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GFC, LTD. and Subsidiaries
Consolidated Financial Statements
with Report of Independent Auditors
For The Three-month Periods Ended
March 31, 2026 and 2025

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

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English Translation of Review Report Originally Issued in Chinese

Review Report of Independent Accountants

To GFC, LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of GFC, LTD. (the " Company ") and its subsidiaries as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income for the three-month periods ended March 31, 2026 and 2025 and consolidated statements of changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 4, the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflected total assets of $208,550 thousand and $196,274 thousand, both constituting 1.9% of the consolidated total assets, total liabilities of $115,220 thousand and $108,994 thousand, both constituting 2.4% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively; total comprehensive income of $6,549 thousand and $5,744 thousand, constituting 1.7% and 1.9% of the consolidated total comprehensive income for the three-month periods ended March 31, 2026 and 2025, respectively. As explained in Note 6, the financial statements of certain associates and joint ventures accounted for using equity method were not reviewed by independent auditors. Those associates and joint ventures accounted for using equity method amounted to $13,657 thousand and $24,729 thousand as of March 31, 2026 and 2025, respectively. The related shares of profit (loss) of associates and joint ventures accounted for using equity method amounted to $(10) thousand and $(597) thousand, respectively, and the related shares of other comprehensive income (loss) of associates and joint ventures accounted for using equity method amounted to $(681) thousand and $(549) thousand for the three-month periods ended March 31, 2026 and 2025, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for using equity method disclosed in Note 13 was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, investments accounted for using equity method and the information been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial positions of the Company and its subsidiaries as of March 31, 2026 and 2025, and their consolidated financial performance for the three-month periods ended March 31, 2026 and 2025, and its consolidated cash flows for the three-month periods ended March 31, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Hsu, Jung-Huang
/s/Liu, Jung-Chin

Ernst & Young, Taiwan
May 12, 2026

Notice to Readers:

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GFC, LTD. and Subsidiaries

Consolidated Balance Sheets

March 31, 2026, December 31, 2025 and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
Assets	Note	Amount	%	Amount	%	Amount	%
Current assets							
Cash and cash equivalents	4 & 6.(1)	$3,479,168	31	$3,368,373	30	$2,907,272	28
Financial assets at fair value through profit or loss - current	4 & 6.(2)	1,251,637	11	1,194,746	11	1,071,805	10
Financial assets at amortized cost - current	4, 6.(4) & 6.(15)	23,541	-	23,331	-	3,400	-
Notes receivable, net	4, 6.(5) & 6.(15)	55,150	1	57,921	1	84,648	1
Accounts receivable, net	4, 6.(6) & 6.(15)	626,236	6	607,373	5	694,780	7
Other receivables	4 & 6.(15)	27,442	-	24,907	-	18,771	-
Inventories	4 & 6.(7)	2,954,160	27	3,106,276	28	2,888,167	28
Prepayments		26,374	-	62,540	1	55,905	-
Other current assets		4,891	-	9,842	-	7,139	-
Total current assets		8,448,599	76	8,455,309	76	7,731,887	74
Non-current assets							
Financial assets at fair value through other comprehensive income - non-current	4 & 6.(3)	14,185	-	15,845	-	13,231	-
Financial assets at amortized cost - non-current	4, 6.(4) & 6.(15)	90,108	1	84,564	1	101,188	1
Investments accounted for using equity method	4 & 6.(8)	13,657	-	14,348	-	24,729	-
Property, plant and equipment	4 & 6.(9)	1,052,369	10	1,061,648	10	1,070,618	11
Right-of-use assets	4, 6.(16) & 7	20,217	-	22,522	-	13,802	-
Investment property, net	4 & 6.(10)	813,287	7	813,960	7	816,261	8
Intangible assets	4 & 6.(11)	77,750	1	78,421	1	75,370	1
Deferred tax assets	4 & 6.(20)	207,895	2	213,957	2	198,853	2
Refundable deposits	8	367,569	3	363,660	3	333,540	3
Other non-current assets - other		19,290	-	17,860	-	18,345	-
Total non-current assets		2,676,327	24	2,686,785	24	2,665,937	26
Total assets		$11,124,926	100	$11,142,094	100	$10,397,824	100

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Tang, Po-Loung General Manager: Yu, Pen-Li Chief Accounting Officer: Lu, Ying-Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese
GFC, LTD. and Subsidiaries
Consolidated Balance Sheets (continued)
March 31, 2026, December 31, 2025 and March 31, 2025
(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
Liabilities and Equity	Note	Amount	%	Amount	%	Amount	%
Current liabilities							
Contract liabilities - current	4 & 6.(14)	$3,387,055	31	$3,580,454	32	$3,228,315	31
Notes payable	4	92,798	1	84,386	1	74,309	1
Accounts payable	4	305,000	3	333,165	3	394,393	4
Other payables	4	586,754	5	851,672	8	466,446	5
Current tax liabilities	4	267,033	2	178,240	2	208,455	2
Provisions - current	4	163,811	2	162,929	1	142,988	1
Lease liabilities - current	4, 6.(16) & 7	7,977	-	9,152	-	7,894	-
Other current liabilities	4	35,159	-	37,563	-	21,361	-
Total current liabilities		4,845,587	44	5,237,561	47	4,544,161	44
Non-current liabilities							
Deferred tax liabilities - non-current	4 & 6.(20)	416	-	152	-	2,249	-
Lease liabilities - non-current	4, 6.(16) & 7	12,412	-	13,512	-	6,126	-
Defined benefit liabilities - net	4 & 6.(12)	38,887	-	40,319	1	21,403	-
Other non-current liabilities		7,783	-	7,763	-	8,620	-
Total non-current liabilities		59,498	-	61,746	1	38,398	-
Total liabilities		4,905,085	44	5,299,307	48	4,582,559	44
Equity attributable to the parent company							
Capital	6.(13)						
Common stock		1,770,120	16	1,770,120	16	1,770,120	17
Additional paid-in capital	6.(13)	63,404	1	63,404	1	63,404	1
Retained earnings	6.(13)						
Legal reserve		1,599,728	14	1,599,728	14	1,500,459	14
Special reserve		58,451	1	58,451	-	68,292	1
Unappropriated earnings		2,795,172	25	2,421,464	22	2,470,484	24
Total retained earnings		4,453,351	40	4,079,643	36	4,039,235	39
Other equity	4	(66,675)	(1)	(70,048)	(1)	(57,176)	(1)
Non-controlling interests	6.(13)	(359)	-	(332)	-	(318)	-
Total equity		6,219,841	56	5,842,787	52	5,815,265	56
Total liabilities and equity		$11,124,926	100	$11,142,094	100	$10,397,824	100

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Tang, Po-Loung General Manager: Yu, Pen-Li Chief Accounting Officer: Lu, Ying-Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GFC, LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three-month periods ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

		For the three-month period ended March 31, 2026		For the three-month period ended March 31, 2025	
	Note	Amount	%	Amount	%
Operating revenue	4, 6.(14)	$1,819,322	100	$1,593,104	100
Operating costs	4, 6.(7) & 6.(17)	(1,209,299)	(66)	(1,061,087)	(67)
Gross profit		610,023	34	532,017	33
Operating expenses	4, 6.(15), 6.(16), 6.(17) & 7				
Sales and marketing expenses		(38,850)	(2)	(37,670)	(2)
General and administrative expenses		(121,965)	(7)	(119,741)	(7)
Research and development expenses		(11,970)	(1)	(10,641)	(1)
Expected credit losses		(4,243)	-	(1,521)	-
Total operating expenses		(177,028)	(10)	(169,573)	(10)
Operating income		432,995	24	362,444	23
Non-operating income and expenses	4, 6.(8), 6.(18) & 7				
Interest revenue		11,730	1	9,889	-
Other income		10,460	-	9,146	1
Other gains and losses		13,495	1	(5,000)	-
Financial costs		(129)	-	(77)	-
Share of profit or loss of associates and joint ventures accounted for using equity method		(10)	-	(597)	-
Total non-operating income and expenses		35,546	2	13,361	1
Income before income tax		468,541	26	375,805	24
Income tax expense	4 & 6.(20)	(94,860)	(5)	(78,993)	(5)
Net income		373,681	21	296,812	19
Other comprehensive income (loss)					
Not to be reclassified to profit or loss in subsequent periods	4, 6.(19) & 6.(20)				
Unrealized gains or losses from equity investments measured at fair value through other comprehensive income		(1,702)	-	(1,736)	-
Share of other comprehensive income of associates and joint ventures		(681)	-	(549)	-
To be reclassified to profit and loss in subsequent periods					
Exchange differences resulting from translating the financial statements of foreign operations		7,195	-	4,857	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(1,439)	-	(973)	-
Total other comprehensive income (loss), net of tax		3,373	-	1,599	-
Total comprehensive income		$377,054	21	$298,411	19
Net income (loss) attributable to:					
Stockholders of the parent		$373,708		$296,825	
Non-controlling interests		$(27)		$(13)	
Comprehensive income (loss) attributable to:					
Stockholders of the parent		$377,081		$298,432	
Non-controlling interests		$(27)		$(21)	
Earnings per share (expressed in dollars)	6.(21)				
Basic earnings per share		$2.11		$1.68	
Diluted earnings per share		$2.11		$1.68	

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Tang, Po-Loung General Manager: Yu, Pen-Li Chief Accounting Officer: Lu, Ying-Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GFC, LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to the parent company								
			Retained earnings			Other Components of Equity			
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total equity
Balance as at January 1, 2025	$1,770,120	$63,404	$1,500,459	$68,292	$2,173,327	$1,951	$(60,402)	$(297)	$5,516,854
Net income for the three-month period ended March 31, 2025	-	-	-	-	296,825	-	-	(13)	296,812
Other comprehensive income (loss), net of tax for the three-month period March 31, 2025	-	-	-	-	-	3,892	(2,285)	(8)	1,599
Total comprehensive ended income	-	-	-	-	296,825	3,892	(2,285)	(21)	298,411
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	332	-	(332)	-	-
Balance as at March 31, 2025	$1,770,120	$63,404	$1,500,459	$68,292	$2,470,484	$5,843	$(63,019)	$(318)	$5,815,265
Balance as at January 1, 2026	$1,770,120	$63,404	$1,599,728	$58,451	$2,421,464	$(6,999)	$(63,049)	$(332)	$5,842,787
Net income for the three-month period ended March 31, 2026	-	-	-	-	373,708	-	-	(27)	373,681
Other comprehensive income (loss), net of tax for the three-month period March 31, 2026	-	-	-	-	-	5,756	(2,383)	-	3,373
Total comprehensive ended income	-	-	-	-	373,708	5,756	(2,383)	(27)	377,054
Balance as at March 31, 2026	$1,770,120	$63,404	$1,599,728	$58,451	$2,795,172	$(1,243)	$(65,432)	$(359)	$6,219,841

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Tang, Po-Loung | General Manager: Yu, Pen-Li | Chief Accounting Officer: Lu, Ying-Chen

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GFC, LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the three-month periods ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three-month periods ended March 31, 2026	For the three-month periods ended March 31, 2025
	Amount	Amount
Cash flows from operating activities:		
Net income before tax	$468,541	$375,805
Adjustments to reconcile profit (loss):		
Income and expense adjustments:		
Depreciation	14,658	15,914
Amortization	2,013	2,008
Expected credit losses	4,243	1,521
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(12,192)	5,719
Interest expense	129	77
Interest income	(11,730)	(9,889)
Dividend income	(134)	(99)
Share of profit of associates and joint ventures accounted for using equity method	10	597
Gains on disposal of property, plant and equipment	-	(2)
Total income and expense adjustments	(3,003)	15,846
Changes in operating assets and liabilities:		
Decrease in notes receivable	2,762	34,688
(Increase) decrease in accounts receivable	(23,074)	5,081
Increase in other receivables	(4,789)	(1,668)
Decrease (increase) in inventories	152,116	(83,482)
Decrease in prepayments	36,166	50,703
Decrease in other current assets	4,951	793
Increase in other operating assets	(2,769)	(3,034)
(Decrease) increase in contract liabilities	(193,399)	47,361
Increase (decrease) in notes payable	8,412	(16,865)
(Decrease) increase in accounts payable	(28,165)	7,295
Decrease in other payables	(264,918)	(293,122)
Increase in provisions	882	1,115
Decrease in other current liabilities	(2,404)	(14,578)
Decrease in defined benefit liabilities	(1,432)	(4,652)
Cash generated from operations	149,877	121,286
Interest received	12,548	10,032
Interest paid	(28)	(28)
Income tax paid	(1,180)	(4,635)
Net cash provided by operating activities	161,217	126,655

	For the three-month periods ended March 31, 2026	For the three-month periods ended March 31, 2025
	Amount	Amount
Cash flow from investing activities:		
Acquisition of financial assets at amortized cost	(5,754)	-
Disposal of financial assets at amortized cost	-	832
Acquisition of financial assets at fair value through profit or loss	(51,000)	(38,000)
Disposal of financial assets at fair value through profit or loss	6,301	16,227
Acquisition of property, plant and equipment	(2,210)	(4,691)
Disposal of property, plant and equipment	-	2
Increase in refundable deposits	(3,909)	-
Decrease in refundable deposits	-	9,679
Dividends received	134	176
Net cash used in investing activities	(56,438)	(15,775)
Cash flow from financing activities:		
Increase in guarantee deposits	20	517
Cash payments for principal portion of the lease liabilities	(2,376)	(2,321)
Cash flow used in financing activities:	(2,356)	(1,804)
Effect of exchange rate changes on cash and cash equivalents		
Net increase in cash and cash equivalents	8,372	6,025
Cash and cash equivalents at beginning of period	110,795	115,101
Cash and cash equivalents at end of period	3,368,373	2,792,171
	$3,479,168	$2,907,272

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Tang, Po-Loung　　General Manager: Yu, Pen-Li　　Chief Accounting Officer: Lu, Ying-Chen

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

GFC, LTD. (hereinafter referred to as “the Company”) was established on May 30, 1974. The Company initially engaged in trade business and undertook crane installation projects of Ishikawa China Shipbuilding Company. The Company started engaging in the elevator and escalator business in June 1975. In April 1977, the Company and Toshiba Corporation of Japan formally signed an elevator technical cooperation contract for the Taiwan and Japan markets. The Company was listed on the OTC market at the end of 1997. At present, its main business is the manufacturing and sales of elevators, escalators and generators. Its registered address and main operating site is on the 13th floor, No. 88, Section 2, Nanjing East Road, Taipei.

2. Date and procedure of authorization of financial statements for issue

The consolidated financial statements of the Company and subsidiaries (“the Group”) for the three-month periods ended March 31, 2026 and 2025 were authorized for issue by the Board of Directors on May 12, 2026.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2026. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028. In addition, entities in Taiwan with a need for early adoption may elect to early adopt IFRS 18 upon approval by the FSC.

A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendment permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(a) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.

(b) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.

(c) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (B), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2026 and 2025 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

B. exposure, or rights, to variable returns from its involvement with the investee, and

C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee

B. rights arising from other contractual arrangements

C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;

B. derecognizes the carrying amount of any non-controlling interest;

C. recognizes the fair value of the consideration received;

D. recognizes the fair value of any investment retained;

E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and

F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership		
Investor Name	Name of subsidiary	Main business	March 31, 2026	December 31, 2025	March 31, 2025
GFC, LTD.	GFC Cayman	Investment in GFC Shanghai	100.00%	100.00%	100.00%
GFC, LTD.	Howtobe Technology	Sales, manufacturing, and maintenance of pneumatic vacuum elevators	100.00%	100.00%	100.00%
GFC, LTD.	Japan V.T.	Sale of vacuum pneumatic shuttle	65.11%	65.11%	65.11%
GFC Cayman	GFC Shanghai	Sales of elevators parts	100.00%	100.00%	100.00%

The financial statements of some non-significant subsidiaries listed above had not been reviewed by auditors. As at March 31, 2026 and 2025, the related assets of these subsidiaries which were unreviewed by auditors amounted to $208,550 thousand and $196,274 thousand, respectively, and the related liabilities amounted to $115,220 thousand and $108,994 thousand, respectively. The comprehensive income (loss) of these subsidiaries amounted to $6,549 thousand and $5,744 thousand for the three-month periods ended March 31, 2026 and 2025, respectively.

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and

B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

B. The Group holds the assets primarily for the purpose of trading

C. The Group expects to realize the asset within twelve months after the reporting period

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle

B. The Group holds the liability primarily for the purpose of trading

C. The liability is due to be settled within twelve months after the reporting period

D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group’s business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial Assets Measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

  i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

  ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

In addition, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its accumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial Assets at Fair Value Through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on abovementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for more details on credit risk.

C. Derecognition of Financial Assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.

(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.

(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial Liabilities and Equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial Liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or

(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

From January 1, 2026, when settling a financial liability in cash using an electronic payment system, the Group elects to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

(a) The Group having no practical ability to withdraw, stop or cancel the payment instruction;

(b) The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

(c) The settlement risk associated with the electronic payment system being insignificant.

E. Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or

B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials － Purchase cost on a weighted-average method

Finished goods and work in progress － Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	1~60 years
Machinery and equipment	1~15 years
Transportation equipment	1~10 years
Other equipment	1~15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment Property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	1~60 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and

B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;

B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

C. amounts expected to be payable by the lessee under residual value guarantees;

D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;

B. any lease payments made at or before the commencement date, less any lease incentives received;

C. any initial direct costs incurred by the lessee; and

D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "*Impairment of Assets*" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

<u>Group as a lessor</u>

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer Software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 5 years).

Right of Building Capacity Transfer

The right of building capacity transfer is the reward of a certain base of building capacity transfer after the Company donated land of public facility to the government. The right of building capacity transfer is assessed with an indefinite useful life.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer Software	Right of Capacity Transfer
Useful lives	1~5 years	Indefinite
Amortization method used	Amortized on a straight-line basis	Unamortized
Internally generated or acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

<u>Provision for decommissioning, restoration and rehabilitation costs</u>

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

<u>Provision for warranties</u>

A provision is recognized for expected warranty claims on products sold, based on historical experience, management's judgement and other known factors.

(18) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Group are generators, elevators and escalators and revenue is recognized based on the consideration stated in the contract.

The Group provides its customers with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers, and the warranty is accounted in accordance with IAS 37.

The credit term of the Group's sale of goods is from 30 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

Rendering of services

The Group provides maintenance services for the sale of generators, elevators and escalators. Such services are separately priced or negotiated, and provided based on contract period. As the Group provides the maintenance services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group. Accordingly, the performance obligations are satisfied over time, and the related revenue are recognized by straight line method over the contract period.

Most of the contractual considerations of the Group are collected evenly throughout the contract period. When the Group has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arose.

(19) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and

B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the "International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12)" temporary exceptions, deferred tax assets and liabilities related to Pillar Two income tax shall not be recognized, nor shall the related information be disclosed.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

B. De facto control without a majority of the voting rights in investment companies

The Group's certain investment companies with the largest shareholder but less than 50% shareholdings of the Company have no de facto control but only significant influence after judgement. Please refer to Note 6 for more details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary increases.

B. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

C. Accounts receivable - estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

D. Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

6. Contents of significant accounts

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	$3,987	$3,134	$4,352
Bank deposits	1,283,194	1,177,387	1,047,610
Time deposits (note)	2,191,987	2,187,852	1,855,310
Total	$3,479,168	$3,368,373	$2,907,272

Note: The contract will expire within 12 months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Mandatorily measured at fair value through profit or loss:			
Fund	$1,242,984	$1,185,712	$1,062,109
Bonds	8,653	9,034	9,696
Total	$1,251,637	$1,194,746	$1,071,805

None of the abovementioned financial assets at fair value through profit or loss was pledged.

(3) Financial assets at fair value through other comprehensive income

	March 31, 2026	December 31, 2025	March 31, 2025
Equity investments measured at fair value through other comprehensive income - non-current:			
Unlisted companies stocks	$14,185	$15,845	$13,231

None of the abovementioned financial assets at fair value through other comprehensive income was pledged.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(4) Financial assets measured at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Financial bonds	$89,159	$88,469	$84,104
Time deposit without pledged	24,490	19,426	20,484
Subtotal	113,649	107,895	104,588
Less: loss allowance	-	-	-
Total	$113,649	$107,895	$104,588
Current	$23,541	$23,331	$3,400
Non-current	90,108	84,564	101,188
Total	$113,649	$107,895	$104,588

None of the abovementioned financial assets measured at amortized cost was pledged.

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 6.(15) for more details of the Group’s assessment of impairment and loss allowance information in accordance with Note 12 for details of credit risk management.

(5) Notes receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable－arising from operating activities	$50,952	$52,202	$80,439
Notes receivable－arising from non-operating activities	4,536	6,048	4,536
Subtotal (Gross carrying amount)	55,488	58,250	84,975
Less: loss allowance	(338)	(329)	(327)
Total	$55,150	$57,921	$84,648

None of the abovementioned notes receivable was pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(15) for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$684,888	$661,814	$747,579
Less: loss allowance	(58,652)	(54,441)	(52,799)
Total	$626,236	$607,373	$694,780

None of the abovementioned accounts receivable was pledged.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Accounts receivable are generally on 30-180 day terms. The Group's total book value as at March 31, 2026, December 31, 2025 and March 31, 2025 were $684,888 thousand, $661,814 thousand and $747,579 thousand, respectively. Please refer to Note 6.(15) for more details of loss allowance information for the three-month periods ended March 31, 2026 and 2025. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$366,153	$323,417	$362,118
Materials and supplies in transit	30,333	19,165	18,468
Semi-finished products	211,623	192,992	232,661
Work in process	248,045	259,394	138,309
Finished goods	77,569	77,581	138,276
Finished goods in transit	-	-	33,246
Construction in progress	2,020,437	2,233,727	1,965,089
Total	$2,954,160	$3,106,276	$2,888,167

The cost of inventories recognized as expense by the Group for the three-month periods ended March 31, 2026 and 2025 were $834,044 thousand and $725,746 thousand, respectively, including the write-up (write-down) of inventories of $18,238 thousand and $(4,373) thousand, respectively. The reversal is mainly due to the sale of the impaired inventory by the Group for the three-month period ended March 31, 2026. The inventory price drop led to the decline of the Group inventories' net realized value, which recognized as the write-down for the three-month period ended March 31, 2025.

None of the abovementioned inventories was pledged.

(8) Investments accounted for using the equity method

The investments accounted for using the equity method are as follows:

	March 31, 2026		December 31, 2025		March 31, 2025	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
Hua Hung Management Consulting Co., Ltd.	$-	-	$-	-	$9,709	20.00%
Hua Chi Venture Capital Co., Ltd.	13,657	21.05%	14,348	21.05%	15,020	21.05%
Total	$13,657		$14,348		$24,729	

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The Group has 21.05% ownership of Hua Chi Venture Capital Co., Ltd. and is the largest shareholder of the investment company. Because of less than 50% ownership by the Group, considering ownership of the investee and ownership distribution, the Group has no de facto control in the investee but only significant influence.

B. On December 29, 2025, the Group entered into an equity transfer agreement with Hua Qiang Investment Co., Ltd. to sell all its shares in Hua Hung Management Consulting Co., Ltd., and completed the equity transfer procedures on December 30, 2025.

C. The Group's investment in Hua Hung Management Consulting Co., Ltd. and Hua Chi Venture Capital Co., Ltd. are not individually material. The aggregate financial information of the Group's investments in Hua Hung Management Consulting Co., Ltd. and Hua Chi Venture Capital Co., Ltd. is as follows:

	3-month periods ended March 31,	
	2026	2025
Profit or loss from continuing operations	$(10)	$(597)
Other comprehensive income (post-tax)	(681)	(549)
Total comprehensive income	$(691)	$(1,146)

D. The associates had no contingent liabilities or capital commitments as at March 31, 2026, December 31, 2025 and March 31,2025.

E. The carrying amount of investments accounted for under the equity method in investees whose financial statements were not reviewed by auditors amounted to $13,657 thousand and $24,729 thousand as at March 31, 2026 and March 31, 2025, respectively. The share of the profit (loss) of these associates and joint ventures accounted for using the equity method amount to$(10) thousand and $(597) thousand for the three-month periods ended March 31, 2026 and 2025, respectively. The share of other comprehensive income (loss) of these associates and joint ventures accounted for using the equity method amount to $(681) thousand and $(549) thousand for the three-month periods ended March 31, 2026 and 2025, respectively. These amounts were based on unreviewed financial statements of the investees.

(9) Property, plant and equipment

	March 31, 2026	December 31, 2025	March 31, 2025
Owner occupied property, plant and equipment	$1,025,540	$1,034,657	$1,043,142
Property, plant and equipment leased out under operating leases	26,829	26,991	27,476
Total	$1,052,369	$1,061,648	$1,070,618

Notes to consolidated financial statements of
GFC, LTD. and subsidiaries (continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:						
January 1, 2026	$639,045	$1,046,534	$148,741	$69,743	$222,421	$2,126,484
Additions	-	-	346	1,350	514	2,210
Transfer	-	(1,974)	-	-	-	(1,974)
Exchange differences	-	1,585	87	106	83	1,861
March 31, 2026	$639,045	$1,046,145	$149,174	$71,199	$223,018	$2,128,581
January 1, 2025	$639,045	$1,035,921	$150,811	$69,208	$216,341	$2,111,326
Additions	-	198	-	1,962	2,531	4,691
Disposals	-	(1,418)	(687)	(562)	(1,175)	(3,842)
Exchange differences	-	1,170	66	67	66	1,369
March 31, 2025	$639,045	$1,035,871	$150,190	$70,675	$217,763	$2,113,544
Depreciation and impairment:						
January 1, 2026	$-	$(731,774)	$(107,149)	$(48,785)	$(204,119)	$(1,091,827)
Depreciation	-	(6,691)	(1,473)	(1,798)	(1,556)	(11,518)
Transfer	-	1,974	-	-	-	1,974
Exchange differences	-	(1,427)	(88)	(74)	(81)	(1,670)
March 31, 2026	$-	$(737,918)	$(108,710)	$(50,657)	$(205,756)	$(1,103,041)
January 1, 2025	$-	$(708,781)	$(104,834)	$(45,523)	$(201,156)	$(1,060,294)
Depreciation	-	(7,815)	(1,616)	(1,850)	(1,459)	(12,740)
Disposals	-	1,418	687	562	1,175	3,842
Exchange differences	-	(1,038)	(66)	(43)	(63)	(1,210)
March 31, 2025	$-	$(716,216)	$(105,829)	$(46,854)	$(201,503)	$(1,070,402)
Net carrying amount as at:						
March 31, 2026	$639,045	$308,227	$40,464	$20,542	$17,262	$1,025,540
December 31, 2025	$639,045	$314,760	$41,592	$20,958	$18,302	$1,034,657
March 31, 2025	$639,045	$319,655	$44,361	$23,821	$16,260	$1,043,142

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Property, plant and equipment leased out under operating leases

	Buildings
Cost:	
January 1, 2026	$53,078
Transfer	1,974
Exchange differences	647
March 31, 2026	$55,699
January 1, 2025	$51,293
Additions	-
Exchange differences	390
March 31, 2025	$51,683
Depreciation and impairment:	
January 1, 2026	$(26,087)
Depreciation	(162)
Transfer	(1,974)
Exchange differences	(647)
March 31, 2026	$(28,870)
January 1, 2025	$(23,655)
Depreciation	(162)
Exchange differences	(390)
March 31, 2025	$(24,207)
Net carrying amounts as at:	
March 31, 2026	$26,829
December 31, 2025	$26,991
March 31, 2025	$27,476

Components of buildings that have different useful lives are main building structure, decoration equipment and elevators, which are depreciated over 50 years, 8 years and 15 years, respectively.

None of the abovementioned property, plant and equipment was pledged.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(10) Investment property

	Land	Buildings	Total
Cost:			
January 1, 2026	$792,887	$84,579	$877,466
Additions	-	-	-
March 31, 2026	$792,887	$84,579	$877,466
January 1, 2025	$792,887	$84,579	$877,466
Additions	-	-	-
March 31, 2025	$792,887	$84,579	$877,466
Depreciation and impairment:			
January 1, 2026	$(7,657)	$(55,849)	$(63,506)
Depreciation	-	(673)	(673)
March 31, 2026	$(7,657)	$(56,522)	$(64,179)
January 1, 2025	$(7,657)	$(52,781)	$(60,438)
Depreciation	-	(767)	(767)
March 31, 2025	$(7,657)	$(53,548)	$(61,205)
Net carrying amount as at:			
March 31, 2026	$785,230	$28,057	$813,287
December 31, 2025	$785,230	$28,730	$813,960
March 31, 2025	$785,230	$31,031	$816,261

	3-month periods ended March 31,	
	2026	2025
Rental income from investment property	$5,869	$5,936
Less: Direct operating expenses from investment property generating rental income	(632)	(737)
Direct operating expenses from investment property not generating rental income	-	-
Total	$5,237	$5,199

None of the abovementioned investment property was pledged.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investment properties held by the Group are not measured at fair value, instead the information for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties amounted to $1,630,518 thousand, $1,630,518 thousand and $1,619,274 thousand as at March 31, 2026, December 31, 2025, and March 31, 2025, respectively. The fair value as at March 31, 2026, December 31, 2025 and March 31, 2025 have been determined based on market price from neighborhood of comparison approach performed by the Group's management and based on the results of the most recent evaluation by an independently appointed external appraisal expert. The fair value as at December 31, 2025 and 2024 has been determined based on valuations performed by an independent valuer. The main inputs and quantitative information used are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Capitalization rate	1.61%~3.74%	1.61%~3.74%	1.60%~4.45%

(11) Intangible assets

	Computer software	Right of building capacity transfer	Total
Cost:			
January 1, 2026	$25,683	$73,500	$99,183
Addition-acquired separately	-	-	-
Exchange differences	21	-	21
March 31, 2026	$25,704	$73,500	$99,204
January 1, 2025	$20,227	$73,500	$93,727
Addition-acquired separately	-	-	-
Exchange differences	15	-	15
March 31, 2025	$20,242	$73,500	$93,742
Amortization and impairment:			
January 1, 2026	$(20,762)	$-	$(20,762)
Amortization	(671)	-	(671)
Exchange differences	(21)	-	(21)
March 31, 2026	$(21,454)	$-	$(21,454)
January 1, 2025	$(17,626)	$-	$(17,626)
Amortization	(731)	-	(731)
Exchange differences	(15)	-	(15)
March 31, 2025	$(18,372)	$-	$(18,372)
Net carrying amount as at:			
March 31, 2026	$4,250	$73,500	$77,750
December 31, 2025	$4,921	$73,500	$78,421
March 31, 2025	$1,870	$73,500	$75,370

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group donated the land (cost of $73,500 thousand) to Taichung City Government to obtain the right of building capacity transfer for 2 parcels of land with land lot numbers 265 and 265-1, in Huitai Section, Xitun District, Taichung City. The right of building capacity transfer is assessed as intangible assets with an indefinite useful life.

Amortization expense of intangible assets under the statements of comprehensive income:

	3-month periods ended March 31,	
	2026	2025
Operating expenses	$671	$731

(12) Post-employment benefits

<u>Defined contribution plan</u>

Expenses under the defined contribution plan for the three-month periods ended March 31, 2026 and 2025 were $14,863 thousand and $14,537 thousand, respectively.

<u>Defined benefits plan</u>

Expenses under the defined benefits plan for the three-month periods ended March 31, 2026 and 2025 were $3,255 thousand and $322 thousand, respectively.

(13) Equities

A. Common stock

The Company's authorized and issued capital were $2,930,000 thousand and $1,770,120 thousand as at March 31, 2026, December 31, 2025, and March 31, 2025, respectively, each at a par value of $10 and 177,012 thousand shares. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Treasury share transactions	$29,893	$29,893	$29,893
Donated assets received	7,375	7,375	7,375
Share of changes in net assets of associates and joint ventures accounted for using the equity method	26,136	26,136	26,136
Total	$63,404	$63,404	$63,404

According to the Company Act, the capital reserve shall not be used except for offset prior years' operating losses of the company. When a company incurs no losses, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues;

(b) Offset prior years' operation losses;

(c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;

(d) Set aside or reverse special reserve in accordance with law and regulations; and

(e) The distribution of the remaining portion, if any, will be proposed by the Board of Directors and report to the shareholders' meeting.

The industry of the Company is in a mature period at present. If no major capital expenditure is expected in the year of distribution, the Company will appropriate more than 50% of the distributable earnings as shareholders' dividends. At least 80% of the dividends distributed shall be cash dividends. However, if there is an unpredicted major investment plan and no other funds can be obtained, the cash dividends distribution rate may be reduced by 30% to 50%.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. Subsequently, when the company uses, disposes of, or reclassifies the related assets, it may reverse and distribute earnings in proportion to the originally appropriated special reserve.

Details of the 2025 and 2024 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on March 11, 2026 and June 21, 2025, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2025	2024	2025	2024
Legal reserve	$113,412	$99,269		
Special reserve	11,597	(9,841)		
Common stock - cash dividends	938,164	796,554	$5.30	$4.50

Please refer to Note 6.(17) for more details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	3-month period ended March 31,	
	2026	2025
Beginning balance	$(332)	$(297)
Loss attributable to non-controlling interests	(27)	(13)
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	-	(8)
Ending balance	$(359)	$(318)

(14) Operating revenue

	3-month periods ended March 31,	
	2026	2025
Revenue from contracts with customers		
Sale of goods	$1,066,783	$910,209
Revenue arising from rendering of services	752,539	682,895
Total	$1,819,322	$1,593,104

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Analysis of revenue from contracts with customers during the three-month periods ended March 31, 2026 and 2025 are as follows:

A. Disaggregation of revenue

For the three-month period ended March 31, 2026:

	Sales Department	Maintenance Department	Other Departments	Total
Sale of goods	$1,039,178	$-	$27,605	$1,066,783
Rendering of services	-	750,803	1,736	752,539
Total	$1,039,178	$750,803	$29,341	$1,819,322
Timing of revenue recognition:				
At a point in time	$1,039,178	$-	$29,341	$1,068,519
Over time	-	750,803	-	750,803
Total	$1,039,178	$750,803	$29,341	$1,819,322

For the three-month period ended March 31, 2025:

	Sales Department	Maintenance Department	Other Departments	Total
Sale of goods	$881,866	$-	$28,343	$910,209
Rendering of services	-	680,560	2,335	682,895
Total	$881,866	$680,560	$30,678	$1,593,104
Timing of revenue recognition:				
At a point in time	$881,866	$-	$30,678	$912,544
Over time	-	680,560	-	680,560
Total	$881,866	$680,560	$30,678	$1,593,104

B. Contract balances

Contract liabilities – current

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Sales of goods	$3,387,055	$3,580,454	$3,228,315	$3,180,954

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2026 and 2025 are as follows:

	3-month period ended March 31,	
	2026	2025
The opening balance transferred to revenue	$(989,055)	$(892,267)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	795,656	939,628

C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to $9,885,269 thousand as at March 31, 2026. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within five years when the control has been transferred and the performance obligations have been satisfied.

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to $10,316,808 thousand as at March 31, 2025. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within five years when the control has been transferred and the performance obligations have been satisfied.

The Group's revenue will be recognized as an actual transaction when the control has been transferred and the performance obligations have been satisfied.

(15) Expected credit (losses)/gains

	3-month periods ended March 31,	
	2026	2025
Operating expenses - expected credit (losses)/gains		
Notes receivable	$(9)	$123
Accounts receivable	(4,208)	(1,644)
Other receivables	(26)	-
Total	$(4,243)	$(1,521)

Please refer to Note 12 for more details on credit risk management.

The credit risk as at March 31, 2026, December 31, 2025 and March 31, 2025 for the Group's financial assets measured at amortized cost are assessed as low (the same as the assessment result on January 1, 2025). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses (loss rate of 0%).

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The Group considers the grouping of trade receivables by the counterparties' geographical region, credit rating and industry sector and its loss allowance is measured by using a provision matrix. The assessment of the Group's loss allowance is as follows:

March 31, 2026

Group 1

		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$552,463	$24,493	$9,512	$10,996	$142,674	$740,138
Loss rate	1%	19%	26%	30%	31%	
Lifetime expected credit losses	(3,605)	(4,650)	(2,502)	(3,283)	(44,736)	(58,776)
Carrying amount	$548,858	$19,843	$7,010	$7,713	$97,938	$681,362

Group 2: Comprehensively assess the geographical region, credit rating and industrial sector of the counterparties, and provide a single loss rate:

		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$-	$14	$113	$68	$43	$238
Loss rate						90%
Lifetime expected credit losses						(214)
Carrying amount						$24

December 31, 2025

Group 1

		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$542,073	$21,409	$24,695	$4,928	$126,917	$720,022
Loss rate	1%	20%	26%	30%	31%	
Lifetime expected credit losses	(2,609)	(4,369)	(6,419)	(1,478)	(39,857)	(54,732)
Carrying amount	$539,464	$17,040	$18,276	$3,450	$87,060	$665,290

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Group 2: Comprehensively assess the geographical region, credit rating and industrial sector of the counterparties, and provide a single loss rate:

		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$-	$42	$-	$-	$-	$42
Loss rate						90%
Lifetime expected credit losses						(38)
Carrying amount						$4

March 31, 2025

Group 1

		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$675,702	$15,623	$9,679	$14,540	$116,126	$831,670
Loss rate	1%	21%	26%	30%	32%	
Lifetime expected credit losses	(4,936)	(3,288)	(2,504)	(4,426)	(37,176)	(52,330)
Carrying amount	$670,766	$12,335	$7,175	$10,114	$78,950	$779,340

Group 2: Comprehensively assess the geographical region, credit rating and industrial sector of the counterparties, and provide a single loss rate:

		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>=91 days	Total
Gross carrying amount	$-	$100	$21	$-	$763	$884
Loss rate						90%
Lifetime expected credit losses						(796)
Carrying amount						$88

Note: The Group’s notes receivables are not overdue.

The Group’s carrying amounts of other receivables were $76,259 thousand, $72,288 thousand and $85,712 thousand as at March 31, 2026, December 31, 2025 and March 31, 2025, respectively. The Group’s loss allowance were $48,817 thousand, $47,381 thousand and $66,941 thousand as at March 31, 2026, December 31, 2025 and March 31, 2025, respectively, after considering the grouping of trade receivables by the counterparties’ credit rating, geographical region and industry sector.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The movement in the provision for impairment of notes receivable, accounts receivable and other receivables during the three-month periods ended March 31, 2026 and 2025 are as follows:

	Notes receivable	Accounts receivable	Other receivables
January 1, 2026	$329	$54,441	$47,381
Addition for the current period	9	4,208	26
Exchange differences	-	3	1,410
March 31, 2026	$338	$58,652	$48,817
January 1, 2025	$450	$51,139	$65,583
Addition/(reversed) for the current period	(123)	1,644	-
Exchange differences	-	16	1,358
March 31, 2025	$327	$52,799	$66,941

(16) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as buildings. The lease terms range from 1 to 5 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	$20,217	$22,522	$13,802

During the three-month periods ended March 31, 2026 and 2025, the Group's additions to right-of-use assets amounted to $0 thousand and $4,264 thousand, respectively.

ii. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	$20,389	$22,664	$14,020
Current	$7,977	$9,152	$7,894
Non-current	$12,412	$13,512	$6,126

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Please refer to Note 6.(18)D for the interest on lease liabilities recognized during the three-month periods ended March 31, 2026 and 2025 and refer to Note 12.(5) liquidity risk management for the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	3-month periods ended March 31,	
	2026	2025
Buildings	$2,305	$2,245

(c) Income and costs relating to leasing activities

	3-month periods ended March 31,	
	2026	2025
The expenses relating to short-term leases	$1,231	$1,177

(d) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflows for leases amounted to $3,607 thousand and $3,498 thousand, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

None.

ii. Extension and termination options

None.

iii. Residual value guarantees

None.

B. Group as a lessor

Please refer to Note 6.(9) & Note 6.(10) for relevant disclosure of investment properties for operating leases under IFRS 16.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For operating leases entered by the Group, the undiscounted lease payments to be received for the three-months and three-month periods ended March 31, 2026 and 2025 are as follows:

	3-month periods ended March 31,	
	2026	2025
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$7,269	$7,369

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at March 31, 2026, December 31, 2025 and March 31, 2025 are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not later than one year	$30,500	$28,224	$29,899
Later than one year but not later than two years	26,648	25,117	28,014
Later than two years but not later than three years	15,070	15,615	24,294
Later than three years but not later than four years	15,206	12,868	12,732
Later than four years but not later than five years	13,590	12,868	12,349
Later than five years	18,474	19,888	30,059
Total	$119,488	$114,580	$137,347

(17) Summary statement of employee benefits, depreciation and amortization expenses by function:

	3-month periods ended March 31,					
	2026			2025		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$333,822	$109,602	$443,424	$299,070	$101,493	$400,563
Labor and health insurance	24,503	15,075	39,578	23,755	15,378	39,133
Pension	14,126	3,992	18,118	11,645	3,214	14,859
Other employee benefits expense	16,860	4,071	20,931	14,300	4,098	18,398
Depreciation	7,331	7,327	14,658	7,441	8,473	15,914
Amortization	1,051	962	2,013	954	1,054	2,008

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Company’s shareholders’ meeting held on June 23, 2025 approved amendments to the Articles of Incorporation. According to the amended Company’s Articles of Incorporation, no less than 0.5% of profit of the current year is distributable as employees’ compensation, of which no less than 50% shall be allocated to entry-level employees, and no higher than 0.5% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at board meeting attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the board resolution regarding the employees’ compensation and remuneration to directors can be obtained from the “Market Observation Post System” on the website of the TWSE.

Based on the profit of the three-month period ended March 31, 2026, the Company estimated the amounts of the employees’ compensation and remuneration to directors for the three -month period ended March 31, 2026 to be 1.2% of profit and 0.45% of the profit of the current three-month period, respectively, recognized as employee benefits expense. As such, employees’ compensation and remuneration to directors for the three-month period ended March 31, 2026 amounted to $4,340 thousand and $1,628 thousand, respectively. Employees’ compensation and remuneration to directors for the three-month period ended March 31, 2025 to be 1.2% of profit of the current three-month period and 0.45% of profit of the current three-month period, respectively. The Company estimated the amounts of the employees’ compensation and remuneration to directors for the three-month period ended March 31, 2025 to be $3,700 thousand and $1,388 thousand, respectively. If the Board of Directors resolved to distribute employees’ compensation in the form of stocks, the number of stocks distributed was calculated based on the closing price one day earlier than the date of resolution. If any material differences exist, they are recognized in profit or loss of the subsequent year.

The resolution was passed at the board of directors held on March 11, 2026 to distribute $17,362 thousand and $6,511 thousand in cash as employees’ compensation and directors’ remuneration of the Company in 2025, respectively, not materially different from the amounts recognized as expenses for employees’ compensation and directors’ remuneration in the amount of $17,362 thousand and $6,511 thousand in the 2025 financial statements

The Company’s actual distribution of employees’ compensation and directors’ remuneration for the year ended December 31, 2024 amounted to $14,808 thousand and $5,553 thousand, respectively, not materially different from the amounts recognized as expenses for employees’ compensation and directors’ remuneration in the amount of $14,808 thousand and $5,553 thousand in the 2024 financial statements.

(18) Non-operating income and expenses

A. Interest income

	3-month periods ended March 31,	
	2026	2025
Interest income from bank deposits	$10,402	$8,643
Interest income from others	1,328	1,246
Total	$11,730	$9,889

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Other income

	3-month periods ended March 31,	
	2026	2025
Rental income	$7,269	$7,369
Dividend income	134	99
Others	3,057	1,678
Total	$10,460	$9,146

C. Other gains and losses

	3-month periods ended March 31,	
	2026	2025
Gains on disposal of property, plant and equipment	$-	$2
Foreign exchange gains (losses), net	1,361	876
Gains (losses) on financial assets at fair value through profit or loss (Note)	12,192	(5,719)
Others	(58)	(159)
Total	$13,495	$(5,000)

Note: The balances arose from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs

	3-month periods ended March 31,	
	2026	2025
Interest on lease liabilities	$101	$49
Deposit interest	28	28
Total	$129	$77

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(19) Components of other comprehensive income (loss)

3-month period ended March 31, 2026:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity investments measured at fair value through other comprehensive income	$(1,702)	$-	$(1,702)	$-	$(1,702)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(681)	-	(681)	-	(681)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	7,195	-	7,195	(1,439)	5,756
Total	$4,812	$-	$4,812	$(1,439)	$3,373

3-month period ended March 31, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity investments measured at fair value through other comprehensive income	$(1,736)	$-	$(1,736)	$-	$(1,736)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(549)	-	(549)	-	(549)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	4,857	-	4,857	(973)	3,884
Total	$2,572	$-	$2,572	$(973)	$1,599

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(20) Income tax

The major components of income tax expense for the three-month periods ended March 31, 2026 and 2025 are as follows:

Income tax expense recognized in profit or loss

	3-month periods ended March 31,	
	2026	2025
Current income tax expense:		
Current income tax charge	$89,967	$78,555
Adjustments in respect of current income tax of prior periods	6	(183)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	4,887	621
Total income tax expense	$94,860	$78,993

Income tax related to components of other comprehensive income

	3-month periods ended March 31,	
	2026	2025
Deferred tax expense:		
Exchange differences resulting from translating the financial statements of foreign operations	$1,439	$973

The assessment of income tax returns

As at March 31, 2026, the assessment of the income tax returns of the Company and its domestic subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2024
Subsidiary - Howtobe Technology	Assessed and approved up to 2024

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	3-month periods ended March 31,	
	2026	2025
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$373,708	$296,825
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	177,012	177,012
Basic earnings per share (NT$)	$2.11	$1.68
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$373,708	$296,825
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	177,012	177,012
Effect of dilution:		
Employee compensation - stock (in thousands)	153	146
Weighted average number of ordinary shares outstanding after dilution (in thousands)	177,165	177,158
Diluted earnings per share (NT$)	$2.11	$1.68

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Changjiang Products Co., Ltd.	Other related parties
GFC Foundation	Other related parties
Da-Tang Living Art Center Co., Ltd.	Other related parties

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Significant transactions with the related parties

(1) Operating expenses

	Account details	3-month periods ended March 31, 2026	2025
Other related parties			
GFC Foundation	Donation expense	$1,600	$1,600

(2) Other income

	3-month periods ended March 31, 2026	2025
Other related parties		
Da-Tang Living Art Center Co., Ltd.	$314	$314

(3) Lease - related parties

Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties			
Changjiang Products Co., Ltd.	$3,176	$4,235	$7,411

The Group has leased the 13th Floor (including four parking spaces) of No. 90, Section 2, Nanjing East Road, Zhongshan District, Taipei City as the location of the Group's operation from Changjiang Products Co., Ltd. since January 1, 2022 to December 31, 2026. The lease payment method during the lease period is $363 thousand per month in accordance with the contract. As at January 1, 2022, the right of use assets and lease liabilities were both recognized as $21,174 thousand, respectively. The Group's transaction price for the above company is comparable to the market price to the general counterparty.

Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Other related parties			
Changjiang Products Co., Ltd.	$3,254	$4,333	$7,548

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Interest expenses

	3-month periods ended March 31, 2026	2025
Other related parties		
Changjiang Products Co., Ltd.	$12	$25

Lease expenses

	Account details	3-month periods ended March 31, 2026	2025
Other related parties			
Changjiang Products Co., Ltd.	Operating cost	$257	$257
	Operating expenses	86	86
Total		$343	$343

(4) Key management personnel compensation

	3-month periods ended March 31, 2026	2025
Short-term employee benefits	$20,903	$21,064
Post-employment benefits	54	81
Total	$20,957	$21,145

The main management personnel include directors and managers above the deputy president level.

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount			
	March 31, 2026	December 31, 2025	March 31, 2025	Secured liabilities
Refundable deposits (time deposits)	$125,280	$129,643	$126,145	Construction deposits

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

9. Commitments and contingencies

As at March 31, 2026, the performance guarantee the Company entrusted financial institutions to issue amounted to $989,278 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Financial instruments

(1) Categories of financial instruments

Financial assets

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	$1,251,637	$1,194,746	$1,071,805
Subtotal	1,251,637	1,194,746	1,071,805
Financial assets at fair value through other comprehensive income	14,185	15,845	13,231
Financial assets measured at amortized cost			
Cash and cash equivalents	3,475,181	3,365,239	2,902,920
Financial assets measured at amortized cost	113,649	107,895	104,588
Notes receivable	55,150	57,921	84,648
Accounts receivable	626,236	607,373	694,780
Other receivables	27,442	24,907	18,771
Refundable deposits	367,569	363,660	333,540
Subtotal	4,665,227	4,526,995	4,139,247
Total	$5,931,049	$5,737,586	$5,224,283

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Financial liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities at amortized cost:			
Trade and other payables	$984,552	$1,269,223	$935,148
Lease liabilities	20,389	22,664	14,020
Guarantee deposits(under other non-current liabilities)	7,783	7,763	8,620
Total	$1,012,724	$1,299,650	$957,788

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and the Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for US and CNY. The information of the sensitivity analysis is as follows:

A. When NTD strengthens/weakens against US by 1%, the profit for the three-month periods ended March 31, 2026 and 2025 is decreased/increased by $3,427 thousand and $3,397 thousand, respectively, the equity is decreased/increased by $3,842 thousand and $3,770 thousand, respectively.

B. When NTD strengthens/weakens against CNY by 1%, the profit for the three-month periods ended March 31, 2026 and 2025 is decreased/increased by $440 thousand and $346 thousand, respectively, the equity is decreased/increased by $440 thousand and $346 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at investments with variable interest rates and fixed interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including borrowings with variable interest rates. A change of 10 basis points of interest rate in a reporting period for the three-month periods ended March 31, 2026 and 2025. The equity is increased/decreased by $3,593 thousand and $2,730 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counterparties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As at March 31, 2026, December 31, 2025 and March 31, 2025, trade receivables from top ten customers accounted for 15.75%, 18.02% and 15.67% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant as well.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit ratings. Consequently, there is no significant credit risk for these counterparties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
March 31, 2026					
Trade and other payables	$984,552	$-	$-	$-	$984,552
Lease liabilities (Note)	11,194	7,920	5,557	-	24,671

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
December 31, 2025					
Trade and other payables	$1,269,223	$-	$-	$-	$1,269,223
Lease liabilities (Note)	11,909	8,271	6,435	-	26,615

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
March 31, 2025					
Trade and other payables	$935,148	$-	$-	$-	$935,148
Lease liabilities (Note)	10,882	6,405	-	-	17,287

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month period ended March 31, 2026:

	Leases liabilities	Other liabilities	Total liabilities from financing activities
January 1, 2026	$22,664	$7,763	$30,427
Cash flows	(2,376)	20	(2,356)
Interest expense amortization	101	-	101
March 31, 2026	$20,389	$7,783	$28,172

Reconciliation of liabilities for the three-month period ended March 31, 2025:

	Leases liabilities	Other liabilities	Total liabilities from financing activities
January 1, 2025	$12,028	$8,103	$20,131
Cash flows	(2,321)	517	(1,804)
Interest expense amortization	49	-	49
Non-cash changes	4,264	-	4,264
March 31, 2025	$14,020	$8,620	$22,640

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets measured at amortized cost is listed in the table below:

	Carrying amount as at		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets:			
Financial assets measured at amortized cost			
Financial Bond	$89,159	$88,469	$84,104

	Fair value as at		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets:			
Financial assets measured at amortized cost			
Financial Bond	$89,159	$88,469	$84,104

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Fund	$1,242,984	$-	$-	$1,242,984
Bonds	8,653	-	-	8,653
Financial assets at fair value through other comprehensive income				
Equity investment measured at fair value through other comprehensive income	-	-	14,185	14,185

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$1,185,712	$-	$-	$1,185,712
Bonds	9,034	-	-	9,034
Financial assets at fair value through other comprehensive income				
Equity investment measured at fair value through other comprehensive income	-	-	15,845	15,845

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$1,062,109	$-	$-	$1,062,109
Bonds	9,696	-	-	9,696
Financial assets at fair value through other comprehensive income				
Equity investment measured at fair value through other comprehensive income	-	-	13,231	13,231

Transfers between Level 1 and Level 2 during the period

During the three-month periods ended March 31, 2026 and 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

Details of changes in the third level of the measured at fair value on a recurring basis

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

Adjustment to financial assets measured by Level 3 fair value:

	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2026	$15,845
Total gains and losses recognized for the three-month period ended March 31, 2026:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity investments measured at fair value through other comprehensive income)	(1,702)
Exchange differences	42
Ending balances as at March 31, 2026	$14,185

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2025	$14,927
Total gains and losses recognized for the three-month period ended March 31, 2025:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity investments measured at fair value through other comprehensive income)	(1,736)
Exchange differences	40
Ending balances as at March 31, 2025	$13,231

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

March 31, 2026

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group’s equity by $1,397 thousand and $(1,397) thousand

December 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group’s equity by $1,614 thousand and $(1,613) thousand

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

March 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's equity by $1,206 thousand and $(1,205) thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets measured at amortized cost				
Financial Bond	$-	$89,159	$-	$89,159
Investment property (refer to Note 6.(10))	-	-	1,630,518	1,630,518

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets measured at amortized cost				
Financial Bond	$-	$88,469	$-	$88,469
Investment property (refer to Note 6.(10))	-	-	1,630,518	1,630,518

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets measured at amortized cost				
Financial Bond	$-	$84,104	$-	$84,104
Investment property (refer to Note 6.(10))	-	-	1,619,274	1,619,274

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Unit: $'000

	March 31, 2026		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$10,249	31.9950	$327,925
JPY	2,901	0.2005	582
CNY	17,179	4.6290	79,521
Non-monetary items:			
USD	1,755	31.9950	56,149
JPY	27	0.2005	5
Financial liabilities			
Monetary items:			
CNY	7,671	4.6290	35,510

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$10,170	31.4300	$319,631
JPY	3,439	0.2008	691
CNY	17,510	4.4960	78,727
Non-monetary items:			
USD	1,783	31.4300	56,024
JPY	27	0.2008	5
Financial liabilities			
Monetary items:			
CNY	7,512	4.4960	33,773

	March 31, 2025		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$9,774	33.2050	$324,540
JPY	3,668	0.2227	817
CNY	16,400	4.5730	74,997
Non-monetary items:			
USD	1,578	33.2050	52,395
JPY	27	0.2227	6
Financial liabilities			
Monetary items:			
CNY	8,826	4.5730	40,361

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

As the Group has a large variety of foreign currencies, it is not possible to disclose the foreign currency exchange gains or losses information of monetary financial assets and financial liabilities on each foreign currency's exposure to major impact. The Group's foreign exchange gain for the three-month periods ended March 31, 2026 and 2025 were $1,361 thousand and $876 thousand respectively.

(10) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Notes for Disclosure

(1) Information related to significant transactions

A. Financings provided to others: None.

B. Endorsements/guarantees provided to others: None.

C. Significant marketable securities held (not including subsidiaries, associates and joint ventures): Table 1.

D. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: None.

E. Receivables due from related parities amounting to at least NTD 100 million or 20% of the paid-in capital: None.

F. Business, relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: Table 2.

(2) Information on investees

Information to be disclosed for those with significant influence or control over the investee companies directly or indirectly: Table 3.

(3) Information on investments in mainland China: Table 4.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

(1) Sales segment: The segment is responsible for the manufacturing and sale of elevators and generators.

(2) Maintenance segment: The segment is responsible for the maintenance of elevators and generators.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

Information on segment profit and loss, assets and liabilities to be reported.

3-month period ended March 31, 2026

	Sales segments	Maintenance segments	Other segments	Adjustment and elimination	Total
Revenue					
External customer	$1,039,178	$750,803	$29,341	$-	$1,819,322
Inter-segment	32,098	-	811	(32,909)	-
Total revenue	$1,071,276	$750,803	$30,152	$(32,909)	$1,819,322
Segment profit	$175,206	$361,536	$(56,819)	$(11,382)	$468,541

3-month period ended March 31, 2025

	Sales segments	Maintenance segments	Other segments	Adjustment and elimination	Total
Revenue					
External customer	$881,866	$680,560	$30,678	$-	$1,593,104
Inter-segment	42,856	-	1,277	(44,133)	-
Total revenue	$924,722	$680,560	$31,955	$(44,133)	$1,593,104
Segment profit	$99,712	$348,791	$(64,907)	$(7,791)	$375,805

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The following table presents segment assets and liabilities of the Group's operating segments as at March 31, 2026, December 31, 2025 and March 31, 2025:

	Sales segments	Maintenance segments	Other segments	Adjustment and elimination	Total
Segment assets on March 31, 2026	$3,479,079	$596,488	$7,506,207	$(456,848)	$11,124,926
Segment assets on December 31, 2025	$3,642,185	$549,827	$7,388,723	$(438,641)	$11,142,094
Segment assets on March 31, 2025	$3,475,098	$581,592	$6,779,280	$(438,146)	$10,397,824

	Sales segments	Maintenance segments	Other segments	Adjustment and elimination	Total
Segment liabilities on March 31, 2026	$4,138,608	$626,096	$164,745	$(24,364)	$4,905,085
Segment liabilities on December 31, 2025	$4,436,371	$679,352	$184,209	$(625)	$5,299,307
Segment liabilities on March 31, 2025	$3,938,704	$519,982	$145,916	$(22,043)	$4,582,559

Table 1: Marketable securities held (not including subsidiaries, associates and joint ventures)

Unit: NT$ 000

Securities holding company	Name and type of securities held (note 1)	Relationship with the securities issuer	Accounting subject	End of period				Remarks
				No. of shares/ No. of units	Book value	Ratio	Fair value	
	Money Market Fund							
GFC, LTD.	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,695,985	$97,598	*	$97,598	(note 3)
GFC, LTD.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,547,209	20,617	*	20,617	(note 3)
GFC, LTD.	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,721,621	98,827	*	98,827	(note 3)
GFC, LTD.	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,478,227	56,778	*	56,778	(note 3)
GFC, LTD.	Shin Kong Chi-Shin Money-Market Fund	-	Financial assets at fair value through profit or loss - current	946,008	15,539	*	15,539	(note 3)
GFC, LTD.	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	2,535,867	41,254	*	41,254	(note 3)
GFC, LTD.	PineBridge Taiwan Money Market Securities Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	6,894,249	99,483	*	99,483	(note 3)
GFC, LTD.	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,583,881	36,233	*	36,233	(note 3)
GFC, LTD.	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,257,366	15,604	*	15,604	(note 3)
GFC, LTD.	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,832,267	98,549	*	98,549	(note 3)
GFC, LTD.	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,059,506	31,103	*	31,103	(note 3)
GFC, LTD.	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,969,143	93,166	*	93,166	(note 3)
GFC, LTD.	Fubon Money Market	-	Financial assets at fair value through profit or loss - current	1,308,310	20,630	*	20,630	(note 3)
GFC, LTD.	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,656,867	98,385	*	98,385	(note 3)
GFC, LTD.	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	107,043	20,243	*	20,243	(note 3)
GFC, LTD.	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,666,664	61,013	*	61,013	(note 3)
	Stock Funds							
GFC, LTD.	PineBridge ESG Quantitative Global Equity Fund A	-	Financial assets at fair value through profit or loss - current	300,000	4,830	*	4,830	(note 3)
GFC, LTD.	Goldman Sachs Global Climate & Environment Equity X Cap	-	Financial assets at fair value through profit or loss - current	64	2,761	*	2,761	(note 3)
GFC, LTD.	Capital India Medium And Small Cap Equity Fund	-	Financial assets at fair value through profit or loss - current	280,699	7,671	*	7,671	(note 3)
GFC, LTD.	Capital Value Balance Fund	-	Financial assets at fair value through profit or loss - current	162,561	8,268	*	8,268	(note 3)
GFC, LTD.	Capital Grand India TWD	-	Financial assets at fair value through profit or loss - current	479,708	8,385	*	8,385	(note 3)
GFC, LTD.	Fubon Global Essential Semiconductor Fund	-	Financial assets at fair value through profit or loss - current	1,000,000	16,690	*	16,690	(note 3)
GFC, LTD.	Fubon Supreme Fund	-	Financial assets at fair value through profit or loss - current	47,482	16,322	*	16,322	(note 3)
GFC, LTD.	Yuanta Taiwan Value High Dividend ETF	-	Financial assets at fair value through profit or loss - current	1,000,000	9,390	*	9,390	(note 2)
GFC, LTD.	Fubon Taiwan Flagship Momentum 50 ETF	-	Financial assets at fair value through profit or loss - current	500,000	5,930	*	5,930	(note 2)
GFC, LTD.	Fuh Hwa Taiwan Future 50 Active ETF	-	Financial assets at fair value through profit or loss - current	1,000,000	11,750	*	11,750	(note 2)
GFC, LTD.	CAPITAL TAIWAN TECHNOLOGY INNOVATION ACTIVE EXCHANGE TRADED FUND	-	Financial assets at fair value through profit or loss - current	1,000,000	12,490	*	12,490	(note 2)
GFC, LTD.	Yuanta Global AI New Economy Active ETF	-	Financial assets at fair value through profit or loss - current	500,000	5,650	*	5,650	(note 2)
GFC, LTD.	Taishin US Preferred Income NIG Bd ETF	-	Financial assets at fair value through profit or loss - current	1,000,000	9,950	*	9,950	(note 2)
GFC, LTD.	CAPITAL US GROWTH ACTIVE EXCHANGE TRADED FUND	-	Financial assets at fair value through profit or loss - current	2,000,000	20,000	*	20,000	(note 2)
	Bond Funds							
GFC, LTD.	PineBridge Frontier Emerging Markets High Yield Bond Fund A	-	Financial assets at fair value through profit or loss - current	1,000,000	10,755	*	10,755	(note 3)
GFC, LTD.	PineBridge ESG Quant Bond Fund-A	-	Financial assets at fair value through profit or loss - current	1,000,000	9,729	*	9,729	(note 3)
GFC, LTD.	Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund TWD	-	Financial assets at fair value through profit or loss - current	1,000,000	11,317	*	11,317	(note 3)
GFC, LTD.	Capital Global Strategic Income High Yield Bond Fund	-	Financial assets at fair value through profit or loss - current	1,000,000	10,638	*	10,638	(note 3)
GFC, LTD.	Shin Kong 20+ Year BBB USD Investment Grade Corporate Bond ETF	-	Financial assets at fair value through profit or loss - current	1,000,000	9,400	*	9,400	(note 2)
GFC, LTD.	Hua Nan Global Investment Bond Fund	-	Financial assets at fair value through profit or loss - current	456,467	5,078	*	5,078	(note 3)
GFC, LTD.	CAPITAL BB-B Coupon Enhanced High Yield Bond ETF	-	Financial assets at fair value through profit or loss - current	1,000,000	9,670	*	9,670	(note 3)
GFC, LTD.	Nomura All Weather Global Bond Fund Dividend	-	Financial assets at fair value through profit or loss - current	1,000,520	9,986	*	9,986	(note 3)
GFC, LTD.	CAPITAL 0-5 YEAR ESG INVESTMENT GRADE CORPORATE BOND EXCHANGE TRADED FUND	-	Financial assets at fair value through profit or loss - current	1,000,000	10,360	*	10,360	(note 2)
	Multiple Asset Funds							
GFC, LTD.	PineBridge ESG Quantitative Income & Growth Fund A	-	Financial assets at fair value through profit or loss - current	1,000,000	12,232	*	12,232	(note 3)
GFC, LTD.	PineBridge Thematic Dynamic Multi-Asset Fund-A	-	Financial assets at fair value through profit or loss - current	1,500,000	19,529	*	19,529	(note 3)
GFC, LTD.	Fubon AI New Trends Multi-Asset Fund	-	Financial assets at fair value through profit or loss - current	395,675	17,104	*	17,104	(note 3)
GFC, LTD.	Fubon Taiwan-U.S. Twinstar Multi-Asset Fund A	-	Financial assets at fair value through profit or loss - current	853,889	15,734	*	15,734	(note 3)
GFC, LTD.	Capital Enhanced Income And Growth Multi-Asset Fund	-	Financial assets at fair value through profit or loss - current	1,000,000	13,256	*	13,256	(note 3)
GFC, LTD.	PineBridge US Multi-Asset Income Fund	-	Financial assets at fair value through profit or loss - current	1,000,000	9,929	*	9,929	(note 3)
	Global Funds							
GFC, LTD.	Schroder International Selection Fund Global Climate Change Equity A1 Accumulation USD	-	Financial assets at fair value through profit or loss - current	3,926	3,293	*	3,293	(note 3)
GFC, LTD.	PineBridge Quantitative Diversified Income Fund A	-	Financial assets at fair value through profit or loss - current	1,000,000	10,065	*	10,065	(note 3)
	Index fund							
GFC, LTD.	Fubon S&P 500 ETF	-	Financial assets at fair value through profit or loss - current	500,000	4,780	*	4,780	(note 2)
GFC, LTD.	Taishin US S&P Consumer Staples Select Sector Index Fund	-	Financial assets at fair value through profit or loss - current	500,000	5,020	*	5,020	(note 3)
	Stocks							
GFC, LTD.	Living Mall	-	Financial assets at fair value through other comprehensive income - non-current	49,205	109	0.49%	109	(note 3)
GFC, LTD.	Tiger City	-	Financial assets at fair value through other comprehensive income - non-current	46,568	340	0.03%	340	(note 3)
GFC, LTD.	Hua Da Venture Capital	-	Financial assets at fair value through other comprehensive income - non-current	90,000	2,123	6.00%	2,123	(note 3)
GFC, LTD.	Japan UC	-	Financial assets at fair value through other comprehensive income - non-current	300	9,332	19.99%	9,332	(note 3)
GFC Cayman	Vincera Growth Capital II Limited	-	Financial assets at fair value through other comprehensive income - non-current	115,000	2,281	10.04%	2,281	(note 3)
	Bond							
GFC, LTD.	KKRS GROUP Finance Co. IX LLC/4.625%/01/04/2061(KKRS)	-	Financial assets at fair value through profit or loss - current	5,241	2,683	*	2,683	(note 2)
GFC, LTD.	AT&T, Inc./5.35%/01/11/2066(TBB)	-	Financial assets at fair value through profit or loss - current	4,415	3,003	*	3,003	(note 2)
GFC, LTD.	Entergy Arkansas, LLC/4.875%/01/09/2066(EAI)	-	Financial assets at fair value through profit or loss - current	4,712	2,967	*	2,967	(note 2)
GFC, LTD.	Shinhan Card Social Bond	-	Financial assets at amortized cost -current	-	6,380	-	6,380	(note 4)
GFC, LTD.	BAC_5.468_012335	-	Financial assets at amortized cost - non-current	-	32,779	-	32,779	(note 4)
GFC, LTD.	Cathay Life Insurance 2024 First Series Senior Unsecured Corporate Bonds	-	Financial assets at amortized cost - non-current	-	50,000	-	50,000	(note 4)

*Shareholding percentage less than 0.01%

Note 1: Separately filled in by stock, bond, beneficiary certificates, convertible corporate bond…etc.

Note 2: Calculated at the closing price at the end of the period.

Note 3: Calculated based on net value at the end of the period.

Note 4: Presented at carrying amount at the end of the period.

(In thousands, except for amounts noted)

Table 2: Business, relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them

Unit: NT$'000

Number (note 1)	Transaction party	Transaction counterparty	Relationship with the counterparty (note 2)	Transaction information			
				Subject	Amount	Transaction terms	% of consolidated revenue or total assets (note 3)
0	GFC, LTD.	GFC Shanghai	1	Sales revenue	$209	note 4	0.01%
		GFC Shanghai	1	Cost of good sold	31,883	note 4	1.75%
		Howtobe Technology	1	Sales revenue	6	note 4	0.00%
		Howtobe Technology	1	Labor income	86	note 4	0.00%
		Howtobe Technology	1	Other revenue	429	note 4	0.02%
		Howtobe Technology	1	Cost of good sold	726	note 4	0.04%
		Howtobe Technology	1	Other receivables	24,095	note 4	0.22%
		Howtobe Technology	1	Accounts payable	110	note 4	0.00%

Note 1: The information of business between the parent company and the subsidiary company shall be indicated in the number column respectively, and the number shall be filled in as follows:

1. Fill in 0 for the parent company
2. Subsidiaries are numbered in sequence starting with Arabic numeral with Arabic numerals according to company type.

Note 2: There are three types of relationship with the trader, which can be marked as follows (If it is the same transaction between parent and subsidiary companies or between subsidiaries, it is not necessary to disclose the information repeatedly. For example: For a transaction between the parent company and the subsidiary company, if the parent company has been disclosed, the subsidiary needs not be disclosed repeatedly; if one of the subsidiaries has been disclosed, the other subsidiaries need not be disclosed repeatedly):

1. Parent company to subsidiary company.
2. Subsidiary company to parent company.
3. Subsidiary company to subsidiary company.

Note 3: Percentage of the transaction amount to the consolidated total revenue or total assets, if transaction account belongs to balance sheet, it shall be calculated by the consolidated total assets; if transaction account belongs to comprehensive income statement, it shall be calculated by the consolidated net revenue.

Note 4: There is no special difference between the trading terms of related parties and non-related parties.

Note 5: The principal transactions between the parent company and subsidiary have been written off due to the preparation of consolidated statements.

(In thousands, except for amounts noted)

Table 3: Information to be disclosed for those with significant influence or control over the investee companies directly or indirectly

Unit: NT$'000

Investor	Investee	Location	Major business	Initial investment amount		Ending amount			Investee profit (loss) in current period	GFC recognized investment profit (loss)	Notes
				End of this year	End of prior year	Number of shares	Ratio	Book value			
GFC, LTD.	GFC Cayman	Cayman Islands	Investment in GFC Shanghai	$331,494	$331,494	-	100.00%	$351,596	$3,908	$3,344	note 1, note 3
GFC, LTD.	Howtobe Technology	Taipei, Taiwan	Sales and manufacturing of elevators and parts	26,000	26,000	2,600,000	100.00%	68,548	7,524	7,729	note 1, note 3, note 4
GFC, LTD.	Japan V.T. SYSTEMS	Tokyo, Japan	Sale of vacuum pneumatic shuttle	29,337	29,337	2,073	65.11%	(159)	(78)	(51)	note 1, note 4
GFC, LTD.	Hua Chi Venture Capital Co., Ltd.	Taipei, Taiwan	Venture capital business	1,053	1,053	105,263	21.05%	13,657	(50)	(10)	note 2, note 4

Note 1: The Company directly invested subsidiary.

Note 2: The Company directly invested company with influence.

Note 3: The Company recognized investment profit (loss) is the net of unrealized sales profit.

Note 4: Financial statements was not reviewed by independent auditors.

(In thousands, except for amounts noted)

Table 4: Disclosure of Investment Information in Mainland China:

(1) The Company established Shanghai GFC elevator CO., Limited in Mainland China through GFC Cayman Island Limited, an invested enterprise of the Company in a third region.

(2) Name of the invested company in Mainland China, main business items, paid-in capital, investment method, inward and outward remittance of capital, shareholding ratio, investment profit/loss, book value of investment at the end of the period, profit of investment repatriated and limit for Mainland China investment:

Unit: USD'000/NT$'000

Name of the invested company in Mainland China	Main business items	Paid-in capital (note 4)	Investment method (note 1)	Cumulative investment amount remitted outward from Taiwan at the beginning of the period	Investment capital remitted out or repatriated in the period		Cumulative investment amount remitted outward from Taiwan at the beginning of the period (note 4)	Profit or loss of the invested company in the period	Shareholding ratio of direct or indirect investment of the company	Investment profit or loss recognized in the period (note 2)	Book value of investment at the end of the period	Investment profit already repatriated as of the end of the period
					outward remittance	repatriation						
Shanghai GFC elevator Co., Limited	Sales of elevator parts	$306,192 (USD 9,570)	(b)	$511,920 (USD 16,000)	$-	$-	$511,920 (USD 16,000)	$1,372	100%	$1,372 ((b)B)	$70,718	No repatriation of profit

Cumulative amount remitted outward from Taiwan for investment in Mainland China at the end of the period	Investment amount approved by the Investment Commission, MOEA	Limit of investment in Mainland China by the Investment Commission, MOEA
$511,920 (USD16,000)	$511,920 (USD16,000)	$3,732,120

Note 1: The investment methods can be divided into the following four types (indicate type):

A. Direct investment in Mainland China

B. Reinvestment in a Mainland company through a third place investment.

C. Reinvestment in a Mainland company through reinvestment in an existing compan -

D. Other methods, e.g. entrusted investment

Note 2: In the column of investment profit or loss recognized in the period:

A. If there is no investment profit or loss as it is still in the preparation stage, a note shall be made.

B. The recognition basis of investment profit and loss is divided into the following three types and shall be noted.

(a) Financial statements reviewed and certified by an international accounting firm that has a cooperative relationship with an accounting firm of the Republic of China

(b) Financial statements reviewed and certified by the independent auditor of the Taiwanese parent company

(c) Others.

Note 3: The figures in this table shall be presented in New Taiwan dollars. (US$ exchange rate: 31.995 on March 31, 2026)

Note 4: A part of the investment amount USD6,430 has been remitted back to GFC Cayman Island Limited, an invested enterprise of the Company in a third region, but not remitted to the Company.

(3) Major transactions:

1) The purchase amount and the percentage as well as the closing balance and the percentage of the corresponding payable: See attached Table 1 for details.

2) The sales amount and the percentage as well as the closing balance and the percentage of the corresponding receivable: See attached Table 2 for details.

3) Amount of property transaction and amount of profit or loss generated: None.

4) The ending balance of bill endorsement, guarantee or provision of collateral and the purpose: None.

5) Maximum balance of financing, and its closing balance, interest rate interval and total interest of the current period: None.

6) Other transactions that have a significant impact on the current profit and loss or financial position: None.

Table 1 Unit: NT$'000

Name of related party	Relationship with the related party	Transaction type (Purchase or sale of goods)	Purchases			Terms of transaction		Corresponding payables	
			Amount	Percentage	Price	Payment period	Comparison with general transactions	Balance	Percentage
Shanghai GFC elevator CO., Limited	Sub-subsidiary	Purchases	$31,883	6.17%	The cost plus the due profit.	Two to four months after shipment, the payment shall be made directly by remittance.	There is no relevant export transaction for comparison.	$-	0.00%

Table 2 Unit: NT$'000

Name of related party	Relationship with the related party	Transaction type (Purchase or sale of goods)	Sales			Terms of transaction		Corresponding receivable		Unrealized gross profit
			Amount	Percentage	Price	Payment period	Comparison with general transactions	Balance	Percentage	
Shanghai GFC elevator CO., Limited	Sub-subsidiary	Sales	$209	0.02%	The cost plus the due profit.	Two to four months after shipment, the payment shall be made directly by remittance.	There is no relevant export transaction for comparison.	$- It was directly sold to GFC Shanghai and recognized as account receivable - related party.	0.00%	$-