

Gallant Precision Machining Co., Ltd.



2026 Annual General Shareholders' Meeting Minutes

Time : 9:00a.m., May 20, 2026, Wednesday.

Shareholders meeting will be held by means of : Physical shareholders meeting

Place: No.1, Gongye E. 2nd Rd., East Dist., Science-Based Industrial Park, Hsinchu, 30075, Taiwan.(Einstein Hall)

The number of shares of attendance:

Attending shareholders and proxy represented 99,094,455 shares (including 8,164,372 shares which attended through electronic voting). Percentage of shares by shareholders present in person or by proxy: 61.51%.

Directors present:

CHEN,CHENG-HSIN, Frank Liang.

Independent Director present: Lo Wei , TSANG, KWOK-AH

Others present:

Auditor Wu, Wei-Hao, Lawyer Alice Chiang

Chairman: Mr. CHEN,CHENG-HSIN

Recorder: Mr. SHENG-HUNG,HUANG

Call Meeting to Order:

The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

I. Call Meeting to Order

II. Chairman' s Address

III.Report Items

1. To report on the business of the Company in 2025.

Explanation :

The 2025 Business Report is attached hereto as Attachment 1.

2. Audit committee's review report for 2025.

Explanation :

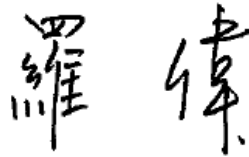
- (1) The Company's 2025 annual account was certified by Wu, Wei- Hao and Chiang, Tsai-Yen, Certified Public Accountants of PWC and reviewed by the Audit Committee, and the auditor's report and Audit Committee's review report were issued, respectively.
- (2) For your approval.

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earning Distribution Proposal for the year of 2025. Wu, Wei-Hao and Chiang, Tsai-Yen, Certified Public Accountants of PWC, have audited the Financial Statements. The 2022 Business Report, Financial Statements, and Earning Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Gallant Precision Machining Co., Ltd., as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law.

Gallant Precision Machining Co., Ltd.

Chairman of the Audit Committee :



February 26, 2026

3. To report on the distribution of employees' and directors' remuneration for 2025.

Explanation :

The Board of Directors has resolved to appropriate NT\$37,544,770 in cash as employee compensation for 2025, within the limits set forth in the Company's Articles of Incorporation. In accordance with applicable regulations, 20% of the aforementioned employee compensation, amounting to NT\$7,508,954, will be allocated to grassroots employees. In addition, directors' remuneration in the amount of NT\$9,572,145 will be distributed in cash. The aforementioned amounts to be distributed are consistent with those recognized in the Company's accounts.

4. Report on 2025 Cash Dividend and Stock Dividend Distribution.

Explanation :

- (1) The report is submitted to the shareholders' meeting according to Article 31-1 of the Articles of Incorporation.
- (2) The Board resolved to approve the distribution of a cash dividend of NT\$2.2 per share on February 26, 2026, with a total amount of NT\$354,373,017. The Board is authorized to make arrangements for the ex-dividend base day and other unaddressed matters at its full discretion.
- (3) The distribution of cash bonuses is rounded to NT\$1 (rounded down to NT\$1), and the sum of fragment amounts less than NT\$1 is accounted for as the other income of the Company.
- (4) With the payout rate remaining unchanged, if any adjustment is required for the distribution amount and the closing balance changes accordingly as the number of shares entitled to participate in the distribution changes subsequently, the Board authorizes the Chairman to handle and adjust at his/her full discretion.

IV. Recognition Items

1. To accept the 2025 Business Report and Financial Statements. (proposed by the Board of Directors)

Explanation :

- (1) The 2025 financial statements of the Company were approved by the Board of Directors on February 26, 2026 and audited by the accountants, Wu, Wei-Hao and Chiang, Tsai-Yen of PWC Taiwan, and were sent to the Audit Committee, and an audit report was issued accordingly.
- (2) For the 2025 Business Report, Independent Auditor's Report, and the 2025 Financial Statements, please refer to Attachments 1 and 2.

Resolution : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 250,000 shares total shares 98,844,455 shares (including 8,164,372 shares voted via electronic transmission)

Voting Results	%of the total representation at the time of voting
Votes in favor : 95,725,650 votes (including 5,365,948 shares voted via electronic transmission)	96.84%
Votes against : 19,654 votes (including 19,654 shares voted via electronic transmission)	0.02%
Votes abstained : 3,099,151 votes (including 2,778,770 share voted via electronic transmission)	3.14%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

**2. To approve the proposal for the distribution of 2025 earnings.
(proposed by the Board of Directors)**

Explanation :

(1)Earnings Distribution Proposal:

Items	Amount in NT\$
	Amount
Unappropriated retained earnings from previous years	74,330,391
Less: Number of changes in ownership of subsidiaries	(89,965,478)
Less: Dividends payable on the treasury shares for employees	(247,500)
Plus: change of remeasurements on defined benefit plan	3,372,640
Plus: Net Income of 2025	416,948,243
Less: 10% Legal Reserve	(33,035,541)
Retained Earnings Available for Distribution as of December 31,	371,402,755
Distribution Item:	
Cash Dividends to Common Share Holders (NT\$2.2 per share)	(354,373,017)
Stock Dividends to Common Share Holders	0
Unappropriated Retained Earnings	17,029,738

- (2) The total amount of cash dividends paid to each shareholder shall be rounded to NT dollars and the fractional part less than NT 1 dollar will not be counted. The total amount of round-off shall be included in other income of the Company.
- (3) The payout rate of the proposal for earning distribution is calculated based on the number of shares entitled to participate in the distribution as of February 13, 2026. With the payout rate of NT\$2.2 per share remaining unchanged, if any adjustment is required for the distribution amount and the closing balance changes accordingly as the number of shares entitled to participate in the distribution changes subsequently, the Board authorizes the Chairman for handling and adjusting at his/her full discretion.

Resolution : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 250,000 shares total shares 98,844,455 shares (including 8,164,372 shares voted via electronic transmission)

Voting Results	%of the total representation at the time of voting
Votes in favor : 95,710,769 votes (including 5,351,067 shares voted via electronic transmission)	96.83%
Votes against : 38,919 votes (including 38,919 shares voted via electronic transmission)	0.04%
Votes abstained : 3,094,767 votes (including 2,774,386 share voted via electronic transmission)	3.13%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

V. Election

1. Election of the seventeenth session of the directors is proposed.

(proposed by the Board of Directors)

Explanation :

- (1) The seventeenth sessions of the directors (including independent directors) shall be elected at the annual general meeting of shareholders. Seven directors (including three independent directors) shall be elected. The elected directors (including independent directors) shall serve for a term of three years from May 20, 2026 to May 19, 2029, and shall take office after end of the general meeting of the shareholders where they are elected. The former director shall continue to serve until the new director assumes office.
- (2) In accordance with relevant laws and regulations, the election of directors shall be conducted as per the candidate nomination system, and the shareholders shall elect the independent directors from the list of director candidates, and the professional qualifications, shareholding, part-time job restrictions, nomination and election methods and other matters to be observed shall be handled in accordance with the relevant laws and regulations.
- (3) In accordance with relevant laws and regulations, the election of directors shall be conducted as per the candidate nomination system, and shareholders shall elect directors from the list of candidates. Please refer Attachments 3, experience and other relevant information.

Resolution :

Title	Shareholder Number or ID	Shareholder Name or Name	Votes Received
Director	146086	Junpeng Investment Co., LTD. Representative : CHEN, CHENG-HSIN	98,945,484
Director	1738	C SUN MFG.LTD. Representative : FRANK, LIANG	93,397,803
Director	H1*****07	Rong-Liang Chen	92,599,329
Director	A1*****73	Tony Tsai	92,301,681

Independent Director	A2*****83	Yin, Chung-En	92,680,050
Independent Director	A1*****05	Tan, Chih-Chung	92,668,672
Independent Director	A1*****34	Ho, Jung -Shu	92,650,072

VI. Other proposals

1. Cancellation of the non-competition terms against the new directors and their representatives.

(proposed by the Board of Directors)

Explanation :

- (1) In accordance with the relevant provisions of Article 209 of the Company Act, where the director acts for himself or on behalf of others within the business scope of the Company, shareholders shall explain the important content of his/her conduct to the shareholders' meeting and obtain its approval.
- (2) The directors of the Company acts for himself or on behalf of others within the business scope of the Company, so the directors and their representatives shall be subject to the approval at the meeting of shareholders in accordance with the law.
- (3) Please refer to Page 44 of Attachments 4 of this manual for the part-time jobs of the directors elected at the meeting of shareholders, which shall be removed after they have been elected. Any change to the part-time job of any directed after being nominated shall be stated additionally before the resolution is made at the meeting of the board.

Resolution : (1) Removal of the Restrictions on Non-Competition against Director Candidates

Name	Removal of the Restrictions on Non-Competition against Director Candidates
Junpeng Investment Co., LTD. Represented by: CHEN, CHENG-HSIN	Director of Shinyu Light Co., LTD. Chairman of Apex-I International Co., Ltd. Chairman and General Manager of Gallant Precision Industries (Suzhou) CO., Ltd. Chairman of Junpeng Investment Co., LTD. Independent Director of TONGTAI MACHINE & TOOL CO., LTD
C SUN MFG. LTD. Represented by: FRANK, LIANG	Chairman and CEO of GALLANT MICRO. MACHINING CO., LTD. General Manager of C SUN Supervisor of Guangxin Venture Capital Co. Ltd. Chairman of TOP CREATION MACHINES CO., LTD. Chairman of POWER EVER ENTERPRISES LIMITED, TAIWAN BRANCH (SAMOA) Director of Suzhou Top Creation Machines Co., Ltd. Chairman of Good Team International Enterprise Limited Director of Nantong Top Creation Photoelectric Equipment Co., Ltd. Legal director representative of Phoenix Silicon International Corporation. Legal director representative of Navigation Technology Co., Ltd. Independent Director of Yu-chen system Technology Co., LTD. Legal director representative of Dunpin No.1 Innovation Investment Co., Ltd. Legal director representative of NTU Alumni Ventures Co., Ltd.
Rong-Liang Chen	Chairman of Gallant Micro. Machining (Suzhou) Co., LTD. Director of King Mechatronics Co., Ltd. Director of Gallant Micro. Ma-chining Co., Ltd.

Tony Tsai	President of Phoenix Silicon International Corp.
Yin, Chung-En	Independent Director of EirGenix, Inc. Supervisor of Taiwan Flower Biotechnology Co., Ltd. Partner, Everest CPA & Co. Director, Ruentex Precision Materials Co., Ltd. Vice Chairman, ESG Committee, National Federation of CPA Associations, R.O.C (Taiwan) Member, Materials Committee, SEMI
Ho, Jung -Shu	President of Yuan-Chuang Industrial Investment Consulting Co. Director of Yuan Chao Investment Co., Ltd. Independent Director of GameSparcs Co., Ltd.
Tan, Chih-Chung	Executive Assistant to the Chairman of Jendae GroupLee Hung Co., Ltd. Vice General Manager of Tien Liang Biotech Co., Ltd.

(2) Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 250,000 shares total shares 98,844,455 shares (including 8,164,372 shares voted via electronic transmission)

Voting Results	%of the total representation at the time of voting
Votes in favor : 95,254,038 votes (including 4,894,336 shares voted via electronic transmission)	96.37%
Votes against : 179,409 votes (including 179,409 shares voted via electronic transmission)	0.18%
Votes abstained : 3,411,008 votes (including 3,090,627 share voted via electronic transmission)	3.45%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

VII.Special Motions

None.

VIII.Meeting Adjourn

Meeting ended at 09:28a.m..

(There are no shareholders' questions at this shareholders' meeting)

Attachment 1 :

Gallant Precision Machining Co., Ltd.

2025 Business Report

In 2025, the parent company only operating income of GPM was NT\$1,963,447 thousand, representing an increase of 5.90% from the preceding year. In terms of profits, the parent company only net profit after tax of GPM was NT\$416,948 thousand, representing an increase of 40.51% from the preceding year; the profit margin was increase by 18.40% from the preceding year; net profit per share was NT\$2.59.

(1) Summary of the Company's financial income and expense and profitability

Financial analysis data		For 2025
Debt to asset ratio (%)	(%)	31.93
Long-term funds to fixed assets ratio	(%)	1,117.87
Return on total assets	(%)	3.95
Return on shareholders' equity	(%)	5.36
Percentage to paid-in capital (%)	Operating profit	4.61
	Pre-tax net profit	26.32
Net profit margin	(%)	21.23
Earnings per Share	(NTD)	2.59

(2) Products that have been developed by the Company in 2025 :

R&D Item	Names of machine developed
(Processing Technology)	● High Speed 3D Metrology for Advanced Package
	● Glass Substrate Grinder
	● Intelligent Quality Prediction System for Grinder Process Control

II. 2026 Business Plan Summary

A. Annual Operating Policy

1 Business Aspect

- Refine, combine, focus and innovate semiconductor industry.
- Differentiation, diversification, expansion next generation display industry.
- Extend, promote and branding intelligent automation industry.

(1)The Company adopts “ethics” as its core and adheres to the corporate culture of “teamwork, innovation, responsibility, and learning” to focus on the automated optical

testing, measurement, grinding, polishing, and other core technologies in the long run with the attitude of constant advances and continuous innovations so as to provide advanced packaging and recycled wafer smart solutions for the semiconductor industry and provide high-quality equipment and excellent services with customer-first as the philosophy in order to create values for customers.

- (2) We focus on core semiconductor technology, innovation and connection of international research and development resources. We understand Taiwan semiconductor market and provide customers with process solutions. Quality is the priority to us. We improve the overall competitiveness and grasp the market trends in order to improve customer competitiveness and differentiation.
- (3) To provide high-quality equipment and services to customers and improve the information security protection ability of tools, we introduced the SEMI E187 compliance development in the stage of product design. In 2023, we successfully passed the certification by Bureau Veritas, a third-party notarization department, and expanded the applications to equipment related to semiconductors. In 2023, we were commended by the Administration for Digital Industries, and we promoted information security awareness within the supply chain of the industry through benchmark learning.
- (4) Through technology introduction/cooperation and the connection to the requirements of partners and customers, we forcefully entered the advanced testing technology development and innovation in the front end of the semiconductor industry and developed the testing, measurement, grinding, polishing, and other procedure equipment in the mid-to-back-end packing procedures to improve the product performance in the existing advanced packaging, wafer recycling, and IC substrate fields so as to focus on the product lines and expand customer group.
- (5) The foundation of the company is the research and development technology of the existing display equipment. The foreign technical cooperation, focus and deeply development of FPD next generation high value-added equipment drive the company to diversify and manage in a sustainable way in order to expand the future in the display industry innovation and progress.
- (6) Continue to allow the differentiation of existing products (i.e., the introduction of AI and energy conservation technologies) and optimize cost strategies to improve product competitiveness and profits. Continue to upgrade the existing core technologies and expand into the next-generation display market (i.e., Micro/Mini-LED) to extend the niche in the next-generation display market.
- (7) We take profit as the priority and master the current key advanced technology. Based on our electromechanical and software integration technology and QDTCSS, the intelligent production management system is the backbone to build a quality production system in the smart factory, intelligent logistics and intelligent dynamic process

equipment. We continue to expand the results of intelligent automation, and pool our resources to provide strategic partners and key industry representative customers with intelligent automation integration solutions to help them achieve their smart manufacturing goals.

- (8) For smart logistics, improve developing potential customers and promote to customers for their other requirements. Strengthen the promotion of AI system products for various industries, introduce key industrial equipment, and provide AOI + AI service solutions to improve our brand image and customer value.
- (9) We have passed the ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management Systems), ISO 27001 (Information Security Management System) and ISO 14064 (greenhouse gas management system) certifications to accurately comply with international management procedures and standards, protect customers' interests with a higher level of standard for the quality management, overall safety and occupational management of plants, and information security management, regulate employees' behaviors and execution capacity, and provide for the overall quality of suppliers.
- (10) We use the company's professional manufacturing brand image and popularity, and through effective management, to develop OEM/ODM services, win international orders, reduce the impact of industrial cycle, promote customer alliance to other industrial areas and expand revenue sources.
- (11) We make good use of the existing after-sales service mechanism, deepen the relationship with customers, help improve the production efficiency of the factory, achieve long-term business opportunities with value-added services, and seek a win-win strategy for customers and companies.
- (12) Continue to expand and have cross-industry alliances with top-notch companies worldwide to become their long-term cooperation partners, accelerate the R&D of new products, assist the customers in the fast launches and entrance into new markets of new products, and build a long-term, stable, and profitable system.
- (13) For our sustainable development, we make arrangements in three major aspects of environmental, social, and governance. GPM adheres to the sustainable operating philosophy and aims at realizing sustainable corporate operations, long-term partnerships with customers and communities, and the performance of responsibilities as a corporate citizen. We established solar power generation systems, made use of green energy for energy saving and carbon dioxide reduction, and applied for the ISO 14064 (Greenhouse Gases Management System) to further align ourselves with the goal of "Carbon Neutral & Net Zero Emission." Meanwhile, we established the Corporate Sustainability Committee in charge of the promotion of matters related to corporate social responsibility (CSR) and ethical corporate management. GPM will continue

focusing on sustainable operations and implementing its responsibilities as a corporate citizen and grow together with its employees by emphasizing people-oriented ideas to jointly create maximum value for the Company, customers, and shareholders.

(14)The company has strengthened internal information security by establishing a cybersecurity committee to promote and implement security operations. Additionally, it has obtained ISO 27001 international information security certification and SEMI E187 cybersecurity certification. These measures effectively mitigate the risks of external intrusion and internal data breaches, safeguarding the interests of all employees and protecting R&D confidentiality.

2 R&D Aspect

Develop the in-depth core technologies (equipment & procedures), including (1) automated optical testing technology, (2) automated optical measuring technology, (3) grinding technology, (4) polishing technology, (5) smart automation technology, and (6) AI technology and other core technologies.

Expand the core technologies into the integrated applications and development of cross-field products and their value-added applications in the fields of semiconductor procedure and testing equipment, IC substrate, next-generation display procedure equipment, smart factories, and smart logistics.

The Company's plans to develop following products in 2026:

R&D Item (Processing Technology)	Names of machine to be developed
	● Co-Packaged Optics Test Equipment Development
	● Panel Polisher
	● Development of Digital Twin for Process Equipment

B. The Company's forecast on sales volume and its basis for 2026:

Unit: set

Main products	2026 Budget
Semiconductor processing equipment	485
Display processing equipment	10
Intelligent automation equipment	-

Note: The forecast is based on the customers' forecast, taking into account the market conditions.

C. Important production and marketing policies

(1) Integrating operations, talent, and resources across the Taiwan Strait, we aim to strengthen customer management, sales, and efficiency integration to maximize overall effectiveness and expand into markets in mainland China, the United States, Japan,

and Southeast Asia.

- (2) Conduct strategic alliance with industry-university-research units and end customers, continuously improve system integration capability and develop new products and technologies in new fields such as display, semiconductor and intelligent automation, to improve marketing efficiency and achieve differentiated niche.
- (3) Strengthen product cost control mechanism, together with design improvement, efficiency improvement and supply chain management, increase orders of high-gross margin products, and ensure reasonable profit of products.
- (4) Continuously promote the intelligence, modularization and standardization of major products, simplify the manufacturing process, improve product function and reliability, and reduce costs.
- (5) Collecting the Company's various real-time production data, analyzing and integrating it with the internal system, and providing information to the decision-making supervisors as a reference for performance.
- (6) To meet the customer demand for fast delivery, effectively control quantity and amount of raw materials and inventory, reduce inventory turnover days and reduce loss on inventory falling price.
- (7) Accelerate installation and acceptance efficiency, improve after-sales service quality to ensure customer satisfaction, establish a win-win service system with customers and continuously strengthen accounts receivable and cash flow management.
- (8) We introduced energy policies related to green energy and carbon emission reduction. We built a solar farm in our plant to sell the power generated to Taipower and establish the energy-saving and environmental image of the Company, making contributions to the sustainability and renewal of the earth.

III. Future Development Strategy:

- Adopt innovation transformation, market extension, sustainable development as the guiding principle of development strategy.
- Business Aspect
 - Deepen promotion of development of the Semiconductor industry, display industry and intelligent automation industry.
 - Extend related products to other foreign markets for business promotion.
 - Enhancing the business opportunities of Taiwanese businessmen returning and decentralized production by international manufacturers.
 - Deeply cultivate the after-sales service market of equipment and components, and grow together with customers.
- Product Aspect
 - Deeply develop core technologies (equipment & processes).
 - Extend core technology for cross-industrial product integration application development.

- Internationalization strategy of diverse talents cultivation.
- GPM formed a G2C business strategic alliance with its partners, C. Sun and GMM, to provide one-stop services for smart production. By integrating the human resources, material resources, and technical resources of multiple companies, we established a robust supply chain system and customer service system that connect all production equipment from upstream to downstream to assist customers in creating maximum value, and in turn, achieving the common belief of price fortification by securing costs, joint creation through mutual efforts, harmony and sharing, and long-term partnerships.

IV. The Impact from the External Competitive Environment, the Regulatory Environment and the Overall Business Environment:

1. The impact of the external competitive environment

International tensions, industrial and economic cycle changes, exchange rate fluctuations and geopolitical evolutions have resulted in industry environment changing rapidly. Market and product trends have also become diverse. With slowing capacity expansion in the global display industry, intense competition, and the Chinese government pushing for equipment localization, our primary business sector has become more and more competitive and challenging. These factors continue to test the flexibility and problem-solving skills of our management team. GPM will continue to strengthen its proprietary product technology, complemented by the introduction of advanced foreign technologies, to enhance product functionality, quality, and sophistication, thereby moving away from price-based competition. Additionally, we will explore opportunities in industries such as semiconductors, Micro/Mini LED, and smart manufacturing, while expanding into international markets. In response to changes in the industry and operating environment, we will demonstrate stability, precision, and rapid response capabilities, while establishing a diversified business layout and development goals for the industry.

2. Regulatory Environment:

Integrity is deep rooted in the Company's core culture. As a result, the Company has been complying with legal norms, honest, and self-disciplined in its business. In addition to collecting information concerning external regulatory changes at any time for the management's reference, the Company is establishing, reviewing, updating and adjusting its internal management and operational rules and regulations in order to actively respond to various changes in the regulatory environment.

3. Overall Business Environment:

- (1) The machinery industry in Taiwan secured a seat in the global semiconductor equipment market. In recent years, emerging drivers have been brought by the rapid development of smart robots, drones, Digital Twin, and generative AI technologies. According to IEK, ITRI, regarding the semiconductor equipment industry, the global semiconductor market is likely to record booming results for two consecutive years

with the uprising requirements for AI computing, HBM, and equipment in Mainland China. SEMI estimates that, driven by advancements in AI and other leading-edge technologies, the global semiconductor equipment market will grow by 7.4% in 2025, reaching a market value of US\$125.5 billion. Supported by demand in advanced logic, memory, and ongoing technology transitions, the market is expected to expand further in 2026, with its value projected to reach US\$138.1 billion and over 50% of them are in Mainland China, Taiwan, and the U.S.. In particular, Mainland China expands investment in mature procedures while facing the restriction of export control for advanced equipment; the changes in the policy for trade between the U.S. and Mainland China in the following are closely related to the development of the equipment market.

According to IEK, ITRI, AI will be the main pushing force for the growth in the semi-conductor market in the following decade, and relevant applications will bring about the heterogeneous integration of the front-end wafer manufacturing and the back end (i.e., CoWoS procedures, TSV, RDL, and other equipment requirements for advanced packaging). It is estimated that the advanced packaging market will achieve US\$786 billion by 2028. The silicon photon technology with high speed and low energy consumption will start to develop, which will also bring challenges to manufacturing and packaging. The Company will keep abreast of relevant equipment requirements, grasp relevant business opportunities, and allow diversified business order-taking and flexible manufacturing speed to welcome the challenges through the combination of its forceful internal production and marketing functions and the long-term external supplier chain system so as to create a greater future.

- (2) According to the Taiwan Economic Outlook 2026 published by the Taiwan Institute of Economic Research (TIER), Taiwan's economic performance in 2025 benefited from the continued expansion of the global artificial intelligence (AI) wave, which drove strong demand for ICT and electronics-related products. As a result, export performance significantly exceeded original expectations. On the domestic front, local enterprises were likewise driven by demand for AI and emerging technology applications, prompting continued capacity expansion and increased investment. This has enabled private investment to maintain steady growth. As a key hub in the global supply chain for semiconductors, servers, and AI hardware, Taiwan's export structure and industrial development are directly affected by changes in the international trade environment and geopolitical risks. Looking ahead to 2026, Taiwan faces a critical juncture where challenges and opportunities coexist. Whether it can sustain its growth model—centered on AI technologies and semiconductor exports, with support from private investment—remains to be seen. The outlook for major industries and the sustainability of overall economic momentum will require close monitoring. In recent years, the Company has actively engaged in research and development while collaborating closely with partner companies. It is expected to achieve solid results this year in the semiconductor, dis-play, and intelligent

automation sectors. In response to these evolving trends, the Company will further strengthen its development in high-tech equipment and position itself as a key player in customers' equipment supply chains.

- (3) Geopolitics and the US-China trade war made partial enterprises in Mainland China move out, return to Taiwan, or choose to establish plants in Southeast Asian countries to separate risks. However, Southeast Asian countries have insufficient technicians and rising labor costs have become inevitable in the region. With the requirements of local manufacturing plants for constant improvement in the overall quality, smart auto systems and equipment are required in place of labor production. Leveraging the long-term development in the equipment manufacturing field and the advantageous position of Taiwan in the wave of supply chain readjustment, Taiwanese businesses and large-scale international companies will choose GPM as the cooperating partner.
- (4) GPM, C.Sun, and GMM joined hands and formed the G2C alliance in 2020 for joint creation. The companies have their own expertise in the equipment for semiconductor procedures; through technological connection and integration, the alliance becomes a material force to drive the continual advances in wafer production, allowing the outstanding performances recorded by the Company in terms of its operating income.
- (5) In addition, AI, 5G, AR/VR, Metaverse, IoT, and Big Data facilitated a more comprehensive smart auto application. GPM possesses technologies for the solutions of automated equipment application procedures that span across diverse technology industries. In recent years, GPM joined forces with a world-renowned manufacturer in major industries and gained substantial achievements in terms of the integration of smart auto solutions.
- (6) GPM adheres to the spirit of corporate sustainability, gradually entering the ESG field and establishing future sustainability goals for GPM based on the United Nations SDGs in the categories of Environment, Social, and Governance. GPM has completed the ISO14064-1:2018 verification and hopes to collaborate with partners worldwide to address the challenges of climate change, particularly in key areas such as greenhouse gas and carbon management. Looking ahead, with an excellent management team and professional technical capabilities, GPM is confident that it can achieve its goals and attain the best operational results through the concerted efforts of all employees.

Chairman: Cheng-Hsin (Jason), Chen President: Cheng-Hsin (Jason), Chen & Frank, Liang

Accounting Manager: Sheng-Hung(Michael), Huang

REPORT OF INDEPENDENT ACCOUNTANTS

To Gallant Precision Machining Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Gallant Precision Machining Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years ended December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements in the current period are stated as follow:

Evaluation of inventories

Description

Gallant Precision Machining Co., Ltd is primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Inventories are stated at the lower of cost and net realizable value and regarding the accounting policy on the evaluation of inventories are disclosed in Note 4(13) of the parent company only financial statements. The uncertainty of accounting estimations and assumptions for valuation of inventories are disclosed in Note 5(2) of the parent company only financial statements. The inventory cost and the balance of inventory valuation loss allowance amounting to NT483,138 thousand and NT213,401 thousand as of December 31, 2025 are disclosed in Note 6(5) of the parent company only financial statements.

As the amount of inventory is significant, and the estimation of net realizable value of inventories for exceeded specific age, and individually identified out of date or damaged inventories are subject to management's judgement, the evaluation of inventories has been identified a key audit matters.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Obtained an understanding and assessed the reasonableness of the policy of the allowance for inventory valuation loss and compared whether consistent application of accounting policies in relation to the provision for inventory valuation losses.
2. Tested the accuracy of inventory aging report, included tested whether the quantity and amount of inventory is consistent with inventory ledger and verify the accuracy of the inventory age classification.
3. Assessed and confirmed the reasonableness in estimation of net realizable value and checked the related supporting documents.
4. Tested the reasonableness in accrual of the allowance for inventory valuation loss.

Revenue recognition

Description

Refer to Note 4(28) and Note 6(19) of the parent company only financial statements for accounting

policies on revenue recognition and the description of significant accountings – operating revenue.

Gallant Precision Machining Co., Ltd. is primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Main revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the parent company only financial statement. Thus, revenue recognition has been identified a key audit matter.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions included check customer purchase order, evidence of customer's confirmation for acceptance, verified whether had met criteria of the contract and considered the reliability of collection for the timing of revenue recognition.
4. Performed cut-off test on sales transactions for a specific time prior to and after the balance sheet date.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation .
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion .

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan
February 26, 2026

The accompanying parent financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 384,252	3	\$ 396,394	4
1136	Financial assets at amortized cost - current	6(3)	151,101	1	6,557	-
1150	Notes receivable, net	6(4)	2,098	-	-	-
1170	Accounts receivable, net	6(4)	774,463	6	933,336	9
1180	Accounts receivable - related parties, net	6(4) and 7	23,249	-	26,140	-
1200	Other receivables		2,405	-	2,755	-
1210	Other receivables - related parties	7	1,633	-	8,039	-
1220	Current tax assets	6(26)	8,808	-	-	-
130X	Inventories	6(5)	269,737	2	191,188	2
1410	Prepayments		58,718	1	60,487	1
1470	Other current assets		20,909	-	18,846	-
11XX	Current Assets		<u>1,697,373</u>	<u>13</u>	<u>1,643,742</u>	<u>16</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income – non – current	6(2)	8,112,973	63	6,053,520	57
1535	Financial assets at amortized cost – non-current	6(3) and 8	165,627	1	165,571	2
1550	Investments accounted for using equity method	6(6)	1,716,073	13	1,385,799	13
1600	Property, plant and equipment, net	6(7) ,7and 8	939,049	7	957,194	9
1755	Right-of-use assets	6(8)	178,424	1	185,665	2
1780	Intangible assets		5,131	-	2,879	-
1840	Deferred income tax assets	6(26)	57,743	1	70,938	1
1900	Other non-current assets	6(13)	52,974	1	54,244	-
15XX	Non-current assets		<u>11,227,994</u>	<u>87</u>	<u>8,875,810</u>	<u>84</u>
1XXX	Total assets		<u>\$ 12,925,367</u>	<u>100</u>	<u>\$ 10,519,552</u>	<u>100</u>

(Continued)

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term loans	6(9)	\$ 1,110,000	9	\$ 1,430,000	14
2130	Contract liabilities-current	6(19) and 7	29,829	-	46,519	1
2170	Accounts payable	6(10)	533,409	4	635,839	6
2180	Accounts payable – related parties	7	9,503	-	3,199	-
2200	Other payables	6(11)	321,403	3	170,109	2
2230	Current income tax liabilities	6(26)	-	-	4,153	-
2250	Provisions for liabilities – current		38,179	-	41,132	-
2280	Lease liabilities-current		4,998	-	4,962	-
2320	Long-term loans-current portion	6 (12)	166,667	1	41,667	-
2399	Other current liabilities – other		4,261	-	22,164	-
21XX	Current Liabilities		<u>2,218,249</u>	<u>17</u>	<u>2,399,744</u>	<u>23</u>
Non-current liabilities						
2540	Long-term loans	6(12)	1,699,666	13	1,148,333	11
2570	Deferred income tax liabilities	6(26)	22,790	-	18,500	-
2580	Lease liabilities-non-current		182,680	2	188,854	2
2600	Other non-current liabilities		4,275	-	4,244	-
25XX	Non-current liabilities		<u>1,909,411</u>	<u>15</u>	<u>1,359,931</u>	<u>13</u>
2XXX	Total Liabilities		<u>4,127,660</u>	<u>32</u>	<u>3,759,675</u>	<u>36</u>
Equity						
Share capital						
3110	Share capital – common stock	6(15)	1,647,466	13	1,651,361	16
Capital surplus						
3200	Capital surplus	6(16)	267,981	2	298,984	3
Retained earnings						
3310	Legal reserve	6(17)	274,546	2	246,739	2
3320	Special reserve		111,147	1	111,147	1
3350	Unappropriated retained earnings		404,438	3	391,381	4
Other equity interest						
3400	Other equity interest	6(18)	6,554,738	51	4,537,041	43
3500	Treasury share	6(15)	(462,609)	(4)	(476,776)	(5)
3XXX	Total equity		<u>8,797,707</u>	<u>68</u>	<u>6,759,877</u>	<u>64</u>
Contingent liabilities and unrecognized contract commitments						
3X2X	Total liabilities and equity		<u>\$ 12,925,367</u>	<u>100</u>	<u>\$ 10,519,552</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7	\$ 1,963,447	100	\$ 1,854,131	100
5000 Operating costs	6(5)(24)(25) and 7	(1,394,922)	(71)	(1,658,067)	(89)
5900 Operating margin		568,525	29	196,064	11
5910 Unrealized profit from sales		(19)	-	(214)	-
5920 Realized profit from sales		214	-	138	-
5950 Net operating margin		568,720	29	195,988	11
Operating expenses	6(24)(25) and 7				
6100 Selling expenses		(64,064)	(3)	(62,279)	(3)
6200 General and administrative expenses		(265,352)	(14)	(169,703)	(9)
6300 Research and development expenses		(181,545)	(9)	(159,014)	(9)
6450 Expected credit impairment gain	12(2)	18,306	1	45,550	2
6000 Total operating expenses		(492,655)	(25)	(345,446)	(19)
6900 Operating profit (loss)		76,065	4	(149,458)	(8)
Non-operating income and expenses					
7100 Interest income	6(20)	11,107	-	13,714	1
7010 Other income	6(21) and 7	228,184	12	163,995	9
7020 Other gains and losses	6(22)	(13,267)	(1)	46,691	2
7050 Finance costs	6(23)	(58,172)	(3)	(37,545)	(2)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method		189,712	10	261,164	14
7000 Total non-operating income and expenses		357,564	18	448,019	24
7900 Profit before tax		433,629	22	298,561	16
7950 Income tax expense	6(26)	(16,681)	(1)	(1,812)	-
8200 Profit for the year		\$ 416,948	21	\$ 296,749	16
Other comprehensive income for the year (net)					
Components of other comprehensive income that will not be reclassified to profit or loss	6(18)				
8311 Remeasurement of defined benefit obligation	6(13)	\$ 3,373	-	\$ 6,231	1
8316 Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	6(2)	2,041,210	104	3,899,812	210
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(1,537)	-	1,530	-
8310 Components that will not be reclassified subsequently to profit or loss:		2,043,046	104	3,907,573	211
Components of other comprehensive income that may be reclassified subsequently to profit or loss	6(18)				
8361 Cumulative translation differences of foreign operations		(1,232)	-	25,719	1
Components of other comprehensive income that may be reclassified subsequently to profit or loss		(1,232)	-	25,719	1
8300 Other comprehensive income (loss) for the year		\$ 2,041,814	104	\$ 3,933,292	212
8500 Total comprehensive income for the year		\$ 2,458,762	125	\$ 4,230,041	228
Basic earnings per share	6(27)				
9750 Basic earnings per share		\$ 2.59		\$ 1.82	
Diluted earnings per share	6(27)				
9850 Diluted earnings per share		\$ 2.54		\$ 1.76	

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Retained Earnings					Other Equity				
	Share capital- common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Other equity-others	Treasury share	Total equity
<u>For the year ended December 31, 2024</u>										
Balance at January 1, 2024	\$ 1,651,361	\$ 267,824	\$ 226,325	\$ 111,147	\$ 329,883	(\$ 47,620)	\$ 664,100	\$ -	(\$ 30,254)	\$ 3,172,766
Profit for the year	-	-	-	-	296,749	-	-	-	-	296,749
Other comprehensive income 6(18) for the year	-	-	-	-	6,231	25,719	3,901,342	-	-	3,933,292
Total comprehensive income for the year	-	-	-	-	302,980	25,719	3,901,342	-	-	4,230,041
Distribution of 2023 earnings: 6(17)										
Legal reserve	-	-	20,414	-	(20,414)	-	-	-	-	-
Cash dividends	-	-	-	-	(196,155)	-	-	-	-	(196,155)
Disposal of equity 6(18) instruments measured at fair value through other comprehensive income	-	-	-	-	6,500	-	(6,500)	-	-	-
Recognition of changes in ownership interest in subsidiaries	-	(57,132)	-	-	(31,413)	-	-	-	-	(88,545)
Transfer of treasury shares 6(15)	-	88,292	-	-	-	-	-	-	16,209	104,501
Purchase Treasury Stock 6(15)	-	-	-	-	-	-	-	-	(462,731)	(462,731)
Balance at December 31, 2024	\$ 1,651,361	\$ 298,984	\$ 246,739	\$ 111,147	\$ 391,381	(\$ 21,901)	\$ 4,558,942	\$ -	(\$ 476,776)	\$ 6,759,877
<u>For the year ended December 31, 2025</u>										
Balance at January 1, 2025	\$ 1,651,361	\$ 298,984	\$ 246,739	\$ 111,147	\$ 391,381	(\$ 21,901)	\$ 4,558,942	\$ -	(\$ 476,776)	\$ 6,759,877
Profit for the year	-	-	-	-	416,948	-	-	-	-	416,948
Other comprehensive income 6(18) for the year	-	-	-	-	3,373	(1,232)	2,039,673	-	-	2,041,814
Total comprehensive income for the year	-	-	-	-	420,321	(1,232)	2,039,673	-	-	2,458,762
Distribution of 2024 earnings: 6(17)										
Legal reserve	-	-	27,807	-	(27,807)	-	-	-	-	-
Cash dividends	-	-	-	-	(289,492)	-	-	-	-	(289,492)
Cash distribution from capital6(17) surplus	-	(32,166)	-	-	-	-	-	-	-	(32,166)

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings					Other Equity				Total equity
		Share capital- common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Other equity-others	Treasury share	
Recognition of changes in ownership interest in subsidiaries		\$ -	(\$ 8,677)	\$ -	\$ -	(\$ 23,979)	\$ -	\$ -	\$ -	\$ -	(\$ 32,656)
Share-based Payment	6(14)	-	7,181	-	-	-	-	-	1,331	-	8,512
Transfer of treasury shares	6(15)	-	-	-	-	-	-	-	-	2,484	2,484
Cancellation of treasury shares	6(15)	(6,395)	(5,166)	-	-	-	-	-	-	11,561	-
Capital Surplus - Difference between Consideration and Carrying Amount of Subsidiaries Acquired or Disposed	6(30)	-	(11,750)	-	-	(65,986)	-	-	-	-	(77,736)
Restricted shares granted to employees	6(15)	2,500	19,575	-	-	-	-	-	(22,075)	-	-
Others		-	-	-	-	-	-	-	-	122	122
Balance at December 31, 2025		<u>\$ 1,647,466</u>	<u>\$ 267,981</u>	<u>\$ 274,546</u>	<u>\$ 111,147</u>	<u>\$ 404,438</u>	<u>(\$ 23,133)</u>	<u>\$ 6,598,615</u>	<u>(\$ 20,744)</u>	<u>(\$ 462,609)</u>	<u>\$ 8,797,707</u>

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 433,629	\$ 298,561
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	31,400	28,013
Amortization	6(24)	2,773	1,641
Gain on financial assets at fair value through profit or loss	6(22)	(3,819)	(11,928)
Reversal of expected credit losses	12(2)	(18,306)	(45,550)
Interest expense	6(23)	58,172	37,545
Interest income	6(20)	(11,107)	(13,714)
Dividend income	6(21)	(160,431)	(101,070)
Share of profits of associates and joint ventures accounted for using equity method		(189,712)	(261,164)
Unrealized profits from sales		19	214
Realized profits from sales		(214)	(138)
Share-based payment	6(14)	8,512	74,708
Gain on disposal and retirement of property, plant and equipment	6(22)	(10)	(389)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		(2,098)	-
Accounts receivable		177,179	3,040
Accounts receivable - related parties		2,891	(8,871)
Other receivables		(5)	(751)
Other receivables - related parties		6,406	(2,265)
Inventories		(78,579)	191,754
Prepayments		1,769	37,358
Other current assets		(2,063)	(4,479)
Net defined benefit assets		(1,085)	(6,129)
Other non-current assets		14,121	14,121
Net changes in liabilities relating to operating activities			
Contract liabilities		(16,690)	(66,674)
Accounts payable		(102,430)	72,629
Accounts payable - related parties		6,304	(28,250)
Other payables		150,666	(69,644)
Provisions for liabilities		(2,953)	(373)
Unearned receipts		(17,724)	16,333
Other current liabilities		(179)	(653)
Cash generated from operations		286,436	153,875
Interest received		11,462	14,419
Dividends received		160,431	101,070
Interest paid		(57,767)	(37,106)
Income tax paid		(13,694)	(12,738)
Net cash provided by (used in) operating activities		386,868	219,520

(Continued)

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(2)	(\$ 478,062)	(\$ 337,729)
Acquisition of financial assets at amortized cost		(178,164)	(529,545)
Proceeds from disposal of financial assets at amortized cost		33,564	746,500
Acquisition of financial assets at fair value through profit or loss		(17,695)	(123,156)
Disposal of financial assets at fair value through profit or loss		21,514	135,084
Dividends received from investments accounted for using equity method		295,726	91,631
Acquisition of investments accounted for using the equity method		(88,067)	(36,000)
Acquisition of property, plant and equipment	6(28)	(7,253)	(585,385)
Proceeds from disposal of property, plant and equipment		1,257	686
Acquisition of intangible assets		(5,998)	(2,307)
Refundable deposits paid		(1,155)	(480)
Refundable deposits refunded		431	988
Other non-current assets paid		(7,500)	-
Net cash provided by (used in) investing activities		(431,402)	(639,713)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term loans	6(29)	1,370,000	2,765,000
Repayment of short-term loans	6(29)	(1,690,000)	(2,545,000)
Proceeds from long-term loans	6(29)	868,000	950,000
Repayment of long-term loans	6(29)	(191,667)	(140,000)
Repayment of the principal portion of lease liabilities	6(29)	(4,920)	(4,886)
Guarantee deposits received	6(29)	644	727
Guarantee deposits paid	6(29)	(613)	-
Treasury stock transferred to employees	6(14)	2,484	16,209
Payment of cash dividends	6(17)	(289,492)	(196,155)
Cash dividends from capital surplus	6(17)	(32,166)	-
Repurchase of treasury shares	6(15)	-	(462,731)
Others		122	-
Net cash provided by (used in) financing activities		32,392	383,164
Net increase in cash and cash equivalents		(12,142)	(37,029)
Cash and cash equivalents at beginning of year	6(1)	396,394	433,423
Cash and cash equivalents at end of year	6(1)	<u>\$ 384,252</u>	<u>(\$ 396,394)</u>

The accompanying notes are an integral part of these financial statements.

REPORT OF INDEPENDENT ACCOUNTANTS

To Gallant Precision Machining Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Gallant Precision Machining Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025 and 2024, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of the separate financial statements section of our report. We are independent of Gallant Precision Machining Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements in the current period are stated as follows:

Evaluation of inventories

Description

Gallant Precision Machining Co., Ltd. and its subsidiaries are primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Inventories are stated at the lower of cost and net realizable value and regarding the accounting policy on the evaluation of inventories are disclosed in Note 4(14) of the consolidated financial statements. The uncertainty of accounting estimations and assumptions for valuation of inventories are disclosed in Note 5(2) of the consolidated financial statements. The inventories and allowance for inventory valuation loss amounting to NT1,252,135 thousand and NT384,153 thousand as of December 31, 2025 are disclosed in Note 6(5) of the consolidated financial statements.

As the amount of inventory is significant, and the estimation of net realizable value of inventories for exceeded specific age, and individually identified out of date or damaged inventories are subject to management's judgement, the evaluation of inventories has been identified a key audit matter.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Obtained an understanding and assessed the reasonableness of the policy of the allowance for inventory valuation loss and compared whether consistent application of accounting policies in relation to the provision for inventory valuation losses.
2. Tested the accuracy of inventory aging report, included tested whether the quantity and amount of inventory is consistent with inventory ledger and verify the accuracy of the inventory age classification.
3. Assessed and confirmed the reasonableness in estimation of net realizable value and checked the related supporting documents.
4. Tested the reasonableness in accrual of the allowance for inventory valuation loss.

Revenue recognition

Description

Refer to Note 4(29) and Note 6(19) of the consolidated financial statements for accounting policies on revenue recognition and the description of significant accountings – operating revenue.

Gallant Precision Machining Co., Ltd. and its subsidiaries are primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Main revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the consolidated financial statement. Thus, revenue recognition has been identified a key audit matter.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions included check customer purchase orders, evidence of customer's confirmation for acceptance, verified whether had met criteria of the contract and considered the reliability of collection for the timing of revenue recognition.
4. Performed cut-off test on sales transactions for a specific time prior to and after the balance sheet date.

Other matter - Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Gallant Precision Machining Co., Ltd. as of and for the years ended December 31, 2025 and 2024.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory

Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan
February 26, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than 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 auditing standards generally accepted in the Republic of China, and their applications in practice.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,135,548	7	\$ 1,076,461	8
1136	Financial assets at amortized cost - current	6(3) and 8	511,846	3	564,202	4
1150	Notes receivable, net	6(4)	27,229	-	62,011	-
1170	Accounts receivable, net	6(4)	1,935,439	12	1,705,084	13
1180	Accounts receivable - related parties, net	6(4) and 7	6,639	-	12,410	-
1200	Other receivables		8,932	-	8,459	-
1220	Current tax assets		14,495	-	-	-
130X	Inventories	6(5)	867,982	5	834,483	6
1410	Prepayments		79,653	-	96,316	1
1470	Other current assets		21,435	-	19,850	-
11XX	Current Assets		<u>4,609,198</u>	<u>27</u>	<u>4,379,276</u>	<u>32</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non - current	6(2)	9,877,581	59	6,922,473	51
1535	Financial assets at amortized cost - non-current	6(3) and 8	322,200	2	322,045	2
1550	Investments accounted for using equity method	6(6)	62,036	-	77,179	1
1600	Property, plant and equipment, net	6(7) , 7and 8	1,423,189	9	1,306,777	10
1755	Right-of-use assets	6(8)	279,218	2	278,747	2
1780	Intangible assets		29,379	-	20,068	-
1840	Deferred income tax assets	6(26)	99,506	1	104,058	1
1900	Other non-current assets	6(13)	76,509	-	69,294	1
15XX	Non-current assets		<u>12,169,618</u>	<u>73</u>	<u>9,100,641</u>	<u>68</u>
1XXX	Total assets		<u>\$ 16,778,816</u>	<u>100</u>	<u>\$ 13,479,917</u>	<u>100</u>

(Continued)

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term loans	6(9)	\$ 2,310,000	14	\$ 2,133,000	16
2130	Contract liabilities-current	6(19) and 7	69,563	-	84,055	1
2170	Accounts payable	6(10)	1,085,802	7	1,180,845	9
2180	Accounts payable - related parties	7	4,000	-	95	-
2200	Other payables	6(11)	634,224	4	451,771	3
2230	Current income tax liabilities	6(26)	70,779	-	53,710	-
2250	Provisions for liabilities - current		109,664	1	101,743	1
2280	Lease liabilities-current		27,981	-	22,930	-
2320	Long-term loans-current portion	6 (12)	172,810	1	47,810	-
2399	Other current liabilities - other		9,863	-	24,871	-
21XX	Current Liabilities		<u>4,494,686</u>	<u>27</u>	<u>4,100,830</u>	<u>30</u>
Non-current liabilities						
2540	Long-term loans	6(12)	1,937,452	11	1,412,262	11
2570	Deferred income tax liabilities	6(26)	157,159	1	155,007	1
2580	Lease liabilities-non-current		262,533	2	264,743	2
2600	Other non-current liabilities		33,348	-	32,585	-
25XX	Non-current liabilities		<u>2,390,492</u>	<u>14</u>	<u>1,864,597</u>	<u>14</u>
2XXX	Total Liabilities		<u>6,885,178</u>	<u>41</u>	<u>5,965,427</u>	<u>44</u>
Equity attributable to owners of parent company						
Share capital						
3110	Share capital - common stock	6(15)	1,647,466	10	1,651,361	12
Capital surplus						
3200	Capital surplus	6(16)	267,981	1	298,984	2
Retained earnings						
3310	Legal reserve	6(17)	274,546	2	246,739	2
3320	Special reserve		111,147	1	111,147	1
3350	Unappropriated retained earnings		404,438	2	391,381	3
Other equity interest						
3400	Other equity interest	6(18)	6,554,738	39	4,537,041	34
3500	Treasury share	6(15)	(462,609)	(3)	(476,776)	(4)
31XX	Equity attributable to owners of the parent company		<u>8,797,707</u>	<u>52</u>	<u>6,759,877</u>	<u>50</u>
36XX	Non-controlling interest	4(3)	<u>1,095,931</u>	<u>7</u>	<u>754,613</u>	<u>6</u>
3XXX	Total equity		<u>9,893,638</u>	<u>59</u>	<u>7,514,490</u>	<u>56</u>
Contingent liabilities and unrecognised contract commitments						
Significant event						
3X2X	Total liabilities and equity		<u>\$ 16,778,816</u>	<u>100</u>	<u>\$ 13,479,917</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 4,669,827	100	\$ 4,434,928	100
5000	Operating costs	6(5)(24)(25) and 7	(3,031,170)	(65)	(3,249,441)	(73)
5900	Net operating margin		<u>1,638,657</u>	<u>35</u>	<u>1,185,487</u>	<u>27</u>
	Operating expenses	6(24)(25)				
6100	Selling expenses		(137,177)	(3)	(125,132)	(3)
6200	General and administrative expenses		(573,886)	(12)	(478,665)	(11)
6300	Research and development expenses		(427,642)	(9)	(316,289)	(7)
6450	Expected credit impairment gain	12(2)	(19,410)	(1)	67,227	2
6000	Total operating expenses		<u>(1,158,115)</u>	<u>(25)</u>	<u>(852,859)</u>	<u>(19)</u>
6900	Operating profit		<u>480,542</u>	<u>10</u>	<u>332,628</u>	<u>8</u>
	Non-operating income and expenses					
7100	Interest income	6(20)	31,863	1	47,183	1
7010	Other income	6(21)	251,590	5	189,758	4
7020	Other gains and losses	6(22)	(19,515)	-	82,900	2
7050	Finance costs	6(23)	(85,641)	(2)	(54,350)	(1)
7060	Share of profit of associates accounted for using equity method	6(6)	(15,143)	-	(2,821)	-
7000	Total non-operating income and expenses		<u>163,154</u>	<u>4</u>	<u>262,670</u>	<u>6</u>
7900	Profit before tax		<u>643,696</u>	<u>14</u>	<u>595,298</u>	<u>14</u>
7950	Income tax expense	6(26)	(118,305)	(3)	(122,002)	(3)
8200	Profit for the year		<u>\$ 525,391</u>	<u>11</u>	<u>\$ 473,296</u>	<u>11</u>
	Other comprehensive income for the year					
	Items that will not be reclassified subsequently to profit or loss:	6(18)				
8311	Loss on remeasurements of defined benefit plan	6(13)	\$ 3,178	-	\$ 6,283	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	6(2)	2,383,064	51	4,040,137	91
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(16,306)	-	(15,881)	-
8310	Items that will not be reclassified subsequently to profit or loss:		<u>2,369,936</u>	<u>51</u>	<u>4,030,539</u>	<u>91</u>
	Items that may be reclassified subsequently to profit or loss:	6(18)				
8361	Cumulative translation differences of foreign operations		(2,148)	-	33,160	-
8360	Summary of Components of other comprehensive income that will be reclassified to profit or loss		(2,148)	-	33,160	-
8300	Other comprehensive (loss) income for the year		<u>\$ 2,367,788</u>	<u>51</u>	<u>\$ 4,063,699</u>	<u>91</u>
8500	Total comprehensive income for the year		<u>\$ 2,893,179</u>	<u>62</u>	<u>\$ 4,536,995</u>	<u>102</u>
	Profit attributable to:					
8610	Equity holders of the parent company		\$ 416,948	9	\$ 296,749	7
8620	Non-controlling interest		108,443	2	176,547	4
	Profit for the year		<u>\$ 525,391</u>	<u>11</u>	<u>\$ 473,296</u>	<u>11</u>
	Total comprehensive income attributable to:					
8710	Equity holders of the parent company		\$ 2,458,762	53	\$ 4,230,041	95
8720	Non-controlling interest		434,417	9	306,954	7
	Total comprehensive income for the year		<u>\$ 2,893,179</u>	<u>62</u>	<u>\$ 4,536,995</u>	<u>102</u>
	Basic earnings per share	6(27)				
9750	Profit for the year		<u>\$ 2.59</u>		<u>\$ 1.82</u>	
	Diluted earnings per share	6(27)				
9850	Profit for the year		<u>\$ 2.54</u>		<u>\$ 1.76</u>	

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													
Notes	Retained Earnings					Other Equity			Total		Non-controlling interest	Total equity	
	Share capital- common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Other equity- others					Treasury share
For the year ended December 31, 2024													
	Balance at January 1, 2024	\$ 1,651,361	\$ 267,824	\$ 226,325	\$ 111,147	\$ 329,883	(\$ 47,620)	\$ 664,100	\$ -	(\$ 30,254)	\$ 3,172,766	\$ 582,126	\$ 3,754,892
	Profit for the year	-	-	-	-	296,749	-	-	-	-	296,749	176,547	473,296
	Other comprehensive income for the year	-	-	-	-	6,231	25,719	3,901,342	-	-	3,933,292	130,407	4,063,699
	Total comprehensive income for the year	-	-	-	-	302,980	25,719	3,901,342	-	-	4,230,041	306,954	4,536,995
	Distribution of 2023 earnings:												
	Legal reserve	-	-	20,414	-	(20,414)	-	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(196,155)	-	-	-	(196,155)	-	(196,155)	-
	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,500	-	(6,500)	-	-	-	-	-
	Recognition of changes in ownership interest in subsidiaries	-	(57,132)	-	-	(31,413)	-	-	-	(88,545)	-	(88,545)	-
	Transfer of treasury shares	-	88,292	-	-	-	-	-	-	16,209	104,501	-	104,501
	Purchase Treasury shares	-	-	-	-	-	-	-	(462,731)	(462,731)	-	(462,731)	-
	Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(134,467)	(134,467)	-
	Balance at December 31, 2024	\$ 1,651,361	\$ 298,984	\$ 246,739	\$ 111,147	\$ 391,381	(\$ 21,901)	\$ 4,558,942	\$ -	(\$ 476,776)	\$ 6,759,877	\$ 754,613	\$ 7,514,490
For the year ended December 31, 2025													
	Balance at January 1, 2025	\$ 1,651,361	\$ 298,984	\$ 246,739	\$ 111,147	\$ 391,381	(\$ 21,901)	\$ 4,558,942	\$ -	(\$ 476,776)	\$ 6,759,877	\$ 754,613	\$ 7,514,490
	Profit for the year	-	-	-	-	416,948	-	-	-	-	416,948	108,443	525,391
	Other comprehensive income for the year	-	-	-	-	3,373	(1,232)	2,039,673	-	-	2,041,814	325,974	2,367,788
	Total comprehensive income for the year	-	-	-	-	420,321	(1,232)	2,039,673	-	-	2,458,762	434,417	2,893,179
	Distribution of 2024 earnings:												
	Legal reserve	-	-	27,807	-	(27,807)	-	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(289,492)	-	-	-	(289,492)	-	(289,492)	-
	Cash distribution from capital surplus	-	(32,166)	-	-	-	-	-	-	(32,166)	-	(32,166)	-
	Recognition of changes in ownership interest in subsidiaries	-	(8,677)	-	-	(23,979)	-	-	-	(32,656)	-	(32,656)	-
	Share-based Payment	-	7,181	-	-	-	-	-	1,331	8,512	33,366	41,878	-
	Transfer of treasury stock	-	-	-	-	-	-	-	-	2,484	43,552	46,036	-
	Cancellation of Treasury shares	(6,395)	(5,166)	-	-	-	-	-	-	11,561	-	-	-
	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(174,131)	(174,131)	-
	Purchase of treasury shares by subsidiaries	-	-	-	-	-	-	-	-	-	(33,378)	(33,378)	-
	Difference between transaction price and book value of subsidiary shares acquired or disposed	-	(11,750)	-	-	(65,986)	-	-	-	(77,736)	77,736	-	-
	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(67,662)	(67,662)	-
	Restricted shares granted to employees	2,500	19,575	-	-	-	-	-	(22,075)	-	-	-	-

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Retained Earnings						Other Equity				Non-controlling interest	Total equity
	Share capital- common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Other equity- others	Treasury share	Total		
Exercise of employee share options by subsidiaries	-	-	-	-	-	-	-	-	-	-	27,418	27,418
Others	-	-	-	-	-	-	-	-	122	122	-	122
Balance at December 31, 2025	<u>\$ 1,647,466</u>	<u>\$ 267,981</u>	<u>\$ 274,546</u>	<u>\$ 111,147</u>	<u>\$ 404,438</u>	<u>(\$ 23,133)</u>	<u>\$ 6,598,615</u>	<u>(\$ 20,744)</u>	<u>(\$ 462,609)</u>	<u>\$ 8,797,707</u>	<u>\$ 1,095,931</u>	<u>\$ 9,893,638</u>

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 643,696	\$ 595,298
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	74,912	64,853
Amortization	6(24)	9,950	5,786
Gain on financial assets at fair value through profit or loss	6(22)	(6,749)	(20,342)
Reversal of expected credit losses	12(2)	19,410	(67,227)
Interest expense	6(23)	85,641	54,350
Interest income	6(20)	(31,863)	(47,183)
Dividend income	6(21)	(173,323)	(107,868)
Share of profits of associates and joint ventures accounted for using equity method	6(6)	15,143	2,821
Loss on disposal and scrapping of property, plant and equipment	6(22)	4,736	(223)
Share-based payment	6(14)	41,878	87,972
Gain on lease modification	6(22)	-	(328)
Impairment loss on intangible assets	6(22)	-	225
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		36,399	(22,776)
Accounts receivable		(254,198)	(75,855)
Accounts receivable - related parties		965	(4,864)
Other receivables		(264)	(1,476)
Inventories		(61,933)	160,323
Prepayments		12,014	51,595
Other current assets		(4,012)	(3,750)
Net defined benefit assets		(4,629)	(6,129)
Other non-current assets		14,822	14,204
Net changes in liabilities relating to operating activities			
Contract liabilities		(14,736)	(146,046)
Accounts payable		(76,077)	44,123
Accounts payable - related parties		4,038	(542)
Other payables		164,982	68,722
Provisions for liabilities		7,906	35,613
Unearned receipts		(17,723)	16,333
Other current liabilities		2,849	(7,097)
Net defined benefit liabilities		264	201
Cash generated from operations		494,098	690,713
Interest received		31,571	46,173
Dividends received		173,323	107,868
Interest paid		(84,880)	(53,773)
Income tax paid		(125,284)	(109,323)
Net cash provided by (used in) operating activities		488,828	681,658

(Continued)

The accompanying notes are an integral part of these financial statements.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 26,920)	(\$ 250,792)
Proceeds from disposal of financial assets at fair value through profit or loss		33,669	271,134
Acquisition of financial assets at fair value through other comprehensive income		(559,042)	(404,974)
Acquisition of financial assets at amortized cost		(840,664)	(1,386,768)
Proceeds from disposal of financial assets at amortized cost		878,866	1,406,095
Acquisition of investments accounted for using the equity method		-	(41,000)
Acquisition of property, plant and equipment	6(28)	(154,560)	(624,669)
Proceeds from disposal of property, plant and equipment		1,422	876
Acquisition of intangible assets		(20,229)	(14,759)
Refundable deposits paid		(3,179)	(1,081)
Refundable deposits refunded		768	3,699
Other non-current assets paid		(15,000)	-
Net cash provided by (used in) investing activities		(704,869)	(1,042,239)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from in short-term loans		2,918,600	3,665,847
Repayment of short-term loans		(2,741,600)	(3,676,000)
Proceeds from long-term loans		952,000	1,162,100
Repayment of long-term loans		(301,810)	(208,242)
Repayment of the principal portion of lease liabilities	6(29)	(25,895)	(26,517)
Guarantee deposits received		644	727
Guarantee deposits paid		(613)	-
Repurchase of treasury shares	6(15)	-	(462,731)
Purchase of treasury shares by subsidiary		(33,378)	(184,489)
Cash dividend from capital surplus of subsidiary		-	(18,158)
Treasury stock transferred to employees	6(15)	2,484	16,209
Cash dividends paid	6(17)	(463,623)	(238,521)
Cash dividends from capital surplus	6(17)	(32,166)	-
Acquisition of subsidiaries	6(30)	(88,127)	-
Treasury stock transferred to employees of subsidiary		43,552	-
Exercise of employee share options of subsidiaries		27,148	-
Net cash provided by (used in) financing activities		257,216	30,225
Effect of exchange rate changes		17,912	12,542
Net increase in cash and cash equivalents		59,087	(317,814)
Cash and cash equivalents at beginning of year	6(1)	1,076,461	1,394,275
Cash and cash equivalents at end of year	6(1)	\$ 1,135,548	\$ 1,076,461

The accompanying notes are an integral part of these financial statements.

Attachment 3 :

**Gallant Precision Machining Co., Ltd.
List of Candidates for Directors**

Director Candidates	Account No.	Work/educational background	Present position	No. of shares held
Junpeng Investment Co., LTD. Represented by: CHEN, CHENG-HSIN	146086	Master of Mechanical Engineering, National Sun Yat-sen University Director of Design Department, Chungwa Picture Machinery Works Vice General Manager of Gallant Precision Machining Co., Ltd. Legal director representative of Gallant Micro. Machining CO., Ltd. Director of C SUN Mfg., Ltd.	Chairman and General Manager of Gallant Precision Machining Co., Ltd. Director of Shinyu Light Co., LTD. Chairman of Apex-I International Co., Ltd. Chairman of Gallant-Rapid Corporation Limited Chairman and General Manager of Gallant Precision Industries (Suzhou) CO., Ltd. Chairman of Junpeng Investment Co., LTD. Vice Director of ESGWD Vice Chairman of TEEIA Vice Chairman of TAIROA Independent Director of TONGTAI MACHINE & TOOL CO., LTD.	500,000
C SUN MFG. LTD. Represented by: FRANK, LIANG	1738	Class 40, Department of Business Administration, National Chengchi University Being granted the degree of Master of Business Administration (MBA), Washington State University (WSU) Being granted the degree of Master of Laws, Northwestern University Completed the Business Administration Courses at Northwestern University Chairman and Director of GALLANT MICRO. MACHINING CO., LTD. Special assistant to the Chairman, C SUN Mfg., Ltd. Chairman of Suzhou Chuangfeng Optoelectronic Technology Co., LTD. Chairman of Wat Sun. Intelligent Technology Co., Ltd. Director and Supervisor of VIEWMOVE TECHNOLOGIES, INC. Director of UTRON TECHNOLOGIES CORP.	Vice Chairman and CEO of Gallant Precision Machining Co., Ltd. Chairman and CEO of GALLANT MICRO. MACHINING CO., LTD. General Manager of C SUN Director of TPCA. Supervisor of Guangxin Venture Capital Co. Ltd. Chairman of TOP CREATION MACHINES CO., LTD. Chairman of POWER EVER ENTERPRISES LIMITED, TAIWAN BRANCH (SAMOA) Director of Suzhou Top Creation Machines Co., Ltd. Chairman of Good Team International Enterprise Limited Director of Nantong Top Creation Photoelectric Equipment Co., Ltd. Legal director representative of Phoenix Silicon International Corporation. Legal director representative of Navigation Technology Co., Ltd. Independent Director of Yu-chen system Technology Co., LTD. Legal director representative of Dunpin No.1 Innovation Investment Co., Ltd. Legal director representative of NTU Alumni Ventures Co., Ltd.	44,697,827
Rong-Liang Chen		Graduated from the Department of Mechanical Engineering, Shin Shing High School Section chief of Module Plant, Gallant Precision Machining Co., Ltd. Plant manager, vice president, and president of Junqiang Machinery (Suzhou) Co., Ltd. Chairman and President of Gallant Micro. Machining CO., LTD. Chairman and president of Gallant Micro. Machining (Suzhou) Co., LTD. Director of Comptake Technology Inc.	Chairman of Gallant Micro. Machining (Suzhou) Co., LTD. Director of King Mechatronics Co., Ltd. Director of Gallant Micro. Machining Co., Ltd.	
Tony Tsai		PhD of ME in Silicon photonic modeling, Univ. of California, Berkeley	President of Phoenix Silicon International Corp.	

		Director of Micron Technology Special Assistant of Inotera Memories, Inc. Director of Nanya Technology		
Yin, Chung-En		M.S., Department of Accounting, National Chengchi University B.S., Department of Business Administration, Fu Jen Catholic University Passed the Certified Public Accountant Examination, R.O.C Associate Professor of Specialized Technology, General Education Center, Soochow University. Consultant, Industry Sustainability Development Center, National Cheng Kung University	Independent Director of EirGenix, Inc. Supervisor of Taiwan Flower Biotechnology Co., Ltd. Partner, Everest CPA & Co. Director, Ruentex Precision Materials Co., Ltd. Vice Chairman, ESG Committee, National Federation of CPA Associations, R.O.C (Taiwan) Member, Materials Committee, SEMI	
Ho, Jung -Shu	222663	Master of Business Administration, National Taiwan University Bachelor of Science in Materials Science and Engineering, National Tsing Hua University Completion of the 34th Law Credit Program, National Taiwan University Management Associate, Citibank (1993) Product Manager of ICI Precision Materials Business Unit Investment Manager of Investment Department, Capital Securities Corp. Investment Manager of Investment Department, O-Bank Vice General Manager of Investment Department, Te-Hung Management Consulting Co., Ltd. Chief Investment Officer of De-An Asset Management Limited.	President of Yuan-Chuang Industrial Investment Consulting Co. Director of Yuan Chao Investment Co., Ltd. Independent Director of GameSpares Co., Ltd.	100,000
Tan, Chih-Chung		MBA, Peter F.Drucker Academy B.B.A. in Finance, National Taiwan University Senior Consultant, Kamakura Corp. Senior Consultant, Consultancy Services Department, KPMG	Executive Assistant to the Chairman of Jendae Group Lee Hung Co., Ltd. Vice General Manager of Tien Liang Biotech Co., Ltd.	

Notes: The qualification of the above director nominees was reviewed and approved at the meeting of the Board on April 9, 2026.

The holding is the number of shares held on the date of suspending transfer of ownership at the general meeting of shareholders (March 22, 2026).

Attachment 4 :**Removal of the Restrictions on Non-Competition against Director Candidates**

Name	Removal of the Restrictions on Non-Competition against Director Candidates
Junpeng Investment Co., LTD. Represented by: CHEN, CHENG-HSIN	Director of Shinyu Light Co., LTD. Chairman of Apex-I International Co., Ltd. Chairman and General Manager of Gallant Precision Industries (Suzhou) CO., Ltd. Chairman of Junpeng Investment Co., LTD. Independent Director of TONGTAI MACHINE & TOOL CO., LTD
C SUN MFG. LTD. Represented by: FRANK, LIANG	Chairman and CEO of GALLANT MICRO. MACHINING CO., LTD. General Manager of C SUN Supervisor of Guangxin Venture Capital Co. Ltd. Chairman of TOP CREATION MACHINES CO., LTD. Chairman of POWER EVER ENTERPRISES LIMITED, TAIWAN BRANCH (SAMOA) Director of Suzhou Top Creation Machines Co., Ltd. Chairman of Good Team International Enterprise Limited Director of Nantong Top Creation Photoelectric Equipment Co., Ltd. Legal director representative of Phoenix Silicon International Corporation. Legal director representative of Navigation Technology Co., Ltd. Independent Director of Yu-chen system Technology Co., LTD. Legal director representative of Dunpin No.1 Innovation Investment Co., Ltd. Legal director representative of NTU Alumni Ventures Co., Ltd.
Rong-Liang Chen	Chairman of Gallant Micro. Machining (Suzhou) Co., LTD. Director of King Mechatronics Co., Ltd. Director of Gallant Micro. Ma-chining Co., Ltd.
Tony Tsai	President of Phoenix Silicon International Corp.
Yin, Chung-En	Independent Director of EirGenix, Inc. Supervisor of Taiwan Flower Biotechnology Co., Ltd. Partner, Everest CPA & Co. Director, Ruentex Precision Materials Co., Ltd. Vice Chairman, ESG Committee, National Federation of CPA Associations, R.O.C (Taiwan) Member, Materials Committee, SEMI
Ho, Jung -Shu	President of Yuan-Chuang Industrial Investment Consulting Co. Director of Yuan Chao Investment Co., Ltd. Independent Director of GameSparcs Co., Ltd.
Tan, Chih-Chung	Executive Assistant to the Chairman of Jendae GroupLee Hung Co., Ltd. Vice General Manager of Tien Liang Biotech Co., Ltd.