metal Haian	Loans receivable - related parties	Yes	425,683 ( RMB 96,700 )	425,683 ( RMB 96,700 )	425,683 ( RMB 96,700 )	2.85%	2	-	Operating Capital	-	-	-	1,119,650 ( Note 3 )	1,119,650 ( Note 3 )
3	Gaiwin	Giant Vietnam Mfg.	Loans receivable - related parties	Yes	79,975 ( USD 2,500 )	79,975 ( USD 2,500 )	79,975 ( USD 2,500 )	6.50%	2	-	Operating Capital	-	-	-	2,408,420 ( Note 3 )	2,408,420 ( Note 3 )
		Giant Mexico	Loans receivable - related parties	Yes	639,800 ( USD 20,000 )	639,800 ( USD 20,000 )	319,900 ( USD 10,000 )	6.17%- 6.37%	2	-	Operating Capital	-	-	-	2,408,420 ( Note 3 )	2,408,420 ( Note 3 )
4	Quanzhou YouBike	Putian YouBike	Loans receivable - related parties	Yes	79,238 ( RMB 18,000 )	79,238 ( RMB 18,000 )	-	-	2	-	Operating Capital	-	-	-	1,119,650 ( Note 3 )	1,119,650 ( Note 3 )

Note 1: 1) Giant is numbered 0.  
2) Subsidiaries are numbered starting from 1.

Note 2: The financing limit for each borrower is up to 10% of the net asset value of Giant.

Note 3: 1) Giant China, Giant Electric Vehicle and Giant Holding: Up to RMB 0.46 billion, 0.3 billion and 0.25 billion, respectively.  
2) YouBike: Up to 10% and 40% of its net asset value as the financing limit for each borrower and the aggregate financing limit, respectively.  
3) Gaiwin: Up to EUR70 million.  
4) The other subsidiaries: Up to USD35,000 thousand.

Note 4: The nature of financing provided could be  
1) business relationship,  
2) short-term financial assistance.

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

Note 6: The ending balance amount has been approved by the board of directors.

Note 7: The ending balance and actual borrowing amount used are recorded using prevailing exchange rate at balance sheet date.

Note 8: Significant intercompany accounts and transactions have been eliminated.

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Notes 4 and 6)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 5 and 6)	Actual Borrowing Amount (Note 6)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent to Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries to Parent	Endorsement/ Guarantee Given to Companies in Mainland China
		Name	Relationship (Note 2)										
0	Giant	Giant Hungary Mfg.	2	\$ 8,674,535	\$ 2,098,766 (EUR 61,000)	\$ 2,098,766 (EUR 61,000)	\$ 1,920,930 (EUR 55,831)	\$ -	6.05%	\$ 17,349,070	Y	N	N
		Giant Vietnam Mfg.	2	8,674,535	639,800 (USD 20,000)	639,800 (USD 20,000)	309,600 (USD 9,678)	-	1.84%	17,349,070	Y	N	N
1	Giant Sales	YouBike	4	1,500,000	221,625	-	-	-	-	1,500,000	N	N	N
2	Giant China	Giant Holding	4	1,119,650	4,649 (RMB 1,056)	4,649 (RMB 1,056)	4,649 (RMB 1,056)	-	0.19%	1,119,650	N	N	Y

Note 1: 1) Giant is numbered 0.  
2) Subsidiaries are numbered starting from 1.

Note 2: The relationship between endorser/guarantor and the endorsee/guarantee can be classified into the following seven categories:

- 1) A company with a business relationship.
- 2) A company in which Giant directly and indirectly holds more than 50% of the voting shares.
- 3) A company that directly and indirectly holds more than 50% of the voting shares in Giant.
- 4) Companies in which Giant directly or indirectly holds 90% or more of the voting shares.
- 5) The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for the purpose of undertaking a construction project.
- 6) All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- 7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction houses pursuant to the Consumer Protection Act.

Note 3: Up to 25% of the net asset value of Giant, up to \$1,500,000 thousand of Giant Sales, and up to USD35,000 thousand of other subsidiaries.

Note 4: Up to 50% (excluding 50%) of the net asset value of Giant, up to \$1,500,000 thousand of Giant Sales, and up to USD35,000 thousand of other subsidiaries.

Note 5: The ending balance amount has been approved by the board of directors.

Note 6: The ending balance and actual amount used are recorded using prevailing exchange rate at balance sheet date.

**GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Giant	<u>Domestic listed company</u> Kuei Meng	-	Financial assets at FVTOCI - non-current	10,484	\$ 1,478	-	\$ 1,478	
	<u>Domestic unlisted company</u> Research Innovation Capital Corporation	-	Financial assets at FVTOCI - non-current	6,000,000	29,301	17.9	29,301	
D. Mag	<u>Foreign unlisted company</u> Chongqing Guochuang Light Alloy Research Institute Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	29,520	-	29,520	

## 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 THREE MONTHS ENDED MARCH 31, 2024  
(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 (Note)	% to Total	Collection Terms	Unit Price	Collection Terms	Ending Balance (Note)	% to Total		
Giant	Giant Sales	Investee of Giant	Sales	(\$ 119,292)	( 3 )	T/T 15 days	\$ -	—	\$ 63,033	1		
	YouBike	Investee of Giant	Sales	( 164,023)	( 3 )	T/T 30 days	-	—	135,077	2		
	Giant Kunshan	Investee of Giant Holding	Sales	( 485,204)	( 10 )	T/T 90 days	-	—	493,208	8		
	Giant Tianjin	Investee of Growood	Sales	( 177,696)	( 4 )	T/T 90 days	-	—	180,232	3		
	Giant Australia	Investee of Gaiwin	Sales	( 103,238)	( 2 )	T/T 30 days	-	—	69,268	1		
	Giant Europe Mfg.	Investee of Giant Europe	Sales	( 657,514)	( 14 )	T/T 90 days	-	—	1,114,422	18		
	Giant Hungary Mfg.	Investee of Giant Europe	Sales	( 156,096)	( 3 )	T/T 120 days	-	—	218,194	4		
	Giant Europe	Investee of Gaiwin	Sales	( 799,696)	( 17 )	T/T 60 days	-	—	1,192,539	20		
	Giant Benelux	Investee of Giant Europe	Sales	( 305,636)	( 6 )	T/T 60 days	-	—	324,863	5		
	Giant Germany	Investee of Giant Europe	Sales	( 119,956)	( 3 )	T/T 60 days	-	—	121,409	2		
	Giant UK	Investee of Giant Europe	Sales	( 165,977)	( 3 )	T/T 60 days	-	—	271,361	5		
	Giant Canada	Investee of Gaiwin	Sales	( 211,502)	( 4 )	T/T 90 days	-	—	215,246	4		
	Giant Tianjin	Giant Kunshan	Investee of Giant Holding	Sales	( 153,003)	( 7 )	T/T 90 days	-	—	207,237	36	
		Giant Chengdu	Investee of Merdeka	Sales	( 176,292)	( 8 )	T/T 90 days	-	—	200,965	35	
Giant Electric Vehicle	Giant	Parent company	Sales	( 263,438)	( 29 )	T/T 60 days	-	—	268,645	32		
	Giant Hungary Mfg.	Investee of Giant Europe	Sales	( 103,784)	( 12 )	T/T 60 days	-	—	106,586	13		
Giant Kunshan	Giant Tianjin	Investee of Growood	Sales	( 501,547)	( 16 )	T/T 90 days	-	—	571,562	51		
Giant China	Giant Tianjin	Investee of Growood	Sales	( 109,387)	( 8 )	T/T 90 days	-	—	141,900	9		
Giant Europe Mfg.	Giant Europe	Investee of Gaiwin	Sales	( 281,852)	( 16 )	T/T 30 days	-	—	284,207	13		
Giant Hungary Mfg.	Giant Germany	Investee of Giant Europe	Sales	( 130,745)	( 18 )	T/T 30 days	-	—	68,113	8		
Giant Europe	Giant Benelux	Investee of Giant Europe	Sales	( 340,303)	( 18 )	T/T 30 days	-	—	104,477	4		
	Giant France	Investee of Giant Europe	Sales	( 580,675)	( 30 )	T/T 30 days	-	—	1,340,956	49		
	Giant Germany	Investee of Giant Europe	Sales	( 544,196)	( 28 )	T/T 30 days	-	—	833,130	30		
	Giant Italy	Investee of Giant Europe	Sales	( 164,431)	( 9 )	T/T 30 days	-	—	282,570	10		
	D. Mag	Giant Kunshan	Investee of Giant Holding	Sales	( 175,387)	( 11 )	T/T 30 days	-	—	196,994	13	
Light Metal Haian		Investee of D. Mag	Sales	( 130,697)	( 8 )	T/T 120 days	-	—	232,246	15		
Golden Rich		Investee of D. Mag	Sales	( 105,691)	( 7 )	T/T 60 days	-	—	75,473	5		

Note: Significant intercompany accounts and transactions have been eliminated.

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Financial Statement Account & Ending Balance (Note)		Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance
						Amount	Action Taken		
Giant	YouBike	Investee of Giant	Accounts receivable - related parties	\$ 135,077	5	\$ 57,829	—	\$ 135,077	\$ -
	Giant Kunshan	Investee of Giant Holding	Accounts receivable - related parties	493,208	5	-	—	188,206	-
			Other receivables - related parties	33,469	-	-	—	1,180	-
	Giant Tianjin	Investee of Growood	Accounts receivable - related parties	180,232	3	-	—	34,981	-
			Other receivables - related parties	23,800	-	-	—	20	-
	Giant Europe Mfg.	Investee of Giant Europe	Accounts receivable - related parties	1,114,422	3	277,896	—	209,983	-
			Loans receivable-related parties	1,376,240	-	-	—	-	-
			Other receivables - related parties	413	-	76	—	-	-
	Giant Hungary Mfg.	Investee of Giant Europe	Accounts receivable - related parties	218,194	2	-	—	76,772	-
			Other receivables - related parties	6	-	-	—	1	-
	Giant Europe	Investee of Gaiwin	Accounts receivable - related parties	1,192,539	3	786,904	—	381,926	-
			Loans receivable-related parties	2,752,480	-	-	—	-	-
			Other receivables - related parties	5,075	-	4,473	—	198	-
	Giant Benelux	Investee of Giant Europe	Accounts receivable - related parties	324,863	7	117,917	—	119,741	-
			Other receivables - related parties	21	-	21	—	21	-
	Giant Germany	Investee of Giant Europe	Accounts receivable - related parties	121,409	5	28,431	—	28,693	-
			Other receivables - related parties	96	-	32	—	32	-
	Giant UK	Investee of Giant Europe	Accounts receivable - related parties	271,361	2	153,090	—	98,074	-
			Other receivables - related parties	795	-	438	—	171	-
	Giant Canada	Investee of Gaiwin	Accounts receivable - related parties	215,246	5	-	—	38,618	-
		Other receivables - related parties	221	-	-	—	8	-	
Giant Tianjin	Giant Kunshan	Investee of Giant Holding	Accounts receivable - related parties	207,237	3	-	—	105,149	-
		Other receivables - related parties	6,513	-	-	—	-	-	
	Giant Chengdu	Investee of Merdeka	Accounts receivables - related parties	200,965	3	-	—	46,988	-
Giant Electric Vehicle	Giant	Parent company	Accounts receivable - related parties	268,645	5	23,885	—	120,395	-
		Other receivables - related parties	78	-	-	—	19	-	
	Giant Hungary Mfg.	Investee of Giant Europe	Accounts receivable - related parties	106,586	6	2,399	—	54,939	-
Gaiwin B.V.	Giant Mexico	Investee of Gaiwin	Accounts receivable - related parties	31,785	-	-	—	-	-
		Loans receivable-related parties	312,441	-	-	—	-	-	
		Other receivables - related parties	2,688	-	-	—	-	-	
Giant Kunshan	Giant Tianjin	Investee of Growood	Accounts receivable - related parties	571,562	4	-	—	125,065	-
		Other receivables - related parties	5,319	-	-	—	-	-	
Giant China	Giant Tianjin	Investee of Growood	Accounts receivable - related parties	141,900	4	-	—	56,766	-
		Other receivables - related parties	1,121	-	-	—	35	-	
Giant Europe Mfg.	Giant Europe	Investee of Gaiwin	Accounts receivable - related parties	284,207	6	179,709	—	179,709	-
		Other receivables - related parties	1,975	-	1,225	—	1,225	-	

(Continued)

Company Name	Related Party	Relationship	Financial Statement Account & Ending Balance (Note)		Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance
						Amount	Action Taken		
Giant Hungary Mfg.	Giant Europe Mfg.	Investee of Giant Europe	Accounts receivable - related parties	\$ 232,261	-	\$ 206,958	—	\$ 206,958	\$ -
Giant Europe	Giant Benelux	Investee of Giant Europe	Accounts receivable - related parties	104,477	19	-	—	-	-
			Other receivables - related parties	40,482	-	19,904	—	-	-
	Giant France	Investee of Giant Europe	Accounts receivable - related parties	1,340,956	2	114,378	—	357,662	-
			Other receivables - related parties	222,892	-	8,417	—	54,041	-
	Giant Germany	Investee of Giant Europe	Accounts receivable - related parties	833,130	3	32,378	—	186,787	-
			Other receivables - related parties	483,044	-	8,654	—	95,866	-
	Giant UK	Investee of Giant Europe	Accounts receivable - related parties	21,610	3	-	—	2,113	-
			Other receivables - related parties	91,373	-	-	—	12,340	-
	Giant Polska	Investee of Giant Europe	Accounts receivable - related parties	2,205	3	124	—	-	-
			Other receivables - related parties	108,723	-	22,355	—	30,786	-
	Giant Italy	Investee of Giant Europe	Accounts receivable - related parties	282,570	3	48,385	—	52,959	-
			Other receivables - related parties	22,035	-	4,574	—	5,238	-
D. Mag	Giant Kunshan	Investee of Giant Holding	Note receivable - related parties	130,327	-	-	—	82,625	-
			Accounts receivable - related parties	66,667	10	-	—	64,605	2,062
	Giant Tianjin	Investee of Growood	Note receivable - related parties	75,547	-	-	—	60,583	-
			Accounts receivable - related parties	31,410	9	-	—	30,439	971
	Light Metal Haian	Investee of Giant D.Mag	Accounts receivable - related parties	232,246	-	-	—	35,423	-
			Loans receivable-related parties	437,950	-	-	—	-	-

(Concluded)

Note: Significant intercompany accounts and transactions have been eliminated.

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			% to Consolidated Sales or Total Assets		
				Financial Statement Account	Amount (Note 2)	Transaction Terms			
0	Giant	Giant Europe	1	Sales	(\$ 799,696)	T/T 60 days	5		
			1	Accounts receivable – related parties	1,192,539	T/T 60 days	1		
		Giant Europe Mfg.	1	Loan receivable – related parties	2,752,480	(Note 3)	3		
			1	Sales	( 657,514)	T/T 90 days	4		
			1	Accounts receivable – related parties	1,114,422	T/T 90 days	1		
			1	Loan receivable – related parties	1,376,240	(Note 3)	2		
			1	Sales	( 305,636)	T/T 60 days	2		
			1	Sales	( 211,502)	T/T 90 days	1		
		1	Giant Electric Vehicle	Giant	1	Sales	( 165,977)	T/T 60 days	1
					1	Sales	( 485,204)	T/T 90 days	3
					1	Sales	( 177,696)	T/T 15 days	1
					1	Sales	( 164,023)	T/T 30 days	1
					2	Sales	( 263,438)	T/T 60 days	2
					2	Sales	( 501,547)	T/T 90 days	3
3	Sales				( 176,292)	T/T 90 days	1		
4	Sales				( 281,852)	T/T 30 days	2		
5	Giant Europe Mfg.	Giant Europe	3	Sales	( 340,303)	T/T 30 days	2		
			3	Sales	( 580,675)	T/T 30 days	4		
			3	Accounts receivable – related parties	1,340,956	T/T 30 days	2		
			3	Sales	( 544,196)	T/T 30 days	3		
			3	Sales	( 164,431)	T/T 30 days	1		
6	D. Mag	Giant Kunshan	3	Sales	( 175,387)	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.

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note	
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value				
Giant	Growood	Singapore	Overseas reinvested holding company	USD 18,063	USD 18,063	26,619,300	100	\$ 6,556,677	\$ 246,534	\$ 183,404	Subsidiary	
	Gaiwin	Lelystad, Netherlands	Overseas reinvested holding company	USD 7,243	USD 7,243	502,661	100	10,300,316	( 680,033)	( 680,033)	Subsidiary	
	Darzins	British Virgin Islands	Overseas reinvested holding company	USD 14,889	USD 14,889	14,888,928	100	4,044,672	87,194	98,535	Subsidiary	
	Merdeka	British Virgin Islands	Overseas reinvested holding company	USD 6,000	USD 6,000	6,000,003	100	329,476	23,241	22,891	Subsidiary	
	Giant Sales	Taichung	Sale of bicycles and related products and bicycle rental	\$ 140,000	\$ 140,000	14,000,000	100	651,435	69,753	69,753	Subsidiary	
	YouBike	Taichung	Public bicycle rental	800,000	800,000	84,800,000	100	1,045,621	68,914	68,914	Subsidiary	
	AIPS	Taichung	Manufacturing and sale of sporting goods	500,000	500,000	50,000,000	100	146,484	( 5,242)	( 5,242)	Subsidiary	
	Giant Vietnam Mfg.	Binh Duong Province, Vietnam	Manufacture and sale of bicycles	USD 20,000	USD 20,000	-	100	496,193	( 41,243)	( 39,170)	Subsidiary	
	Giant Mexico	Mexico, Mexico	Sale of bicycles and related products	MXN 1	MXN 1	-	-	2	( 31,304)	-	Indirectly owned subsidiary	
	Microprogram	Taichung	Hardware and software research of computer and sale of related products	244,352	244,352	8,886,000	20	129,785	56,880	11,217	Investments accounted for using the equity method	
	Giant Sales	Giant SEA Bicycle	Binh Duong Province, Vietnam	Manufacture and sale of bicycles	USD 15,000	USD 15,000	-	100	478,057	( 1,763)	( 1,763)	Subsidiary
		Giant Adventure	Taichung	Undertake domestic and international tourism trade business	10,000	10,000	1,000,000	100	81,773	6,837	(Note 1)	Indirectly owned subsidiary
	Gaiwin	Giant Europe	Lelystad, Netherlands	Overseas reinvested holding company and sale of bicycles and related products	EUR 45,736	EUR 45,736	1,200	100	EUR 216,540	(EUR 14,251)	(Note 1)	Indirectly owned subsidiary
		Giant USA	California, USA	Sale of bicycles and related products	USD 47,618	USD 47,618	200,000	100	EUR 47,806	(EUR 4,649)	(Note 1)	Indirectly owned subsidiary
Giant Japan		Kawasaki, Japan	Sale of bicycles and related products	JPY 200,000	JPY 200,000	4,000	100	EUR 11,947	EUR 51	(Note 1)	Indirectly owned subsidiary	
Giant Australia		Victoria, Australia	Sale of bicycles and related products	AUD 500	AUD 500	500,000	100	EUR 24,295	EUR 93	(Note 1)	Indirectly owned subsidiary	
Giant Canada		Vancouver, Canada	Sale of bicycles and related products	CAD 1,052	CAD 1,052	1,051,987	100	EUR 15,691	(EUR 33)	(Note 1)	Indirectly owned subsidiary	
Giant Korea		Seoul, South Korea	Sale of bicycles and related products	KRW 734,000	KRW 734,000	146,800	100	EUR 4,315	(EUR 191)	(Note 1)	Indirectly owned subsidiary	
Giant Mexico		Mexico, Mexico	Sale of bicycles and related products	MXN 70,059	MXN 70,059	-	100	EUR 6,402	(EUR 917)	(Note 1)	Indirectly owned subsidiary	
SPIA		Delaware, USA	Investment	USD 500	-	500	100	EUR 407	(EUR 57)	(Note 1)	Indirectly owned subsidiary	
Giant Germany		Erkrath, Germany	Sale of bicycles and related products	EUR 3,472	EUR 3,472	-	100	EUR 21,491	(EUR 1,064)	(Note 1)	Indirectly owned subsidiary	
Giant France		Aix en Provence, France	Sale of bicycles and related products	EUR 4,200	EUR 4,200	10,500	100	EUR 18,505	(EUR 1,200)	(Note 1)	Indirectly owned subsidiary	
Giant UK		Leicester, United Kingdom	Sale of bicycles and related products	GBP 200	GBP 200	200,000	100	EUR 19,008	(EUR 994)	(Note 1)	Indirectly owned subsidiary	
Giant Europe		Giant Europe Mfg.	Lelystad, Netherlands	Manufacture and sale of bicycles	EUR 227	EUR 227	5,000	100	EUR 63,008	EUR 1,518	(Note 1)	Indirectly owned subsidiary
		Giant Polska	Warsaw, Poland	Sale of bicycles and related products	PLN 150	PLN 150	240	100	EUR 9,361	EUR 348	(Note 1)	Indirectly owned subsidiary
		Giant Benelux	Lelystad, Netherlands	Sale of bicycles and related products	EUR 3,230	EUR 3,230	23,000	100	EUR 20,427	(EUR 409)	(Note 1)	Indirectly owned subsidiary
D. Mag	Giant Italy	Gallarate, Italy	Sale of bicycles and related products	EUR 200	EUR 200	-	100	EUR 3,314	EUR 238	(Note 1)	Indirectly owned subsidiary	
	Giant Hungary Mfg.	Gyongyos, Hungary	Manufacture and sale of bicycles	EUR 45,000	EUR 45,000	-	100	EUR 35,638	(EUR 3,879)	(Note 1)	Indirectly owned subsidiary	
	Golden Rich	Hong Kong	International trade	USD 100	USD 100	100,000	100	RMB 10,185	RMB 1,917	(Note 1)	Indirectly owned subsidiary	
	Light Metal Malaysia	Malaysia	Sale of medium and high-end aluminum wheel hub products	USD 100	USD 100	-	100	(RMB 1,928)	(RMB 129)	(Note 1)	Indirectly owned subsidiary	
	Innovation Tech	Singapore	Investment	USD 7,000	-	75,000,000	100	RMB 50,107	RMB 702	(Note 1)	Indirectly owned subsidiary	

Note 1: Not applicable.

Note 2: Information on investments in mainland China, please see Table 8.

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

## GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Value as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024
					Outflow	Inflow						
Giant China	Manufacture and sale of bicycles and parts	RMB 273,040 (USD 37,500)	(Note 1)	\$ 489,599	\$ -	\$ -	\$ 489,599	\$ 75,237	100%	\$ 27,450	\$ 2,332,181	\$ 11,795,162
Giant Electric Vehicle	Manufacture and sale of electric bicycles	RMB 40,465 (USD 5,000)	(Note 1)	(Note 3)	-	-	(Note 3)	36,423	100%	16,744	2,769,699	2,885,299
Giant Chengdu	Sale of bicycles and parts	RMB 49,663 (USD 6,000)	(Note 1)	199,182	-	-	199,182	23,253	100%	22,903	328,781	180,770
Giant Tianjin	Manufacture and sale of bicycles and parts	RMB 89,614 (USD 12,000)	(Note 1)	(Note 3)	-	-	(Note 3)	163,048	100%	167,385	1,875,882	918,213
Giant Holding	Overseas reinvested holding company	RMB 577,569 (USD 88,500)	(Note 2)	2,681,933	-	-	2,681,933	272,449	100%	380,148	5,091,210	1,829,019
Giant Kunshan	Manufacture and sale of bicycles and parts	RMB 236,288 (USD 35,000)	(Note 6)	(Note 6)	-	-	(Note 6)	254,198	100%	361,896	2,719,451	-
Giant Cycling	Lease of bicycle and promotion of outdoor activities	RMB 6,595 (USD 1,000)	(Note 6)	(Note 6)	-	-	(Note 6)	2	100%	2	3,262	-
Jiangsu Giant	Undertake China tourism business	RMB 5,000	(Note 7)	(Note 7)	-	-	(Note 7)	( 403 )	100%	( 403 )	( 12,989 )	-
Quanzhou YouBike	Undertake China public bicycle rental	RMB 50,000	(Note 8)	(Note 8)	-	-	(Note 8)	( 2,453 )	100%	( 2,453 )	114,207	-
Putian YouBike	Undertake China public bicycle rental	RMB 50,000	(Note 8)	(Note 8)	-	-	(Note 8)	( 26,350 )	100%	( 26,350 )	101,407	-
Giant Jiangsu	Manufacture and sale of bicycles and parts	RMB 331,779 (USD 52,500)	(Note 6)	(Note 6)	-	-	(Note 6)	10,741	100%	10,741	1,698,409	-
D. Mag	Manufacture and sale of new aluminum alloy products	RMB 360,000	(Note 4)	(Notes 4 and 10)	-	-	(Notes 4 and 10)	154,729	60%	104,894	4,191,814	-
Light Metal Haian	Manufacture and sale of alloy materials, semi-solid aluminum, and superplastic aluminum	RMB 120,000	(Note 11)	(Note 11)	-	-	(Note 11)	1,409	60%	745	204,679	-
Meiki Giant	Sale and maintenance of electrical machinery equipment	RMB 3,200	(Note 6)	(Note 6)	-	-	(Note 6)	( 961 )	33%	( 317 )	13,133	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	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 9)

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

Note 2: Investee of Giant.

Note 3: Investee of Growood.

Note 4: D. Mag was acquired by Giant Light Metal, an investee of Darzins. Giant Light Metal merged with D. Mag in November 2020. After the merger, D. Mag was the surviving entity.

Note 5: The investment gains (losses) of Giant China, Giant Electric Vehicle, Giant Jiangsu, Giant Holding, Giant Tianjin and Giant Kunshan were recognized according to financial statements reviewed by Giant's independent auditors. For other entities, the amount was recognized according to the unreviewed financial statements for the same period.

Note 6: Investee of Giant Holding.

Note 7: Investee of Giant China.

Note 8: Investee of Giant Kunshan.

Note 9: 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 had acquired the IDB approval of the Company's establishment of an operating headquarter in Taiwan.

Note 10: Accumulated investment amount of Giant Light Metal was \$54,370 thousand. Chuansin Kunshan merged with Giant Light Metal in December 2011. Accumulated investment amount of Chuansin Kunshan was \$221,555 thousand.

Note 11: Investee of D. Mag.

Note 12: Significant intercompany accounts and transactions have been eliminated.

**GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES**

**SIGNIFICANT DIRECT OR INDIRECT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAIN OR LOSS FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(In Thousands of New Taiwan Dollars)**

Counterparty	Nature of Relationship	Purchase/Sale	Amount (Note)	Transaction Terms			Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss) (Note)
				Prices	Payment Terms	Abnormal Transaction	Ending Balance	% to Total	
Giant Electric Vehicle	Giant directly or indirectly holds more than 50% of shares	Purchase	\$ 263,438	Depending on product differentiation and related market trends	T/T 90 days	No material difference	(\$ 268,645)	( 13 )	\$ 9,016
Giant Kunshan	Giant directly or indirectly holds more than 50% of shares	Sales	485,204	Price and gross margin are determined based on product differentiation and market acceptance	T/T 90 days	No material difference	493,208	8	74,043
Giant Tianjin	Giant directly or indirectly holds more than 50% of shares	Sales	177,696	Price and gross margin are determined based on product differentiation and market acceptance	T/T 90 days	No material difference	180,232	3	37,543

Note: Significant intercompany accounts and transactions have been eliminated.