

G-SHANK ENTERPRISE CO., LTD.

**Parent Company Only Financial Statements
for the Years Ended December 31, 2025 and 2024
and Independent Auditors' Report**

Notice to Readers

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

INDEPENDENT AUDITOR'S REPORT

To: G-SHANK ENTERPRISE CO., LTD.

Opinion

The individual balance sheets of G-SHANK ENTERPRISE CO., LTD. as of December 31, 2025, and 2024, along with the individual statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2025, and 2024, as well as the notes to the individual financial statements (including a summary of significant accounting policies), have been audited by our certified public accountant.

In our opinion, based on our audit and the audit reports of other independent auditors (please refer to the relevant paragraphs for details), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of G-SHANK as of December 31, 2025, and 2024, and the results of its operations and its cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audit in accordance with the “Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountings” and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement has acted independently from the business operations of G-SHANK in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit and other CPA’s audit reports provide a reasonable basis for our opinion.

Key audit matters

The key audit matters refer to the most important matters in auditing the 2025 parent company only financial statements of G-SHANK in accordance with the professional judgment of the independent auditors. These matters have been handled during the process of reviewing the parent company only financial statements as a whole with audit opinions formed. The independent auditor does not express an independent opinion on these matters. The independent auditor determines that the key audit matters to be communicated in the audit report are as follows:

1. Income recognition

Please refer to Note 4.(15) to the parent company only financial statements for the accounting policy on income recognition. Also, please refer to Note 6.(21) for the operating income in detail.

The operating income of G-SHANK is mainly generated from the production and sales of molds and stamping parts. The timing of income recognition is based on the transaction conditions agreed with each individual customer. An inappropriate timing for income recognition and unreasonable estimation of the refund liabilities for sales returns and sales discounts are key matters for income recognition, which will have an impact on the financial performance of G-SHANK. The independent auditor has the income recognition classified as a key audit matter in auditing the parent company only financial statements of G-SHANK.

The auditing procedures implemented by the independent auditors for the aforementioned key audit matters include: Understanding the sales process of G-SHANK, testing the internal control related to income recognition, reviewing the terms of the sales with the major customers, performing income cut-off tests, and checking the book-entry of sales returns and discounts, the measurement of the estimated refund liabilities for sales returns and sales discounts, and the implementation of analytical procedures.

2. Inventory evaluation

Please refer to Note 4.(9) of the parent company only financial statements for the accounting policy of inventory evaluation. please refer to Note 5.(2)(D) of the parent company only financial statements for the major sources of uncertainty of significant estimates and assumptions. Please refer to Note 6.(5) of the parent company only financial statements for inventory details.

G-SHANK is mainly engaged in the production and sale of molds and stamping parts with the production and sales policies formed that are indirectly affected by the needs of end-user. The cost of inventory could be un-recoverable due to the occurrence of inventory damaged, outdated, or price dropped entirely or partially; also, when the estimated cost to be invested to completion and the estimated sale expenses increased. The use and value of inventories rely on the management's inventory policy and sale forecast. However, a forecast comes with uncertainties. Therefore, the independent director has the inventory evaluation classified as one of the key audit matters in auditing the parent company only financial statements of G-SHANK.

A decisive factor in the value of inventories is the estimated net realizable value, which is based on the most reliable evidence of the expected realizable amount of inventories available at the time of estimation. Therefore, the relevant audit procedures of the independent auditor include reviewing and assessing whether the policy of G-SHANK in determining the net realizable value of inventories can reasonably reflect the forecast of future inventory sales, historical experience and other specific circumstances, inventory aging analysis and testing so to identify whether an allowance for inventory loss in valuation is appropriated reasonably according to historical experience for a specific obsolete inventory, the correlation between the assessment of past events and the yearend situation, and the impact of the price or cost fluctuation related to the said post events on the net realizable value of inventory.

Other matters

The investments accounted for under the equity method included in the individual financial statements of G-SHANK ENTERPRISE CO., LTD., as well as the information regarding the investees disclosed in Note 13 to the individual financial statements, indicate that the financial statements of —namely G-SHANK, INC., GREAT-SHANK CO., LTD., G-SHANK ENTERPRISE (M) SDN. BHD., and G-SHANK PHILIPPINES CORP.—for the years ended December 31, 2025 and 2024 were prepared in accordance with U.S. Generally Accepted Accounting Principles, Thai Financial Reporting Standard for SMEs, Malaysian Financial Reporting Standards, and Philippine Financial Reporting Standards, respectively. These financial statements were not audited by us but were audited by other independent auditors in accordance with U.S. Generally Accepted Auditing Standards, Thai Standards on Auditing, Malaysian Standards on Auditing, and Philippine Standards on Auditing, respectively. The financial statements of G-SHANK, INC., GREAT-SHANK CO., LTD., G-SHANK ENTERPRISE (M) SDN. BHD., and G-SHANK PHILIPPINES CORP. are translated in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and International Financial Reporting Standards (IFRS) that was recognized by the Financial Supervisory Commission, International Accounting Standards, Interpretations, and Notices (IFRS), Interpretation (IFRIC) and Interpretative Announcement (SIC). The independent auditor has completed all necessary auditing procedures. Therefore, the opinions of the independent auditor on the unadjusted amounts in the aforementioned financial statements of the subsidiaries are based on the audit reports of other certified public accountants and the results of additional audit procedures performed by them in compliance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and generally auditing principles of the ROC. The balances of investments accounted for under the equity method in the aforementioned subsidiaries were NT\$1,057,587 thousand and NT\$1,029,275 thousand on December 31, 2025, and 2024, accounting for 9.26% and 9.41% of the total parent company only assets, respectively. The shares of profits recognized from subsidiaries and affiliated companies from January 1 to December 31, 2025, and 2024 were NT\$63,606 thousand and NT\$113,894 thousand, accounting for 5.48% and 8.53% of the parent company only profit before tax, respectively. Recognized the other comprehensive profit and loss of the subsidiaries and affiliated companies for an amount of NT\$8,327 thousand and NT\$71,238 thousand, accounting for 0.93% and 5.05% of the total comprehensive profit and loss, respectively.

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

The responsibility of the management is to have the parent alone financial report prepared fairly in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and maintain the necessary internal control related to the preparation of the parent alone financial report so to assure that the financial report is free of material misstatement.

In the preparation of the parent company only financial statements, the management’s responsibility also includes assessing the continuing operation of G-SHANK, the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate G-SHANK or cease the business operation, or there is lack of any option except for liquidation or suspension.

Those charged with governance of G-SHANK ENTERPRISE CO., LTD. (including the Audit Committee) are responsible for overseeing the financial reporting process.

Auditors’ Responsibilities for the Audit of the Individual Financial Statements

The objective of our audit of the individual financial statements is to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that a material misstatement existing in the individual financial statements will always be detected. Misstatements may arise from fraud or error. Misstatements are considered material if the individual amounts or the aggregate amounts could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

In conducting our audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following procedures:

1. Identify and assess the risks of material misstatement of the individual 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 the necessary understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of G-SHANK.
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 individual 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 Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of the individual business entity within the G-SHANK in order to express an opinion on the parent company only financial statements. The independent auditors are responsible for guiding, supervising, and implementing the auditing process of the G-SHANK; also, are responsible for forming an opinion on the audit of the G-SHANK.

The matters communicated by the auditors with those charged with governance include the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control identified during the audit.

The auditors also provided those charged with governance with a declaration that personnel of the audit firm, subject to independence requirements, have complied with the independence provisions of the Code of Ethics for Professional Accountants, and communicated with those charged with governance regarding all relationships and other matters (including related safeguards) that may be considered to affect the auditors' independence.

The independent auditors have based on the communications with the governing unit to determine the key audit matters to be performed on the 2025 parent company only financial statements of G-SHANK. The independent auditors shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed, or, in rare cases; the independent auditors decide not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

Lu, Jui-Wen

Li, Pin-chueh

Diwan & Company

March 13, 2025

Notice to Readers

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

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

G-SHANK ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEET
December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

ASSETS		Notes	December 31, 2025		December 31, 2024	
Code	Accounts		AMOUNT	%	AMOUNT	%
11xx	Current assets					
1100	Cash and cash equivalents	4 & 6.(1)	\$ 318,474	3	\$ 900,436	8
1110	Financial assets at fair value through profit or loss - current	4 & 6.(2)	2,391,681	21	2,193,988	20
1150	Notes receivable, net	4, 5, 6.(3) & 6.(4)	6,346	-	6,775	-
1170	Accounts receivable, net	4, 5 & 6.(4)	676,261	6	523,716	5
1180	Accounts receivable- related parties	4, 5 & 7	14,886	-	3,938	-
1200	Other receivables	4, 5 & 6.(4)	41,435	-	40,529	1
1210	Other receivables - related parties	4, 5 & 7	7,910	-	2,760	-
1220	Current tax assets	4 & 6.(26)	20,995	-	-	-
130x	Inventory	4, 5 & 6.(5)	284,060	3	208,161	2
1470	Prepayments and Other current assets		24,892	-	14,393	-
1476	Other financial assets-current	4 & 6.(6)	2,424	-	5,057	-
	Total current assets		<u>3,789,364</u>	<u>33</u>	<u>3,899,753</u>	<u>36</u>
15xx	Noncurrent Asset					
1510	Financial assets at fair value through other income - noncurrent	4, 5, 6.(2) & 6.(12)	468	-	1,951	-
1517	Financial assets at fair value through other comprehensive income - noncurrent	4, 5, 6.(7) & 6.(19)	357,650	3	444,031	4
1550	Investments accounted for using equity method	4, 6.(8),7 & 11	4,947,812	43	4,385,596	40
1600	Property, Plant and Equipment	4,5,6.(9),7 & 9	2,262,033	20	2,183,999	20
1780	Intangible assets	4 & 6.(10)	2,317	-	413	-
1840	Deferred tax assets	4 & 6.(26)	8,003	-	8,228	-
1915	Prepayments for equipment	4	45,212	1	1,448	-
1920	Refundable deposits		498	-	491	-
1975	Net defined benefit assets- noncurrent	4,5 & 6.(13)	6,001	-	-	-
1990	Other noncurrent assets, others		7,196	-	9,906	-
	Total noncurrent Asset		<u>7,637,190</u>	<u>67</u>	<u>7,036,063</u>	<u>64</u>
1xxx	Total Assets		<u>\$ 11,426,554</u>	<u>100</u>	<u>\$ 10,935,816</u>	<u>100</u>

(CONTINUING)

(Please refer to the accompanying notes to the individual financial statements.)

G-SHANK ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEET

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
Code	Accounts		AMOUNT	%	AMOUNT	%
21xx	Current liabilities					
2100	Short-term loans	4, 6.(11) & 6.(28)	\$ 789,000	7	\$ 500,000	4
2130	Contract liabilities - current	4 & 6.(21)	9,058	-	9,271	-
2170	Accounts payable	4	252,322	2	171,833	2
2180	Accounts payable-related parties	4 & 7	301	-	613	-
2200	Other payables	4, 6.(9), 6.(13) & 6.(22)	402,502	4	413,520	4
2220	Other payables-related parties	4 & 7	5,151	-	2,815	-
2230	Current tax liabilities	4 & 6.(26)	-	-	170,203	2
2300	Other current liabilities		24,861	-	14,665	-
	Total current liabilities		1,483,195	13	1,282,920	12
25xx	Non-current liabilities					
2530	Bonds Payable	4, 6.(12) & 6.(28)	381,800	3	750,731	7
2570	Deferred tax liabilities	4 & 6.(26)	673,593	6	592,641	5
2640	Net defined benefit liabilities- noncurrent	4 & 6.(13)	-	-	10,750	-
2645	Guarantee deposits		6,731	-	4,894	-
	Total non-current liabilities		1,062,124	9	1,359,016	12
2xxx	Total liabilities		2,545,319	22	2,641,936	24
31xx	Equity attributable to owners of parent					
3100	Share capital	4, 6.(14), 6.(20) & 11				
3110	Ordinary shares		2,166,209	19	2,097,755	19
3140	Advance Receipts for Capital Stock		11,323	-	3,205	-
3200	Capital surplus	4, 6.(14), 6.(15), 6.(18), 6.(20) & 11	1,253,983	11	1,422,430	13
3300	Retained earnings					
3310	Legal reserve	6.(16) & 6.(18)	1,157,252	10	1,049,201	10
3320	Special reserve	6.(17)	284,690	3	284,690	3
3350	Unappropriated earnings	4, 6.(18) & 11	3,840,410	34	3,216,868	29
3400	Other equity					
3410	Exchange differences on translation of foreign financial statements	4, 6.(8), 6.(19) & 6.(25)	(173,734)	(2)	(205,552)	(2)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	4, 6.(7), 6.(8), 6.(19) & 6.(25)	341,102	3	425,283	4
3xxx	Total Equity		8,881,235	78	8,293,880	76
	Total liabilities and equity		\$ 11,426,554	100	\$ 10,935,816	100

(Please refer to the accompanying notes to the individual financial statements.)

G-SHANK ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, except for earnings per share amounts)

Code	Accounts	Notes	For the years ended December 31,			
			2025	%	2024	%
4000	Sales revenue	4, 6.(21) & 7	\$ 2,672,189	100	\$ 2,016,460	100
5000	Operating costs	4, 6.(5), 6.(13), 6.(22),6.(29) & 7	(2,067,601)	(77)	(1,616,228)	(80)
5900	Gross profit from operations		604,588	23	400,232	20
6000	Operating expense	4, 6.(13), 6.(22), 6.(29) & 7				
6100	Selling expenses		(105,854)	(4)	(99,446)	(5)
6200	General and administrative expenses		(225,330)	(9)	(219,839)	(11)
6300	Research and development expenses		(35,155)	(1)	(41,935)	(2)
6450	Loss (reversal) of expected credit loss	4, 5 & 6.(4)	(102)	-	448	-
	Total operating expense		(366,441)	(14)	(360,772)	(18)
6500	Other operating income and expenses, net	4, 6.(9), 6.(22) & 6.(23)	383	-	383	-
6900	Net operating income (loss)		238,530	9	39,843	2
7000	Non-operating income and expenses					
7100	Interest income	6.(24)	161,472	6	167,793	8
7010	Other income	6.(7), 6.(24) & 7	83,959	3	72,865	4
7020	Other gains and losses	6.(2), 6.(12), 6.(24) & 7	(369)	-	168,820	8
7050	Finance costs	4, 6.(12) & 6.(24)	(19,501)	(1)	(28,258)	(2)
7070	Share of the profit (loss) of associates and subsidiaries for using equity method	4, 6.(8) & 6.(24)	721,697	27	862,112	43
7630	Foreign exchange gains (loss)	4 & 6.(24)	(25,867)	(1)	52,760	3
	Total non-operating income and expenses		921,391	34	1,296,092	64
7900	Profit (loss) from continuing operations before tax		1,159,921	43	1,335,935	66
7950	Income Tax Expense	4 & 6.(26)	(231,313)	(8)	(271,611)	(13)
8200	Profit (loss) for the period		928,608	35	1,064,324	53
8300	Other comprehensive income	4, 6.(7),6.(8), 6.(13), 6.(19) & 6.(25)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss :					
8311	Remeasurements of the defined benefit plan		13,942	1	16,207	1
8316	Unrealised gain (loss) on financial assets measured at fair through other comprehensive income		(86,381)	(4)	123,128	6
8330	Share of the other comprehensive (loss) income of associates for using equity method-will not be reclassified to profit or loss		1,981	-	1,954	-
8349	Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
	Other comprehensive income (loss) that will not be reclassified to profit or loss		(70,458)	(3)	141,289	7
8360	Items that may be reclassified subsequently to profit or loss :					
8380	Share of the other comprehensive income of subsidiaries and associates for using equity method-will may be reclassified subsequently to profit or loss		33,527	1	204,086	10
8399	Income tax expense relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
	Total items that may be reclassified subsequently to profit or loss		33,527	1	204,086	10
	Total other comprehensive income (loss) for the period		(36,931)	(2)	345,375	17
8500	Total comprehensive income for the period		\$ 891,677	33	\$ 1,409,699	70
	Earnings per share (dollar)	4 & 6.(27)				
9750	Basic		\$ 4.36		\$ 5.18	
9850	Diluted		\$ 4.17		\$ 4.86	

(Please refer to the accompanying notes to the individual financial statements.)

G-SHANK ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

Accounts	Equity Attributable to Owners of the Corporation								
	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total
	Ordinary Shares	Advance Receipts for Capital Stock		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2024	\$ 1,906,543	\$ 1,900	\$ 489,905	\$ 981,760	\$ 284,690	\$ 2,512,565	\$ (409,638)	\$ 300,180	\$ 6,067,905
Appropriation of 2023 earnings (Note 6.(18))									
Legal reserve	-	-	-	67,441	-	(67,441)	-	-	-
Cash dividends to ordinary shareholders	-	-	-	-	-	(308,766)	-	-	(308,766)
Changes in the net interest of associates recognised under the equity method	-	-	49	-	-	-	-	-	49
Exercise the right of disgorgement	-	-	312	-	-	-	-	-	312
Cash dividend distributed from capital surplus	-	-	(205,844)	-	-	-	-	-	(205,844)
Net profit for 2024	-	-	-	-	-	1,064,324	-	-	1,064,324
Other comprehensive income for 2024	-	-	-	-	-	16,186	204,086	125,103	345,375
Total comprehensive income for 2024	-	-	-	-	-	1,080,510	204,086	125,103	1,409,699
Cash capital increase	150,000	-	716,447	-	-	-	-	-	866,447
Equity component of issuance of convertible bonds -share options	-	-	189,655	-	-	-	-	-	189,655
Changes in the net interest of associates recognised under the equity method	-	-	524	-	-	-	-	-	524
Share-based payment transaction	10,490	730	53,681	-	-	-	-	-	64,901
Conversion of convertible bonds	30,722	575	177,701	-	-	-	-	-	208,998
BALANCE AT DECEMBER 31, 2024	\$ 2,097,755	\$ 3,205	\$ 1,422,430	\$ 1,049,201	\$ 284,690	\$ 3,216,868	\$ (205,552)	\$ 425,283	\$ 8,293,880
Appropriation of 2024 earnings (Note 6.(18))									
Legal reserve	-	-	-	108,051	-	(108,051)	-	-	-
Cash dividends to ordinary shareholders	-	-	-	-	-	(210,738)	-	-	(210,738)
Changes in the net interest of associates recognised under the equity method	-	-	44	-	-	-	-	-	44
Exercise the right of disgorgement	-	-	28	-	-	-	-	-	28
Cash dividend distributed from capital surplus	-	-	(526,845)	-	-	-	-	-	(526,845)
Net profit for 2025	-	-	-	-	-	928,608	-	-	928,608
Other comprehensive income for 2025	-	-	-	-	-	13,984	33,527	(84,442)	(36,931)
Total comprehensive income for 2025	-	-	-	-	-	942,592	33,527	(84,442)	891,677
Changes in the net interest of associates recognised under the equity method	-	-	8,214	-	-	(261)	-	261	8,214
share-based payment transaction	20,510	(2,630)	22,573	-	-	-	-	-	40,453
Conversion of convertible bonds	47,944	10,748	321,137	-	-	-	-	-	379,829
The difference between the actual price of equity acquired from the subsidiary and its book value	-	-	6,402	-	-	-	(1,709)	-	4,693
BALANCE AT DECEMBER 31, 2025	\$ 2,166,209	\$ 11,323	\$ 1,253,983	\$ 1,157,252	\$ 284,690	\$ 3,840,410	\$ (173,734)	\$ 341,102	\$ 8,881,235

(Please refer to the accompanying notes to the individual financial statements.)

G-SHANK ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

Description	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	\$ 1,159,921	\$ 1,335,935
Adjustments for		
The profit or loss items which did not affect cash flows:		
Depreciation	101,876	72,754
Amortization	19,291	17,625
Expected credit (profit) loss	102	(448)
Net (gains) loss on financial assets and liabilities at fair value through profit or loss	5,475	(167,243)
Interest expenses	19,501	28,258
Interest income	(161,472)	(167,793)
Dividends income	(16,964)	(11,875)
Share-based payment expenses	8,031	43,017
Share of profit of subsidiaries and associates ventures accounted for using the equity method	(721,697)	(862,112)
Profit on disposal of property, plant and equipment	(5,106)	(1,577)
Unrealized foreign exchange losses	(4,094)	(10,161)
Other item	100	800
Changes in operating assets and liabilities :		
Financial assets at fair value through profit or loss	(202,560)	(708,861)
Notes receivables	429	(2,680)
Accounts receivable	(148,794)	(90,282)
Accounts receivable-related parties	(10,557)	(1,851)
Other receivables	9,350	(5,553)
Other receivables -related parties	(5,112)	(1,788)
Inventories	(83,990)	(23,112)
Prepayments and Other current assets	(10,499)	(4,687)
Net defined benefit assets	(2,809)	-
Current contract	(213)	2,774
Accounts payable	79,855	26,136
Accounts payable-related parties	(316)	(1,440)
Other payables	93,947	26,822
Other payables-related parties	2,307	110
Other current liabilities	10,196	7,876
Net defined benefit liabilities	-	(2,999)
Cash inflows and outflows generated from operating activities:	136,198	(502,355)
Interest received	151,216	162,928
Dividends received	16,964	11,875
Interest paid	(7,961)	(13,938)
Income tax paid	(341,334)	(191,560)
Net cash inflows and outflows from operating activities	(44,917)	(533,050)

(Continuing)

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

Description	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from investments accounted for using equity method	\$ 311,449	\$ 1,382,197
Acquisition of investments accounted for using the equity method	(103,553)	-
Acquisition of property, plant and equipment	(281,296)	(1,354,328)
Proceeds from disposal of property, plant and equipment	10,899	2,494
Increase in refundable deposits	(7)	8
Acquisition of intangible assets	(2,672)	(255)
Decrease in other current financial assets	2,704	2,945
Increase in other noncurrent assets	(15,513)	(22,219)
Increase in prepayments for business facilities	(45,212)	(1,448)
Net cash provided by investing activities	<u>(123,201)</u>	<u>9,394</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Short-term borrowings	289,000	(710,000)
Issuance of Convertible Bonds	-	1,134,903
Increase in Deposited Guarantee	1,837	1,833
Payment of cash dividends	(210,738)	(308,766)
Cash dividend distributed from capital surplus	(526,845)	(205,844)
Cash capital increase	-	866,447
Employee exercise of stock warrant	32,422	21,884
Unclaimed dividends by shareholders beyond the statutory period	44	49
Exercise of the right of disgorgement	28	312
Net cash (used in) provided by financing activities	<u>(414,252)</u>	<u>800,818</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>408</u>	<u>4,036</u>
Net (decrease) increase in cash and cash equivalents	(581,962)	281,198
Cash and cash equivalents at the beginning of the period	<u>900,436</u>	<u>619,238</u>
Cash and cash equivalents at the end of the period	<u>\$ 318,474</u>	<u>\$ 900,436</u>

(Please refer to the accompanying notes to the individual financial statements.)

G-SHANK ENTERPRISE CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. COMPANY HISTORY

G-SHANK ENTERPRISE CO., LTD. (hereinafter referred to as “the company”) was approved for incorporation on November 14, 1973. The company was registered and operated at No. 1, Jiuzhou Road, Jiudou Li, Hsinwu District, Taoyuan City for the production and sales of molds, stamping parts, fixtures and tools, automatic machines and electrical appliances, and mechanical components.

The company’s stock had been listed for trade on the “Taipei Exchange, TPEx” since February 1998, then have been listed for trade on the “Taiwan Stock Exchange Corporation, TWSE” since September 2001.

The company’s board of directors had resolved on October 22, 2007 for the merger of the company and the subsidiary “HON YE H INVESTMENT CO., LTD.” (Referred to as “HON YE H” hereinafter) with “HON YE H” discontinued and the company continues to operate. The name of the merged company is “G-SHANK ENTERPRISE CO., LTD.” still with the merger base date scheduled on December 1, 2007.

“HON YE H,” the discontinued company, was approved for incorporation on February 24, 1998 for the operation of a general investment business.

2. FINANCIAL REPORT APPROVAL DATE AND PROCEDURE

The parent company only financial reports of the company (hereinafter referred to as “the company”) for the years ended December 31, 2025 and 2024 were submitted to the company’s board of directors on March 13, 2026 and then published lawfully.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

3. APPLICATION OF THE NEWLY ANNOUNCED AND AMENDED REGULATIONS AND INTERPRETATIONS

(1) Adoption of Standards and Interpretations Approved by the Financial Supervisory Commission (FSC)

The Company has applied, since January 1, 2025, the 2025 versions of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretation announcements issued by the FSC Securities and Futures Bureau. The adoption of these standards and interpretations has not had a material impact on the Company's individual financial statements.

(2) The International Accounting Standards Board (IASB) has issued and the Financial Supervisory Commission (FSC) has approved the new/amended/revised standards and interpretations that will be applicable in the year 2026.

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IFRS 17	Insurance contracts	January 1, 2023
IFRS 17 (amendments)	Amendments to IFRS 17	January 1, 2023
IFRS 17 (amendments)	First-time application of IFRS 17 and IFRS 9 - comparative information	January 1, 2023
IFRS 7 and IFRS 9 (amendments)	Amendments to the classification and measurement of financial instruments	January 1, 2026
IFRS	Annual improvements to IFRS – volume 11	January 1, 2026
IFRS 7 and IFRS 9 (amendments)	Contracts referencing nature-dependent electricity	January 1, 2026

The management of the company believes that the amendments to the aforementioned standards will not have a significant impact on the company's individual financial statements.

(3) The new/amended/revised standards and interpretations announced without effect by IASB and not yet recognized by the FSC

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IFRS 10 and IAS 28 (amendments)	Sale or investment of assets between investors and their affiliated enterprises or joint ventures	To be determined by IASB
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027 (Note)
IFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027
IAS 21 (amendments)	Translation to a Hyperinflationary Presentation Currency	January 1, 2027

Note: The FSC announced in a press release dated September 25, 2025, that publicly listed companies are required to adopt IFRS 18 for the fiscal year 2028. Early adoption is permitted with FSC approval.

The company's management is currently assessing the potential impact of the aforementioned new/amended standards; therefore, it is temporarily unable to reasonably estimate its impact on the company's individual financial statements.

4. SUMMARY OF MAJOR ACCOUNTING POLICIES

The significant accounting policies adopted for the preparation of the individual financial statements are summarized as follows, and unless otherwise indicated, these accounting policies are consistently applied to all reporting periods :

(1) Financial report preparation and measurement basis

(A) Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Regulations").

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(B) Measurement basis

- (a) In accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company's profit or loss and other comprehensive income for the current period in the parent company only financial statements shall be the same as the amounts attributable to owners of the parent in the profit or loss and other comprehensive income for the current period in the consolidated financial statements. In addition, the equity in the parent company only financial statements shall be the same as the equity attributable to owners of the parent in the consolidated financial statements. Accordingly, investments in subsidiaries are presented as "investments accounted for using the equity method" in the parent company only financial statements, with necessary valuation adjustments recognized.
- (b) Except for the financial instruments measured at fair value, this individual financial report is prepared on the basis of historical cost. For assets, the historical cost refers to the cash, cash equivalents, or the fair value of other considerations paid to obtain assets. For liabilities, the historical cost refers to the amount received when assuming obligations or the amount expected to be paid for liquidating liabilities.

(C) Functional and reporting currency

The functional currency of each business entity of the Company is the currency used in the main economic environment where it operates. This parent company only financial report is prepared in New Taiwan Dollar that is the functional currency of the company. All financial information prepared in New Taiwan Dollar is in the unit of "NT\$ Thousand," unless otherwise specified.

(2) Criteria for the classification of current and noncurrent assets and liabilities

- (A) Current assets include cash and cash equivalents (except for those that cannot be exchanged or used for liquidating liabilities within 12 months after the reporting period), assets held primarily for trading purposes, and assets expected to be realized within 12 months after the reporting period or assets expected to be realized, sold, or consumed within the regular business cycle. Assets other than current assets are classified as noncurrent assets.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(B) Current liabilities include liabilities held primarily for trading purposes, liabilities that are expected to be settled within 12 months after the reporting period or liabilities expected to be settled within the regular business cycle, and liabilities that cannot be unconditionally deferred for 12 months after the reporting period. Liabilities other than current liabilities are classified as noncurrent liabilities.

(3) Foreign currency transactions and conversion of foreign operating entities

(A) New Taiwan Dollar (NTD) is the Company's functional currency that is also applied for the presentation of the parent company only financial statements. The Company's originally recognized foreign currency transactions are booked by having the foreign currency converted into the functional currency at the spot exchange rate between the functional currency and the foreign currency on the trade date. Monetary items in foreign currency are translated at the closing exchange rate on the reporting date; non-monetary items in foreign currency that are measured at historical cost are not retranslated on the reporting date; non-monetary items in foreign currency that are measured at fair value are translated according to the exchange rate on the date the fair value is determined. The exchange difference of monetary items is recognized as profit and loss upon occurrence. When the profit or loss of non-monetary items is recognized as other comprehensive profit and loss, the exchange component of the profit or loss is also recognized as other comprehensive profit and loss. When the profit or loss of non-monetary items is recognized as profit and loss, the exchange component of the profit or loss is also recognized as profit and loss.

(B) The assets and liabilities of foreign operating entities, including goodwill arising from acquisitions and fair value adjustments to the book value of the assets and liabilities acquired, are presented in their functional currency. When the functional currency is different from the presentation currency in a non-highly inflationary economy, the financial performance and financial position are converted into the presentation currency according to the following procedures:

- (a) The assets and liabilities on each balance sheet are translated at the closing exchange rate on the reporting date.
- (b) The income and expenses on each consolidated income statement are translated at the average exchange rate of the current period; however, if the exchange rate fluctuates significantly, the exchange rate on the trade date shall prevail.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (c) All exchange differences arising from translation are recognized in “other comprehensive profit and loss.”

When the control over a subsidiary or the influence on the affiliated enterprise is lost due to the disposal of a foreign operating entity, the accumulated exchange differences related to the foreign operating entity that has been previously recognized in “other comprehensive profit and loss” and accumulated to the equity shall be reclassified from equity to profit and loss at the time of recognizing disposal profit and loss. If the control is not lost while disposing of subsidiaries partially that include a foreign operating entity, the accumulated exchange differences recognized in other comprehensive profit and loss will be re-classified to the non-controlling interests of the foreign operating entity proportionally. If the significant influence is not lost while disposing subsidiaries partially that includes an affiliated enterprise of the foreign operating entity, the accumulated exchange differences recognized in other comprehensive profit and loss will be re-classified to the profit and loss proportionally.

If there is not a payment plan in place for the monetary receivables or payables with the foreign operating entity, and it is unlikely to have them paid off in the near future, it will be treated as part of the net investment in the said foreign operating entity; also, the exchange difference resulted thereafter will be recognized in the “other comprehensive profit and loss.”

(4) Cash and cash equivalents

It refers to the cash on hand, demand deposits, and short-term and highly liquid time deposits or investments that can be converted into a fixed amount of cash at any time with little risk of value change, and it is held to meet short-term cash commitments other than for investment or other purposes.

(5) Financial instruments

(A) When the parties to the financial instrument contract have financial assets or financial liability recognized in the balance sheet, and when a financial asset is purchased or sold in an arms-length transaction, an equity instrument should be processed according to the trade day accounting; however, a debt instrument, beneficiary certificate, and derivatives should be processed according to the settlement date accounting.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (B) The financial asset or financial liability is measured at fair value when it is initially recognized; however, for those that are not measured at fair value through profit and loss, the transaction cost for the acquisition or issuance should be included.
- (C) The components of the financial instruments issued by the Company are classified as financial liabilities, financial assets, or equity instruments at the initial recognition in accordance with the substance of the contractual agreement and the definitions of financial liabilities, financial assets, and equity instruments.
- (D) Financial assets and financial liabilities are offset against each other and presented in a net amount on the balance sheet only when the GROUP has a legally enforceable right, intends to have it settled at a net amount, or to realize the asset and settle the liability simultaneously.
- (E) The Company's financial instruments are as follows:
- (a) Financial assets measured at fair value through profit and loss
- Financial assets measured at fair value through profit and loss include financial assets that are mandated to be measured at fair value through profit and loss and that are designated to be measured at fair value through profit and loss. Financial assets that are mandated to be measured at fair value through profit and loss include the Company's investments in equity instruments not designated to be measured at fair value through other comprehensive profit and loss and investment in debt instruments that are not classified to be measured at amortized cost or measured at fair value through other comprehensive profit and loss. The profit or loss arising from the financial assets measured at fair value through profit and loss is recognized in profit and loss.
- (b) Financial assets measured at amortized cost
- Financial assets that meet both of the following conditions and are not designated to be measured at fair value through profit or loss are to be measured at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, financial assets measured at amortized cost, other financial assets, and other receivable on the balance sheet:
- (i) The financial asset is held solely for the purpose of collecting contractual cash flows.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (ii) The contractual terms of the financial asset are to generate cash flows on specific dates for the sole purpose of paying back outstanding principal and interest.

For financial assets measured at amortized cost, after initial recognition, it is measured at the cost derived from the total book amount determined with an effective interest method net of the amortized impairment loss. The profit or loss derived from delisting, through amortization procedure, or recognizing impairment profit or loss should be recognized in the profit and loss.

- (c) Financial assets measured at fair value through other comprehensive profit and loss

It refers to the investment in debt instruments that meet both of the following conditions and are not designated to be measured at fair value through profit or loss; or, the investment in equity instrument that is not held for trading purpose and is with the change in fair value booked in the “other comprehensive profit or loss,” which is an irrevocable decision made at the initial recognition:

- (i) The financial asset is held for the purposes of collecting contractual cash flows and for sale.
- (ii) The contractual terms of the financial asset are to generate cash flows on specific dates for the sole purpose of paying back outstanding principal and interest.

It is measured at fair value subsequently; also, the changes in its value, except for the impairment loss of investment in debt instrument, exchange profit and loss of monetary financial assets, interest calculated with the effective interest method, and dividends from the investment in equity instrument that is not conspicuously representing the investment cost recovery, should be recognized in other comprehensive profit and loss before delisting or reclassification. For the accumulated profit or loss previously recognized in other comprehensive profit and loss at the time of delisting, the investment in debt instrument is reclassified from equity to profit and loss; and the investment in equity instrument is reclassified to retained earnings. In addition, the dividends from the investment in equity instrument are recognized when the right to receive dividends is acquired.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(d) Financial liabilities measured at amortized cost

Financial liabilities that are not measured at fair value through profit or loss are financial liabilities measured at amortized cost, including short-term loans, accounts payable, other payables, long-term loans, and lease liabilities, which are measured at the amortized cost derived with the use of the effective interest method; however, short-term payables without interest paid, if it is without the significant impact of discounting, are measured at the original transaction amount.

(e) Compound Financial Instruments

- (i) The compound financial instruments issued by the Company refer to convertible bonds that grant the holders the option to convert them into the Company's ordinary shares. The number of shares issued upon conversion does not vary with changes in their fair value.
- (ii) The initial recognition amount of the liability component of a compound financial instrument is measured at the fair value of a similar liability that does not include an equity conversion feature. The initial recognition amount of the equity component is measured as the difference between the overall fair value of the compound financial instrument and the fair value of the liability component. After initial recognition, the liability component that does not involve derivative financial instruments is subsequently measured at amortized cost using the effective interest method until conversion or redemption. The liability component that involves derivative financial instruments is subsequently measured at fair value through profit or loss. Changes in the fair value of the equity component are not recognized after issuance.
- (iii) The issuance costs of convertible bonds are allocated to the liability and equity components based on their respective carrying amounts at initial recognition.
- (iv) Interest, losses, or gains related to the liability component are recognized in profit or loss. No gain or loss is recognized upon conversion of the financial liability, as it is reclassified to equity.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(v) The non-hedging derivatives and embedded derivatives

The non-hedging derivatives are initially recognized at fair value at the time of signing a contract, and are subsequently measured at fair value on the balance sheet date. The profit or loss resulting from subsequent measurement is directly recognized as profit and loss; however, the timing for recognizing the profit or loss of the derivatives that are designated as effective hedging instruments depends on the nature of the hedging relationship. When the fair value of derivatives is positive, it is classified as a financial asset. When the fair value is negative, it is classified as a financial liability. If the derivatives embedded in the master contract are classified as a financial asset subject to IFRS 9 “Financial Instruments” (hereinafter referred to as IFRS 9), the classification of financial assets is determined according to the terms of the overall hybrid contract. If the derivatives embedded in the master contract are not classified as a financial asset subject to IFRS 9 “Financial Instruments,” it is necessary to assess whether the embedded derivative instrument is closely related to the master contract. If not, the embedded derivatives should be separated from the master contract and processed as derivatives unless the overall hybrid contract is measured at fair value through profit and loss.

(6) Measurement at fair value

(A) The fair value is the price that the assets could be sold or liabilities could be transferred in an orderly arm’s-length transaction that is fair for both the buyer and the seller on the measurement date. The structure of fair value measurement is with the characteristics of a particular asset or liability taken into consideration, including the condition and location of the asset, and the restrictions on the sale or use of the asset, and assuming that the sale of the asset or the transfer of the liability occurs in the primary market where it belongs, or, if there is no primary market available, occurs in the most favorable market for the asset or liability; the aforementioned primary market or the most favorable market must be accessible to the Company for trading; also, assumes that the market participants have the price determined based on their best economic interests.

For the non-financial asset measured at fair value, the consideration is whether a market participant has exhausted the good use of the asset or sold the asset to another market participant who will exhaust the good use of the asset in order to generate economic benefits.

- (B) The fair value measured with a valuation technique means it is measured with an appropriate valuation technique with sufficient information available under the circumstances, including maximized relevant observable inputs and minimized unobservable inputs.

(7) Delisting of financial assets and liabilities

(A) Financial assets

Financial assets are delisted and the rights and obligations resulted or retained from such transfer will be recognized as assets or liabilities only when the contractual rights to the cash flows derived from the financial asset are terminated, or, the financial asset has been transferred along with almost all risks and rewards related to the ownership of the asset, or, almost all risks and rewards related to the ownership of the financial asset have not been transferred nor retained and without control over the financial asset. The difference between the book value of the delisted portion of financial assets measured at amortized cost and the consideration received is recognized in profit and loss on the delisting day. The difference between the book value of the investment in equity instrument measured at fair value through other comprehensive profit and loss and the sum of the consideration received and the cumulative profit or loss recognized in other comprehensive profit and loss is recognized in retained earnings; however, the investment in debt instrument is recognized in profit and loss. For the financial assets not delisted entirely, the respective book value is amortized based on the relative fair value of the continuously recognized portion of the assets. If a financial asset does not qualify for the de-listing transfer, the entire transferred asset is recognized continuously, and the consideration received is recognized as a financial liability.

(B) Financial liabilities

Financial liabilities are delisted entirely or partially only when the contractual obligations are performed, canceled, or expired with the financial liabilities eliminated. If the debtor and creditor have the debt instrument containing significantly different terms exchanged or have the incumbent financial liabilities terms modified

entirely or partially, the incumbent financial liability is delisted and a new financial liability is recognized simultaneously. The difference between the book value of a financial liability that is eliminated or transferred to another party entirely or partially and the consideration paid is recognized in profit and loss.

(8) Asset impairment

(A) Impairment of financial assets

- (a) The Company has allowances recognized for expected credit loss derived from the financial assets measured at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other receivables and other financial assets, etc.).
- (b) The Company has the expected credit loss of financial assets measured by reflecting the amount determined with an unbiased and probability-weighted method after evaluating all possible results, the time value of money, and reasonable and verifiable information related to past events, current conditions, and forecasts of future economic conditions (available on the reporting day without excessive cost or investment). Except for notes receivable, accounts receivable, and other receivables handled with a simplified approach by having the allowance for loss measured at the expected credit loss amount during the duration on the reporting date, for cash and cash equivalents and financial assets measured at amortized cost, if the credit risk on the reporting date is low or the credit risk has not increased significantly since the original recognition, the allowance for loss is measured at the 12-month expected credit loss. If the aforementioned credit risk of financial assets has increased significantly on the reporting date since the original recognition, it is measured at the expected credit loss during the duration.
- (c) The book value of the aforementioned financial assets is adjusted down with the allowance for losses. The appropriation and reversal of the allowance for loss are recognized in profit and loss.

(B) Impairment of non-financial assets

For the assets subject to IAS 36 “Impairment of Assets,” except for goodwill, intangible assets with an undetermined useful life, and intangible assets not yet available for use are with an impairment test performed annually and when there are indications that they may be impaired, the Company assesses assets to determine whether there is any indication of impairment on each reporting date. If there is an indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount refers to the fair value of the assets or the cash-generating unit net of the cost of sales and the values in use whichever is higher. If the recoverable amount of the asset is lower than the book value, the said book value must be reduced to be equal to the recoverable amount and the amount of reduction is the impairment loss that is to be recognized in profit and loss. If there is any indication of the recovery or decrease of the previously recognized impairment loss of assets, except for goodwill, on the reporting date subsequently, the recoverable amount of the asset should be re-estimated. If the estimated recoverable amount of the assets is increased as a result of a change in the estimation, the impairment loss should be reversed. However, the increased book value of the asset arising from the reversal of the impairment loss shall not exceed the book value of the asset net of the amortization or depreciation, but before recognizing the impairment.

For a cash-generating unit with goodwill amortized, an impairment test is performed by comparing its book value containing the goodwill to its recoverable amount. If the book value of the said unit exceeds the recoverable amount, an impairment loss is recognized. The impairment loss recognized is to be deducted from the cash-generating unit’s book value with goodwill amortized, and the insufficient amount for deduction is allocated to the book value of the respective asset of the unit proportionally. The recognized impairment loss of goodwill shall not be reversed in the subsequent periods.

(9) Inventory

Inventory cost includes all purchase costs, processing costs, and other costs incurred for bringing the inventory to its current location and condition. It is calculated in accordance with the weighted average cost method to allocate inventory cost. The yearend inventory is measured at the lower cost or net realizable value. The comparison of cost and net realizable value is itemized, except for inventories of the same category. The net realizable value refers to the amount resulted from the estimated selling price in the course of business net of the estimated additional cost to completion and the estimated sales expenses after the completion.

(10) Investments under the equity method

(A) The Company's controlled entities are the Company's subsidiaries. The Company's investment in subsidiaries is evaluated with the equity method. According to Article 21 of the "Regulations Governing the Preparation of Financial Reports by Securities Firms," the "investment under the equity method" comes with necessary evaluation adjustments so to have had the profit and loss and other comprehensive profit and loss of the Company's parent alone financial statements same as the amortized amount of the profit and loss and other comprehensive profit and loss attributable to the shareholders of the parent company in the consolidated financial statements; also, the shareholders' equity in the parent alone financial statements same as the shareholders' equity attributable to the parent company in the consolidated financial statements.

(B) An affiliated enterprise is an entity that is significantly influenced but not controlled by the Company, that is, the Company holds more than 20% but less than 50% of the voting rights of the invested company directly or indirectly, or holds less than 20% of the voting rights but can clearly prove that the Company has a significant influence on the affiliated enterprise. The investment in the affiliated enterprise is valued under the equity method starting from the date when it becomes an affiliated enterprise of the Company.

(C) The investment under the equity method is recognized at cost initially and adjusted subsequently according to the changes in the ownership of the affiliated enterprise's net assets proportionally. When the Company's loss from the ownership of the subsidiaries net assets exceeds the equity owned in the subsidiaries, the loss should be recognized by shareholding proportion continually; When the Company's loss from the ownership of the affiliated enterprise net assets exceeds the equity owned in

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

the affiliated enterprise, no loss should be recognized further, and the Company will only recognize additional losses and liabilities within the scope of legal obligation, presumed obligation, or payment made on behalf of the affiliated enterprise. If the investment cost exceeds the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries and affiliated enterprise on the acquisition date, the difference is the goodwill related to the subsidiaries and affiliated enterprise that is included in the book value of the investment and shall not be amortized; otherwise, it is to be recognized in profit immediately after the reassessment.

- (D) If the changes in the Company's ownership interests in subsidiaries do not result in the loss of control, it is to be processed as an equity transaction. The difference between the book value of the investment and the fair value of the consideration paid or received is directly recognized as equity.
- (E) When there is a change in equity that is non-profit and loss and other comprehensive profit and loss occurred to the subsidiaries and affiliated enterprise; also, it does not affect the shareholding ratio of the subsidiaries and affiliated enterprise, the Company will have the change in the equity of the subsidiaries and affiliated enterprise recognized in the "additional paid-in capital" proportionally to the shareholdings.
- (F) When the affiliated enterprise issues new shares, if the Company does not subscribe it proportionally to the shareholdings, resulting in a change in the shareholding ratio and thus causing an increase or decrease in the net equity value of the investment, the increase or decrease amount shall be adjusted to the "investment under the equity method" and "additional paid-in capital" when the significant influence is intact. If the aforementioned adjustment is debited to the "additional paid-in capital," and there is an insufficient balance of additional paid-in capital from the investment under the equity method, the difference should be debited to the "retained earnings." However, if it is not subscribed proportionally to the shareholdings and results in a decrease in the ownership interest, in addition to the aforementioned adjustment, the profit or loss related to the decrease in the ownership interest that has been previously recognized in other comprehensive profit and loss, which has also been reclassified to profit and loss when the relevant assets or liabilities are disposed, shall be reclassified to profit and loss proportionally to the decreased amount.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(G) When the Company loses control or significant influence on subsidiaries and the affiliated enterprise, the Company recognizes the remaining investment in the former subsidiaries and affiliated enterprise at the fair value on the date of losing control or significant influence. The difference between the fair value of the remaining investment and any disposal price and the book value of the investment on the date of losing control or significant influence is recognized in profit and loss. For the amounts recognized in other comprehensive profit and loss related to the subsidiaries and affiliated enterprise, the accounting base is the same as if the related assets or liabilities are disposed directly by the Company.

(H) The unrealized profit and loss of the transactions conducted between the Company and subsidiaries or affiliated enterprise is written off within the scope of its equity related to the Company.

(11) Property, plant and equipment

(A) Property, plant and equipment are used for production or labor services, leased to others, or held for management purposes. It is recognized and subsequently measured at cost, which is an amount net of the accumulated depreciation and accumulated impairment losses. The cost of assets refers to the cash, cash equivalents, or the fair value of the consideration paid to acquire or construct the assets, including the cost related to dismantling, removing, and recovering the location. When the useful lives of the significant components of property, plant and equipment are different, it should be processed as an item separated from the property, plant and equipment.

(B) Property, plant and equipment, except for land, is depreciated in accordance with the straight-line method, over the useful life indicated below. The residual value of assets, useful life, and the depreciation method should be examined at the end of each year. If the expected value is different from the estimation, or the expected consumption pattern of the future economic benefits of the asset has changed significantly, and it becomes necessary to have the depreciation method changed to reflect the changed pattern, such change should be treated as a change in accounting estimate. For the property, plant and equipment with asset impairment losses recognized, the depreciation expense of the asset in the future period shall be adjusted by deducting its residual value from the amended book value of the asset and amortized in accordance with the straight-line method over the remaining useful life:

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

House, building, and auxiliary equipment	3-50	years
Machinery equipment	2-10	years
Transportation equipment	4-6	years
Office equipment	5	years
Other equipment	3-15	years

(C) Replacement and significant inspection costs are recognized in the book value of the property, plant and equipment. Routine maintenance expenses incurred are recognized in profit and loss. The cost of loans that are used to acquire, construct, or produce qualified assets is capitalized and incorporated into the cost of the assets.

(D) The property, plant and equipment are delisted at the book value when it is disposed of or when it cannot generate future economic effect through use or disposition. The profit or loss resulted from the delisting is recognized in profit and loss; also, the profit may not be classified as income.

(12) Lease

(A) The Company is the lessor

When a lease is for the purpose of having the asset ownership and the related substantial risks and rewards transferred to the lessee, it is classified as a financial lease. A lease other than a financial lease is classified as an operating lease.

(a) The net investment amount in a financial lease is measured at the sum of the present value of the amount payable by the lessee and the unguaranteed residual value plus the original direct cost, which is booked as financial lease receivables. The financial lease income is recognized at a fixed rate of return that reflects the Company's unexpired net lease investment on each lease period.

(b) The operating lease income is recognized in accordance with the straight-line method over the lease period. If the lease contract offers incentives to the lessee so to have the lease contract signed, the total cost of such incentives should be credited to the total lease income in accordance with the straight-line method over the lease period. The original direct costs incurred in negotiating and arranging an operating lease are added to the book value of the underlying asset and recognized as an expense in accordance with the straight-line method over the lease period.

The variable rent, if any, in the lease agreement that is not dependent on an index or rate is recognized as income upon occurrence.

(B) The Company is the lessee

Except for the short-term leases and lease payments for low-value assets are recognized as expenses in accordance with the straight-line method over the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

- (a) The right-of-use asset is originally recognized at cost and subsequently measured at cost too. Also, it is booked at the cost net of the accumulated depreciation, accumulated impairment losses, and adjusted lease liability remeasurement. The right-of-use asset is depreciated in accordance with the straight-line method over the period from the lease commencement date to the expiry date of the useful life of the right-of-use asset or the lease expiry date, whichever is earlier.
- (b) The lease liability is originally recognized at the present value of the lease payables on the lease commencement date. If the implied interest rate of the lease is easy to determine, the lease payment is discounted at the implied interest rate, but if the implied interest rate is hard to determine, it is to be discounted at the lessee's incremental loan rate. It is subsequently measured at amortized cost in accordance with the effective interest method. The lease liability remeasurement is adjusted to the right-of-use asset; however, if the book value of the right-of-use asset is zero, the remaining remeasurement is recognized in profit and loss.

The variable rent, if any, in the lease agreement that is not dependent on an index or rate is recognized as expense upon occurrence.

(13) Intangible assets

- (A) Computer software, etc., acquired independently that are intangible assets with limited service-life, is measured at cost in accordance with the straight-line method over the average useful life of 3 years. Examine the amortization period and amortization method of the intangible assets with limited service-life on each reporting date. If the estimated useful life is different from the estimation, the amortization period will be changed accordingly. If the expected consumption pattern of the future economic benefits of the asset has changed, the amortization method will

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

be adjusted to reflect the said change, which will be processed as a change in accounting estimate. Once the tangible assets with limited useful life is with impairment loss recognized, the amortization expense of the asset in the future period is adjusted based on the amended book value of the assets in accordance with the straight-line method over the remaining useful life.

- (B) The intangible asset is delisted when it is disposed of or when it cannot generate future economic effect through use or disposition. The profit or loss resulted from the delisting is recognized in profit and loss; also, the profit may not be classified as income.
- (C) The expenses incurred in the research phase are expensed. The expenses incurred in the development stage are recognized as intangible assets when the specified conditions are met, but expenses that do not meet the requirements will be expensed upon incurred in the research phase.

(14) Equity instrument

Equity instrument refers to the contract that represents the Company's remaining interest in assets net of all liabilities. The Company's equity instruments are recognized at the price received, net of direct issuance costs.

(15) Income recognition

Income is measured at the consideration that is expected to receive after having goods or labor service transferred. The Company recognizes income when the control of the goods or labor services is transferred to the customer to fulfill the Company's performance obligations. The Company's main income items are as follows:

Sale of goods

The Company mainly manufactures and sells molds and stamping parts with income recognized at the time of having the control of the products transferred to the customers and in return with the right to collect considerations. Therefore, the Company usually recognizes income when the goods have been delivered and the legal title has been passed on to the customers. If the sales discount or sales return in the future can be reliably estimated, and liability for refunds can be recognized based on past experience and other relevant factors, it is to be credited to the sales income when the sales are recognized.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

The Company has accounts receivable recognized when the control of the goods is transferred and in return with the right to collect the considerations unconditionally. If the goods have been transferred to the customer without the right to collect the considerations unconditionally, it is recognized as a contract asset. If the right to collect the consideration from the customer is obtained or is to be obtained before the transfer of the goods to the customer, also, the Company has no obligation to have the goods transferred to the customer under the circumstance, it is recognized as a contract liability.

If the timing of contractual payment for the transfer of goods provides the customer or the Company with significant financial benefits, either explicitly or implicitly, the Company shall adjust the promised consideration amount to reflect the time value of money. If a sale contract is signed to have goods transferred to the customer and the period from the date the goods transferred to the date the payment made by the customer is for less than 1 year, the Company does not adjust the promised consideration amount.

(16) Loan cost

It refers to the interest and other cost related to the loans. The loan cost that is directly attributable to the acquisition, construction, or production of qualified assets (referring to the assets that take a long time to reach the intended use or sale status) is capitalized as an integral part of the cost of the asset, while other loan cost is recognized as an expense upon occurrence. When a specific loan is invested temporarily before the expenditure incurred for the qualified assets, the investment income arising from such loan investment should be deducted from the actual loan cost incurred. The capitalization of loan cost is stopped when almost all the necessary activities to reach the intended state of use or sale have been completed for the qualified assets. If the active development of the qualified assets is suspended for a long period of time, the capitalization of loan cost will be suspended for the said period.

(17) Employee welfare

(A) Short-term employee welfare

It refers to the employee benefits (except for employment termination benefits) that are expected to be fully paid within 12 months after the annual reporting period for the services provided by employees, which is measured at the undiscounted amount expected to be paid in exchange for employee services, and it is recognized as an expense and liability. The expected cost of profit sharing and dividend payment is recognized as an expense and liability in accordance with the provision stated in the preceding paragraph due to a current legal or presumed payment obligation arising from past events with an amount that can be estimated reliably.

(B) Employee benefits - retirement benefits

- (a) All full-time employees of the company are entitled to the retirement plan. The entire employee pension fund is deposited in the pension fund account and managed by the Labor Retirement Reserve Committee. The aforementioned pension fund is deposited in the name of the Labor Retirement Reserve Committee that is completely separated from the company; therefore, it is not included in the aforementioned consolidated financial report. The retirement plan for employees of foreign subsidiaries is handled in accordance with local law and regulations.
- (b) For a defined contribution plan, the company's monthly employee pension contribution rate shall not be less than 6% of the employee's monthly salary, and the contributed amount is recognized as the current expense. Foreign subsidiaries are to appropriate a certain percentage of the salary as pension according to the local law; also, it is recognized as a current expense.
- (c) For a defined benefit plan, the actuarial pension amount should be appropriated on the annual reporting date according to the Projected Unit Credit Method. The re-measured amount is included in other comprehensive profits and losses when it occurs; also, it is immediately recognized in the retained earnings.

(18) Share-based payment

(A) For share-based payment transactions with equity delivered to the employees, the fair value of the labor service received from the employees is based on the fair value of the equity instrument on the delivery day. If the delivered equity instrument is immediately vested without providing labor service in a specific period, the labor services received are recognized in full on the delivery date with the equity increased relatively. If it is not immediately vested until the labor services are completed in a specific period, it is presumed that the labor service provided by the counterparty as the consideration for the equity instrument will be received in the future vested period, and it is recognized as a remuneration expense in the vested period with the equity increased relatively. The recognition of remuneration expense is based on the best estimate of the equity instruments expected to be vested during the vested period. If the expected vested equity instruments are subsequently found to be different from the estimation, the said estimation will be amended, if necessary, so to match up with the final vested equity instrument on the vested day.

(B) The fair value of equity instruments is measured according to the market price available on the measurement date and the terms and conditions related to the decision-making in vesting equity instruments. If the market price is not available, apply appropriated estimation techniques to estimate the price of the delivered equity instruments on the measurement date in an arms-length transaction between the two parties who are fully understanding and willing to trade in order to estimate the fair value of the equity instruments. Also, the aforementioned evaluation techniques are consistent with generally accepted evaluation techniques for financial instrument pricing, and all the elements and assumptions related to the pricing are considered by the traders who are fully understanding and willing to trade are included.

(19) Income tax

(A) Income tax expenses include current and deferred income taxes. Except for those related to business mergers, directly recognized in equity, or other comprehensive profit and loss, current income tax and deferred income tax expenses are recognized in profit and loss.

(B) Current income tax expenses refer to the estimated income tax payable or tax refund receivable calculated on the taxable income or loss of the current year at the tax rate that has been legislated or substantively legislated on the reporting date, including any adjustment made to the income tax payable or refundable of the previous year.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (C) Deferred income tax expenses are calculated and recognized on the temporary difference between the tax base of assets and liabilities and the book amounts reported.
- (D) Deferred income tax assets and liabilities are measured at the tax rate applicable when the temporary difference is expected to reverse that has been legislated or substantively legislated on the reporting date. Deferred income tax assets and liabilities can only be applied to offset current income tax assets and liabilities lawfully; also, it is limited to the same taxpayer and the same levying tax authority; or it can be offset by different taxpayers when the intention is to have the net current income tax liabilities and assets offset, or the income tax liabilities and assets will be realized at the same time.
- (E) The outstanding taxable losses, income tax credit, and deductible temporary differences are recognized as deferred income tax assets to the extent of the potential taxable income that occurred in the future. Also, the deferred income tax assets are evaluated on each reporting day and adjusted down to the extent of the relevant tax benefit unlikely to be realized.
- (F) For the domestic subsidiaries of the Company, for the additionally levied business income tax on the unappropriated earnings of the year, the income tax expense of the unappropriated earnings is recognized according to the actual earnings distribution that is resolved in the shareholders meeting of the following year.

(20) Earnings per share

The Company presents the current basic and diluted earnings per share attributable to the common stock shareholders of the Company. Basic earnings per share is calculated by having the profit and loss attributable to the common stock shareholders of the Company divided by the current weighted average outstanding common stock shares. Diluted earnings per share is calculated by having all the dilutive potential common stock shares and the adjusted profit and loss attributable to the common stock shareholders of the Company divided by all the dilutive potential common stock shares and the adjusted current outstanding weighted average stock shares.

(21) Government grants

- (A) The Company will have government grants recognized with certainty that all requirements for eligibility will be met and the Company is probably to receive it.
- (B) The asset-related government grants are recognized in profit and loss systematically in the period when the cost of the funded asset is recognized as an expense by the Company. The government grants that are used to compensate the occurred expenses or losses will be recognized in profit and loss during the period when it is collectible.
- (C) Government grants are presented in the consolidated financial statements as follows: Unrealized government grants (that is, the benefits of deferred government grants) are classified as liabilities in the consolidated balance sheet; realized government grants are debited to the relevant expenses or other income in the consolidated income statement.

5. **MAIN CAUSES OF UNCERTAINTY TO MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The management must make judgments, estimations, and assumptions when preparing the parent company only financial report, which will affect the reported amount of income, expenses, assets, and liabilities. The uncertainties of these material assumptions and estimations may cause significant adjustments to the book amount of assets and liabilities in the future, that is, actual results may differ from estimates.

- (1) The management's judgments regarding the significant impact on the amounts recognized in the parent company only financial statements during the process of adopting accounting policies: Please refer to Note 6.(9)(G) to the parent company only financial statements for the classification of investment property.
- (2) The other main sources of information related to the uncertainties of assumptions and estimation that may have resulted in significant adjustments to the book value of assets and liabilities in the next financial year on the reporting date are described as follows:

(A) Employee benefits - measurement of the defined benefit obligation

As stated in Note 6.(13) to the parent company only financial statements, the defined benefit obligations and expenses are measured with actuarial assumptions made, including demographic and financial assumptions related to the employees eligible for benefits in the future. Any change in the actuarial assumptions may result in actuarial profit and loss and thus affect the net defined benefit liability.

The Company's net defined benefit liability for an amount of NT\$6,001 thousand was booked on December 31, 2025. If the discount rate adopted for the Company's actuarial assumptions and the expected salary increase rate were increased / decreased by 0.5%, the book value of the net defined benefit liability would be increased by NT\$1,767 thousand or decreased by NT\$6,088 thousand, and decreased by NT\$6,032 thousand or increased by NT\$1,772 thousand, respectively.

The impact of changes in one single assumption is analyzed in the preceding paragraph with all other assumptions remained intact; however, the impact of changes in actual actuarial assumptions is interactive in reality. The approaches adopted for sensitivity analysis are consistent with the approaches adopted for the measurement of the net defined benefit liability, and the approaches and assumptions used are the same as that of in the prior period.

(B) Fair value of financial instruments

As stated in Note 4.(6) of the parent company only financial statements, financial assets-noncurrent measured at fair value through other comprehensive profit and loss are financial instruments without an active market; therefore, their fair value is determined with appropriate evaluation techniques adopted. The said valuation techniques include the recent arm's-length transactions conducted in the market, reference to the current fair value of another financial instrument that is substantially equivalent, and other valuation models. The measurement of the fair value could be affected by any change in assumptions and estimates. Please refer to Note 12.(2)(C)(D) to the parent company only financial statements for details.

The company recognized the value of the embedded derivative financial instrument—its call option—under the terms of the issued convertible corporate bonds. The carrying amount of financial assets measured at fair value through profit or loss – noncurrent was NT\$468 thousand on December 31, 2025.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

The book value of the Company's unlisted (non-TPEX) stock shares that were measured at fair value through other comprehensive profit and loss was NT\$357,650 thousand on December 31, 2025.

(C) Impairment of accounts receivable

As stated in Note 4.(8), 6.(3) and 6.(4) to the parent company only financial statements, allowance for loss of the accounts receivable is measured simply at the expected credit loss during the duration on the reporting date. Receivables are classified according to the nature of the common risks that indicate the customer's ability to pay all payables in accordance with the contractual terms, taking into account the consideration of the reasonable and verifiable information (obtainable on the reporting date without excessive costs or inputs) related to past events, current conditions, and forecasts of future economic conditions; also, the expected credit loss is estimated on the basis of the probability of default and the expected credit loss rate. If the classification of receivables and the estimation of the probability of default and the expected credit loss rate is changed by the management of the Company or is changed due to the economic conditions, the estimated allowance for losses of the receivables will be affected inevitably.

The Company's net receivables amounted to NT\$746,838 thousand (including net notes receivable, net accounts receivable (including related parties), and other receivables (including related parties) on December 31, 2025, net of the estimated allowance for loss of NT\$276 thousand.

(D) Inventory evaluation

As stated in Note 4.(9) of the parent company only financial statements, the yearend inventory is measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is itemized, except for inventories of the same category. The net realizable value refers to the amount resulted from the estimated selling price in the course of business net of the estimated additional cost needed for project completion and the estimated sales expenses after the project completion. The said estimation is based on the current market conditions and historical sales experience in similar products, which could be significantly affected by the changes in market conditions.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

The book value of the Company's inventories was NT\$284,060 thousand on December 31, 2025, net of the allowance for inventory loss in valuation amounted to NT\$21,263 thousand.

6. DESCRIPTION OF IMPORTANT ACCOUNTING ITEMS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash and petty cash	\$2,508	\$2,555
Checking deposit and savings deposit	238,383	336,012
Time deposits	<u>77,583</u>	<u>561,869</u>
Total	<u>\$318,474</u>	<u>\$900,436</u>

(A) The aforementioned time deposits can be converted into a fixed amount of cash at any time and with limited risk of value changes.

(B) The aforementioned bank deposits had not been provided as collateral or mortgaged.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Acquisition cost:		
Funds	\$-	\$145,016
Bonds	<u>2,294,019</u>	<u>1,935,414</u>
Subtotal	<u>2,294,019</u>	<u>2,080,430</u>
Evaluation adjustment:		
Funds	-	93
Bonds	<u>97,662</u>	<u>113,465</u>
Subtotal	<u>97,662</u>	<u>113,558</u>
Total	<u>\$2,391,681</u>	<u>\$2,193,988</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Noncurrent items:		
<u>Financial assets mandatorily measured at</u>		
<u>fair value through profit or loss</u>		
Embedded derivative financial		
instruments	<u>\$468</u>	<u>\$1,951</u>

(A) The foreign exchange contracts entered into by the Company with financial institutions are primarily for financial hedging purposes, aiming to mitigate the impact of exchange rate and interest rate fluctuations on foreign currency assets and liabilities. However, these contracts were not designated as hedging instruments. Accordingly, the derivative instruments that were not accounted for under hedge accounting were reported as financial assets held for trading, with balances of NT\$0 thousand as of December 31, 2025, and December 31, 2024.

Net gain arising from swap transactions for the year 2024 amounted to NT\$23,065 thousand.

(B) The Company's valuation profits(losses) of financial assets and liabilities at fair value through income were NT\$(5,475) thousand and NT\$167,243 thousand for the years ended December 31, 2025 and 2024, respectively, which were booked in the "Non-operating income and expenses - other profit and loss" account.

(C) The aforementioned financial assets measured at fair value through profit and loss had not been provided as collateral or mortgaged.

(D) Please refer to Note 12.(2)(C)(a) and (b) of the consolidated financial report for the disclosure of the market risk and credit risk of the Company's financial assets measured at fair value through profit and loss.

(E) For disclosures regarding embedded derivative financial instruments, please refer to Notes 6(12) and Notes 12 of the individual financial statements.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(3) Notes receivable - net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$6,346	\$6,775
Less: Allowance for loss	-	-
Net amount	<u>\$6,346</u>	<u>\$6,775</u>

(4) Accounts receivable - net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$676,537	\$523,890
Less: Allowance for loss	(276)	(174)
Net amount	<u>\$676,261</u>	<u>\$523,716</u>

(A) The allowance for loss of the Company's notes receivable, accounts receivable, and other receivable is simply measured by the expected credit losses amount throughout the duration. The notes receivable, accounts receivable and other receivable are classified according to the common risk characteristics of the customers' ability to pay all due amounts in accordance with the contract terms, taking into account the reasonable and provable information related to past events, current conditions, and future economic conditions (obtainable without excessive cost or investment on the reporting date), and estimating the expected credit loss according to the estimated default rate and expected credit loss rate.

(B) The increase or decrease of allowance for loss of the Company's notes receivable, accounts receivable, and other receivable is as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Balance - beginning	\$174	\$622
Allowance account for the impairment of notes receivable, accounts receivable, and other receivables	102	-
Allowance reversal account for the impairment of notes receivable, accounts receivable, and other receivables	-	(448)
Balance - ending	<u>\$276</u>	<u>\$174</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(C) Please refer to Note 12.(2)(C)(b) of the parent company only financial report for the disclosure of the credit risk of the Company's notes receivable, accounts receivable, and other receivables.

(5) Inventory

	December 31, 2025		
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$78,046	\$4,430	\$73,616
Substances	9,268	5	9,263
Work-in-process goods	124,615	12,195	112,420
Finished goods	91,740	4,618	87,122
Merchandise trade	1,654	15	1,639
Total	<u>\$305,323</u>	<u>\$21,263</u>	<u>\$284,060</u>

	December 31, 2024		
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$54,897	\$3,362	\$51,535
Substances	9,441	57	9,384
Work-in-process goods	95,252	15,506	79,746
Finished goods	71,965	4,668	67,297
Merchandise trade	295	96	199
Total	<u>\$231,850</u>	<u>\$23,689</u>	<u>\$208,161</u>

(A) Cost of goods sold related to inventory is as follows:

	For the years ended December 31,	
	2025	2024
Inventory booked in "cost of goods sold"	\$2,079,699	\$1,631,414
Recovery of inventory to net realizable value	(2,426)	(9,574)
Inventory surplus	(9,672)	(5,612)
Total operating cost	<u>\$2,067,601</u>	<u>\$1,616,228</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(B) The reversal of the provision for inventory write-down in 2025 and 2024, attributable to either the increase in raw material prices or usage, or the completion and sale of products, resulted in the elimination of factors that caused the net realizable value of inventories to fall below cost. Consequently, the recognition of the net realizable value of inventories increased, leading to a reduction in the cost of goods sold by NT\$2,426 thousand and NT\$9,574 thousand.

(C) The aforementioned inventory had not been provided as collateral or mortgaged.

(6) Other financial assets-current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Special account for transferring overseas funds back to Taiwan		
Time deposit	\$2,424	\$5,057

The aforementioned other financial assets - current are not provided with any collateral or pledge.

(7) Financial assets-current measured at fair value through other comprehensive profit and loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Equity instrument</u>		
Unlisted stocks	\$27,006	\$27,006
Equity instrument investment evaluation adjustment	330,644	417,025
Total	\$357,650	\$444,031

(A) Equity instrument investment measured at fair value through other comprehensive profit and loss was not an available-for-trade investment; therefore, the Company chose to have it designated as measured at fair value through other comprehensive profit and loss.

(B) The Company had recognized dividend income from the investment in equity instrument measured at fair value through other comprehensive profit and loss were NT\$16,964 thousand, and NT\$11,875 thousand for the years ended December 31, 2025 and 2024, respectively.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(C) The Company did not have cumulative profit or loss transferred within equity for the years ended December 31, 2025 and 2024.

(D) The aforementioned financial assets measured at fair value through other comprehensive profit and loss had not been provided as collateral or mortgaged.

(E) Please refer to Note 12.(2)(C)(a) and (b) of the parent company only financial report for the disclosure of the market risk and credit risk of the Company's financial asset measured at fair value through other comprehensive profit and loss.

(8) Investment under the equity method

(A) The Company's investments under the equity method are as follows:

Investee company	December 31, 2025	Equity holding ratio (%)	December 31, 2024	Equity holding ratio (%)
CHIN DE INVESTMENT CO., LTD.	\$62,109	100.00	\$61,028	100.00
G-SHANK, INC.	391,437	100.00	411,004	100.00
GRAND STAR ENTERPRISES L.L.C. (Note)	1,668,838	100.00	1,699,544	100.00
G-SHANK ENTERPRISE (M) SDN. BHD	491,550	92.33	481,631	92.33
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	1,906,816	85.00	1,379,072	85.00
GREAT-SHANK CO., LTD.	128,076	85.00	136,640	85.00
G-SHANK JAPAN CO., LTD.	34,559	80.00	20,877	58.89
SUNFLEX TECHNOLOGY CO., LTD. (SUNFLEX)	201,587	14.41	177,595	14.42
G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.	16,316	5.86	18,205	5.86
G-SHANK PHILIPPINES CORP.	46,524	100.00	-	-
Total	\$4,947,812		\$4,385,596	

Note : On September 9, 2025, the Company acquired a 21.11% equity interest in its subsidiary, G-Shank Japan Co., Ltd., from the subsidiary's non-controlling

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

shareholders for JPY 19,000 thousand, increasing its ownership from 58.89% to 80%. The purchase consideration was remitted on September 19, 2025, and the transfer of ownership was registered in the shareholders' register of G-SHANK JAPAN CO., LTD.

- (B) The Company's shareholding in each individual insignificant affiliated company is summarized as follows:

	For the years ended December 31,	
	2025	2024
Net profit (loss) from continuing operations for the current period	\$(6,078)	\$14,002
Other comprehensive income (loss) for the current period, net of tax	1,979	1,952
Total comprehensive income (loss) for the current period	<u>\$(4,099)</u>	<u>\$15,954</u>

- (C) The increase or decrease of the Company's investments under the equity method is as follows:

	For the years ended December 31,	
	2025	2024
Balance - beginning	\$4,385,596	\$4,699,117
Increases in investments for the current period (Note)	103,553	-
Dividends paid by subsidiaries and associates	(311,449)	(1,382,197)
Share of profit for the period	721,697	862,112
Changes in subsidiaries and associates accounted for using the equity method	14,616	524
The exchange difference amount from the conversion of the financial statements of foreign operating institutions	31,818	204,086
The unrealized valuation profit (loss) amount of the financial assets measured at fair value through other comprehensive profit and loss	42	(21)
The share of unrealized gains (losses) from changes in fair value of financial assets measured at fair value through other comprehensive income.	1,939	1,975
Balance - ending	<u>\$4,947,812</u>	<u>\$4,385,596</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Note : The Company participated in the cash capital increase of SUNFLEX TECHNOLOGY CO., LTD. in March 2025; for further details, please refer to Note 7.(2)(D) of the consolidated financial statements.

- (D) The Company recognized the equity investment changes in the aforementioned subsidiaries and affiliated enterprises in 2025 and 2024, which were calculated based on the audited financial statements of the invested companies for the same period.
- (E) The Company's subsidiaries, except for the entities dissolved and liquidated by the resolution of the board of directors that could no longer be included in the consolidated statements, were all included in the 2025 and 2024 consolidated financial reports.
- (F) The investment under the equity method mentioned above does not involve any collateral or pledges.

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(9) Property, plant and equipment

(A) The change in the Company's property, plant and equipment is as follows:

For the years ended December 31, 2025

Cost	Land	House & building	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment yet to be tested	Total
Balance at January 1, 2025	\$1,195,023	732,221	750,997	38,304	2,217	120,418	136,413	2,975,593
Addition	-	32,152	103,092	9,798	1,067	30,455	-	176,564
Disposition	-	(6,265)	(41,143)	(4,064)	-	(6,224)	-	(57,696)
Reclassification –current	-	-	140,517	3,575	-	1,460	(136,413)	9,139
Balance at December 31, 2025	1,195,023	758,108	953,463	47,613	3,284	146,109	-	3,103,600
Accumulated depreciation :								
Balance at January 1, 2025	-	197,694	493,606	25,397	1,049	73,848	-	791,594
Depreciation	-	29,452	56,230	4,693	345	11,156	-	101,876
Disposition	-	(6,266)	(36,366)	(3,974)	-	(5,297)	-	(51,903)
Reclassification -current	-	-	694	-	-	(694)	-	-
Balance at December 31, 2025	-	220,880	514,164	26,116	1,394	79,013	-	841,567
Carrying amount at December 31, 2025	\$1,195,023	\$537,228	\$439,299	\$21,497	\$1,890	\$67,096	\$-	\$2,262,033

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

For the years ended December 31, 2024

Cost	Land	House & building	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Construction	Total
							in progress and equipment yet to be tested	
Balance at January 1, 2024	\$102,911	\$272,330	\$718,029	\$32,934	\$1,082	\$103,630	\$-	\$1,230,916
Addition :	873,955	372,420	60,775	4,269	1,135	17,456	136,413	1,466,423
Disposition	-	-	(33,735)	(653)	-	(773)	-	(35,161)
Reclassification –current	218,157	87,471	5,928	1,754	-	105	-	313,415
Balance at December 31, 2024	1,195,023	732,221	750,997	38,304	2,217	120,418	136,413	2,975,593
Accumulated depreciation :								
Balance at January 1, 2024	-	182,412	481,144	22,370	927	66,233	-	753,086
Depreciation	-	15,282	45,280	3,680	122	8,390	-	72,754
Disposition	-	-	(32,818)	(653)	-	(773)	-	(34,244)
Reclassification -current	-	-	-	-	-	(2)	-	(2)
Balance at December 31, 2024	-	197,694	493,606	25,397	1,049	73,848	-	791,594
Carrying amount at December 31, 2024	\$1,195,023	\$534,527	\$257,391	\$12,907	\$1,168	\$46,570	\$136,413	\$2,183,999

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (B) The Company's major building constituents mainly include the main plant buildings, workshops, and plant decoration, which are depreciated according to their service life of 3-50 years.
- (C) The Company did not acquire property, plant and equipment that caused the capitalization of the loan cost for the years ended December 31, 2025 and 2024.
- (D) The Company did not have any impairment occurred to the property, plant and equipment for the years ended December 31, 2025 and 2024.
- (E) The aforementioned property, plant and equipment had not been provided as collateral or mortgaged.
- (F) The acquired property, plant and equipment listed in the parent company only cash flow statement:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
The current addition of property, plant and equipment listed in Note 6(9)(A) of the parent company only financial report	\$176,564	\$1,466,423
Add: Equipment payable - beginning	122,450	10,355
Less: Equipment payable - ending	<u>(17,718)</u>	<u>(122,450)</u>
Cash outflow for the acquisition of property, plant and equipment	<u><u>\$281,296</u></u>	<u><u>\$1,354,328</u></u>

- (G) The Company's leased assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings and structures	\$1,340	\$1,340
Less: Accumulated depreciation	<u>(1,117)</u>	<u>(1,080)</u>
Leased assets - net	<u><u>\$223</u></u>	<u><u>\$260</u></u>

- (a) The Company had part of the plant building leased to BAIYUE PRECISION CO., LTD. (hereinafter referred to as "BAIYUE") for a period from October 1, 2023 to September 30, 2024. The lease contract was renewed on October 25, 2024 for a lease period from October 1, 2024 to September 30, 2025. The lease was subsequently renewed on October 1, 2025, covering the period from October 1, 2025 to September 30, 2026.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(b) The Company had part of the plant building leased to BAIYUE. The said plant building could not be sold independently; also, the said plant building owned by the Group was mainly for the purpose of product production, service providing, and management; therefore, the proprietary plant was not classified as an investment property.

(10) Intangible assets

(A) The increase or decrease of the Company's intangible assets-computer software is as follows:

	For the years ended December 31,	
	2025	2024
Cost:		
Balance - beginning	\$649	\$1,225
Addition - current	2,672	255
Decrease in the current period		
- delisted on the due date	(113)	(831)
Reclassification	300	-
Balance - ending	<u>3,508</u>	<u>649</u>
Accumulated depreciation:		
Balance - beginning	236	733
Amortization - current	1,068	334
Decrease in current period		
- delisted on the due date	(113)	(831)
Reclassification		
Balance - ending	<u>1,191</u>	<u>236</u>
Book amount - ending	<u>\$2,317</u>	<u>\$413</u>

(B) The Company did not have any impairment occurred to the intangible assets for the years ended December 31, 2025 and 2024.

(11) Short-term loans

	December 31, 2025	December 31, 2024
Credit loans	<u>\$789,000</u>	<u>\$500,000</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(A) The Group's short-term loan interest rate is as follows:

Nature of loan	December 31, 2025	December 31, 2024
Credit loan	0.8%-1.8%	1.845%-1.853%

(B) The Company did not provide collateral for the aforementioned short-term loans.

(12) Bonds Payable

	December 31, 2025	December 31, 2024
Domestic Second Unsecured Convertible Corporate Bonds	\$1,000,000	\$1,000,000
Less: Discount on corporate bonds payable	(7,700)	(29,569)
Less: Cumulative amount of conversion applications by bondholders	(610,500)	(219,700)
Components of non-derivative financial instrument liabilities	381,800	750,731
Less: Corporate bonds payable due within one year	-	-
Non-current Portion of Accounts Payable Corporate Bonds	\$381,800	\$750,731
Embedded Derivatives (Note)		
Non-current Financial Assets Measured at Fair Value through Profit or Loss	\$468	\$1,951
Equity Component (Capital Surplus)	\$73,871	\$147,988
	2025	2024
Financial assets (gains or losses) measured at fair value through profit or loss - liability component	\$(608)	\$2,247
Interest expense	\$11,780	\$14,781

Note : The fair value of embedded derivative financial instruments for the company's redemption rights is calculated on each reporting date using the risk-free rate plus a credit risk premium for discounting.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(A) As of December 31, 2025, the company has issued the 2024 domestic second unsecured convertible bonds with the following main terms explained:

(a) Issue Amount:

The total issue amount is 1,000,000 thousand NT dollars, with a face value of 100 thousand NT dollars per bond, issued at 113.80% of the face value. The actual total funds raised amount to 1,137,967 thousand NT dollars, after deducting related issuance costs of 3,064 thousand NT dollars, the net funds raised is 1,134,903 thousand NT dollars.

(b) Issue Period:

The bonds have a three-year term, issued on January 26, 2024, and will mature on January 26, 2027.

(c) Bond Type:

Unsecured convertible bonds.

(d) Face Interest Rate and Repayment Method:

The face interest rate is 0%. Except for conversion into the company's common stock as specified in the conversion method or repurchased and cancelled by securities dealers commissioned by the company, the company shall repay the convertible bonds in cash in full at face value within ten business days starting from the day after the maturity date of the convertible bonds.

(e) Company's Redemption Rights for the Convertible Bonds:

From three months after the issuance date of the convertible bonds (April 27, 2024) to forty days before the maturity date (December 17, 2026), if the closing price of the company's common stock exceeds 30% of the conversion price for thirty consecutive trading days, the company may, within the following thirty trading days, send a registered "Bond Redemption Notice" to the bondholders with a one-month expiration date, notifying the exercise of the redemption rights. Within five business days after the bond redemption reference date, the company may redeem all the bonds in cash at face value. Additionally, if the outstanding balance of the convertible bonds in circulation falls below 10% of the original total face value, the company may, at any subsequent time, send a registered "Bond Redemption Notice" with a one-month expiration date to the bondholders, notifying the exercise of the redemption rights. Within five business days after the bond redemption reference date, the company may redeem all the bonds in cash at face value.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(f) Conversion Period:

Bondholders may convert the convertible bonds from the day after the issuance date of the convertible bonds (April 27, 2024) to forty days before the maturity date (January 26, 2027), except during the following periods: (1) from the fifteenth business day before the ex-dividend date, the ex-date for cash dividends, or the record date for rights offerings; (2) from the record date for capital reduction to the day before the commencement of trading of the shares issued in exchange for the reduction; (3) from the date of cessation of conversion due to stock split to the day before the commencement of trading of the new shares issued in the stock split; (4) during any period when the transfer of ordinary shares is legally suspended, bondholders may request, through securities dealers, the Taiwan Depository & Clearing Corporation Limited to convert the bonds into the company's common stock in accordance with the conversion method.

(g) Conversion Price and Its Adjustment:

The conversion price was set at NT\$72.2 per share on January 8, 2024 as the reference date. After the issuance of the convertible bonds, the conversion price will be adjusted in accordance with the terms of issuance when there is an increase in the company's outstanding common shares due to various events such as cash capital increase, profit to capital increase, capital surplus to capital increase, mergers, acquisitions, stock splits, issuance of overseas depository receipts, and changes in the face value of shares. Additionally, the conversion price will be adjusted if the company distributes cash dividends on common shares, issues new securities with conversion rights at a price lower than the market price per share, or grants subscription rights for the issuance of new shares to others. The conversion price will also be adjusted if there is a reduction in common shares due to reasons other than the cancellation of treasury shares. As of December 31, 2025 and December 31, 2024 the Company's conversion price, as adjusted in accordance with the formula stipulated in the issuance terms, was NT\$66.5, and NT\$69.6 per share, respectively.

- (B) The company has separated the conversion option of the convertible bonds mentioned above in accordance with regulations. At the original recognition, the portion classified as an equity component is recorded under capital surplus - conversion option of convertible bonds, amounting to NT\$189,655 thousand. The portion classified as a

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

liability component in the main contract is recorded under accounts payable - convertible bonds, amounting to NT\$945,548 thousand, while the liability component of embedded derivative financial instruments in the terms of issuance is recorded through profit or loss at fair value under financial assets - non-current, amounting to NT\$300 thousand.

- (C) For the years 2025 and 2024, the amounts of convertible bonds converted at the request of the bondholders were NT\$390,800 thousand and NT\$219,700 thousand, respectively.

(13) Retirement benefits

(A) Defined benefit plan

- (a) The Company has based on the employee's seniority and the expected salary before retirement to have the employee retirement plan formulated, and has pension reserve appropriated for an amount equivalent to certain percentage of the monthly salary in accordance with the "Labor Standards Act" and then deposited in a special account and used by the Labor Pension Committee. The pension reserve is operated separately from the business operation of the Company; therefore, it is not included in the consolidated financial statements.

- (b) The remeasurement of the net defined benefit liability is accumulated and recognized in other comprehensive profit and loss as follows:

	2025	2024
Balance - beginning	\$(55,387)	\$(71,594)
Net defined benefit plan remeasurement	13,942	16,207
Balance - ending	\$(41,445)	\$(55,387)

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (c) The reconciliation of the present value of the defined benefit obligation and the fair value of the plan asset is as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$(174,737)	\$(183,372)
Fair value of plan assets	180,386	172,260
Plan surplus (deficit)	5,649	(11,112)
Booked in other payables	352	362
Net defined benefit obligation	<u>\$6,001</u>	<u>\$(10,750)</u>

- (d) The changes in the present value of the defined benefit obligation are as follows:

	2025	2024
Book value - beginning	\$183,372	\$194,480
Current service cost	1,305	1,009
Interest expense	2,787	2,275
Net defined benefit obligation remeasurement		
Actuarial loss arising from changes in demographic assumptions	-	2
Actuarial losses arising from changes in financial assumptions	834	228
Actuarial gains (losses) arising from experience adjustments	(2,348)	(1,542)
Benefits paid	(11,213)	(13,080)
Book value - ending	<u>\$174,737</u>	<u>\$183,372</u>

- (e) The changes in the fair value of plan assets are as follows:

	2025	2024
Balance – beginning	\$172,260	\$164,158
Interest income	2,618	1,921
Remeasurements of the net defined benefit asset:		
– Actuarial gains on plan assets arising from experience adjustments	12,428	14,895
Employer’s contributions	4,293	4,366
Benefits paid	(11,213)	(13,080)
Balance - ending	<u>\$180,386</u>	<u>\$172,260</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (i) In accordance with the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund,” the revenues, safekeeping, and utilization of the Company’s plan assets are administered by the competent authority in conjunction with the Ministry of Finance, and entrusted to the Bank of Taiwan. The safekeeping and utilization of the fund may also be delegated to other financial institutions. The utilization of the fund covers deposits in domestic and foreign financial institutions; investments in domestic and foreign listed, OTC, or privately placed equity securities; investments in domestic and foreign debt securities; investments in public or private placement securities investment trust funds, futures trust fund beneficiary certificates, collective trust fund beneficiary certificates or collective trust products; investments in beneficiary certificates, fund shares, or investment units issued or managed by foreign fund management institutions; investments in domestic and foreign real estate and real estate securitized products; investments in domestic and foreign physical commodities; engaging in domestic and foreign derivatives transactions; and securities lending transactions. The minimum annual return of the fund’s final settlement and allocation shall not be lower than the return calculated based on the two-year time deposit interest rate offered by local banks. Information regarding the utilization of the Labor Retirement Fund, including contribution and return rates provided by Bank of Taiwan, as well as asset allocation data published by the Bureau of Labor Funds, Ministry of Labor, Executive Yuan, can be found on the Bureau’s official website.
- (ii) The Company’s pension reserves in the special account with the Bank of Taiwan were NT\$180,386 thousand and NT\$172,260 thousand on December 31, 2025 and 2024, respectively.
- (iii) As of December 31, 2025, the Company’s expected appropriation of defined benefit plan in 2026 was NT\$4,213 thousand.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (f) The pension expense recognized in profit and loss and booked amount are as follows:

	2025	2024
Service cost	\$1,305	\$1,009
Interest expense	2,787	2,275
Interest income	(2,618)	(1,921)
Total	<u>\$1,474</u>	<u>\$1,363</u>
Cost of Goods Sold	\$729	\$659
Selling expenses	191	180
General and administrative expenses	460	397
Research and development expenses	94	127
Total	<u>\$1,474</u>	<u>\$1,363</u>

- (g) The main actuarial assumptions used in determining the present value of the defined benefit obligation are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.29%	1.52%
Expected salary increase rate	1.50%	1.50%

Please refer to Note 5.(2)(A) to the consolidated financial statements for the sensitivity analysis regarding the impact on the net defined benefit liabilities due to the reasonable and possible changes in the Company's actuarial assumptions.

- (h) Information on the maturity overview of the defined benefit obligation is as follows:

	December 31, 2025	December 31, 2024
Weighted average duration	<u>4 years</u>	<u>3 years</u>
Maturity analysis of future benefit payments	December 31, 2024	December 31, 2023
Within 1 year	\$156,852	\$164,139
2~5 years	17,192	19,104
Over 6 years	10,096	12,875
Total undiscounted amount	<u>\$184,140</u>	<u>\$196,118</u>
Present value of benefit payments	<u>\$181,665</u>	<u>\$192,567</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(B) Defined contribution plan

- (a) The Company has adopted a defined contribution plan since the implementation of the “Labor Pension Act” in July 2005. The employees may choose to be subject to the pension provisions of the “Labor Standards Act” or the “Labor Pension Act” with the reservation of the seniority prior to the “Labor Pension Act” took forth. For the employees subject to the “Labor Pension Act,” the Company shall assume the pension contribution for an amount not less than 6% of the monthly salary that is to be appropriated on a monthly basis and deposited in the personal account of each employee with the Bureau of Labor Insurance. The Company is without any legal or presumed obligation to make any additional contribution other than the monthly pension contribution.
- (b) The pension expense recognized by the Company according to the definite contribution plan is as follows:

	<u>2025</u>	<u>2024</u>
Cost of Goods Sold	\$12,763	\$11,724
Selling expenses	2,151	2,090
General and administrative expenses	3,481	3,317
Research and development expenses	994	1,293
Total	<u>\$19,389</u>	<u>\$18,424</u>

(14) Capital stock

	Authorized capital stock (1,000 shares)	Common stock shares issued at NT\$10 par (including Advance Receipts for Capital Stock)	
		Shares (1,000 shares)	Capital stock
Balance amount on January 1, 2025	<u>350,000</u>	210,096	\$2,100,960
Employee exercise of stock warrant		1,788	17,880
Conversion of convertible bonds		5,869	58,692
Balance amount on December 31, 2025	<u>350,000</u>	<u>217,753</u>	<u>\$2,177,532</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	Authorized capital stock (1,000 shares)	Common stock shares issued at NT\$10 par (including Advance Receipts for Capital Stock)	
		Shares (1,000 shares)	Capital stock
Balance amount on January 1, 2024	<u>350,000</u>	190,844	\$1,908,443
Cash capital increase and issuance of new shares		15,000	150,000
Employee exercise of stock warrant		1,122	11,220
Conversion of convertible bonds		3,130	31,297
Balance amount on December 31, 2024	<u>350,000</u>	<u>210,096</u>	<u>\$2,100,960</u>

- (A) As of December 31, 2025 and 2024, the company's authorized capital stock included 20,000 thousand shares reserved for the issuance of an employee stock warrant.
- (B) The related rights, priority, and restrictions of the common stock shares issued by the company are as follows:
- (a) Each shareholder is entitled to one vote per share.
 - (b) The distribution of dividends and bonuses are based on the shareholding ratio of each shareholder.
 - (c) The property net of the debt is distributed proportionally to the shareholding ratio of each shareholder.
- (C) The number of shares subscribed through the exercise of employee stock options by our company in 2025 and 2024 were 1,788 thousand shares and 1,122 thousand shares, respectively. As of December 31, 2025 and 2024, the cumulative number of shares subscribed through the issuance of employee stock options was 13,702 thousand shares and 11,914 thousand shares, respectively. As of December 31, 2024, there were 263 thousand shares that had not completed the registration process for the change in ownership, and were therefore temporarily recorded under the category of prepaid capital. For more information on the issuance of employee stock options, Please refer to Note 6.(20) in the individual financial statements.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (D) On October 27, 2023, the Board of Directors approved a cash capital increase, issuing new shares totaling NT\$150,000 thousand, divided into 15,000 thousand shares with a par value of NT\$10 per share. The shares were issued at NT\$58 per share, resulting in a total cash capital increase of NT\$870,000 thousand, after deducting related issuance costs of NT\$3,553 thousand. The net cash capital increase was NT\$866,447 thousand. The Chairman was authorized to set February 27, 2024, as the record date for the capital increase. The aforementioned capital increase was approved by the regulatory authorities and the registration process has been completed.
- (E) As of December 31, 2025, the cumulative number of common shares converted upon the request of the holders of the Company's convertible bonds was 8,999 thousand shares (Among them, as of December 31, 2025 and 2024, there were 1,132 thousand shares and 58 thousand shares, respectively, for which the change of registration procedures had not yet been completed; therefore, they were temporarily classified under advance receipts for share capital.). This conversion resulted in additional paid-in capital—conversion premium of NT\$614,622 thousand (including NT\$115,784 thousand reclassified from additional paid-in capital—stock warrants of convertible bonds based on the conversion ratio). For further details on the issuance of convertible bonds, please refer to Note 6.(12) of the individual financial statements.

(15) Capital Surpluses

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Common stock premium	\$359,692	\$863,310
Conversion Premium of Convertible Bonds	614,622	219,368
Treasury stock transaction	63,306	63,306
The difference between the actual acquisition price of the subsidiary's equity and the book amount	9,965	3,563
Changes in the net equity value of subsidiaries under the equity method and affiliated enterprises	40,896	32,682
Employee stock options	42,999	43,815
Stock Warrants of Convertible Bonds	73,871	147,988
Invalid employee stock options	46,460	46,298
Unclaimed dividends by shareholders beyond the statutory period	1,832	1,788
Exercise the right of disgorgement	340	312
Total	<u>\$1,253,983</u>	<u>\$1,422,430</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (A) According to the Company Act, the company shall apply the additional paid-in capital to make up for losses only. However, if the company has no loss, the stock premium and all or part of the donation received may be used to distribute new shares or cash proportionally to the shareholders' original shareholding ratio. In addition, the company may apply the additional paid-in capital to supplement the capital loss only when there is an insufficient reserve.
- (B) The Company resolved to distribute cash to shareholders from capital surplus in the amounts of NT\$526,845 thousand (NT\$2.5 per share) and NT\$205,844 thousand (NT\$1 per share), respectively, at the shareholders' regular meetings held on June 13, 2025 and June 14, 2024.

(16) Legal reserve

According to the Company Act, the company after having all taxes paid and ready for earnings distribution shall first appropriate 10% legal reserve and continue to appropriate until the total legal reserve amount equals total capital. The legal reserve can be applied to make up for the company's losses; also, if the company has no loss, the amount of the legal reserve exceeding 25% of the paid-in capital can be used to distribute new shares or cash proportionally to the shareholders' original shareholding ratio.

(17) Special reserve

The Company appropriates and reverses special reserve in accordance with Order No. 1090150022 issued by the Financial Supervisory Commission and the "Questions and Answers on the Appropriation of Special Reserve after Adoption of International Financial Reporting Standards (IFRSs)" and other relevant regulations.

(18) Earnings distribution and dividend policy

- (A) According to the company's Articles of Incorporation, the annual earnings, if any, should be applied to pay income tax and make up for the losses of the previous years; also, appropriate 10% legal reserve from the remaining balance, if any. In addition, appropriate or reverse a certain amount of special reserve according to the regulations of the competent authority. Then, for the balance amount, if any, and the

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

unappropriated earnings of the previous year, except for the retained amount, the board of directors shall draft an earnings distribution plan for the resolutions of the shareholders meeting.

- (B) The company's dividend policy: the company's current industrial development is growing and will be expanded to support the business development. The earnings distribution shall be handled in accordance with the company's Articles of Incorporation. However, the shareholders' dividends distributed in the current year shall include not more than 50% of the stock dividend and must be more than 50% of the cash.
- (C) Regarding the profit distribution resolution of our company as decided by the board of directors (Awaiting the resolution to be passed at the shareholder's meeting of our company scheduled to be held on June 12, 2026.) or approved by the shareholders' meeting, the situation is as follows:

	Years Ended December 31		
	2025	2024	2023
Legal reserve	\$94,233	\$108,051	\$67,441
Special reserve	\$-	\$-	\$-
Shareholder's dividends			
Cash	\$327,121	\$210,738	\$308,766
Cash dividend per share	NT\$1.50	NT\$1.00	NT\$1.50
Stock (NT\$10 par)	-share	-share	-share
Stock dividend per share	-NT\$	-NT\$	-NT\$
Distribute capital surplus to shareholders.			
Cash	\$327,121	\$526,845	\$205,844
Cash dividend per share	NT\$1.50	NT\$2.50	NT\$1.00

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(19) Other equity (net amount after tax)

(A) The exchange difference from the conversion of the financial statements of foreign operating institutions:

	For the years ended December 31,	
	2025	2024
Balance – beginning	\$(205,552)	\$(409,638)
Current period occurrence	33,527	204,086
Acquisition of subsidiary equity during the period	(1,709)	-
Reclassified to (profit) and loss in the current period	-	-
Balance - ending	<u>\$(173,734)</u>	<u>\$(205,552)</u>

(B) Unrealized valuation benefits of financial assets measured at fair value through other comprehensive profit and loss:

	For the years ended December 31,	
	2025	2024
Beginning Balance	\$425,283	\$300,180
Current period occurrence	(86,381)	123,128
Recognized under the equity method in the current period - affiliated enterprise	1,939	1,975
Reclassified to retained earnings in the current period	261	-
Ending balance	<u>\$341,102</u>	<u>\$425,283</u>

(20) Share-based payment - employee rewards

The company was authorized by the Securities and Futures Bureau of the Financial Supervisory Commission to issue employee stock warrants on August 22, 2018, and June 21, 2022, for 500,000 units, and 300,000 units respectively. One stock warrant is entitled to subscribe to 10 common stock shares of the company. New shares will be issued for the stock option exercised by employees and the subscription price is the company's common stock closing price on the issuance day. The stock warrant holders can exercise a certain percentage of the stock warrant after 2-year from the issuance date (according to the regulations, the exercisable subscription amount is 40% of the amount available for subscription in each stock warrant issued after 2-year from the issuance date, 60% after 3-year from the issuance date, 80% after 4-year from the issuance date, and 100% after 5 years

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

from the issuance date). The duration of the stock warrant is for seven years. The unexercised stock options after 7 years shall be deemed as being waived, and the subscribers cannot claim their rights to subscribe.

As of December 31, 2025, the issuance of compensatory employee stock warrants is disclosed as follows:

Warrant issuance date	Total warrants issued originally	Total warrants outstanding at yearend	Total warrants available for subscription at yearend	Subscription price (NTD) (Note)
September 12, 2018	290,000	-	-	\$17.80
August 12, 2019	210,000	74,700	747,000	17.90
August 5, 2022	100,000	87,700	526,200	45.20
November 4, 2022	100,000	98,000	588,000	39.60
June 5, 2023	100,000	100,000	400,000	44.80

Note : The company has the subscription price adjusted when there is a change in common stock share or cash dividend is distributed for common stock shares in accordance with the “Regulations Governing the Issuance of Employee Stock Warrant and Stock Subscription.” The stock subscription price per share after adjustment is disclosed as of December 31, 2025.

(A) The company adopts the Black-Scholes stock options model to assess the fair value of the employee stock warrant issued each year. The remuneration cost accrued were NT\$8,031 thousand and NT\$14,374 thousand, for the years ended December 31, 2025 and 2024, respectively. The input values of the stock option pricing model are as follows:

	2022 Stock option plan	2022 Stock option plan	2022 Stock option plan
Expected dividend ratio	-%	-%	-%
Expected price fluctuation ratio	32.86%~36.80%	32.35%~36.13%	31.76%~35.33%
Risk-free interest rate	1.0873%~1.0996%	1.5365%~1.5954%	1.0109%~1.0687%
Expected duration	4.5~6 years	4.5~6 years	4.5~6 years

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	2018 Stock option plan	2018 Stock option plan
Expected dividend ratio	-%	-%
Expected price fluctuation ratio	18.99%~20.95%	21.38%~22.07%
Risk-free interest rate	0.554%~0.582%	0.700%~0.758%
Expected duration	4.5~6 years	4.5~6 years

The assumption of the expected price fluctuation ratio is measured according to the impact of the annual dividend distribution in the past on stock price, and the expected stock price fluctuations in the future period. The stock option duration is the employee exercising stock option period that is deducted from the historical data and current expectation, which may not necessarily match the actual result or actual implementation.

(B) The quantity and weighted average price of the compensatory employee stock option plan issued by the company is disclosed as follows:

	2025		2024	
	QTY (unit)	Weighted average price per share (NTD)	QTY (unit)	Weighted average price per share (NTD)
Employee stock operations				
Outstanding shares - beginning	541,800	\$32.72	664,600	\$31.76
Granted in current period	-	-	-	-
Exercised in current period	(178,800)	18.13	(112,200)	19.50
Lost in current period (expired)	(2,600)	37.73	(10,600)	45.68
Outstanding shares - ending	<u>360,400</u>	37.91	<u>541,800</u>	32.72
Exercisable employee stock options - ending	<u>226,120</u>	34.65	<u>329,000</u>	24.49
Average fair value per share of stock options granted to employees in the current period (NTD)	<u>\$-</u>		<u>\$-</u>	

The weighted average share price is NTD \$92.63 and NTD \$80.63 of the company's employees did execute stock options for the nine-month periods ended December 31, 2025 and 2024.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

As of December 31, 2025 and 2024, the company's outstanding compensatory employee stock option plan is as follows:

	Outstanding stock options				Exercisable employee stock options	
	Price range per share (NTD)	Outstanding QTY (Unit)	Weighted average expected remaining duration	Weighted average price per share (NTD)	Exercisable QTY (Unit)	Weighted average price per share (NTD)
<u>December 31, 2025</u>						
2018 Stock option plan	\$17.90	74,700	-	\$17.90	74,700	\$17.90
2022 Stock option plan	45.20	87,700	1.69	45.20	52,620	45.20
2022 Stock option plan	39.60	98,000	1.94	39.60	58,800	39.60
2022 Stock option plan	44.80	100,000	2.52	44.80	40,000	44.80
<u>December 31, 2024</u>						
2018 Stock option plan	\$18.60	96,700	-	\$18.60	96,700	\$18.60
2018 Stock option plan	18.70	157,100	0.18	18.70	157,100	18.70
2022 Stock option plan	47.30	88,000	2.69	47.30	35,200	47.30
2022 Stock option plan	41.40	100,000	2.94	41.40	40,000	41.40
2022 Stock option plan	46.90	100,000	3.52	46.90	-	46.90

(C) Cash capital increase reserved for employee subscriptions

On October 27, 2023, the Board of Directors of the Company resolved to carry out a cash capital increase, with 2,250 thousand shares reserved for employee subscriptions. The number of shares forfeited due to employees waiving their subscription rights was 775 thousand shares. On the grant date, the fair value per share was estimated at NT\$12.73 using the Black-Scholes option pricing model. The Company recognized labor cost of NT\$28,643 thousand for the year 2024 and recognized additional paid-in capital—expired stock options of NT\$9,866 thousand.

Regarding the above, the fair value of the employee stock options reserved for the cash capital increase was determined using the Black-Scholes option pricing model. The relevant assumptions used in the model are as follows:

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Exercise price per share (NT\$)	\$58.00
Share price on the grant date (pre-capital increase) (NT\$)	71.70
Share price on the grant date (post-capital increase) (NT\$)	70.70
Expected dividend yield	-%
Expected price volatility	30.25%
Risk-free interest rate	1.0302%
Expected term	16 days

(21) Net operating income

	For the years ended December 31,	
	2025	2024
Sales income		
Parts income	\$2,522,213	\$1,895,647
Mold income	101,201	74,919
Fixture income	19,922	22,576
Merchandise income	37,497	32,463
Total	2,680,833	2,025,605
Less : Sales return	(4,797)	(4,351)
Sales discount	(3,847)	(4,794)
Net operating income	\$2,672,189	\$2,016,460

(A) Income classification:

(a) Main merchandise / service

	For the years ended December 31,	
	2025	2024
Parts income	\$2,513,985	\$1,887,548
Mold income	100,924	73,879
Tools income	19,922	22,576
Merchandise income	37,358	32,457
Total	\$2,672,189	\$2,016,460

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(b) Main regional markets

Customer location	For the years ended December 31,	
	2025	2024
Taiwan	\$1,662,461	\$1,344,930
Asia (other than Taiwan)	920,020	604,662
America	42,248	44,009
Europe	47,460	22,859
Total	\$2,672,189	\$2,016,460

(c) Income recognition time

Goods transferred at a certain time	For the years ended December 31,	
	2025	2024
	\$2,672,189	\$2,016,460

(B) Contract liabilities:

	December 31, 2025	December 31, 2024
Contract liabilities	\$9,058	\$9,271

The significant changes in the contract liability balance are as follows:

	Years Ended December 31	
	2025	2024
Contract liabilities balance -beginning		
transferred to income in the current period	\$(9,271)	\$(6,497)
Increase in cash received in advance in the current period	9,058	9,271

(22) Operating costs and expenses

The Company's employee welfare expenses, depreciation, and amortization expenses are summarized as follows:

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Function Nature	For the years ended December 31, 2025			For the years ended December 31, 2024		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee welfare expenses						
Employee expense (Note 1)	\$455,523	\$189,247	\$644,770	\$385,696	\$223,376	\$609,072
Labor and health insurance expenses	40,463	16,485	56,948	35,622	16,554	52,176
Pension expenses	13,492	7,371	20,863	12,383	7,404	19,787
Director remuneration	-	5,149	5,149	-	5,212	5,212
Other welfare expenses	12,655	3,660	16,315	9,423	2,982	12,405
Depreciation expenses (Note 2)	72,395	29,444	101,839	58,512	14,205	72,717
Amortization expense	18,642	649	19,291	17,320	305	17,625

Note 1 : (A) In accordance with the Company's Articles of Incorporation, the Company shall appropriate between 1% and 10% of its current year's profit before tax—prior to the deduction of employee and directors' remuneration—as employee remuneration, and no more than 3% as directors' remuneration. However, if the Company has accumulated losses, an amount sufficient to offset such losses shall be reserved in advance. Of the employee remuneration appropriated in the preceding paragraph, at least 30% shall be distributed to grassroots employees. Such remuneration may be paid in the form of shares or cash, and the recipients may include employees of controlled companies who meet the criteria established by the Board of Directors. Directors' remuneration shall be paid exclusively in cash.

(B) The estimated amounts of employees' remuneration payable for the years 2025 and 2024 were NT\$29,700 thousand and NT\$28,177 thousand, respectively, while the directors' remuneration for both years was NT\$0. The employees' remuneration was estimated based on a certain percentage of the Company's net income before tax for the year (before considering employees' remuneration). The estimated employees' remuneration was recognized as operating costs or operating expenses for the current period. However, if the amounts resolved by the Board of Directors subsequently differ from the estimated amounts, such differences shall be accounted for as changes in accounting estimates and adjusted in the profit or loss of the following year.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(C) The company's board of directors had resolved on March 13, 2026 to distribute the 2025 remuneration to employees for NT\$29,700 thousand in cash and remuneration to directors for NT\$0; also, it was not different from the estimated remuneration to employees and directors in the company's 2025 financial report. The company's board of directors had resolved on March 7, 2025 to distribute the 2024 remuneration to employees for NT\$28,177 thousand in cash and remuneration to directors and supervisors for NT\$0 that were reported in the regular shareholders meeting on June 13, 2025; also, it was not different from the estimated remuneration to employees, directors, and supervisors in the company's 2024 financial report.

(D) Please refer to the Market Observation Post System for the information regarding the remuneration to employees and directors resolved by the company's board of directors.

Note 2 : The depreciation expenses provided by the Company for the years 2025 and 2024 were NT\$101,876 thousand and NT\$72,754 thousand, respectively. Among them, the depreciation expenses for real estate, factories, and equipment - leased assets were all NT\$37 thousand, which were listed under the net amount of other income and expenses.

Note 3 : (A) The Company's average number of employees at the end of each month was 876 and 809 for the years 2025 and 2024, respectively. Among them, the number of directors not concurrently serving as employees was six in both years.

(B) The Company's average employee benefit expenses were NT\$849 thousand and NT\$864 thousand in 2025 and 2024, respectively.

(C) The Company's average employee salary was NT\$741 thousand and NT\$758 thousand in 2025 and 2024, respectively. The average employee salary was an decrease of 2.24% in 2025 from the year 2024.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (D) The Company's remuneration policy (including directors, supervisors, managerial officers, and employees) is as follows:
- (a) Director and supervisor's traveling allowance: The Company's board of directors has resolved a monthly traveling allowance for the board directors and supervisors for an amount of NT\$20,000.
 - (b) Remuneration to directors and supervisors from the earnings distribution: The Company's board of directors and supervisors have currently waived their remuneration with a letter of consent issued and filed, respectively.
 - (c) Remuneration to directors and supervisors: All board directors and supervisors, except for the Chairman and several board directors, do not receive remuneration for their services.
 - (d) Remuneration to managerial officers and employees, each one of them is compensated reasonably by taking into consideration of the Company's overall operational performance, the contribution of each position holder to the Company's performance, and the respective connection to future risks.

Please refer to Note 1(A) for the remuneration to employees and directors stipulated in the Company's Articles of Incorporation.

(23) Other income and expenses – net

	For the years ended December 31,	
	2025	2024
Property, plant and equipment – lease assets		
Rent income	\$420	\$420
Depreciation expense	(37)	(37)
Net other gains and losses	<u>\$383</u>	<u>\$383</u>

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(25) Other comprehensive profit and loss

<u>Other comprehensive profit and loss constituents</u>	<u>Transactions of current period</u>	<u>Reclassification and adjustment of current period</u>	<u>Other comprehensive profit and loss</u>	<u>Income tax expense</u>	<u>Amount after tax</u>
For the years ended December 31, 2025					
Items not reclassified to profit and loss:					
Remeasurements of defined benefit plan	\$13,942	\$-	\$13,942	\$-	\$13,942
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	(86,381)	-	(86,381)	-	(86,381)
Remeasurements of defined benefit plan of affiliated enterprises under the equity method	42	-	42	-	42
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive profit of affiliated enterprises under the equity method	1,939	-	1,939	-	1,939
Total amount of items not reclassified to profit and loss:	<u>(70,458)</u>	<u>-</u>	<u>(70,458)</u>	<u>-</u>	<u>(70,458)</u>
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions of subsidiaries under the equity method	33,527	-	33,527	-	33,527
Total	<u><u>\$(36,931)</u></u>	<u><u>\$-</u></u>	<u><u>\$(36,931)</u></u>	<u><u>\$-</u></u>	<u><u>\$(36,931)</u></u>

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Other comprehensive profit and loss constituents	Transactions of current period	Reclassification and adjustment of current period	Other comprehensive profit and loss	Income tax expense	Amount after tax
For the years ended December 31, 2024					
Items not reclassified to profit and loss:					
Remeasurements of defined benefit plan	\$16,207	\$-	\$16,207	\$-	\$16,207
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	123,128	-	123,128	-	123,128
Remeasurements of defined benefit plan of affiliated enterprises under the equity method	(21)	-	(21)	-	(21)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive profit of affiliated enterprises under the equity method	1,975	-	1,975	-	1,975
Total amount of items not reclassified to profit and loss:	<u>141,289</u>	<u>-</u>	<u>141,289</u>	<u>-</u>	<u>141,289</u>
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions of subsidiaries under the equity method	204,086	-	204,086	-	204,086
Total	<u>\$345,375</u>	<u>\$-</u>	<u>\$345,375</u>	<u>\$-</u>	<u>\$345,375</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(26) Income tax

(A) The Company's business income tax return filed before 2023 (inclusive) were reviewed and approved by the tax collection agency.

(B) The income tax expense constituents:

(a) Income tax recognized in profit and loss

	Years Ended December 31	
	2025	2024
Current income tax expense		
Current income tax expense	\$171,241	\$348,579
Adjustment of prior years' current income tax recognized in the current period.	(21,105)	18
Deferred income tax expense		
Origin of temporary difference and reversing relevant deferred income tax (benefits) expense	81,177	(76,986)
Income tax expense	<u>\$231,313</u>	<u>\$271,611</u>

(b) The Company had no income tax related to other comprehensive profit and loss constituents or direct debited or credited to equity for the years ended December 31, 2025 and 2024, respectively.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(C) The relationship between income tax expense and accounting profit

	Years Ended December 31	
	2025	2024
Accounting profit		
Net income before tax of the continuing business unit	\$1,159,921	\$1,335,935
Tax calculated according to the applicable tax rate in the respective country	\$231,984	\$267,187
Unappropriated earnings with business income tax levied additionally	22,492	8,842
Adjustments		
Tax impact of taxable adjustments and non-deductible expenses	(746)	(2,557)
Tax benefit from the Act for Repatriation of Offshore Funds	(1,312)	(1,879)
Tax impact of temporary differences	(81,177)	76,986
The income tax expense payable for the current period.	171,241	348,579
Adjustment of prior years' current income tax recognized in the current period	(21,105)	18
Current income tax expense	150,136	348,597
Deferred income tax (profit) expense	81,177	(76,986)
Income tax expense	\$231,313	\$271,611

(D) The deferred income tax assets and liabilities are analyzed as follows:

	Balance - ending	Recognized in profit and loss	Recognized in other profit and loss	Balance - ending
<u>For the years ended December 31, 2025</u>				
Deferred income tax assets				
Unrealized inventory loss in valuation	\$4,738	\$(485)	\$-	\$4,253
Financial and tax difference of property, plant and equipment	3,490	260	-	3,750
Total	\$8,228	\$(225)	\$-	\$8,003

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	Balance - ending	Recognized in profit and loss	Recognized in other profit and loss	Balance - ending
<u>For the years ended December 31, 2025</u>				
Deferred income tax liabilities				
Unrealized gain on financial asset valuation	\$22,693	\$(3,160)	\$-	\$19,533
Unrealized foreign exchange gain	2,032	(1,213)	-	819
Unrealized long-term equity investment income	567,916	85,325	-	653,241
Total	<u>\$592,641</u>	<u>\$80,952</u>	<u>\$-</u>	<u>\$673,593</u>
<u>For the years ended December 31, 2024</u>				
Deferred income tax assets				
Unrealized inventory loss in valuation	\$6,653	\$(1,915)	\$-	\$4,738
Unrealized financial assets and liabilities loss in valuation	1,926	(1,926)	-	-
Unrealized exchange losses	1,386	(1,386)	-	-
Financial and tax difference of property, plant and equipment	3,229	261	-	3,490
Total	<u>\$13,194</u>	<u>\$(4,966)</u>	<u>\$-</u>	<u>\$8,228</u>
Deferred income tax liabilities				
Unrealized gain on financial asset valuation	\$-	\$22,693	\$-	\$22,693
Unrealized foreign exchange gain	-	2,032	-	2,032
Unrealized long-term equity investment income	674,593	(106,677)	-	567,916
Total	<u>\$674,593</u>	<u>\$(81,952)</u>	<u>\$-</u>	<u>\$592,641</u>

(E) Unrecognized deferred income tax assets:

The Company's unrecognized deferred income tax assets were NT\$0 as of December 31, 2025 and 2024 respectively.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(27) Earnings per share(A) Basic earnings per share

The basic earnings per share are calculated by dividing the profit and loss attributable to the company's common stock shareholders by the outstanding weighted average common stock shares in the current period as follows:

	For the years ended December 31,	
	2025	2024
Net profit attributable to the company's common stock shareholders	\$928,608	\$1,064,324
Beginning Outstanding Shares	210,095,958 shares	190,844,298 shares
Issuance of new shares through cash capital increase (Note 1)	-	12,663,934
Employee stock option – subscribing issue new shares (Note 2)	963,945	677,541
Conversion of convertible bonds into common shares (Note 2)	1,763,250	1,258,506
Outstanding weighted average shares	212,823,153 shares	205,444,279 shares
Basic earnings per share (after tax) (NTD)	\$4.36	\$5.18

Note 1: The number of shares outstanding is calculated from the date of the capital increase.

Note 2: Calculated based on the period of outstanding shares for each subscription or conversion.

(B) Diluted earnings per share

The diluted earnings per share are calculated by having the dilutive potential common stock share effect adjusted to the profit and loss attributable to the common stock shareholders of the company divided by the dilutive potential common stock share effect adjusted to the outstanding weighted average shares of the period as follows:

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net profit to the company's common stock shareholders	\$928,608	\$1,064,324
Add: The impact of assuming the conversion of convertible bonds on net income.	12,277	12,395
Adjusted net profit to the company's common stock shareholders	<u>\$940,885</u>	<u>\$1,076,719</u>
Outstanding weighted average shares	212,823,153 shares	205,444,279 shares
Add: Potential common stock share effect		
Employee stock option hypothesis - subscribing new shares (Note)	2,583,838	3,593,489
The additional shares resulting from the assumed conversion of convertible bonds.	9,963,115	12,102,794
Employee Remuneration hypothesis -issuing new shares	396,139	380,836
Adjusted weighted average shares	<u>225,766,245</u> shares	<u>221,521,398</u> shares
Diluted basic earnings per share (after tax) (NTD)	<u>\$4.17</u>	<u>\$4.86</u>

(28) Reconciliation of liabilities from financing activities

<u>Accounting item</u>	<u>Balance - beginning</u>	<u>Cash flow</u>	<u>Changes in non-cash</u>			<u>Balance - ending</u>
			<u>Change in exchange rate</u>	<u>Recognition of interest expense</u>	<u>Other</u>	
<u>For the years ended December 31, 2025</u>						
Short-term loan	\$500,000	\$289,000	\$-	\$-	\$-	\$789,000
Bonds Payable	750,731	-	-	11,780	(380,711)	381,800
Total	<u>\$1,250,731</u>	<u>\$289,000</u>	<u>\$-</u>	<u>\$11,780</u>	<u>\$(380,711)</u>	<u>\$1,170,800</u>

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Accounting item	Balance - beginning	Cash flow	Changes in non-cash			Balance - ending
			Change in exchange rate	Recognition of interest expense	Other	
<u>For the years ended December 31, 2024</u>						
Short-term loan	\$1,210,000	\$(710,000)	\$-	\$-	\$-	\$500,000
Bonds Payable	-	1,134,903	-	14,781	(398,953)	750,731
Total	<u>\$1,210,000</u>	<u>\$424,903</u>	<u>\$-</u>	<u>\$14,781</u>	<u>\$(398,953)</u>	<u>\$1,250,731</u>

(29) Lease

Other lease information is as follows:

	Years Ended December 31	
	2025	2024
Short-term lease expense	\$3,786	\$2,094
Low-value asset lease expenses	\$-	\$-
Changes in lease expense excluded from the measurement of a lease liability	\$-	\$-
Total cash outflow of all leases	\$3,786	\$2,094
Lease liabilities interest	\$-	\$-

The Company elects to recognize an exemption for short-term leases of dormitories, offices, and similar assets, and does not recognize related right-of-use assets and lease liabilities for such leases.

7. RELATED PARTY TRANSACTIONS(1) Name of related party and relationship

Name of related party	Relationship with the Group
G-SHANK ENTERPRISE (M) SDN. BHD. (MALAYSIA G-SHANK)	The subsidiary of the Company.
G-SHANK, Inc. (USA G-SHANK)	The subsidiary of the Company.
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. (SHANGHAI G-SHANK)	The subsidiary of the Company.
GREAT-SHANK CO., LTD. (THAILAND G-SHANK)	The subsidiary of the Company.
G-SHANK JAPAN CO., LTD. (JAPAN G-SHANK)	The subsidiary of the Company.
XIAMEN G-SHANK PRECISION MACHINERY CO., LTD.(XIAMEN G-SHANK)	The subsidiary of the Company.
QINGDAO G-SHANK PRECISION SDN.BHD. (QINGDAO G-SHANK)	The subsidiary of the Company.
G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.(SUZHOU G-SHANK)	The subsidiary of the Company.
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.(DONG GUAN G-LONG)	The subsidiary of the Company.
TIANJIN G-SHANK PRECISION MACHINERY CO., LTD.(TIANJIN G-SHANK)	The subsidiary of the Company.
PT INDONESIA G-SHANK PRECISION (INDONESIA G-SHANK)	The subsidiary of the Company.
SHENZHEN G-SHANK PRECISION SDN.BHD. (SHENZHEN G-SHANK)	The subsidiary of the Company.
SHENZHEN G-BAO PRECISION SDN.BHD. (SHENZHEN G-BAO)	The subsidiary of the Company.
G-SHANK PHILIPPINES CORP. (PHILIPPINES G-SHANK)	The subsidiary of the Company.
HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD. (HUBEI HANSTAR)	The subsidiary of the Company.
SUNFLEX TECHNOLOGY CO., LTD. (SUNFLEX)	Investee companies accounted for using the equity method by the Company

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Name of related party	Relationship with the Group
KUAI LUNG PRECISION INDUSTRY CO., LTD. (KUAI LUNG)	The chairman of KUAI LUNG is the general manager of G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD., the subsidiary of the company.
HONGLIN INVESTMENT CO., LTD. (HONGLIN)	The chairman of t HONGLIN is the general manager of the Company.

(2) Major transactions with related parties(A) Purchases

Related party category/name	For the years ended December 31,	
	2025	2024
<u>Subsidiaries</u>		
SUZHOU G-SHANK	\$724	722
JAPAN G-SHANK	675	2,476
SHANGHAI G-SHANK	134	291
TIANJIN G-SHANK	81	83
SHENZHEN G-BAO	20	-
DONG GUAN G-LONG	-	13
Subtotal	1,634	3,585
<u>Other related parties</u>		
KUAI LUNG	338	8
<u>Affiliated enterprises</u>		
SUNFLEX	39	161
Total	\$2,011	\$3,754

The aforementioned purchase is mostly for molds and parts with special specifications from one single supplier. Therefore, there is no other purchase price available for comparison. The payment term from such a single supplier is OA 60-90 days; while other suppliers are with a payment term of OA 0-120 days.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(B) Sales

Related party category/name	For the years ended December 31,	
	2025	2024
<u>Subsidiaries</u>		
PHILIPPINES G-SHANK	\$8,460	\$-
MALAYSIA G-SHANK	5,518	3,641
JAPAN G-SHANK	4,120	1,697
THAILAND G-SHANK	3,490	2,691
G-SHANK, Inc.	2,761	4,649
SHENZHEN G-BAO	1,462	1,282
SHANGHAI G-SHANK	538	473
INDONESIA G-SHANK	240	1,054
SHENZHEN G-SHANK	29	-
QINGDAO G-SHANK	25	25
TIANJIN G-SHANK	11	-
Subtotal	26,654	15,512
<u>Other related parties</u>		
KUAI LUNG	68	13
<u>Affiliated enterprises</u>		
SUNFLEX	25	49
Total	\$26,747	\$15,574

The products sold in the preceding paragraph are mostly equipment, tools, and materials used for production with the price negotiated by both parties by adding a percentage to the cost or by the cost price at the time of trade depending on the type of product traded; also, taking into account the expenses and exchange rate risk. The specifications of products that are sold to related parties are exclusive; therefore, there is no other customer available for comparison. The payment term of sales to a related party is OA 30-90 days; while the general customer is with a payment term of OA 30-150 days.

(C) Management and technical service income

The Company had collected management and technical service fees from the subsidiaries - SHANGHAI G-SHANK, TIANJIN G-SHANK, QINGDAO G-SHANK, THAILAND G-SHANK, MALAYSIA G-SHANK , SHENZHEN G-SHANK, XIAMEN G-SHANK, DONG GUAN G-LONG, SHENZHEN G-BAO, and SUZHOU G-SHANK for an amount of NT\$57,276 thousand and NT\$57,059 thousand in 2025 and 2024, respectively and had them booked in the “non-operating income and expenses - other income” account.

(D) Acquisition of Investments Accounted for Using the Equity Method

The Group participated in the cash capital increase of its associate, SUNFLEX, in March 2025, subscribing for an amount of NT\$23,786 thousand and acquiring 1,081,192 common shares.

(E) Processing expense

The company had contracted the affiliated enterprise, SUNFLEX TECHNOLOGY CO., LTD., for product proceeding with a processing expense of NT\$18,868 thousand and NT\$15,127 thousand incurred for the years ended December 31, 2025 and 2024, respectively.

(F) Property Transactions

- (a) The Company acquired two automobiles from a related party, Honglin Investment Co., Ltd., during the third quarter of 2025, amounting to NT\$569 thousand.
- (b) The Company, in 2025, disposed of controlled assets to its subsidiary, HUBEI HANSTAR, with both the disposal proceeds and the resulting net gain amounting to NT\$17 thousand, which were recognized under non-operating income and expenses – other income.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (c) The Company, in 2025, disposed of property, plant and equipment and controlled assets to its subsidiary, PHILIPPINES G-SHANK, with total proceeds of NT\$2,783 thousand and a resulting net gain on disposal of NT\$1,065 thousand, which were recognized under non-operating income and expenses, including net gain on disposal of property, plant and equipment of NT\$954 thousand under other gains and losses, and NT\$111 thousand under other income.

- (d) The Company, in 2024, sold real estate, factory buildings, equipment, and classified assets to its subsidiary, SHANGHAI G-SHANK, for a total consideration of NT\$587 thousand, resulting in a net gain on disposal of NT\$287 thousand, which was recognized under non-operating income and expenses – other gains and losses, including a gain on disposal of real estate, factory buildings, and equipment of NT\$267 thousand and other income of NT\$20 thousand.

(G) Others

- (a) The Company, in 2025, assisted its subsidiary, DONG GUAN G-LONG, in handling repair and maintenance services, generating service income of NT\$249 thousand, which was recognized under non-operating income and expenses – other income.

- (b) The Company entrusted its affiliated enterprise, SUNFLEX THCHNOLOGY, to purchase employee uniforms, with the amounts being NT\$21 thousand and NT\$84 thousand in 2025 and 2024, respectively.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(H) Claims/obligations arising from the aforementioned transactions

<u>Related party category/name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>(a) Accounts receivable -related party</u>		
<u>Subsidiaries</u>		
PHILIPPINES G-SHANK	\$8,724	\$-
JAPAN G-SHANK	3,478	67
SHENZHEN G-BAO	945	532
MALAYSIA G-SHANK	842	375
THAILAND G-SHANK	755	911
SHANGHAI G-SHANK	87	104
QINGDAO G-SHANK	26	-
G-SHANK, Inc.	-	1,443
INDONESIA G-SHANK	-	506
Subtotal	<u>14,857</u>	<u>3,938</u>
<u>Other related parties</u>		
KUAI LUNG	24	-
<u>Affiliated enterprises</u>		
SUNFLEX	5	-
Total	<u>\$14,886</u>	<u>\$3,938</u>
<u>(b) Other receivable -related party</u>		
<u>Subsidiaries</u>		
PHILIPPINES G-SHANK	\$7,613	\$-
THAILAND G-SHANK	200	1,718
G-SHANK, Inc.	86	158
JAPAN G-SHANK	11	24
SHANGHAI G-SHANK	-	593
SHENZHEN G-BAO	-	267
Total	<u>\$7,910</u>	<u>\$2,760</u>
<u>(c) Accounts payable -related party</u>		
<u>Subsidiaries</u>		
SUZHOU G-SHANK	\$301	\$256
SHANGHAI G-SHANK	-	297
DONG GUAN G-LONG	-	13
Subtotal	<u>301</u>	<u>566</u>
<u>Affiliated enterprises</u>		
SUNFLEX	-	47
Total	<u>\$301</u>	<u>\$613</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Related party category/name	December 31, 2025	December 31, 2024
<u>(d) Other payable -related party</u>		
<u>Subsidiaries</u>		
SHENZHEN G-SHANK	\$488	\$-
JAPAN G-SHANK	200	26
SHANGHAI G-SHANK	124	-
Subtotal	812	26
<u>Affiliated enterprises</u>		
SUNFLEX	4,339	2,789
Total	\$5,151	\$2,815

The claims/obligations between the Company and the related party are without collateral or guarantee received or provided, and a conclusion is made after thorough evaluations that it is no need to appropriate allowance for loss for the Company's claims against the related parties.

(I) Information on total remunerations of key management personnel

The total remunerations to the Company's directors, general manager, vice general manager, and other managerial officers are summarized as follows:

Items	For the years ended December 31,	
	2025	2024
Short-term benefits	\$12,273	\$12,456
Retirement benefits	386	387
Share-based payment	-	6,239
Total	\$12,659	\$19,082

The remuneration to key management personnel is determined by the Company's Remuneration Committee with reference to the general standards of the industry and taking into account personal performance, the company operating performance, and related future risks.

8. MORTGAGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

The Company had the following significant contingent liabilities and unrecognized contractual commitments not yet included in the aforementioned the parent company only financial report as of December 31, 2025:

- (1) The Company had had a guaranteed loan from financial institutions for the tariff guarantee amount of NT\$500 thousand on December 31, 2025.
- (2) The Company has an outstanding unused letter of credit balance of JPY 34,500 thousand.
- (3) The Company has entered into contracts for the acquisition of property, plant and equipment totaling US\$2,438 thousand. As of the reporting date, the unpaid amounts were US\$1,219 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. MATERIAL POST EVENTS

- (1) On January 5, 2026, the Company increased its investment in its subsidiary, G-SHANK PHILIPPINES CORP., by US\$1,510 thousand. The total investment amount was increased to US\$3,700 thousand, and the shareholding ratio remained at 100.00%.

- (2) As described in Note 6.(14)(E) to the parent company only financial statements, in the fourth quarter of 2025, holders of the Company's convertible bonds applied to convert their bonds into 1,132 thousand shares of the Company's common stock (recorded under advance receipts for share capital). Subsequently, the Board of Directors resolved on March 13, 2026 to set March 16, 2026 as the capital increase record date.
- (3) On March 13, 2026, the company's board of directors proposed the earnings distribution plan for the year 2025 and the proposal to distribute cash to shareholders from capital surplus (subject to approval at the annual general meeting scheduled for June 12, 2026). Please refer to Note 6.(18)(C) of the consolidated financial statements.

12. **OTHERS**

(1) Capital management

- (A) The Company's capital management is aimed to ensure the Company's ongoing concern, to continue to provide remuneration to shareholders and benefits to shareholders, and to maintain the best capital structure in order to reduce capital costs and to set the price of products or services according to the relative risk levels in order to provide shareholders with sufficient remuneration.
- (B) The Company bases on the risk ratio to set the capital stock; also, manage and adjust the capital structure appropriately in accordance with the changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, refund shareholders by de-capitalization, and issue new shares or sell assets to settle liabilities.

(2) Financial risk management

- (A) The Company's main financial instruments include cash and cash equivalents, financial assets measured at fair value through profit or loss, other financial assets, financial assets measured at fair value through other comprehensive income, short-term loans, bonds payable, and accounts receivable and accounts payable arising from operating activities. These financial instruments are utilized to manage the Company's working capital requirements. As a result, the Company's operations are subject to various financial risks,

including market risks (such as foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk. The overall objective of the Company's financial risk management is to mitigate potential adverse impacts arising from fluctuations in financial markets on the Company's exposure to financial risks.

(B) The Finance Department of the Company is responsible for identifying, evaluating, and hedging financial risks through close contact with the business units of the Company, planning and coordinating the access to domestic and international financial markets, and manages the Company's operation related financial risks by analyzing the degree of risk exposure; also, the Company's board of directors is responsible for supervision and management. In addition, the Group uses derivative financial instruments to hedge risk exposure at an appropriate time to reduce the impact of financial risks. The Company has the procedures for derivative financial instrument transactions stipulated that have been approved by the board of directors and the shareholders meeting. The said procedures include trade principles and policies, risk management measures, internal audit systems, regular evaluation methods, and handling of nonconformities, of which, the risk management includes credit, market prices, liquidity, cash flow, operations, law, etc.

(C) The main risks of the Company's financial instruments are as follows:

(a) Market risk

The main market risks of the company are exchange rate risks arising from operating activities, such as sales or purchases denominated in non-functional currencies, and interest rate risks or price risks arising from financial instruments transactions.

(i) Exchange rate risk

(01) The Company evaluates and analyzes the overall exchange rate risk. When the listed assets and liabilities and future business transactions are exposed to significant exchange rate risk, within the permitted range of the policy, manage risk through forwarding exchange contract.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

The Company's financial assets and liabilities denominated in non-functional currencies with significant risk exposure of exchange rate fluctuations on the reporting date, and sensitivity analysis information are as follows, sensitivity analysis is regarding the impact of the Company's financial assets and liabilities denominated in non-functional currencies appreciated by 5% against a respective foreign currency that is the functional currency of each overseas subsidiary on the net income before tax or equity on the reporting date; also, when it depreciated by 5%, it will affect the net income before tax and equity reversely:

	Foreign currency (Thousand)	Exchange rate	Book amount	Sensitive analysis		
				Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
<u>December 31, 2025</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$11,817	31.42	\$371,282	5%	\$18,564	\$-
JPY	19,937	0.2008	4,003	5%	200	-
RMB	4,668	4.497	20,992	5%	1,050	-
SGD	123	24.45	2,998	5%	150	-
<u>Non-monetary items</u>						
USD	\$59,164	31.42	\$1,858,935	5%	\$92,947	\$-
SGD	20,799	24.45	508,527	5%	25,426	-
CHF	611	39.64	24,219	5%	1,211	-

Derivative financial instrument: None.

Financial liabilities

Monetary items

USD	\$204	31.42	\$6,420	5%	\$321	\$-
JPY	10,893	0.2008	2,187	5%	109	-

Non-monetary items: None

Derivative financial instrument: None

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	Foreign currency (Thousand)	Exchange rate	Book amount	Sensitive analysis		
				Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
<u>December 31, 2024</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$17,470	32.78	\$572,682	5%	\$28,634	\$-
JPY	17,489	0.21	3,673	5%	184	-
RMB	2,096	4.478	9,388	5%	469	-
<u>Non-monetary items</u>						
USD	\$60,620	32.78	\$1,987,129	5%	\$99,356	\$-
SGD	2,558	24.14	61,750	5%	3,088	-

Derivative financial instrument: None.Financial liabilitiesMonetary items

USD	\$128	32.78	\$4,211	5%	\$211	\$-
JPY	362,877	0.21	76,204	5%	3,810	-

Non-monetary items: NoneDerivative financial instrument: None

The exchange profit and loss (including realized and unrealized) of the Company's monetary items converted to functional currencies, and the exchange rate for the conversion to the reporting currency of the parent company only financial report are as follows:

Functional currency	2025		2024	
	Exchange profit (loss)	Average exchange rate	Exchange profit (loss)	Average exchange rate
NTD	<u>\$(25,867)</u>	-	<u>\$52,760</u>	-

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(02) In addition, the SWAP contracts held by the Company are a financial hedging operation intended to hedge exchange rate risk arising from the change (mainly including sales and purchases denominated in non-functional currencies, such as USD) in the exchange rate of foreign claims. Regarding the aforementioned SWAP contracts, the profit and loss arising from changes in the exchange rate will generally offset the profit and loss of the hedged project, so there is no significant market risk. As for the aforementioned hedged project, the net position of foreign currency claims that are not effectively hedged is linked to the market risk of changes in exchange rates, of which, the depreciation or appreciation of USD, JPY, or RMB will result in the risk of exchange profit or loss.

(ii) Interest rate risk

The Company's interest rate risk includes fair value interest rate risk arising from fixed-rate financial instruments and cash flow interest rate risk arising from floating-rate financial instruments. Fixed-rate financial instruments include time deposits, certain financial assets at fair value through profit or loss – current, other financial assets – current, bank loans, and corporate bonds payable. Floating-rate financial instruments include demand deposits. The Company assesses and analyzes interest rate risk on a dynamic basis and manages its exposure by maintaining an appropriate mix of fixed and floating interest rate instruments. The Company does not expect to be exposed to any significant interest rate risk.

(01) The Company's financial assets and liabilities with fixed and floating interest rates

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fixed interest rate		
Financial assets	\$2,471,688	\$2,615,806
Financial liabilities	(1,170,800)	(1,250,731)
Net amount	<u>\$1,300,888</u>	<u>\$1,365,075</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Floating interest rate		
Financial assets	\$227,379	\$326,250
Financial liabilities	-	-
Net amount	<u>\$227,379</u>	<u>\$326,250</u>

(02) Sensitivity Analysis

For the Company's financial assets and liabilities with a floating interest rate, if the interest rate of market deposits or loans increased by 0.5% on the reporting date, assuming that it is held for an accounting year and all other factors are given, it would cause the Company's net income before tax increased by NT\$1,137 thousand and NT\$1,631 thousand for the years of 2025 and 2024, respectively.

The embedded derivative financial instruments arising from the convertible bonds included in the Company's fixed-rate financial liabilities expose the Group to fair value interest rate risk. If the risk-free interest rate at the reporting date had increased or decreased by 0.1%, with all other risk variables held constant, there would have been no impact on the Company's profit before tax for the years 2025 and 2024.

(iii) Other price risks

The Company's beneficiary certificates and equity securities, such as financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive profit and loss, are with price risk resulted. The Company manages the price risk of beneficiary certificates and equity securities by holding investment portfolios with different risks.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Sensitivity Analysis

For the Company's financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive profit and loss, the impact of the beneficiary certificates and equity securities with a 5% price increase on the net income before tax or equity on the reporting date is as follows; also, the beneficiary certificates and equity securities with a 5% price decrease will affect the net income before tax or equity reversely:

	December 31, 2025	December 31, 2024
Increase in net income before tax		
Financial assets measured at fair value through profit and loss	<u>\$119,584</u>	<u>\$109,699</u>
Increase in equity		
Financial assets measured at fair value through other comprehensive profit and loss	<u>\$17,883</u>	<u>\$22,202</u>

The embedded derivative financial instruments arising from the Company's convertible bonds expose the company to price risk due to changes in the Company's share price. If the Company's share price had increased or decreased by 10% at the reporting date, with all other risk variables held constant, the Company's profit before tax for the years 2025 and 2024 would have increased by NT\$117 thousand or decreased by NT\$234 thousand, and increased by NT\$624 thousand or decreased by NT\$858 thousand, respectively.

(b) Credit risk

- (i) The Company's credit risk is mainly the potential impact of the counterparty or other parties' failure in performing financial assets contracts, which includes the concentration of credit risks, constituents, contract amounts, and other receivables of the financial assets transactions of the Company. In order to reduce credit risk, the Company has dealt with all well-known domestic and foreign financial or securities institutions for bank deposits, financial assets measured at fair value through profit and loss, financial assets measured at amortized cost, some other financial assets, which are with low credit risk. For receivables, the Company continues to evaluate the financial status of the counterparties, historical experience, and other factors to adjust the trade amount and trade method of individual customers appropriately in order to improve the Company's credit-granting quality.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (ii) The Company evaluates and analyzes the overdue or impairment of financial assets on the balance sheet date. The Company's credit risk exposure amount is as follows:

	December 31, 2025	December 31, 2024
Credit risk exposure amount		
Allowance for losses-measured by the expected credit losses amount for 12-month	\$-	\$-
Allowance loss-measured by the expected credit loss amount throughout the duration - Accounts receivable	276	174
Total	<u>\$276</u>	<u>\$174</u>

The aforementioned credit risk exposure amounts are all from the recovery of accounts receivable. The Company has continuously evaluated the losses that affect the estimated future cash flow of accounts receivable with appropriate allowance accounts appropriated. Therefore, the book amount of accounts receivable is with credit risk properly considered and reflected. In addition, the Company does not hold collateral for the impairment of financial assets that is with an allowance account appropriated.

- (iii) The expected credit loss of the Company's notes and accounts receivable as of December 31, 2025 and 2024 is analyzed as follows:

	Total book amount of notes and accounts receivable	Reserve matrix (loss rate)	Allowance for loss (expected credit loss throughout the duration)
<u>December 31, 2025</u>			
Not overdue	\$642,419	0.02%	\$97
30 days overdue	38,034	0.33%	125
31-90 days overdue	2,380	2.23%	53
91-180 days overdue	47	1.58%	1
181-365 days overdue	3	-	-
Total	<u>\$682,883</u>		<u>\$276</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

	Total book amount of notes and accounts receivable	Reserve matrix (loss rate)	Allowance for loss (expected credit loss throughout the duration)
<u>December 31, 2024</u>			
Not overdue	\$501,373	0.02%	\$76
30 days overdue	29,156	0.33%	96
31-90 days overdue	136	1.96%	2
91-180 days overdue	-	-	-
181-365 days overdue	-	-	-
Total	<u>\$530,665</u>		<u>\$174</u>

(iv) The concentration of credit risk of accounts receivable is analyzed as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The accounts receivable ratio of the top five customers	<u>48.37%</u>	<u>44.11%</u>

(c) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support all contractual obligations for business operations and to minimize the impact of cash flow fluctuations. Bank loans are an important source of liquidity to the Company. The management ensures the repeating bank loans through capital structure management, monitoring the use of bank credit line, and complying with loan contract terms to reduce liquidity risk. The Company's stock investment under the financial assets measured at fair value through other comprehensive profit and loss is exposed to liquidity risk due to lack of an active market. In addition, the exchange rate of the Company's SWAP contract has been determined; therefore, there is no significant cash flow risk.

(i) Bank loan amount

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Short-term loan	<u>\$1,903,572</u>	<u>\$2,253,334</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(ii) Maturity analysis of undiscounted financial liabilities

	<u>Less than 1 year</u>	<u>More than 1-2 years</u>	<u>More than 2-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>December 31, 2025</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loan	\$790,103	\$-	\$-	\$-	\$790,103
Accounts payable	252,322	-	-	-	252,322
Accounts payable -related party	301	-	-	-	301
Other payables	402,502	-	-	-	402,502
Other payables -related party	5,151	-	-	-	5,151
Bonds payable	-	389,500	-	-	389,500
Total	<u>\$1,450,379</u>	<u>\$389,500</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,839,637</u>

Derivative financial liabilities: NoneDecember 31, 2024Non-derivative financial liabilities

Short-term loan	\$501,575	\$-	\$-	\$-	\$501,575
Accounts payable	171,833	-	-	-	171,833
Accounts payable -related party	613	-	-	-	613
Other payables	413,520	-	-	-	413,520
Other payables -related party	2,815	-	-	-	2,815
Bonds payable	-	-	780,300	-	780,300
Total	<u>\$1,090,356</u>	<u>\$-</u>	<u>\$780,300</u>	<u>\$-</u>	<u>\$1,870,656</u>

Derivative financial liabilities: None(D) Fair value of financial instruments

Except for the items listed in the table below, the carrying amounts of the Group's financial instruments approximate their fair values.

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Bonds payable	<u>\$381,800</u>	<u>\$381,944</u>	<u>\$750,731</u>	<u>\$747,840</u>

- (a) The methods adopted for the fair value of financial instruments and the assumptions adopted for the use of evaluation techniques
- (i) The fair value of short-term financial instruments is estimated according to the book value on the balance sheet. Such financial instruments are with a short maturity date; also, the present value of future cash flows discounted at the market interest rate is close to the book amount; therefore, the book amount should be a reasonable basis for estimating the fair value. This method is applied to cash and cash equivalents, net notes receivable, net accounts receivable (including related parties), other receivables (including related parties), short-term loans, accounts payable (including related parties), and other payables (including related parties).
 - (ii) Financial assets measured at fair value through profit and loss are those with active market quotations, and therefore, the fair value is determined based on the market price. For foreign bonds, the fair value is determined based on the quotations on the reporting date through Bloomberg, Reuters or other brokers and trading platforms.
 - (iii) Financial assets measured at fair value through other comprehensive income are equity instrument investments without active market quotations. The fair value is estimated using the Market Approach, which is based on the prices derived from the market transactions of the same or comparable equity instruments and other relevant information.
 - (iv) The fair value of other financial assets and other noncurrent assets-restricted assets is estimated according to the book amount, since the present value of future cash collected and discounted at the market interest rate is close to the book amount; therefore, the book amount should be a reasonable basis for estimating the fair value.
 - (v) Bonds payable are measured at fair value based on the discounted value of market interest rates for corporate bonds with similar terms and conditions.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(b) Classification of fair value measurement

All assets and liabilities measured or disclosed at the fair value are classified to the respective fair value level according to the lowest level input value critical to the overall fair value measurement. The input values for each level are as follows:

Level 1: The market price (unadjusted) available for the same asset or liability on the measurement date;

Level 2: Direct or indirect observable input values of assets or liabilities, except for those quotations in Level 1;

Level 3: Unobservable input value of assets or liabilities;

The assets and liabilities that were originally measured at fair value on a repetitive basis and recognized on the balance sheet should be reassessed for classification at the end of each reporting period to determine whether there is a swift between the levels of the fair value hierarchy.

(i) The classification of financial instruments measured at fair value and recognized in the balance sheet

The Group does not have assets and liabilities measured at fair value on a non-repetitive basis. The fair value level of assets and liabilities measured at fair value on a repetitive basis is as follows:

<u>December 31, 2025</u>	<u>Lever 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets:</u>				
Financial assets measured at fair value through profit and loss				
Bonds	-	\$2,391,681	-	\$2,391,681
Embedded derivative financial instruments	-	-	468	468
Financial assets measured at fair value through other comprehensive profit and loss				
Unlisted stocks	-	-	357,650	357,650
<u>Liabilities: None</u>				

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

<u>December 31, 2024</u>	<u>Lever 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets:</u>				
Financial assets measured at fair value through profit and loss				
Funds	\$145,109	\$-	\$-	\$145,109
Bonds	-	2,048,879	-	2,048,879
Embedded derivative financial instruments	-	-	1,951	1,951
Financial assets measured at fair value through other comprehensive profit and loss				
Unlisted stocks	-	-	444,031	444,031

Liabilities: None

(ii) the company had no significant transfers between Level 1 and Level 2 of the fair value hierarchy in 2025 and 2024.

(iii) The adjustment of the fair value measurement in Level 3 is as follows:

(01) Financial assets measured at fair value through profit or loss

<u>Item</u>	<u>Embedded derivative financial instruments</u>	
	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Balance -beginning	\$1,951	\$-
Additions during the period	-	300
Recognized in profit or loss during the period	(608)	2,247
Reclassification	(875)	(596)
Balance -ending	<u>\$468</u>	<u>\$1,951</u>

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(02) Financial assets measured at fair value through profit or loss

Item	Equity instrument investment – Unlisted stocks	
	For the years ended December 31,	
	2025	2024
Balance -beginning	\$444,031	\$320,903
Total profit		
Recognized in other comprehensive profit and loss	(86,381)	123,128
Balance -ending	\$357,650	\$444,031

The Company recognized total (losses)gains of NT\$(608) thousand and NT\$2,247 thousand in 2025 and 2024, respectively, in profit or loss due to changes in the fair value of Level 3 financial instruments, which were recorded under "non-operating income and expenses -other gains and losses." Additionally, the Group recognized total (losses) gains of NT\$(86,381) thousand and NT\$123,128 thousand in 2025 and 2024, respectively, in other comprehensive income due to changes in the fair value of Level 3 financial instruments. These were recorded under "other comprehensive income -unrealized (losses) gains on equity instruments measured at fair value through other comprehensive income.

(iv) The evaluation techniques and assumptions adopted to measure the fair value of financial assets.

- (01) The fair value of financial assets with standard terms and conditions that are traded in an active market is determined by referring to market price.
- (02) The foreign bonds are determined by quotations on the reporting date through Bloomberg, Reuters or other brokers and trading platforms.
- (03) The liability component of the embedded derivative financial instrument was measured at fair value using a binomial convertible bond pricing model.
- (04) The fair value of domestic unlisted equity instrument investment is evaluated with the Market Approach.

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(v) Quantitative information on the fair value measurement of significant unobservable input values (Level 3):

	<u>Evaluation technique</u>	<u>Significant unobservable input value</u>	<u>Quantitative information</u>	<u>Relationship between the input value and fair value</u>	<u>Sensitivity analysis of the relationship between the input value and fair value</u>
<u>December 31, 2025</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through profit and loss:					
Embedded Derivative Financial Instruments	Binomial Tree Convertible Bond Valuation Model	Volatility	38.53%	The higher the volatility, the higher the estimated fair value.	If the volatility increases (decreases) by 5%, the profit or loss of the Company would increase by NT\$312 thousand / decrease by NT\$117 thousand.
Financial assets measured at fair value through other comprehensive profit and loss:					
Stock	Market Approach	Similar company's stock price-to-net value ratio	2.88	The higher the stock price-to-net value ratio of similar companies, the higher the estimated fair value	When the stock price-to-net value ratio of similar companies increases (decreases) by 5%, the equity of the Company will increase/decrease by NT\$17,883 thousand.
<u>December 31, 2024</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through profit and loss:					
Embedded Derivative Financial Instruments	Binomial Tree Convertible Bond Valuation Model	Volatility	39.55%	The higher the volatility, the higher the estimated fair value.	If the volatility increases (decreases) by 5%, the profit or loss of the Company would increase by NT\$624 thousand / decrease by NT\$858 thousand.
Financial assets measured at fair value through other comprehensive profit and loss:					
Stock	Market Approach	Similar company's stock price-to-net value ratio	3.59	The higher the stock price-to-net value ratio of similar companies, the higher the estimated fair value	When the stock price-to-net value ratio of similar companies increases (decreases) by 5%, the equity of the Company will increase/decrease by NT\$22,202 thousand.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

- (vi) The evaluation process for the fair value measurement of significant unobservable input values (Level 3):

The Accounting Department of the Company is responsible for fair value verification, using independent sources of information to bring the evaluation results closer to the market, confirming that the data source is independent, reliable, consistent with other data resources, and representing executable prices. Also, analyze the value change in the assets and liability that must be re-measured or re-evaluated on the reporting date according to the Company's accounting policies to ensure the reasonableness of the evaluation result.

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.
(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

13. SUPPLEMENTARY DISCLOSURE MATTERS

(1) Information on major transactions

Supplementary information of the company and the subsidiaries for the year ended December 31, 2025 is disclosed as follows:

(A) Loans to others:

Unit: NT\$ Thousand / RMB

No	Lending company	Borrower	Accounting item	Related party	Maximum amount -current	Balance – ending (12.31.2025) (Note 2)	Actual amount implemented (Note 3)	Interest rate range	Nature of loan	Transaction amount	Reason for short-term loan	Allowance for bad debt appropriated	Collateral		Loaning of fund limit to individual (Note 1)	Total loaning of fund limit (Note 1)
													Name	Value		
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD	Other accounts receivable - related party	Yes	\$44,970 (RMB10,000,000)	\$35,976 (RMB8,000,000)	\$35,976 (RMB8,000,000)	-	Short-term loan	-	Business operation of affiliated enterprise	-	-	-	\$224,356 (RMB 49,890,049)	\$897,422 (RMB 199,560,197)

Note 1: The total loaning of fund limit refers to an amount equivalent to 40% of the current net value of the lending company. The loaning of fund limit to individual refers to an amount equivalent to 10% of the current net value of the lending company. The current net value is based on the latest financial statements audited by an independent auditor.

Note 2: It is the loaning of fund amount resolved by the company's board of directors.

Note 3: It is the actual outstanding loan amount at yearend.

(B) Provision of endorsements and guarantees to others: None

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.
(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(C) Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures):

Unit: NT\$ Thousand / THB / USD / CHF / SGD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	December 31, 2025				Remarks
					Shares /unit /1,000 shares	Book amount	Shareholding ratio (%)	Fair value /net value	
G-SHANK ENTERPRISE CO., LTD.	Stocks	REEL MASK INDUSTRY CO., LTD.	None	Financial assets-noncurrent measured at fair value through other comprehensive profit and loss	3,392,713	\$357,650	9.98	\$357,650	
	Funds	BCS-Bareclays Plc bonds BACR 7.625 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	300,000	10,046 (USD 319,737)	-	10,046 (USD 319,737)	
	Funds	HSBC Holding bonds HSBC 6.95 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	98,954 (USD 3,149,400)	-	98,954 (USD 3,149,400)	
	Funds	UBS Group Bonds UBS 6.85 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	2,300,000	73,935 (USD 2,353,107)	-	73,935 (USD 2,353,107)	
	Bonds	UBS Group Bonds UBS 7 PERP (FF95) (I)	None	Financial assets-current measured at fair value through profit and loss	1,700,000	54,530 (USD 1,735,530)	-	54,530 (USD 1,735,530)	
	Bonds	UBS Group Bonds UBS 7.125 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	500,000	16,148 (USD 513,940)	-	16,148 (USD 513,940)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	1,440,000	48,813 (USD 1,553,573)	-	48,813 (USD 1,553,573)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (10Y) (I)	None	Financial assets-current measured at fair value through profit and loss	3,100,000	114,371 (USD 3,640,082)	-	114,371 (USD 3,640,082)	

(Continuing to next page)

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit: NT\$ Thousand / THB / USD / CHF / SGD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	December 31, 2025				Remarks
					Shares /unit /1,000 shares	Book amount	Shareholding ratio (%)	Fair value /net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	UBS Group Bonds UBS 9.25 PERP (5Y) (I)	None	Financial assets-current measured at fair value through profit and loss	1,800,000	\$62,156 (USD 1,978,218)	-	\$62,156 (USD 1,978,218)	
	Bonds	BCS-Barclays Plc bonds BACR 7.625 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	1,200,000	40,185 (USD 1,278,948)	-	40,185 (USD 1,278,948)	
	Bonds	HSBC Holding bonds HSBC 6.875 PERP	None	Financial assets-current measured at fair value through profit and loss	1,000,000	32,490 (USD 1,034,060)	-	32,490 (USD 1,034,060)	
	Bonds	HSBC Holding bonds HSBC 6.95 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	3,270,000	107,860 (USD 3,432,846)	-	107,860 (USD 3,432,846)	
	Bonds	UBS Group Bonds UBS 6.85 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	96,436 (USD 3,069,270)	-	96,436 (USD 3,069,270)	
	Bonds	UBS Group Bonds UBS 7 PERP (FA09) (I)	None	Financial assets-current measured at fair value through profit and loss	3,233,000	103,927 (USD 3,307,682)	-	103,927 (USD 3,307,682)	
	Bonds	UBS Group Bonds UBS 7 PERP (FF95) (II)	None	Financial assets-current measured at fair value through profit and loss	4,900,000	157,176 (USD 5,002,410)	-	157,176 (USD 5,002,410)	
	Bonds	UBS Group Bonds UBS 7.125 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	9,090,000	293,571 (USD 9,343,429)	-	293,571 (USD 9,343,429)	

(Continuing to next page)

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit: NT\$ Thousand / THB / USD / CHF / SGD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	December 31, 2025				Remarks
					Shares /unit /1,000 shares	Book amount	Shareholding ratio (%)	Fair value /net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	UBS Group Bonds UBS 7.75 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	5,030,000	\$170,507 (USD 5,426,716)	-	\$170,507 (USD 5,426,716)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (10Y) (II)	None	Financial assets-current measured at fair value through profit and loss	300,000	11,068 (USD 352,266)	-	11,068 (USD 352,266)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (5Y) (II)	None	Financial assets-current measured at fair value through profit and loss	1,000,000	34,531 (USD 1,099,010)	-	34,531 (USD 1,099,010)	
	Bonds	BCS-Barclays Plc bonds BACR 7.625 PERP (III)	None	Financial assets-current measured at fair value through profit and loss	304,000	10,250 (USD 326,219)	-	10,250 (USD 326,219)	
	Bonds	HSBC Holding bonds HSBC 6.95 PERP (III)	None	Financial assets-current measured at fair value through profit and loss	1,250,000	41,229 (USD 1,312,188)	-	41,229 (USD 1,312,188)	
	Bonds	Mitsubishi UFJ Financial Group, Inc. (MUFG) MUFG 8.2 PERP	None	Financial assets-current measured at fair value through profit and loss	300,000	10,329 (USD 328,725)	-	10,329 (USD 328,725)	
	Bonds	Societe Generale bonds SOCGEN 10 PERP	None	Financial assets-current measured at fair value through profit and loss	1,500,000	52,286 (USD 1,664,100)	-	52,286 (USD 1,664,100)	
	Bonds	UBS Group Bonds UBS 6.85 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	338,000	10,873 (USD 346,044)	-	10,873 (USD 346,044)	

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Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit: NT\$ Thousand / THB / USD / CHF / SGD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	December 31, 2025				Remarks
					Shares /unit /1,000 shares	Book amount	Shareholding ratio (%)	Fair value /net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	UBS Group Bonds UBS 7 PERP (FA09) (II)	None	Financial assets-current measured at fair value through profit and loss	640,000	20,573 (USD 654,784)	-	20,573 (USD 654,784)	
	Bonds	UBS Group Bonds UBS 7 PERP (FF95) (III)	None	Financial assets-current measured at fair value through profit and loss	3,177,000	\$101,943 (USD 3,244,511)	-	\$101,943 (USD 3,244,511)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (FF95) (III)	None	Financial assets-current measured at fair value through profit and loss	2,500,000	84,748 (USD 2,697,250)	-	84,748 (USD 2,697,250)	
	Bonds	UBS Group Bonds UBS 5.6 PERP (SGD) (I)	None	Financial assets-current measured at fair value through profit and loss	1,000,000	25,609 (SGD 1,047,390)	-	25,609 (SGD 1,047,390)	
	Bonds	HSBC Holding bonds HSBC 5.25 PERP (SGD) (I)	None	Financial assets-current measured at fair value through profit and loss	5,750,000	145,823 (SGD 5,964,130)	-	145,823 (SGD 5,964,130)	
	Bonds	HSBC Holding bonds HSBC 5 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	750,000	19,006 (SGD 777,338)	-	19,006 (SGD 777,338)	
	Bonds	HSBC Holding bonds HSBC 5.25 PERP (SGD) (II)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	76,082 (SGD 3,111,720)	-	76,082 (SGD 3,111,720)	
	Bonds	BCS-Barclays Plc bonds BACR 5.4 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	2,000,000	50,301 (SGD 2,057,300)	-	50,301 (SGD 2,057,300)	

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Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit: NT\$ Thousand / THB / USD / CHF / SGD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	December 31, 2025				Remarks
					Shares /unit /1,000 shares	Book amount	Shareholding ratio (%)	Fair value /net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	HSBC Holding bonds HSBC 5.25 PERP (SGD)(III)	None	Financial assets-current measured at fair value through profit and loss	2,750,000	69,846 (SGD 2,856,700)	-	69,846 (SGD 2,856,700)	
	Bonds	UBS Group Bonds UBS 5.6 PERP (SGD) (II)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	76,911 (SGD 3,145,650)	-	76,911 (SGD 3,145,650)	
	Bonds	UBS Group Bonds UBS 5.75 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	1,250,000	32,130 (SGD 1,314,125)	-	32,130 (SGD 1,314,125)	
	Bonds	UBS Group Bonds UBS 3.375 PERP (CHF)	None	Financial assets-current measured at fair value through profit and loss	600,000	\$24,219 (CHF 610,980)	-	\$24,219 (CHF 610,980)	
CHIN DE INVESTMENT CO., LTD.	Bonds	UBS Group Bonds UBS 7.125 PERP	None	Financial assets-current measured at fair value through profit and loss	1,680,000	54,257 (USD 1,726,838)	-	54,257 (USD 1,726,838)	
GREAT-SHANK CO., LTD.	Funds	BFIXED	None	Financial assets-current measured at fair value through profit and loss	885,155	11,921 (THB 11,957,024)	-	11,921 (THB 11,957,024)	
	Funds	KFAFIX-A	None	Financial assets-current measured at fair value through profit and loss	3,099,082	38,112 (THB 38,227,482)	-	38,112 (THB 38,227,482)	
	Funds	SCBFIXDA	None	Financial assets-current measured at fair value through profit and loss	1,331,274	14,892 (THB 14,936,491)	-	14,892 (THB 14,936,491)	

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(D) The purchase or sale of goods with the related party for an amount more than NT\$100 million or 20% of the paid-in capital :

Purchase (Sales) Company	Transaction Counterparty Name	Relationship	Transaction Details				Differences from General Transaction Terms & Reasons		Notes Receivable (Payable), Accounts Receivable (Payable)		Remarks
			Purchase (Sales)	Amount	Percentage of Total Purchase (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes Receivable (Payable) and Accounts Receivable (Payable)	
HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	Affiliated Company	Sales	\$128,557 (RMB29,492,343)	100%	T/T 60	(Note)	(Note)	\$43,619 (RMB 9,699,656)	100.00%	

Note: The products sold to related parties do not have the same specifications as those sold to other customers; therefore, there are no other customers for comparison. The payment terms for general customers are monthly settlements of 30 to 90 days.

(E) Accounts receivable from related parties amounted to more than NT\$100 million or 20% of the paid-in capital : None

(F) Business relationship and important transactions and transaction amount between the parent company and subsidiaries and among subsidiaries:

No. (Note 1)	Trading party	Counterparty	Relationship with the trading party (Note 2)	Transactions			
				Item	Amount	Transaction conditions	Ratio to total consolidated operating income or total assets (Note 3)
0	G-SHANK ENTERPRISE CO., LTD.	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	1	Other income	\$24,891	Note 4	0.33%

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

No. (Note 1)	Trading party	Counterparty	Relationship with the trading party (Note 2)	Transactions			
				Item	Amount	Transaction conditions	Ratio to total consolidated operating income or total assets (Note 3)
1	SHANGHAI G-SHANK RECISION	HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	3	Cost of goods sold	128,557	Note 5	1.73%
				Other profit and loss	15,692	Note 4	0.21%
				Other payables -related party	43,619		0.33%
1	SHANGHAI G-SHANK RECISION	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	3	Cost of goods sold	47,021	Note 5	0.63%
				Other profit and loss	19,430	Note 4	0.26%
				Other receivables -related party	39,867		0.30%
				Other payables -related party	12,998		0.10%
1	SHANGHAI G-SHANK RECISION	G-SHANK JAPAN CO., LTD	3	Cost of goods sold	23,903	Note 5	0.32%
1	SHANGHAI G-SHANK RECISION	HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD.	3	Cost of goods sold	10,263	Note 5	0.14%
2	G-SHANK ENTERPRISE (M) SDN. BHD.	G-SHANK JAPAN CO., LTD.	3	Sales income	\$11,809	Note 5	0.16%

Note 1: Business transactions conducted between the parent company and subsidiaries should be noted in the “No.” column as follows:

- (a) Fill in “0” for the parent company;
- (b) The subsidiaries are numbered sequentially starting from the Arabic number “1” by the company type.

Note 2: The “relationship with the trading companies” includes three types (The same transaction between parent company and subsidiary or between two subsidiaries needs not to be disclosed repeatedly, for example, if the parent company has already disclosed the transaction conducted with the subsidiary, the subsidiary does not need to have it disclosed again. If one of the two subsidiaries has already disclosed the transaction conducted, the other subsidiary does not need to have it disclosed again), which should be marked as follows:

- (a) The parent company to the consolidated subsidiary;
- (b) Consolidate subsidiary to parent company;
- (c) Consolidated subsidiary to consolidated subsidiary;

Note 3: For the ratio of the transaction amount to the consolidated total operating income or total assets, if it is an asset or liability item, it is calculated for the ratio of the ending balance amount to the consolidated total assets; if it is a profit and loss item, it is calculated for the ratio of the interim cumulative amount to total consolidated operating income.

Note 4: Recognized in accordance with the contract terms.

Note 5: Most purchases consist of customized molds and parts from a single supplier, with no other purchase prices available for comparison. The payment terms are approximately 60–120 days.

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(2) Re-investment business-related information

Supplementary disclosure of information related to the company's direct or indirect significant influence, control, or joint venture equity on the investee company not in Mainland China for the nine-month period ended December 31, 2025.

Unit : NTD Thousand/USD/MYR

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of December 31, 2025			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Remarks
				December 31, 2025	December 31, 2024	Number of shares	Ratio (%)	Book amount (Note 12)			
G-SHANK ENTERPRISE CO., LTD.	CHIN DE INVESTMENT CO., LTD.	Note 1	General investment	\$50,000	\$50,000	5,000,000	100.00	\$62,109	\$2,909	\$2,909	
	GRAND STAR ENTERPRISES L.L.C.	Note 2	General investment	590,864	590,864	-	100.00	1,668,838	146,859	146,855	
	G-SHANK, INC.	Note 3	Stamping parts molds, fixtures	36,686	36,686	1,000	100.00	391,437	(2,519)	(2,492)	
	G-SHANK ENTERPRISE (M) SDN. BHD.	Note 4	Stamping parts molds, fixtures	85,112	85,112	6,924,750	92.33	491,550	70,398	65,074	
	GREAT-SHANK CO., LTD.	Note 5	Precision progressive die and hardware products	69,509	69,509	7,968,750	85.00	128,076	22,179	18,867	
	G-SHANK JAPAN CO., LTD.	Note 6	International trade	23,615	19,749	1,440	80.00	34,559	9,676	6,601	
	G-SHANK PHILIPPINES CORP.	Note 11	Stamping parts molds, fixtures	68,428	-	1,200,000	100.00	46,524	(16,816)	(17,843)	

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Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit : NTD Thousand/USD/MYR

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of December 31, 2025			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Remarks
				December 31, 2025	December 31, 2024	Number of shares	Ratio (%)	Book amount (Note 12)			
G-SHANK ENTERPRISE CO., LTD.	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	\$71,706	\$40,448	11,375,148	14.41	\$201,587	\$(42,243)	\$(6,078)	
CHIN DE INVESTMENT CO., LTD.	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	241	217	11,087	0.01	196	(42,243)	(6)	
G-SHANK ENTERPRISE (M) SDN. BHD.	PT INDONESIA G-SHANK PRECISION	Note 8	Stamping parts molds, fixtures	55,227 (RM7,144,500)	55,227 (RM7,144,500)	18,800	94.00	270,561 (RM35,001,469)	37,610 (RM5,126,835)	-	
G-SHANK, INC.	G-SHANK DEMEXICO, S.A. DE C.V.	Note 9	Stamping parts molds, fixtures	456 (USD14,512)	456 (USD14,512)	-	100.00	\$34,616 (USD1,101,713)	\$4,676 (USD149,683)	-	
GRAND STAR ENTERPRISES L.L.C.(Note 2)	GLOBAL STAR INTERNATIONAL CO., LTD.	Note 10	General investment	603,830 (USD19,218,011)	603,830 (USD19,218,011)	19,218,011	100.00	1,654,702	146,935	-	

Note 1: 20F-2, No. 83, Section 1, Chung Hsiao E. Road, Zhongzheng District, Taipei City.

Note 2: 201 Rogers Office Building Edwin Wallace Rey Drive George Hill Anguilla.

Note 3: 1034 Old Port Isabel Rd., Suite 2 Brownsville, TX 78521, U.S.A.

Note 4: Plot 94, Bayan Lepas Industrial Estate 11900 Bayan Lepas, Penang, Malaysia.

Note 5: 116 Moo 1 Hitech Industrial Estate T.Banlane , A.Bang Pa-In , Ayutthaya Thailand 13160

Note 6: 1-17-14, Nishi-Shinbashi ,Excel Annex 8F, Nishi-Shinbashi, Minato-Ku,Tokyo, 105-0003 Japan.

Note 7: No. 522, Nanshang Road, Guishan District, Taoyuan City

Note 8: Jl. Industri Kawasan JABABEKA Tahap II Block RR 5C-5D Cikarang-Bekasi 17530, Indonesia.

Note 9: NO.15, Gral, Pedro Hinojosa, cd industrial H.Matamoros, Tamps, Mexico.

Note 10: Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., George Town, Grand Cayman, KY1-9006 Cayman Islands.

Note 11: Lot 1 Block 24 Phase 1 Building 5 Sheng U MFG. Inc., M.H. Del Pilar Street, Lima Technology Center-SEZ San Lucas, Lipa City, Batangas 4217.

Note 12: It is calculated based on the financial statements of the invested companies for the same period audited by the accountants.

Note 13: The original investment amount at the end of the current period and the end of last year is calculated according to the exchange rate on December 31, 2025.

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(3) Investment in China

(A) The name, main business operation, paid-in capital, investment methods, remittance in and out of funds, shareholding ratio, investment profit and loss, investment book amount at yearend, remittance in of investment profit and loss, and investment limits of the invested company in China:

Unit : NTD Thousand/USD/RMB/HKD

Invested company in China	Main business operation	Paid-in capital	Investment method	Cumulative investment amount remitted out of Taiwan in current period - beginning	Investment amount remitted in or out in current period		Cumulative investment amount remitted out of Taiwan in current period - ending	Current profit (loss) of the invested company	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized in current period (Note 4)	Book amount of investment - ending	Investment profit remitted into Taiwan as of current period
					Remitted out	Remitted in						
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	Precision progressive die and hardware products	USD 10,000,000 (Note A)	Entrusted investment (Note B)	USD1,700,000	\$-	\$-	USD1,700,000	\$595,080	85.00	\$505,878	\$1,906,816	\$2,844,274 (USD90,524,309)
HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	Precision progressive die and hardware products	USD1,590,000	Investment through the company set up in the third region (Note C)	USD1,275,000	-	-	USD1,275,000	8,233	80.19	6,602	68,214	112,837 (USD3,591,264)
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	Precision progressive die and hardware products	USD3,000,000	Investment through the company set up in the third region (Note D)	USD1,530,000	-	-	USD1,530,000	13,205	51.00	6,735	105,332	34,805 (USD1,107,739)
XIAMEN G-SHANK PRECISION MACHINERY CO., LTD.	Precision progressive die and hardware products	USD2,500,000	Investment through the company set up in the third region (Note E)	USD1,990,000	-	-	USD1,990,000	6,686	79.60	5,322	100,015	71,702 (USD2,282,062)

(Continuing to next page)

Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit : NTD Thousand/USD/MYR

Invested company in China	Main business operation	Paid-in capital	Investment method	Cumulative investment amount remitted out of Taiwan in current period - beginning	Investment amount remitted in or out in current period		Cumulative investment amount remitted out of Taiwan in current period - ending	Current profit (loss) of the invested company	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized in current period (Note 4)	Book amount of investment - ending	Investment profit remitted into Taiwan as of current period
					Remitted out	Remitted in						
G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.	Planer, milling machine or die machine, precision continuous die and hardware products	USD1,400,000	Investment through the company set up in the third region (Note F)	USD1,671,825	\$-	\$-	USD1,671,825	\$32,859	100.00	\$32,859	\$278,428	\$199,855 (USD6,360,767)
QINGDAO G-SHANK PRECISION SDN.BHD.	Precision progressive die and hardware products	USD4,000,000	Investment through the company set up in the third region (Note G)	USD3,342,000	-	-	USD3,342,000	(19,670)	92.83	(18,261)	177,839	369,916 (USD11,773,269)
TIANJIN G-SHANK PRECISION MACHINERY CO., LTD.	Precision progressive die and hardware products	USD2,500,000	Investment through the company set up in the third region (Note H)	USD2,205,000	-	-	USD2,205,000	37,744	88.20	33,290	195,388	202,180 (USD6,434,761)
SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	Precision progressive die and hardware products	USD300,000	Investment through the company set up in the third region (Note I)	USD 255,000	-	-	USD255,000	11,914	85.00	10,127	83,995	639,355 (USD20,348,650)
SHENZHEN G-SHANK PRECISION SDN.BHD.	Precision progressive die and hardware products	USD2,600,000	Investment through the company set up in the third region (Note J)	USD2,440,000	-	-	USD2,440,000	12,116	93.85	11,371	116,359	8,193 (USD260,742)

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Notes to The Parent Company Only Financial Statements of G-SHANK ENTERPRISE CO., LTD.

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from the last page)

Unit : NTD Thousand/USD/MYR

Invested company in China	Main business operation	Paid-in capital	Investment method	Cumulative investment amount remitted out of Taiwan in current period - beginning	Investment amount remitted in or out in current period		Cumulative investment amount remitted out of Taiwan in current period - ending	Current profit (loss) of the invested company	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized in current period (Note 4)	Book amount of investment - ending	Investment profit remitted into Taiwan as of current period
					Remitted out	Remitted in						
SHENZHEN G-BAO PRECISION SDN.BHD.	Precision progressive die and hardware products	USD3,150,000	Investment through the company set up in the third region (Note K)	USD2,880,000	\$-	\$-	USD2,880,000	\$66,758	91.43	\$61,037	\$542,669	\$155,116 (USD4,936,848)
HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD. (Note 5)	Precision progressive die and hardware products, electroplating processing	RMB19,000,000 (Note 6)	Transfer investment of SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	-	-	-	-	(3,330)	100.00	(3,330)	83,073	-
DONGGUAN QIAOJU TRADING CO., LTD. (Note 5)	Plastic hardware wholesale and import/export business	HKD3,000,000	Transfer investment of G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	-	-	-	-	4,212	100.00	4,212	-	-
HUI ZHOU G-BAO PRECISION SDN.BHD. (Note 5)	Precision progressive die and hardware products	RMB55,000,000	Transfer investment of SHENZHEN G-BAO PRECISION SDN.BHD.	-	-	-	-	-	100.00	-	251,660	-

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

Cumulative investment amount remitted out from Taiwan to China at yearend (Note 1)	Investment amount approved by the Investment Commission, MOEA (Notes 1 and 2)	The investment amount limit stipulated by the Investment Commission, MOEA (Note 3)
\$662,527 (USD21,086,140)	\$887,850 (USD28,257,472)	\$5,738,411

Note 1: It includes the net amount of USD2,730,000 derived from the approved investment of GSYUE DG TOOLING CO.,LTD. for USD932,685 and net of the liquidating investment fund remitted in for USD1,797,315.

Note 2: It includes the capital increase from earnings of SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. in May 2001 and October 2004, and the capital increase from earnings of QINGDAO G-SHANK PRECISION SDN.BHD. in January 2019.

Note 3: According to the “Principles for the Review of Investment or Technical Cooperation in Mainland China” stipulated by the Investment Commission, MOEA the company’s investment in China is limited to 60% of the net worth or consolidated net worth, whichever is higher. However, the enterprises that are with the certification document to evidence its meeting the operation scope of the headquarters issued by the Industrial Development Bureau, MOEA is not subject to this limit. The company had applied to the Industrial Development Bureau, MOEA for approval as the corporate operation headquarters on April 18, 2024 that would be valid from March 18, 2024 to March 17, 2027 for the investment in China, which had not violated the investment limit of the Investment Commission, MOEA.

Note 4: The Company's share of profit or loss from subsidiaries accounted for using the equity method for the year 2024 is calculated based on the audited financial statements of these investee companies for the same period.

Note 5: It is an investment made through the invested company in China; therefore, it is unnecessary to report to the Investment Commission MOEA and is not included in the “Cumulative investment amount remitted out from Taiwan to China.”

Note 6 : HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD. originally had a paid-in capital of RMB 30,000,000. In May 2023, it carried out a reduction of capital and refunded RMB 11,000,000 to shareholders, resulting in a revised paid-in capital of RMB 19,000,000.

Note 7 : DONGGUAN QIAOJU TRADING CO., LTD. resolved at the shareholders’ meeting on July 4, 2025 to proceed with the dissolution and liquidation of the Company. The remaining liquidation proceeds were subsequently remitted to G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD. on December 23, 2025.

Note A : SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. had a paid-in capital of US\$2,000 thousand originally. It had arranged a capital increase from earnings for an amount of US\$2,500 thousand and US\$5,500 thousand in May 2001 and October 2004, respectively. As of December 31, 2025, SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. had a paid-in capital of US\$10,000 thousand.

Note B : The company has signed a power of attorney with G-SHANK ENTERPRISE (M) SDN. BHD. (hereinafter referred to as the “trustee”), a business entity of the company in the third region, to indirectly establish SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. in China with the related party, Yuhuang Lin. The main content of the power of attorney is as follows:

- (a) The company designated the trustee to invest US\$1,700,000 (including bank transfer of US\$1,250,000 and machinery and equipment for an amount of US\$450,000) in SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. in China.
- (b) The trustee is to apply to the competent authorities in China to invest and establish SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. in the name of the trustee.
- (c) The trustee upon receiving income or benefits from SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. should have it transferred to the company entirely.
- (d) If SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. is to return the investment funds due to capital reduction, business termination, or other reasons, the trustee upon receiving such refund shall have it transferred to the company entirely.
- (e) The trustee shall notify the company when transferring investment funds, benefits, or income due to the reasons stated in the last two preceding paragraphs according to the instruction of the company.
- (f) The trustee’s rights and obligations in SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. are transferred to the company due to this entrusted investment relationship; therefore, the trustee does not guarantee the income and profit and loss.
- (g) The trustee shall exercise due diligence to manage investment, foreign exchange settlement, and benefit collection.
- (h) The matters not addressed in the power of attorney shall be handled in accordance with the law and regulations of the Republic of China, domestic and foreign banking practices, and other regulations.

Note C : HON YEY INVESTMENT CO., LTD., a subsidiary of the company, was approved by the Investment Commission, MOEA by issuing the (90) Tou-Shen-II-Tzi No. 90010260 (Investment Commission, MOEA had the (90) Shen-II-Tzi No. 90010260 amended by issuing the (95) Shen-II-Tzi No. 095004988 on 03.03.2006), and the company was approved by the Investment Commission, MOEA by issuing the Shen-II-Tzi No. 093031757 Letter to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in HONG JING (SHANGHAI) ELECTRONICS CO., LTD. HONG JING (SHANGHAI) ELECTRONICS CO., LTD. had arranged a capital increase in cash on November 1, 2012; however, the company did not subscribe shares proportionally to the shareholding ratio; therefore, the company's shareholding ratio was 80.19% thereafter.

Note D : HON YEY INVESTMENT CO., LTD., a subsidiary of the company, was approved by the Investment Commission, MOEA by issuing the (90) Tou-Shen-II-Tzi No. 90010259 and Jin-Shen-II-Tzi No. 91015965, and the company was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 092042580 Letter and Jin-Shen-II-Tzi No. 093031432 Letter to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.

Note E : HON YEY INVESTMENT CO., LTD., a subsidiary of the company, was approved by the Investment Commission, MOEA by issuing the (90) Tou-Shen-II-Tzi No. 90022866, and the company was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 092042581 Letter and Jin-Shen-II-Tzi No. 093006075 Letter to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in XIAMEN G-SHANK PRECISION MACHINERY CO., LTD.

Note F : HON YEY INVESTMENT CO., LTD., a subsidiary of the company, was approved by the Investment Commission, MOEA by issuing the (90) Tou-Shen-II-Tzi No. 90001835, Jin-Shen-II-Tzi No. 091031112, and Jin-Shen-II-Tzi No. 92008940 to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD. Subsequently, 5.86% (investment amount of US\$82 thousand) and 2% (investment amount US\$28 thousand) of the shareholding was transferred to non-related parties, Mr. Bershin Lo and Mr. Guodong Hsu, in March 2003, respectively. The company's

(Continuing)

(Unit amount in NT\$ Thousand, unless otherwise specified)

shareholding was reduced to 92.14 % thereafter that was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 092010563 Letter. HON YEY INVESTMENT CO., LTD., a subsidiary of the company, had paid US\$23 thousand to acquire the 2% (investment amount US\$28 thousand) shareholding from Mr. Guodong Hsu on January 5, 2007 with the shareholding increased to 94.14% thereafter and it was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 09500329480 Letter. The company's board of directors had resolved on June 13, 2019 to acquire the 5.86% (investment amount US\$361 thousand) shareholding from the non-related party, Mr. Bershin Lo, and it was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 10800157300 Letter with the comprehensive shareholding increased to 100% thereafter.

Note G : HON YEY INVESTMENT CO., LTD., a subsidiary of the company, was approved by the Investment Commission, MOEA by issuing the (90) Shen-II-Tzi No. 90010261, Jin-Shen-II-Tzi No. 91039369, Jin-Shen-II-Tzi No. 092003008 Letter, and Jin-Shen-II-Tzi No. 094008181 to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in QINGDAO G-SHANK PRECISION SDN.BHD. Subsequently, 5% (investment amount of US\$130 thousand), 2.23% (investment amount US\$58 thousand), and 0.58% (investment amount US\$15 thousand) of the shareholding was transferred to non-related parties, Mr. Shenwei Guo, Mr. Hongjun Li, and Mr. Bangyong Liu, in March 2003, respectively. The company's shareholding was reduced to 92.19 % thereafter that was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 092010560 Letter. QINGDAO G-SHANK PRECISION SDN.BHD. had arranged capital increase in cash on November 25, 2006; however, the company did not subscribe shares proportionally to the shareholding ratio; therefore, the company's shareholding ratio was 92.83% thereafter. QINGDAO G-SHANK PRECISION SDN.BHD. had a paid-in capital of US\$3,600 thousand and then arranged a capital increase from earnings for an amount of US\$400 thousand in January 2019 and the paid-in capital of QINGDAO G-SHANK PRECISION SDN.BHD. was US\$4,000 thousand thereafter.

Note H : The Company was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 092044159, Jin-Shen-II-Tzi No. 093005557, and Jin-Shen-II-Tzi No. 093006249 Letter to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in TIANJIN G-SHANK PRECISION MACHINERY CO., LTD.

Note I : The Company was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 095026420 Letter to indirectly invest in SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD. through G-SHANK ENTERPRISE (M) SDN. BHD. in the third region. Then it was approved for amendment by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 095032048 Letter to invest in SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD. through GLOBAL STAR INTERNATIONAL CO., LTD. that was invested by GRAND STAR ENTERPRISES L.L.C. in the third region. The investment fund was transferred through GRAND STAR ENTERPRISES L.L.C. to GLOBAL STAR INTERNATIONAL CO., LTD. for an amount of US\$255 thousand on November 18, 2006, and the said amount was then transferred to SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD. on January 20, 2006.

Note J : The Company was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 09500121350, Jin-Shen-II-Tzi No. 09600108160, and Jin-Shen-II-Tzi No. 09600265810 Letter to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in SHENZHEN G-SHANK PRECISION SDN.BHD.

Note K : The Company was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 09600405610 and Jin-Shen-II-Tzi No. 09700084160 Letter to invest in GLOBAL STAR INTERNATIONAL CO., LTD. through GRAND STAR ENTERPRISES L.L.C. in the third region and then it indirectly invested in SHENZHEN G-BAO PRECISION SDN.BHD. SHENZHEN G-BAO PRECISION SDN.BHD. had arranged capital increase in cash on September 13, 2012; however, the company did not subscribe shares proportionally to the shareholding ratio; therefore, the company's shareholding ratio was reduced to 91.43% thereafter.

- (B) Significant transactions conducted with the invested companies in China in the current period :
- (a) The purchase amount and percentage and the related payable amount and percentage at yearend: Please refer to Notes 7 and 13.(1)(J) of parent company only financial report for details.
 - (b) The sales amount and percentage and the related receivable amount and percentage at yearend: Please refer to Note 7 and 13.(1)(J) of parent company only financial report for details.
 - (c) The property transaction amount and the profit and loss resulted : please refer to Note 7 of parent company only financial report for details.
 - (d) The ending balance and purpose of notes endorsements/guarantees or collateral provided: None.
 - (e) Maximum balance amount, ending balance amount, interest rate range, and total interest of the current period of loans: Please refer to Note 13.(1)(A) of parent company only financial report for details.
 - (f) Other transactions that have a significant impact on the profit and loss or financial status: Please refer to Note 7 and 13.(1)(J) of parent company only financial report for details.

14. DEPARTMENT INFORMATION

The company has disclosed departmental information in the consolidated financial report, so the parent company only financial report may not be disclosed according to regulation.

G-SHANK ENTERPRISE CO., LTD.

2.Statement of Financial Assets at Fair Value through Profit or Loss - Current

December 31, 2025

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name of securities	Shares /unit /shares	unit cost /face value	Total Amount	Rates	Acquisition cost	Market Value		Changes in fair value attributable to changes in credit risk	Note
						Unit Pric(\$US)	Total Amount		
Financial assets-Bonds :									
BCS-Barclays Plc bonds BACR 7.625 PERP	300,000	USD 99.7990	USD 299,397	7.625%	\$ 9,834	USD 106.5790	\$ 10,046		
HSBC Holding bonds HSBC 6.95 PERP	3,000,000	USD 102.0961	USD 3,062,883	6.950%	97,906	USD 104.9800	98,954		
UBS Group Bonds UBS 6.85 PERP	2,300,000	USD 100.1613	USD 2,303,710	6.850%	74,423	USD 102.3090	73,935		
UBS Group Bonds UBS 7 PERP (FF95)	1,700,000	USD 101.2194	USD 1,720,730	7.000%	52,042	USD 102.0900	54,530		
UBS Group Bonds UBS 7.125 PERP	500,000	USD 102.6900	USD 513,450	7.125%	15,757	USD 102.7880	16,148		
UBS Group Bonds UBS 7.75 PERP	1,440,000	USD 105.3292	USD 1,516,740	7.750%	49,065	USD 107.8870	48,813		
UBS Group Bonds UBS 9.25 PERP(10Y)	3,100,000	USD 104.3819	USD 3,235,840	9.250%	103,701	USD 117.4220	114,371		
UBS Group Bonds UBS 9.25 PERP(5Y)	1,800,000	USD 102.3050	USD 1,841,490	9.250%	58,668	USD 109.9010	62,156		
BCS-Barclays Plc bonds BACR 7.625 PERP	1,200,000	USD 100.4771	USD 1,205,725	7.625%	39,309	USD 106.5790	40,185		
HSBC Holding bonds HSBC 6.875 PERP	1,000,000	USD 100.5100	USD 1,005,100	6.875%	32,644	USD 103.4060	32,490		
HSBC Holding bonds HSBC 6.95 PERP	3,270,000	USD 101.5972	USD 3,322,228	6.950%	106,308	USD 104.9800	107,860		
UBS Group Bonds UBS 6.85 PERP	3,000,000	USD 100.0776	USD 3,002,329	6.850%	97,358	USD 102.3090	96,436		
UBS Group Bonds UBS 7 PERP (FA09)	3,233,000	USD 101.4431	USD 3,279,657	7.000%	99,818	USD 102.3100	103,927		
UBS Group Bonds UBS 7 PERP (FF95)	4,900,000	USD 100.4435	USD 4,921,730	7.000%	146,032	USD 102.0900	157,176		
UBS Group Bonds UBS 7.125 PERP	9,090,000	USD 98.5030	USD 8,953,926	7.125%	278,508	USD 102.7880	293,571		
UBS Group Bonds UBS 7.75 PERP	5,030,000	USD 103.0763	USD 5,184,739	7.750%	166,929	USD 107.8870	170,507		
UBS Group Bonds UBS 9.25 PERP(10Y)	300,000	USD 102.1500	USD 306,450	9.250%	9,329	USD 117.4220	11,068		
UBS Group Bonds UBS 9.25 PERP(5Y)	1,000,000	USD 101.3340	USD 1,013,340	9.250%	31,879	USD 109.9010	34,531		
BCS-Barclays Plc bonds BACR 7.625 PERP	304,000	USD 99.3000	USD 301,872	7.625%	9,905	USD 107.3090	10,250		
HSBC Holding bonds HSBC 6.95 PERP	1,250,000	USD 100.7600	USD 1,259,500	6.950%	39,131	USD 104.9750	41,229		
Mitsubishi UFJ Financial Group, Inc. (MUFG) MUFG 8.2 PERP	300,000	USD 101.5850	USD 304,755	8.200%	9,452	USD 109.5750	10,329		
Societe Generale bonds SOCGEN 10 PERP	1,500,000	USD 101.7000	USD 1,525,500	10.000%	46,401	USD 110.9400	52,286		
UBS Group Bonds UBS 6.85 PERP	338,000	USD 103.3751	USD 349,408	6.850%	10,546	USD 102.3800	10,873		
UBS Group Bonds UBS 7 PERP (FA09)	640,000	USD 101.6066	USD 650,282	7.000%	20,226	USD 102.3100	20,573		
UBS Group Bonds UBS 7 PERP (FF95)	3,177,000	USD 99.9552	USD 3,175,577	7.000%	94,884	USD 102.1250	101,943		
UBS Group Bonds UBS 7.75 PERP	2,500,000	USD 100.9888	USD 2,524,719	7.750%	77,935	USD 107.8900	84,748		
			USD 56,781,075						
UBS Group Bonds UBS 7.75 PERP (SGD)	1,000,000	SGD 103.7	SGD 1,037,000	5.60%	25,683	SGD 104.7390	25,609		
HSBC Holding bonds HSBC 5.25 PERP(SGD)	5,750,000	SGD 101.3085	SGD 5,825,238	5.25%	142,378	SGD 103.7240	145,823		
UBS Group Bonds UBS 7.75 PERP (SGD)	750,000	SGD 102.3587	SGD 767,690	5.00%	17,950	SGD 103.6450	19,006		
HSBC Holding bonds HSBC 5.25 PERP(SGD)	3,000,000	SGD 102.3133	SGD 3,069,400	5.25%	75,441	SGD 103.7240	76,082		
瑞銀集團債券 UBS 5.6 PERP (SGD)	250,000	SGD 104.44	SGD 261,100	5.60%	6,119	SGD 104.7390	6,402		
UBS Group Bonds UBS 5.75 PERP(SGD)	250,000	SGD 104.64	SGD 261,600	5.75%	6,131	SGD 104.9820	6,417		
BCS-Barclays Plc bonds BACR 5.4 PERP(SGD)	2,000,000	SGD 99.68	SGD 1,993,600	5.40%	48,681	SGD 102.8650	50,301		
HSBC Holding bonds HSBC 5.25 PERP(SGD)	2,750,000	SGD 100.2482	SGD 2,756,825	5.25%	64,953	SGD 103.8800	69,846		
UBS Group Bonds UBS 5.6 PERP(SGD)	3,000,000	SGD 101.8933	SGD 3,056,800	5.60%	74,158	SGD 104.8550	76,911		
UBS Group Bonds UBS 5.75 PERP(SGD)	1,250,000	SGD 104.16	SGD 1,302,000	5.75%	32,034	SGD 105.1300	32,130		
			SGD 20,331,253						
UBS Group Bonds UBS 3.375 PERP(CHF)	600,000	CHF 101.3990	CHF 608,394	3.375%	22,501	CHF 101.8300	24,219		
			CHF 608,394						
Total					\$ 2,294,019		\$ 2,391,681		

G-SHANK ENTERPRISE CO., LTD.

3. Statement of Net Notes Receivable

December 31, 2025

(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Notes receivable			The notes receivable in the left column are due to operation.
Client A		\$ 4,535	
Client B		788	
Client C		684	
Others	(Note)	<u>339</u>	
Total		6,346	
Less: Allowance loss		<u>-</u>	
Net amount		<u>\$ 6,346</u>	

Note: The balance of each customer does not exceed 5% of the balance of this item.

G-SHANK ENTERPRISE CO., LTD.
4. Statement of Net Accounts Receivable
December 31, 2025

(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Notes receivable			The notes receivable in the left column are due to operation.
Client D		\$ 88,062	
Client E		80,239	
Client F		64,602	
Client G		59,618	
Client H		34,608	
Others	(Note)	349,408	
Total		676,537	
Less: Allowance loss		(276)	
Net amount		\$ 676,261	

Note: The balance of each customer does not exceed 5% of the balance of this item.

G-SHANK ENTERPRISE CO., LTD.
5.Statement of Account Receivable - Related Parties
December 31, 2025

(In Thousands of New Taiwan Dollars)

Name of related party	Description	Amount	Note
Account receivable			
G-SHANK PHILIPPINES CORP.		\$ 8,724	
G-SHANK JAPAN CO., LTD.		3,478	
SHENZHEN G-BAO PRECISION SDN.BHD.		945	
G-SHANK ENTERPRISE (M) SDN. BHD.		842	
GREAT-SHANK CO., LTD.		755	
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.		87	
QINGDAO G-SHANK PRECISION SDN.BHD.		26	
KUAI LUNG PRECISION INDUSTRY CO., LTD.		24	
SUNFLEX TECHNOLOGY CO., LTD.		<u>5</u>	
Total		<u>\$ 14,886</u>	

G-SHANK ENTERPRISE CO., LTD.

6. Statement of Other Receivables

December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Accounts receivable for interest		\$ 38,515	
Others		<u>2,920</u>	
Total		<u>\$ 41,435</u>	

G-SHANK ENTERPRISE CO., LTD.

7. Statement of Other Receivables - Related Parties

December 31, 2025

(In Thousands of New Taiwan Dollars)

Name of related party	Description	Amount	Note
G-SHANK PHILIPPINES CORP.		\$ 7,613	
GREAT-SHANK CO., LTD.		200	
G-SHANK, INC.		86	
G-SHANK JAPAN CO., LTD.		<u>11</u>	
Total		<u>\$ 7,910</u>	

G-SHANK ENTERPRISE CO., LTD.

8. Statement of Deferred Tax Assets

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Net defined benefit assets- noncurrent	Corporate Income Tax	<u>\$ 20,995</u>	

G-SHANK ENTERPRISE CO., LTD.

9. Statement of Inventory

December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 78,046	\$ 77,014	1. The inventories listed on the left are not guaranteed or pledged.
Supplies		9,268	10,869	
Work in process		124,615	134,382	2. Inventories are evaluated at the lower of cost and net realizable value at the end of the period. When comparing cost and net realizable value, except for inventories of the same category, individual items are compared item by item.
Finished product		91,740	128,656	
Merchandise		1,654	1,823	
Total		305,323	<u>\$ 352,744</u>	
Less: Allowance to reduce inventory to market		<u>(21,263)</u>		
Book amount		<u>\$ 284,060</u>		

G-SHANK ENTERPRISE CO., LTD.

10. Statement of Prepayments and Other Current Assets

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepaid expenses		\$ 13,890	
Prepayment for purchases		10,234	
Others		<u>768</u>	
Total		<u>\$ 24,892</u>	

G-SHANK ENTERPRISE CO., LTD.

11. Statement of Other Financial Assets - Current

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description		Amount	Note
Special account for transferring overseas funds back to Taiwan Time deposit	<u>Maturity Date</u>	<u>Interest Rates</u>	\$ <u>2,424</u>	1.2025.12.31 exchange rate : 1 USD = NT 31.42 2. Time deposits with foreign currency : USD 77,147.41
	115.12.21	3.00%		

G-SHANK ENTERPRISE CO., LTD.

12. Statement of Changes in Financial Assets at Fair Value Through Profit or Loss – Non-Current
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Name	Beginning of the period		Additions in Investment		Decrease in Investment		Valuation Gain or Loss	End of period		Guarantee or Pledge Status	Note
	Shares/Units	Fair value	Shares/Units	Amount	Shares/Units	Amount		Shares/Units	Fair value		
Embedded Derivative Financial Instruments (Note)	-	<u>\$ 1,951</u>	-	<u>\$ -</u>	-	<u>\$ 875</u>	<u>\$ (608)</u>	-	<u>\$ 468</u>	None.	

Note: For relevant information, please refer to note 12.(2)(D)(b)(iii) of parent company only financial report .

G-SHANK ENTERPRISE CO., LTD.

13. Statement of Changes in Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-Current
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Name	Beginning of the period		Additions in Investment		Decrease in Investment		Equity instrument investment evaluation adjustment	End of period		Accumulated Impairment Loss	Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Market Value			
Unlisted stocks REEL MASK INDUSTRY CO., LTD.	3,392,713	<u>\$ 444,031</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ (86,381)</u>	3,392,713	<u>\$ 357,650</u>	N/A	None.	

G-SHANK ENTERPRISE CO., LTD.
14. Statement of Changes in Investments Accounted for Using Equity Method
For the year ended December 31, 2025

In Thousands of New Taiwan Dollars)

Investees	Beginning of the period		Additions in Investment		Decrease in Investment		Share of the profit (loss) of associates	Exchange differences on translating foreign operations	End of period			Market Value or Net Assets Value		Collateral	Remark
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Shareholding ratio	Amount	Unit Price (NT\$)	Total Amount		
Investments accounted for using equity method															
CHIN DE INVESTMENT CO., LTD.	5,000,000	\$ 61,028	-	\$ 8 (NOTE 1)	-	\$ (1,836) (NOTE 2)	\$ 2,909	\$ -	5,000,000	100.00%	\$ 62,109	\$ 12.42	\$ 62,109	N/A	Note 6
G-SHANK, INC.	1,000	411,004	-	-	-	-	(2,492)	(17,075)	1,000	100.00%	391,437	391,634.12	391,634	N/A	Note 6
GRAND STAR ENTERPRISES L.L.C.	-	1,699,544	-	-	-	(182,306) (NOTE 2)	146,855	4,745	-	100.00%	1,668,838	-	1,668,847	N/A	Note 6
G-SHANK ENTERPRISE (M) SDN. BHD.	6,924,750	481,631	-	-	-	(78,810) (NOTE 2)	65,074	23,655	6,924,750	92.33%	491,550	71.03	491,886	N/A	Note 6
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	-	1,379,072	-	-	-	- (NOTE 2)	505,878	21,866	-	85.00%	1,906,816	-	1,907,022	N/A	Note 6
GREAT-SHANK CO., LTD.	7,968,750	136,640	-	-	-	(33,239) (NOTE 2)	18,867	5,808	7,968,750	85.00%	128,076	16.08	128,119	N/A	Note 6
G-SHANK JAPAN CO., LTD.	1,060	20,877	380	10,269 (NOTE 3)	-	-	6,601	(3,188)	1,440	80.00%	34,559	23,999.12	34,559	N/A	Note 6
SUNFLEX TECHNOLOGY CO., LTD.	9,940,956	177,595	1,434,192	41,445 (NOTE 4)	-	(11,375) (NOTE 2)	(6,078)	-	11,375,148	14.41%	201,587	24.85	282,672	N/A	Note 6
G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.	-	18,205	-	-	-	(3,883) (NOTE 2)	1,926	68	-	5.86%	16,316	-	16,316	N/A	Note 6
G-SHANK PHILIPPINES CORP.	-	-	1,200,000	68,428 (NOTE 5)	-	- (NOTE 2)	(17,843)	(4,061)	1,200,000	100.00%	46,524	39.63	47,551	N/A	Note 6
Total		<u>\$ 4,385,596</u>		<u>\$ 120,150</u>		<u>\$ (311,449)</u>	<u>\$ 721,697</u>	<u>\$ 31,818</u>			<u>\$ 4,947,812</u>		<u>\$ 5,030,715</u>		

Note 1 : Recognized the share of other comprehensive income of subsidiaries accounted for using the equity method—items that will not be reclassified to profit or loss - comprising unrealized gains on financial assets measured at fair value through other comprehensive income amounting to NT\$2 thousand, and recognized changes in associates accounted for using the equity method amounting to NT\$6 thousand.

Note 2 : Cash dividends issued by investee companies.

Note 3 : It includes the acquisition of equity interests in subsidiaries during the current period amounting to NT\$3,867 thousand and the recognition of changes in associates accounted for using the equity method amounting to NT\$6,402 thousand.

Note 4 : It includes the acquisition of equity interests in associates during the current period amounting to NT\$31,258 thousand; the recognition of the share of other comprehensive income of associates accounted for using the equity method—items that will not be reclassified to profit or loss—comprising unrealized gains on financial assets measured at fair value through other comprehensive income of NT\$1,937 thousand; the remeasurement of defined benefit plans of associates accounted for using the equity method of NT\$42 thousand; and changes in associates accounted for using the equity method of NT\$8,208 thousand.

Note 5 : It represents the investment in newly established subsidiaries during the current period amounting to NT\$68,428 thousand.

Note 6 : Calculated based on the audited financial statements of the aforementioned investee companies for the same period by the accountant.

G-SHANK ENTERPRISE CO., LTD.

15. Statement of Changes in Cost of Real Estate, Buildings, and Equipment
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

For relevant information, please refer to Note 6.(9)(A) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.

16. Statement of Changes in Accumulated Depreciation of Real Estate, Buildings, and Equipment
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

For relevant information, please refer to Note 6.(9)(A) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.

17. Statement of Changes in Intangible Assets
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

For relevant information, please refer to Note 6.(10)(A) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.

18. Statement of Deferred Tax Assets
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

For relevant information, please refer to Note 6.(26)(D) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.

19. Statement of Net Defined Benefit Assets - Noncurrent
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

For relevant information, please refer to Note 6.(13)(C) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.

20. Statement of Advances for Equipment, Deposits, and Other Non-Current Assets - Other
December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments for equipment	It refers to advance payments for machinery not yet delivered to the factory	<u>\$ 45,212</u>	
Refundable deposits	Lease guarantee, etc.	<u>\$ 498</u>	
Other noncurrent assets, others	Details listed on important account statement 18	<u>\$ 7,196</u>	

G-SHANK ENTERPRISE CO., LTD.

21. Statement of Changes in Other Non-Current Assets - Other
For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Beginning of the period	Increase during the period	Decrease during the period	reclassification	End of the period	Note
Deferred expenses						
Mole expense	<u>\$ 9,906</u>	<u>\$ 15,513</u>	<u>\$ (18,223)</u>	<u>\$ -</u>	<u>\$ 7,196</u>	

G-SHANK ENTERPRISE CO., LTD.

22. Short-term loans

December 31, 2025

(In Thousands of New Taiwan Dollars)

Borrowing items	Directions	End of the period	Contract period	Interest rate	Financing available Mortgage or	Collateral	Note
Credit loan							
CTBC BANK		\$ 450,000	114.8.26~115.4.30	0.800%	\$ 50,000	None	
BANK OF TAIWAN		120,000	114.8.28~115.8.28	1.800%	23,072	None	
E. SUN COMMERCIAL BANK		120,000	114.5.22~115.5.22	1.800%	80,000	None	
MEGA BANK		<u>99,000</u>	114.10.22~115.10.21	1.800%	50,500	None	
Total		<u>\$ 789,000</u>					

G-SHANK ENTERPRISE CO., LTD.
 23. Statement of Contract Liabilities - Current
 For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Contract liabilities	Unearned revenue	<u>\$ 9,058</u>	

G-SHANK ENTERPRISE CO., LTD.

24. Statement of Accounts Payable

December 31, 2025

(In Thousands of New Taiwan Dollars)

Vendor Name	Description	Amount	Note
Accounts payable			The notes receivable in the left column are due to operation.
Vendor I		\$ 50,349	
Vendor J		26,713	
Vendor K		16,538	
Vendor L		13,304	
Other	(Note)	145,418	
Total		<u>\$ 252,322</u>	

Note : The balance of each customer does not exceed 5% of the balance of this item

G-SHANK ENTERPRISE CO., LTD.

25. Statement Of Accounts Payable- Related Parties, Net

December 31, 2025

(In Thousands of New Taiwan Dollars)

Name of related party	Description	Amount	Note
Accounts payable G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.		<u>\$ 301</u>	

G-SHANK ENTERPRISE CO., LTD.

26. Statement of Other Payables

December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Equipment Payments Payable		\$ 17,718	
Salaries and Bonuses Payable		107,481	
Processing Fees Payable		163,680	
Employee Compensation Payable		29,700	
Insurance Premiums Payable		9,488	
Retirement Benefits Payable		5,346	
Other		<u>69,089</u>	
Total		<u>\$ 402,502</u>	

G-SHANK ENTERPRISE CO., LTD.

27. Statement of Other Payables - Related Parties

December 31, 2025

(In Thousands of New Taiwan Dollars)

Name of related party	Description	Amount	Note
SUNFLEX TECHNOLOGY CO., LTD.		\$ 4,339	
SHENZHEN G-SHANK PRECISION SDN.BHD.		488	
G-SHANK JAPAN CO., LTD.		200	
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.		<u>124</u>	
Total		<u>\$ 5,151</u>	

G-SHANK ENTERPRISE CO., LTD.

28. Statement of Other Current Liabilities

December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Temporary credits		\$ 16,027	
Receipts under custody		8,834	
Total		<u>\$ 24,861</u>	

G-SHANK ENTERPRISE CO., LTD.
 29. Statement of Corporate Bonds Payable
 December 31, 2025

(In Thousands of New Taiwan Dollars)

Bond Name	Trustee	Issue Date	Interest Payment Date	Coupon Rate	Amount					Redemption Method	Collateral Status	Notes	
					Total Issued Amount	Amount Repaid	Amount Converted	Ending Balance	Unamortized Premium (Discount)				Book Value
Domestic Second Unsecured Convertible Corporate Bond	BANK SINOPAC COMPANY LIMITED	2024/1/26	-	0%	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 610,500</u>	<u>\$ 389,500</u>	<u>\$ (7,700)</u>	<u>\$ 381,800</u>	Please refer to Note 6.(12) of parent company only financial report.	None.	

G-SHANK ENTERPRISE CO., LTD.
30. Statement of Deferred Tax Liabilities
December 31, 2025

(In Thousands of New Taiwan Dollars)

For relevant information, please refer to Note 6.(26)(D) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.

31. Statement of Deposits Received

December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Guarantee deposits received	Lease Deposits and Others	\$ <u>6,731</u>	

G-SHANK ENTERPRISE CO., LTD.

32. Statement of Net Operating Revenues

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Total Operating Revenue			
Sales revenue			
Parts	123,978,140 KPCS	\$ 2,522,213	
Mold	184 sets	101,201	
Tools	7,405 units	19,922	
Product	515 units	37,497	
Total		2,680,833	
Less: Sales returns		(4,797)	
Sales discounts and allowances		(3,847)	
Net sales revenue		<u>\$ 2,672,189</u>	

G-SHANK ENTERPRISE CO., LTD.

33.Statement of Operating Costs

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Self-production :			
Direct raw material			
Beginning inventory		\$ 54,897	
Add : Current net material purchased		750,620	
Work-in-process cover into		138,981	
Other cover into		59	
Inventory surplus		5,402	
Less : Ending inventory		(78,046)	
Reclassified product		(6,699)	
Rendering work-in-process		(522)	
Current period consumption		864,692	
Direct labor		341,210	
Manufacturing overhead		1,034,246	
Manufacturing cost		2,240,148	
Add : Beginning work-in-process		95,252	
Goods Transfer In		168	
Raw material transfer in		522	
Finished goods transfer in		355,477	
Less : Ending work-in-process		(124,615)	
Reclassify raw materials		(138,981)	
Reclassify expenses		(2,168)	
Cost of finished goods		2,425,803	
Add : Beginning finished goods		71,965	
Current net finished goods purchased		4	
Inventory surplus or deficit		4,269	
Less : Ending finished goods		(91,740)	
Reclassify assets		(5,635)	
Reclassify work-in-process		(355,477)	
Reclassify expenses		(245)	
Cost of goods sold (Self-production)		2,048,944	
Buying and selling:			
Beginning inventory		295	
Add : Net purchases for the current period		25,899	
Raw material transfer in		6,699	
Inventory surplus		1	
Less : Ending finished goods		(1,654)	
Reclassify work-in-process		(168)	
Reclassify expenses		(317)	
Cost of goods sold (Buying and selling)		30,755	
Other operating cost:			
Inventory surplus		(9,672)	
Recovery of net realizable value of inventory		(2,426)	
Total operation cost		\$ 2,067,601	

G-SHANK ENTERPRISE CO., LTD.

34. Statement of Manufacturing Expenses

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Wages and salaries		\$ 127,805	
Rent expense		2,019	
Repairs and maintenance expense		13,761	
Packing expenses		41,865	
Utilities expense		33,700	
Insurance expense		40,748	
Processing expense		449,939	
Depreciations		72,395	
Depletions and amortizations		18,642	
Meal expense		12,655	
Indirect materials		167,652	
Consumables		36,764	
Ole mold parts expenses		9,519	
Other expenses		6,782	
Total		<u>\$ 1,034,246</u>	

G-SHANK ENTERPRISE CO., LTD.

35.Statement of Selling and Marketing Expenses

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Wages and salaries		\$ 61,091	
Traveling Expense		3,952	
Freight		4,883	
Utilities expense		3,212	
Insurance expense		6,588	
Entertainment expenses		1,450	
Depreciations		2,998	
Various amortization		65	
Export expenses		7,967	
Packing expenses		2,802	
Services expense		303	
Other expenses		10,543	
Total		<u>\$ 105,854</u>	

G-SHANK ENTERPRISE CO., LTD.

36.Statement of General and Administrative Expenses

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Wages and salaries		\$ 112,806	
Traveling Expense		2,874	
Repairs and maintenance expense		5,680	
Utilities expense		19,383	
Insurance expense		10,826	
Taxes		6,493	
Depreciations		25,707	
Various amortization		555	
Employee benefits/welfare		4,182	
Training expense		784	
Miscellaneous purchases		2,064	
Environmental maintenance fee		2,904	
Services expense		3,263	
Consumables		3,285	
Other expenses		24,524	
Total		<u>\$ 225,330</u>	

G-SHANK ENTERPRISE CO., LTD.

37. Statement of Research and Development Expenses

For the year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Wages and salaries		\$ 27,870	
Utilities expense		2,699	
Insurance expense		2,337	
Depreciations		739	
Various amortization		29	
Miscellaneous purchases		-	
Consumables		143	
Services expense		-	
Other expenses		1,338	
Total		<u>\$ 35,155</u>	

G-SHANK ENTERPRISE CO., LTD.
38.Statement of Loss (reversal) of expected credit loss
For the year ended December 31, 2025

For relevant information, please refer to Note 6.(4) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.
39.Statement of Other Operating Income and Expenses, Net
For the year ended December 31, 2025

For relevant information, please refer to Note 6.(23) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.
40.Statement of Non-operating Income and Expenses
For the year ended December 31, 2025

For relevant information, please refer to Note 6.(24) of the parent company only financial report.

G-SHANK ENTERPRISE CO., LTD.
41.Statement of Employee Benefits, Depreciation, and Amortization Expenses Incurred in the
Current Period by Functional Categories
For the year ended December 31, 2025

For relevant information, please refer to Note 6.(22) of the parent company only financial report.