

**G-SHANK ENTERPRISE CO., LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2026 and 2025 and  
Independent Auditors' Review 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 REVIEW REPORT

To: G-Shank ENTERPRISE CO., LTD.

### Introduction

We have reviewed the accompanying consolidated balance sheets of G-Shank Enterprise Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three-month periods then ended, as well as the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Accounting Standard 34, Interim Financial Reporting, as endorsed and made effective by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

### Scope of Review

Except for the matter described in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of Financial Statements." Procedures performed in a review of consolidated financial statements primarily consist of inquiries (mainly with personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit, and therefore the accountant may not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4(2) of the consolidated financial statements, the same period financial statements of the insignificant subsidiaries included in the aforementioned consolidated financial statements have not been reviewed by the independent auditors. The total assets were NT\$3,874,271 thousand and NT\$3,688,060 thousand, accounted for 30.20% and 29.72% of the total consolidated assets as of March 31, 2026 and 2025, respectively. The total liabilities were NT\$637,338 thousand and NT\$480,342 thousand, accounted for 22.44% and 14.77% of total consolidated liabilities, respectively. The total consolidated profits and losses were NT\$66,051 thousand and NT\$109,356 thousand, accounted for 15.73% and 44.06% of the total consolidated profits and losses for the three-month periods then ended March 31, 2026 and 2025. As stated in Note 6.(9) of the consolidated financial statements, the investment book amount under the equity method on the consolidated balance sheet of G-Shank Enterprise Co., Ltd. and its

subsidiaries were NT\$198,716 thousand and NT\$208,303 thousand, accounted for 1.55% and 1.68% of the total consolidated assets, respectively, as of March 31, 2026 and 2025, respectively. The amount of (loss)profit from the affiliated enterprise under the equity method was NT\$(1,500) thousand and NT\$799 thousand, accounted for (0.36)% and 0.32% of the total consolidated profits and losses for the three-month periods then ended March 31, 2026 and 2025, respectively, which were calculated according to the same period financial statements of the invested companies that have not been reviewed by the independent auditors. In addition, the relevant information of the aforementioned subsidiaries as disclosed in Note 13 to the consolidated financial statements and the invested companies under the equity method have not been reviewed by the independent auditors.

## Conclusion

Based on our review, except for the financial statements of the insignificant subsidiaries and the invested companies under the equity method as stated in the “Foundation for a qualified conclusion” paragraph and the relevant information disclosed in Note 13 to the consolidated financial statements may have affected the consolidated financial statements if they have been reviewed by the independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of G-Shank Enterprise Co., Ltd. as at March 31, 2026 and 2025, and of its consolidated financial performance for the three-month periods then ended, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission of the Republic of China.

Lu, Jui-Wen  
Diwan & Company  
April 30, 2026

Li, Pin-Chueh

### Notice to Readers

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

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

## G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

(March 31, 2026 &amp; 2025 have been Reviewed 、 December 31, 2025 have been audited)

(In Thousands of New Taiwan Dollars)

ASSETS		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
Code	Accounts		Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	4 & 6.(1)	\$ 3,388,343	27	\$ 3,337,561	25	\$ 3,457,787	28
1110	Financial assets at fair value through profit or loss - current	6.(2) & 6.(14)	1,765,265	14	2,520,842	19	2,480,953	20
1136	Current financial assets at amortised cost	4. & 6.(3)	16,022	-	-	-	-	-
1150	Notes receivable, net	6.(4)	16,616	-	30,252	-	22,362	-
1170	Accounts receivable, net	6.(5)	1,939,321	15	1,797,316	14	1,453,574	12
1180	Accounts receivable- related parties	7	7	-	29	-	8	-
1200	Other receivables	6.(5) & 6.(10)	50,300	-	59,202	1	63,034	1
1220	Current tax assets	4 & 6.(30)	29,935	-	25,712	-	5,068	-
130x	Inventory	6.(6)	1,171,212	9	1,040,941	8	887,845	7
1470	Prepayments and Other current assets		110,595	1	84,905	1	61,521	-
1476	Other financial assets-current	4 、 6.(7) & 8	21,098	-	28,351	-	30,214	-
	Total current assets		8,508,714	66	8,925,111	68	8,462,366	68
15xx	Noncurrent Asset							
1510	Financial assets at fair value through profit or loss - noncurrent	6.(2) & 6.(14)	-	-	468	-	923	-
1517	Financial assets at fair value through other comprehensive income - noncurrent	6.(8) & 6.(22)	419,688	3	357,650	3	342,638	3
1550	Investments accounted for using equity method	6.(9) & 7	198,716	2	201,783	2	208,303	2
1600	Property, Plant and Equipment	6.(10) & 9	3,224,758	25	3,186,439	24	3,056,293	25
1755	Right-of-use asset	6.(11) & 6.(15)	352,407	3	312,978	2	252,606	2
1780	Intangible assets	6.(12)	2,598	-	3,020	-	3,660	-
1840	Deferred tax assets	4 & 6.(30)	12,201	-	12,235	-	8,429	-
1915	Prepayments for equipment		73,943	1	108,331	1	56,815	-
1920	Refundable deposits		7,133	-	7,196	-	3,785	-
1975	Net defined benefit assets- noncurrent	4 & 6.(16)	6,001	-	6,001	-	-	-
1990	Other noncurrent assets, others	6.(5) & 8	20,457	-	13,599	-	11,862	-
	Total noncurrent Asset		4,317,902	34	4,209,700	32	3,945,314	32
1xxx	Total Assets		\$ 12,826,616	100	\$ 13,134,811	100	\$ 12,407,680	100

(CONTINUING)

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

## G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

(March 31, 2026 &amp; 2025 have been Reviewed ∙ December 31, 2025 have been audited)

(In Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
Code	Accounts		AMOUNT	%	AMOUNT	%	AMOUNT	%
21xx	Current liabilities							
2100	Short-term loans	6.(13) & 6.(32)	\$ -	-	\$ 789,000	6	\$ 380,000	3
2130	Contract liabilities - current	6.(25)	19,335	-	22,538	-	22,945	-
2170	Accounts payable		761,203	6	719,495	6	543,720	4
2180	Accounts payable-related parties	7	35	-	-	-	352	-
2200	Other payables	6.(10) ∙ 6.(16) & 6.(26)	653,554	5	692,404	5	519,532	4
2220	Other payables-related parties	7	3,407	-	5,629	-	3,184	-
2230	Current tax liabilities	4 & 6.(30)	115,173	1	59,939	-	248,075	2
2280	Lease liabilities-current	6.(15) & 6.(32)	74,165	1	71,406	1	54,642	1
2321	Current portion of bonds payable	6.(14) & 6.(32)	362,116	3	-	-	-	-
2300	Other current liabilities		33,603	-	27,036	-	37,866	-
	Total current liabilities		2,022,591	16	2,387,447	18	1,810,316	14
25xx	Non-current liabilities							
2530	Bonds payable	6.(14) & 6.(32)	-	-	381,800	3	743,609	6
2570	Deferred tax liabilities	4 & 6.(30)	687,478	5	674,181	5	620,891	5
2580	Lease liabilities - noncurrent	6.(15) & 6.(32)	99,675	1	100,528	1	51,187	1
2640	Net defined benefit liabilities- noncurrent	4 & 6.(16)	-	-	-	-	10,750	-
2645	Guarantee deposits		30,869	-	26,836	-	14,804	-
	Total non-current liabilities		818,022	6	1,183,345	9	1,441,241	12
2xxx	Total liabilities		2,840,613	22	3,570,792	27	3,251,557	26
31xx	Equity attributable to owners of parent							
3100	Share capital	6.(17) ∙ 6.(24) & 11						
3110	Ordinary shares		2,177,532	17	2,166,209	16	2,100,960	17
3140	Advance Receipts for Capital Stock		3,278	-	11,323	-	8,000	-
3200	Capital surplus	6.(14) ∙ 6.(18) ∙ 6.(21) & 6.(24)	1,272,992	10	1,253,983	10	1,445,842	12
3300	Retained earnings		-	-	-	-	-	-
3310	Legal reserve	6.(19) & 6.(21)	1,157,252	9	1,157,252	9	1,049,201	8
3320	Special reserve	6.(20)	284,690	2	284,690	2	284,690	2
3350	Unappropriated earnings	6.(21)	4,089,546	32	3,840,410	29	3,441,246	28
3400	Other equity		-	-	-	-	-	-
3410	Exchange differences on translation of foreign financial statements	6.(22) ∙ 6.(23) & 6.(29)	(101,038)	(1)	(173,734)	(1)	(119,338)	(1)
3420	Unrealised gains from financial assets measured at fair value through other comprehensive income	6.(8) ∙ 6.(9) ∙ 6.(22) & 6.(29)	401,692	3	341,102	3	322,973	3
	Total equity attributable to owners of parent		9,285,944	72	8,881,235	68	8,533,574	69
36xx	Non-controlling interests	6.(23)	700,059	6	682,784	5	622,549	5
3xxx	Total Equity		9,986,003	78	9,564,019	73	9,156,123	74
	Total liabilities and equity		\$ 12,826,616	100	\$ 13,134,811	100	\$ 12,407,680	100

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

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	For the Three Months Ended March 31,			
			2026	%	2025	%
4000	Sales revenue	6.(25) & 7	\$ 2,167,648	100	\$ 1,646,431	100
5000	Operating costs	6.(6) 、6.(16) 、6.(26) & 7	<u>(1,519,077)</u>	<u>(70)</u>	<u>(1,164,540)</u>	<u>(71)</u>
5900	Gross profit from operations		<u>648,571</u>	<u>30</u>	<u>481,891</u>	<u>29</u>
6000	Operating expense	6.(15) 、6.(16) & 6.(26)				
6100	Selling expenses		(74,599)	(4)	(68,808)	(4)
6200	General and administrative expenses		(139,463)	(6)	(127,085)	(8)
6300	Research and development expenses		(47,444)	(2)	(40,883)	(2)
6450	Loss (reversal) of expected credit loss	6.(5)	<u>(616)</u>	<u>-</u>	<u>120</u>	<u>-</u>
	Total operating expense		<u>(262,122)</u>	<u>(12)</u>	<u>(236,656)</u>	<u>(14)</u>
6500	Other operating income and expenses, net	6.(10) 、6.(26) & 6.(27)	<u>96</u>	<u>-</u>	<u>96</u>	<u>-</u>
6900	Net operating income		<u>386,545</u>	<u>18</u>	<u>245,331</u>	<u>15</u>
7000	Non-operating income and expenses					
7100	Interest income	6.(28)	44,585	2	59,569	4
7010	Other income	6.(28)	10,479	1	4,476	-
7020	Other gains and losses	6.(3) 、6.(10) & 6.(28)	(33,500)	(2)	35,663	2
7050	Finance costs	6.(14) 、6.(15) & 6.(28)	(4,109)	-	(6,483)	-
7060	Share of profit of associates accounted for using the equity method	6.(9) & 6.(28)	(1,500)	-	799	-
7230	Foreign exchange (losses) gains	6.(28)	<u>(21,461)</u>	<u>(1)</u>	<u>9,244</u>	<u>-</u>
	Total non-operating income and expenses		<u>(5,506)</u>	<u>-</u>	<u>103,268</u>	<u>6</u>
7900	Profit before tax from continuing operations		381,039	18	348,599	21
7950	Income Tax Expense	4 & 6.(30)	<u>(105,379)</u>	<u>(5)</u>	<u>(97,787)</u>	<u>(6)</u>
8200	Profit for the period		<u>275,660</u>	<u>13</u>	<u>250,812</u>	<u>15</u>
8300	Other comprehensive income	6.(8) 、6.(9) & 6.(29)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss :					
8316	Unrealised gain (loss) on financial assets measured at fair through other comprehensive income		62,038	3	(101,393)	(6)
8320	Share of the other comprehensive (loss) income of associates		(1,406)	-	(917)	-
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		<u>60,632</u>	<u>3</u>	<u>(102,310)</u>	<u>(6)</u>
8360	Items that may be reclassified subsequently to profit or loss :					
8361	Exchange differences on translating foreign operations		83,664	3	99,717	6
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		<u>83,664</u>	<u>3</u>	<u>99,717</u>	<u>6</u>
	Total other comprehensive income (loss) for the period		<u>144,296</u>	<u>6</u>	<u>(2,593)</u>	<u>-</u>
8500	Total comprehensive income for the period		<u>\$ 419,956</u>	<u>19</u>	<u>\$ 248,219</u>	<u>15</u>
8600	Net profit attributable to :					
8610	Owners of the Corporation		\$ 249,094	12	\$ 224,378	14
8620	Non-controlling interests		<u>26,566</u>	<u>1</u>	<u>26,434</u>	<u>1</u>
	Net income		<u>\$ 275,660</u>	<u>13</u>	<u>\$ 250,812</u>	<u>15</u>
8700	Total comprehensive income attributable to :					
8710	Owners of the Corporation		\$ 382,422	17	\$ 208,282	13
8720	Non-controlling interests		<u>37,534</u>	<u>2</u>	<u>39,937</u>	<u>2</u>
	Total comprehensive income		<u>\$ 419,956</u>	<u>19</u>	<u>\$ 248,219</u>	<u>15</u>
	Earnings per share (dollar)	6.(31)				
9750	Basic		<u>\$ 1.14</u>		<u>\$ 1.07</u>	
9850	Diluted		<u>\$ 1.11</u>		<u>\$ 1.02</u>	

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

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

Items	Equity Attributable to Owners of the Corporation										Non-controlling Interests	Total Equity
	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				
BALANCE AT JANUARY 1, 2025	\$ 2,097,755	\$ 3,205	\$ 1,422,430	\$ 1,049,201	\$ 284,690	\$ 3,216,868	\$ (205,552)	\$ 425,283	\$ 8,293,880	\$ 602,446	\$ 8,896,326	
Net income for the three months ended March 31, 2025	-	-	-	-	-	224,378	-	-	224,378	26,434	250,812	
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	86,214	(102,310)	(16,096)	13,503	(2,593)	
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	224,378	86,214	(102,310)	208,282	39,937	248,219	
Changes in the net interest of associates recognised under the equity method	-	-	6,835	-	-	-	-	-	6,835	-	6,835	
Share-based payment expenses	2,630	3,790	7,570	-	-	-	-	-	13,990	-	13,990	
Conversion of convertible bonds	575	1,005	9,007	-	-	-	-	-	10,587	-	10,587	
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(19,834)	(19,834)	
BALANCE AT MARCH 31, 2025	<u>\$ 2,100,960</u>	<u>\$ 8,000</u>	<u>\$ 1,445,842</u>	<u>\$ 1,049,201</u>	<u>\$ 284,690</u>	<u>\$ 3,441,246</u>	<u>\$ (119,338)</u>	<u>\$ 322,973</u>	<u>\$ 8,533,574</u>	<u>\$ 622,549</u>	<u>\$ 9,156,123</u>	
BALANCE AT JANUARY 1, 2026	\$ 2,166,209	\$ 11,323	\$ 1,253,983	\$ 1,157,252	\$ 284,690	\$ 3,840,410	\$ (173,734)	\$ 341,102	\$ 8,881,235	\$ 682,784	\$ 9,564,019	
Unclaimed dividends past statutory expiry by shareholders	-	-	49	-	-	-	-	-	49	-	49	
Net income for the three months ended March 31, 2026	-	-	-	-	-	249,094	-	-	249,094	26,566	275,660	
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	72,696	60,632	133,328	10,968	144,296	
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	249,094	72,696	60,632	382,422	37,534	419,956	
Changes in the net interest of associates recognised under the equity method	-	-	(161)	-	-	42	-	(42)	(161)	-	(161)	
Share-based payment expenses	-	-	1,057	-	-	-	-	-	1,057	-	1,057	
Conversion of convertible bonds	11,323	(8,045)	18,064	-	-	-	-	-	21,342	-	21,342	
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(20,259)	(20,259)	
BALANCE AT MARCH 31, 2026	<u>\$ 2,177,532</u>	<u>\$ 3,278</u>	<u>\$ 1,272,992</u>	<u>\$ 1,157,252</u>	<u>\$ 284,690</u>	<u>\$ 4,089,546</u>	<u>\$ (101,038)</u>	<u>\$ 401,692</u>	<u>\$ 9,285,944</u>	<u>\$ 700,059</u>	<u>\$ 9,986,003</u>	

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

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

Description	For the Three Months Ended March 31	
	2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	\$ 381,039	\$ 348,599
Adjustments for		
The profit or loss items which did not affect cash flows:		
Depreciation	59,866	49,811
Amortization	5,095	9,484
Expected credit impairment loss (gain)	616	(120)
Net income from financial assets and liabilities measured at fair value through profit or loss	29,980	(34,063)
Interest expenses	4,109	6,483
Interest income	(44,585)	(59,569)
Share-based payment expenses	1,057	2,020
Share of loss (profit) of associates ventures accounted for using the equity method	1,500	(799)
Loss (profit) on disposal of property, plant and equipment	3,353	(1,651)
Unrealized foreign exchange gains	(39,209)	(69,516)
Changes in operating assets and liabilities :		
Financial assets at fair value through profit or loss	724,318	(110,095)
Notes receivables	13,636	8,774
Accounts receivable	(141,404)	3,392
Accounts receivable-related parties	22	(8)
Other receivables	(2,371)	22,834
Inventories	(130,465)	(29,730)
Prepayments and Other current assets	(25,690)	(5,778)
Contract liabilities	(3,203)	2,200
Accounts payable	41,314	27,161
Accounts payable-related parties	35	109
Other payables	(37,249)	(76,713)
Other payables-related parties	(2,222)	395
Other current liabilities	6,567	15,395
Cash generated from operating activities:	846,109	108,615
Interest received	56,122	44,788
Interest paid	(2,775)	(2,843)
Income tax paid	(41,037)	(42,550)
Net cash flows from operating activities	<u>858,419</u>	<u>108,010</u>

(Continuing)

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUING)  
(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

Description	Three Months Ended March 31	
	2026	2025
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at amortized cost	\$ (16,145)	\$ -
Acquisition of investments accounted for using the equity method	-	(23,810)
Acquisition of property, plant and equipment	(67,228)	(127,128)
Proceeds from disposal of property, plant and equipment	1,164	3,151
Decrease (increase) in refundable deposits	63	(4)
Acquisition of intangible assets	-	(2,186)
Decrease (increase) in other financial assets	7,369	(175)
Other noncurrent assets -other increases	(11,379)	(4,465)
Increase in prepayments for business facilities	(19,356)	(28,677)
Net cash used in investing activities	<u>(105,512)</u>	<u>(183,294)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in Short-term borrowings	(789,000)	(120,000)
Increase in deposited margin	3,591	573
Repayment for the principal portion of the lease liabilities	(5,857)	(3,434)
Employee exercise of stock warrant	-	11,970
Cash dividends paid by subsidiaries to non-controlling interests	(20,259)	(19,834)
Other financing activities	49	-
Net cash used in financing activities	<u>(811,476)</u>	<u>(130,725)</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>109,351</u>	<u>140,959</u>
Net (decrease) increase in cash and cash equivalents	50,782	(65,050)
Cash and cash equivalents at the beginning of the period	<u>3,337,561</u>	<u>3,522,837</u>
Cash and cash equivalents at the end of the period	<u>\$ 3,388,343</u>	<u>\$ 3,457,787</u>

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

**G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**  
**(Reviewed, Not Audited)**

**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 YEY INVESTMENT CO., LTD.” (Referred to as “HON YEY” hereinafter) with “HON YEY” 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 YEY,” 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 consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as “the Group”) for the periods from January 1 to March 31, 2026 and 2025 were approved and authorized for issue by the Company’s Board of Directors on April 30, 2026.

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

- (1) The regulations and interpretations that have been adopted and approved by the Financial Supervisory Commission (FSC) and published to take effect.

Effective from January 1, 2026, the Group has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IASs), Interpretations, and Amendment/Interpretation Announcements applicable for the year 2026 as promulgated on the website of the Securities and Futures Bureau of the Financial Supervisory Commission (FSC). The new, revised, and amended standards and interpretations issued by the International Accounting Standards Board (IASB) that have been endorsed and issued by the FSC to be effective for the year 2026 are summarized as follows:

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)	Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Amendments to IFRS 7 and IFRS 9 (Amendments) - Partial Amendments	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Amendments to IFRS 7 and IFRS 9 (Amendments)	Contracts Referencing Nature-dependent Electricity	January 1, 2026

The management of the Group believes that the above-mentioned revisions to the guidelines will not have a significant impact on the Group's consolidated financial statements.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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- (2) The IASB has issued new/amended/revised standards and interpretations that have been recognized by the FSC as effective but have not yet been adopted: None.
- (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 Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by IASB
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027 (Note)
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 21 (amendments)	Translation into a Hyperinflationary Presentation Currency	January 1, 2027

Note: According to the press release issued by the Financial Supervisory Commission (FSC) on September 25, 2025, public companies are required to adopt International Financial Reporting Standard 18 (hereinafter referred to as IFRS 18) starting from the fiscal year 2028. Furthermore, companies with a need for early adoption may elect to apply IFRS 18 ahead of schedule once the standard has been officially endorsed by the FSC.

The management of the Group is currently assessing the potential impact of the above new or amended standards and is therefore not yet able to reasonably estimate the effect on the Group's consolidated financial statements.

#### 4. **SUMMARY OF MAJOR ACCOUNTING POLICIES**

The major accounting policies adopted for the preparation of the consolidated financial statements are summarized as follows, unless otherwise provided, these accounting policies are uniformly applicable to all reporting periods :

##### (1) Financial report preparation and measurement basis

###### (B) Statement of Compliance

These consolidated financial statements are prepared in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” (referred to as the “Regulations” hereinafter) and International Accounting Standards (IAS) No. 34 “Interim Financial Reporting” that was recognized and issued with effect by the Financial Supervisory Commission.

###### (C) Measurement basis

Except for the financial instruments measured at fair value, this consolidated 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.

###### (D) Functional and reporting currency

The functional currency of each business entity of the Group is the currency used in the main economic environment where it operates. This consolidated 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) The preparation scope of consolidated financial report

The company controls the invested company when the company receives variable remuneration from the invested company or is entitled to receiving such variable remuneration; also, the company can influence such remuneration through its power over the invested company. The company controls the invested company only when meeting the following three control elements:

- (A) The power over the invested company, that is, with the vested power to lead the relevant activities of the invested company;
- (B) The risk exposure or rights to the variable remuneration resulted from the investment in the invested company; and
- (C) Exercise the power over the invested company to affect the company’s remuneration.

If there are facts and circumstances indicating that one or more of the aforementioned three control factors has changed, the company will reevaluate whether the control over the invested company is intact.

The subsidiaries included in the consolidated financial report and their changes are as follows:

Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%)		
				March 31, 2026	December 31, 2025	March 31, 2025
The company	CHIN DE INVESTMENT CO., LTD.	Taiwan	General investment	100.00	100.00	100.00
The company	GRAND STAR ENTERPRISES L.L.C.	Anguilla	General investment	100.00	100.00	100.00
The company	G-SHANK, INC.	USA	Sales of stamping parts molds, and fixtures, and holding company	100.00	100.00	100.00
The company	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	China Shanghai (Note 1)	Precision progressive die and hardware products	85.00	85.00	85.00
The company	G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.	China Suzhou (Note 1)	Planer, milling machine or die machine, precision progressives die, and hardware products	5.86	5.86	5.86
The company	G-SHANK ENTERPRISE (M) SDN. BHD.	Malaysia	Stamping parts molds and fixtures	92.33	92.33	92.33
The company	G-SHANK JAPAN CO., LTD. (Note 2)	Japan Tokyo	International trade	80.00	80.00	58.89
The company	GREAT SHANK CO., LTD.	Thailand	Precision progressive die and hardware products	85.00	85.00	85.00
The company	G-SHANK PHILIPPINES CORP.	Philippines	Precision progressive dies and metal hardware products	100.00	100.00	-
GRAND STAR ENTERPRISES L.L.C.	GLOBAL STAR INTERNATIONAL CO., LTD.	Cayman Islands	General investment	100.00	100.00	100.00
GLOBAL STAR INTERNATIONAL CO., LTD.	HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	China Shanghai (Note 1)	Precision progressive die and hardware products	80.19	80.19	80.19

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## Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

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

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Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%)		
				March 31, 2026	December 31, 2025	March 31, 2025
GLOBAL STAR INTERNATIONAL CO., LTD.	G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	China Dongguan (Note 1)	Precision progressive die and hardware products	51.00	51.00	51.00
GLOBAL STAR INTERNATIONAL CO., LTD.	XIAMEN G-SHANK PRECISION MACHINERY CO., LTD.	China Xiamen (Note 1)	Precision progressive die and hardware products	79.60	79.60	79.60
GLOBAL STAR INTERNATIONAL CO., LTD.	G-SHANK PRECISION MACHINERY (SUZHOU) CO.,LTD.	China Suzhou (Note 1)	Planer, milling machine or die machine, precision progressive die, and hardware products	94.14	94.14	94.14
GLOBAL STAR INTERNATIONAL CO., LTD.	QINGDAO G-SHANK PRECISION SDN.BHD.	China Qingdao (Note 1)	Precision progressive die and hardware products	92.83	92.83	92.83
GLOBAL STAR INTERNATIONAL CO., LTD.	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD	China Shanghai (Note 1)	Precision progressive die and hardware products	85.00	85.00	85.00
GLOBAL STAR INTERNATIONAL CO., LTD.	TIANJIN G-SHANK PRECISION MACHINERY CO., LTD.	China Tianjin (Note 1)	Precision progressive die and hardware products	88.20	88.20	88.20
GLOBAL STAR INTERNATIONAL CO., LTD.	SHENZHEN G-SHANK PRECISION SDN.BHD.	China Shenzhen (Note 1)	Precision progressive die and hardware products	93.85	93.85	93.85
GLOBAL STAR INTERNATIONAL CO., LTD.	SHENZHEN G-BAO PRECISION SDN.BHD.	China Shenzhen (Note 1)	Precision progressive die and hardware products	91.43	91.43	91.43
G-SHANK, INC.	G-SHANK DE MEXICO, S.A. DE C.V.	Mexico	Stamping parts molds and fixtures	100.00	100.00	100.00
G-SHANK ENTERPRISE (M) SDN. BHD.	PT INDONESIA G-SHANK PRECISION	Indonesia	Stamping parts molds and fixtures	94.00	94.00	94.00

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## Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

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

(Continued from previous page)

Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%)		
				March 31, 2026	December 31, 2025	March 31, 2025
SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD.	China Hubei (Note 1)	Precision progressive die and hardware products, and electroplating processing	100.00	100.00	100.00
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	DONGGUAN QIAOJU TRADING CO., LTD. (Note 3)	China Dongguan (Note 1)	Plastic hardware wholesale and import/export business	-	-	100.00
SHENZHEN G-BAO PRECISION SDN.BHD.	HUI ZHOU G-BAO PRECISION SDN.BHD.	China Huizhou (Note 1)	Precision progressive die and hardware products	100.00	100.00	100.00

Note 1: The aforementioned companies are established in China where the foreign exchange control is enforced; therefore, the transfer of funds is restricted by local law and regulations. As of March 31, 2026, December 31, 2025, and March 31, 2025, the cash, bank deposits, and financial assets-current measured at amortized cost and other financial assets-current of the companies that are subject to foreign exchange control regulation were NT\$2,453,940 thousand, NT\$2,411,514 thousand, and NT\$2,149,347 thousand, respectively.

Note 2: On September 9, 2025, the Company acquired an additional 21.11% interest in its subsidiary, G-SHANK JAPAN CO., LTD., from its non-controlling interests for a total consideration of JPY 19,000 thousand, increasing its ownership interest from 58.89% to 80%. The consideration for the aforementioned equity transfer was remitted on September 19, 2025, and the registration of the transfer in the shareholders' register of G-SHANK JAPAN CO., LTD. has been completed.

Note 3: To optimize business management, streamline the organizational structure, and enhance operational efficiency, DONGGUAN QIAOJU TRADING CO., LTD., a subsidiary of the Group, resolved to dissolve and liquidate through a shareholders' meeting resolution on July 4, 2025. The liquidation procedures were subsequently completed on January 4, 2026.

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(Review only without following generally accepted auditing standards)

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

G-SHANK ENTERPRISE CO., LTD. has prepared the consolidated financial statements in accordance with applicable regulations, incorporating all subsidiaries as consolidated entities. Except for SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD., GRAND STAR ENTERPRISES L.L.C., and GLOBAL STAR INTERNATIONAL Co., Ltd., whose financial statements for the first quarters of 2026 and 2025 were reviewed by independent auditors, the financial statements of the remaining subsidiaries for the same periods were not reviewed. As of March 31, 2026 and 2025, the total assets of these unreviewed subsidiaries amounted to NT\$3,874,271 thousand and NT\$3,688,060 thousand, respectively, while total liabilities amounted to NT\$637,338 thousand and NT\$480,342 thousand, respectively. The total comprehensive income attributable to these subsidiaries for the first quarters of 2026 and 2025 was NT\$66,051 thousand and NT\$109,356 thousand, respectively.

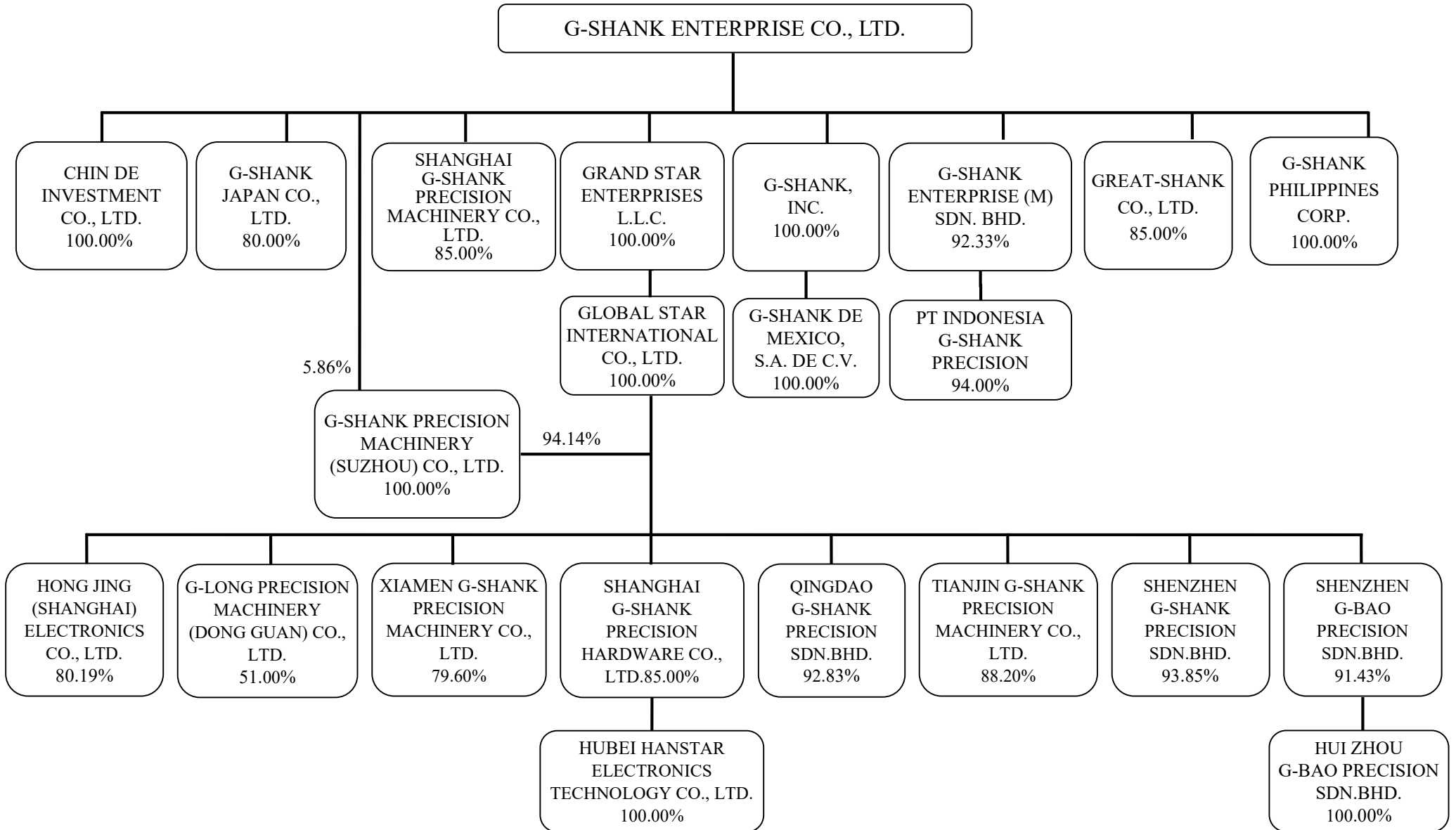
As of March 31, 2026, the investment and shareholding ratios of the company and its subsidiaries are as follows:

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. and SUBSIDIARIES

(Continuing)

(Review only without following generally accepted auditing standards)

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



(3) Principles for the preparation of consolidated financial report

(A) The consolidated financial report is prepared in accordance with International Financial Reporting Standards No. 10 “Consolidated Financial Statements.” The assets and liabilities, equity, income, expenses and losses, and cash flows related to the transactions between business entities of the Group were written-off at the time of preparing the consolidated financial report; also, similar transactions and events under similar circumstances were handled in accordance with the uniform accounting policies. The consolidated financial report included income and expenses of the subsidiary incurred from the date the control was obtained to the date the control terminated. The comprehensive profit and loss are attributable to the shareholders’ equity and non-controlling interests of the company, even if it causes losses to the non-controlling interests eventually.

(B) Transactions between shareholders of the company and non-controlling interests

(a) Without resulting in “loss of control”

It is handled as an equity transaction. The difference between the fair value of any consideration paid for the purchase of non-controlling interests and the net book value of the relevant assets acquired from the subsidiary is recognized as equity and is attributable to the shareholders of the company. The profit or loss from the disposal of non-controlling interests is also recognized in equity.

(b) Resulting in “loss of control”

If a change in the ownership of the subsidiary’s equity results in the loss of control, the assets, liabilities, non-controlling interests, and all other equity constituents related to the former subsidiary are delisted on the date of loss of control; also, the difference among the said delisted amount and the fair value of the considerations collected, the share distribution for the equity transaction conducted with the former subsidiary, and the fair value of any retained investment are recognized in profit and loss. In addition, any remaining investment in the former subsidiary is measured at the fair value on the date of “loss of control,” and it is regarded as the fair value of the originally recognized financial asset, or as the cost of the original investment in an affiliated enterprise or a joint venture.

(4) 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.

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- (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. The pension cost in the interim period is calculated according to the pension cost rate actuarially calculated at the end of the previous year for the period from the beginning to the end of the year; also, the major market fluctuations, major reductions, settlements, or other significant non-reoccurring events after the end of the year should be adjusted and disclosed accordingly.

(5) 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.
- (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 Group, 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.
- (G) The income tax expense of the interim reporting period is measured according to the best estimated annual effective tax rate by the management, that is, apply the estimated annual average effective tax rate to the net income before tax in the interim reporting period. For any change in the legislated tax rate that occurred in the interim reporting period, the relevant income tax effect is recognized in a lump sum during the said interim reporting period.

(6) Other significant accounting policies

The other significant accounting policies adopted in the preparation of these consolidated financial statements are consistent with Note 4 of the consolidated financial statements for the year 2025. Please refer to the Group's consolidated financial statements for the year 2025 for further details.

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

The management must make judgments, estimations, and assumptions when preparing the Group's consolidated 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.

The significant judgments made by the management of the Group in preparing these consolidated financial statements, along with the key sources of information on assumptions and uncertainties about the future, are consistent with Note 5 of the consolidated financial statements for the year 2025. Please refer to the Group's consolidated financial statements for the year 2025 for further details.

**6. DESCRIPTION OF IMPORTANT ACCOUNTING ITEMS**

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash and petty cash	\$5,727	\$6,081	\$5,733
Checking deposit and savings deposit	1,606,592	1,492,594	1,486,272
Time deposits	1,776,024	1,838,886	1,965,782
Total	<u>\$3,388,343</u>	<u>\$3,337,561</u>	<u>\$3,457,787</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-current measured at fair value through profit and loss

	March 31, 2026	December 31, 2025	March 31, 2025
<b>Current items:</b>			
Financial assets measured at fair value through profit and loss mandatorily			
Acquisition cost:			
Funds	\$113,272	\$71,420	\$106,819
Bonds	1,626,512	2,345,432	2,220,801
SWAP contracts	110	-	-
Subtotal	<u>1,739,894</u>	<u>2,416,852</u>	<u>2,327,620</u>
Evaluation adjustment:			
Funds	3,108	3,484	3,292
Bonds	22,079	100,506	150,041
SWAP contracts	184	-	-
Subtotal	<u>25,371</u>	<u>103,990</u>	<u>153,333</u>
Total	<u>\$1,765,265</u>	<u>\$2,520,842</u>	<u>\$2,480,953</u>

**Non-current items:**

Financial assets measured at fair value through profit or loss

Embedded derivative

financial instruments

\$-

\$468

\$923

(Continuing)

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

- (A) The Group's valuation losses and gains of financial assets and liabilities at fair value through income were NT\$(29,980) thousand and NT\$34,063 thousand, for the first quarters of 2026 and 2025, respectively, which were recognized under "Non-operating income and expenses -other profit and loss" account.
- (B) The aforementioned financial assets measured at fair value through profit and loss had not been provided as collateral or mortgaged.
- (C) 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 Group's financial assets measured at fair value through profit and loss.
- (D) Please refer to Note 6.(14) and Note 12 in the consolidated financial statements for information on the disclosure of embedded derivative financial instruments.

(3) Financial assets at amortized cost – current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Fixed-rate certificates of deposit	\$16,022	\$-	\$-
Less: Allowance for loss	-	-	-
Net amount	<u>\$16,022</u>	<u>\$-</u>	<u>\$-</u>

- (A) Financial assets at amortized cost are those held within a business model whose objective is to hold financial assets to collect contractual cash flows, and whose contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding. Accordingly, such financial assets are classified as financial assets at amortized cost.
- (B) There was no change in the allowance for losses on financial assets at amortized cost for the first quarter of 2026.
- (C) The aforementioned financial assets at amortized cost were not pledged as collateral or otherwise provided as security.
- (D) For disclosures relating to the credit risk information on the Group's financial assets at amortized cost, please refer to Note 12.(2)(C)(a) and (b) to the consolidated financial statements.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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(4) Notes receivable - net

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	\$16,616	\$30,252	\$22,362
Less: Allowance for loss	-	-	-
Net amount	<u>\$16,616</u>	<u>\$30,252</u>	<u>\$22,362</u>

(5) Accounts receivable - net

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	\$1,946,774	\$1,803,995	\$1,457,126
Less: Allowance for loss	(7,453)	(6,679)	(3,552)
Net amount	<u>\$1,939,321</u>	<u>\$1,797,316</u>	<u>\$1,453,574</u>
Collection receivables (classified under other items in other non- current assets)	\$24,143	\$23,444	\$23,840
Less: Allowance for loss	(24,143)	(23,444)	(23,840)
Net amount	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

(A) The allowance for loss of the Group's notes receivable, accounts receivable, other receivable and collection of receivables is simply measured by the expected credit losses amount throughout the duration. The notes receivable, accounts receivable, other receivable and collection of receivables 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.

(Continuing)

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

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

	<u>For the three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Balance - beginning	\$30,123	\$26,943
Allowance account for the impairment of notes receivable, accounts receivable, other receivables and collection of receivables	616	-
Allowance reversal account for the impairment of notes receivable, accounts receivable, other receivables and collection of receivables	-	(120)
Exchange difference	857	569
Balance - ending	<u>\$31,596</u>	<u>\$27,392</u>

- (C) Please refer to Note 12(2)(C)(b) of the consolidated financial report for the disclosure of the credit risk of the Group's notes receivable, accounts receivable, other receivables and collection of receivables.

(6) Inventory

	<u>March 31, 2026</u>		
	<u>Cost</u>	<u>Allowance for loss of inventory in valuation</u>	<u>Book amount</u>
Raw materials	\$380,482	\$18,050	\$362,432
Substances	32,193	157	32,036
Work-in-process goods	307,156	24,194	282,962
Finished goods	521,500	34,794	486,706
Merchandise trade	7,584	508	7,076
Total	<u>\$1,248,915</u>	<u>\$77,703</u>	<u>\$1,171,212</u>

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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	December 31, 2025		
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$333,164	\$17,940	\$315,224
Substances	22,106	222	21,884
Work-in-process goods	258,420	21,695	236,725
Finished goods	489,763	28,522	461,241
Merchandise trade	6,374	507	5,867
Total	\$1,109,827	\$68,886	\$1,040,941

	March 31, 2025		
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$293,021	\$21,761	\$271,260
Substances	20,750	179	20,571
Work-in-process goods	204,159	21,686	182,473
Finished goods	438,257	27,358	410,899
Merchandise trade	3,190	548	2,642
Total	\$959,377	\$71,532	\$887,845

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

	For the Three Months Ended March 31,	
	2026	2025
Inventory transferred to cost of goods sold	\$1,514,826	\$1,161,828
Write-down of inventories to net realizable value	7,737	3,858
Inventory overage	(3,486)	(1,146)
Total operating cost	\$1,519,077	\$1,164,540

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

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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(7) Other financial assets-current

	March 31, 2026	December 31, 2025	March 31, 2025
Fixed deposit	\$18,553	\$25,853	\$25,020
Restricted assets – bank deposits	76	74	75
Overseas funds repatriation account			
Fixed deposit	2,469	2,424	5,119
Total	<u>\$21,098</u>	<u>\$28,351</u>	<u>\$30,214</u>

Please refer to Note 8 of the consolidated financial report for the other financial assets-current provided as collateral or mortgaged.

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

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Equity instrument</u>			
Unlisted stocks	\$27,006	\$27,006	\$27,006
Equity instrument investment evaluation adjustment	392,682	330,644	315,632
Total	<u>\$419,688</u>	<u>\$357,650</u>	<u>\$342,638</u>

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

(B) The Group had recognized dividend income from the investment in equity instrument measured at fair value through other comprehensive profit and loss both are NT\$0 thousand for the first quarters of 2026 and 2025, respectively.

(C) The Group did not have cumulative profit or loss transferred within equity for the first quarters of 2026 and 2025.

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

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- (E) 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 Group's financial asset measured at fair value through other comprehensive profit and loss.

(9) Investment under the equity method

- (A) The Group's invested companies under the equity method are individually insignificant affiliated companies with the book amount and equity holding ratio as follows:

Affiliated enterprises	March 31, 2026	Equity holding ratio (%)	December 31, 2025	Equity holding ratio (%)	March 31, 2025	Equity holding ratio (%)
SUNFLEX TECHNOLOGY CO., LTD. (Note)	<u>\$198,716</u>	14.35	<u>\$201,783</u>	14.42	<u>\$208,303</u>	13.97

Note : The Group is the largest single shareholder of SUNFLEX TECHNOLOGY CO., LTD. with 14.35% voting shares. The shareholding of other top-ten shareholders (not related parties) exceeds the Group, and the shareholders have not agreed to discuss or make decisions collectively; apparently, the Group has no actual ability to lead relevant decision-making. Therefore, it is concluded that the Group has no control over SUNFLEX TECHNOLOGY CO., LTD., but only significant influence.

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

	For the three months ended March 31,	
	2026	2025
Net profit (loss) of the continuing business unit -current	\$(1,500)	\$799
Other comprehensive profit and loss (after tax) -current	(1,406)	(917)
Total comprehensive profit and loss -current	<u>\$(2,906)</u>	<u>\$(118)</u>

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

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

	For the three months ended March 31	
	2026	2025
Beginning balance	\$201,783	\$177,776
Increase in Investment (Note)	-	23,810
Share of (loss) profit for the period	(1,500)	799
Changes in associates accounted for using the equity method	(161)	6,835
Share of unrealized gains (losses) arising from changes in the fair value of financial assets measured at fair value through other comprehensive income	(1,406)	(917)
Ending Balance	<u>\$198,716</u>	<u>\$208,303</u>

Note : The Group participated in the cash capital increase of SUNFLEX TECHNOLOGY CO., LTD. in March 2026. For further details, please refer to Note 7(2)(D) of the consolidated financial statements.

(D) The aforementioned investments under the equity method had not been provided as collateral or mortgaged.

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(10) Property, plant and equipment

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

For the three months ended March 31, 2026

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, 2026	\$1,229,921	\$1,589,866	\$2,828,471	\$124,800	\$115,078	\$288,889	\$158,079	\$6,335,104
Addition	-	12,907	38,100	3,472	2,535	5,873	3,248	66,135
Disposition	-	-	(14,703)	(4,842)	(2,551)	(911)	-	(23,007)
Reclassification	-	12,599	38,088	905	542	5,750	(42,121)	15,763
Exchange difference	(737)	14,018	35,828	(150)	129	2,855	2,597	54,540
Balance at March 31, 2026	1,229,184	1,629,390	2,925,784	124,185	115,733	302,456	121,803	6,448,535
Accumulated depreciation								
Balance at January 1, 2026	-	809,192	1,966,981	85,936	90,265	196,291	-	3,148,665
Depreciation	-	14,225	29,241	2,341	2,292	4,813	-	52,912
Disposition	-	-	(10,807)	(4,502)	(2,304)	(877)	-	(18,490)
Reclassification	-	-	-	-	-	-	-	-
Exchange difference	-	11,936	26,290	139	85	2,240	-	40,690
Balance at March 31, 2026	-	835,353	2,011,705	83,914	90,338	202,467	-	3,223,777
Carrying amount at March 31, 2026	\$1,229,184	\$794,037	\$914,079	\$40,271	\$25,395	\$99,989	\$121,803	\$3,224,758

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For the three months ended march 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	\$1,228,692	\$1,551,570	\$2,558,317	\$113,039	\$109,514	\$259,298	\$248,909	\$6,069,339
Addition	-	8,574	33,321	1,807	337	878	715	45,632
Disposition	-	-	(19,823)	(6,156)	(98)	(3,798)	-	(29,875)
Reclassification	-	-	24,155	3,575	-	2,098	(26,847)	2,981
Exchange difference	788	17,284	38,157	1,608	2,271	3,036	2,393	65,537
Balance at March 31, 2025	<u>1,229,480</u>	<u>1,577,428</u>	<u>2,634,127</u>	<u>113,873</u>	<u>112,024</u>	<u>261,512</u>	<u>225,170</u>	<u>6,153,614</u>
Accumulated depreciation								
Balance at January 1, 2025	-	755,240	1,921,698	84,188	82,380	187,975	-	3,031,481
Depreciation	-	13,362	24,140	2,444	2,084	3,630	-	45,660
Disposition	-	-	(17,408)	(5,985)	(86)	(3,796)	-	(27,275)
Reclassification	-	-	-	-	-	-	-	-
Exchange difference	-	11,844	30,107	1,255	1,740	2,509	-	47,455
Balance at March 31, 2025	<u>-</u>	<u>780,446</u>	<u>1,958,537</u>	<u>81,902</u>	<u>86,118</u>	<u>190,318</u>	<u>-</u>	<u>3,097,321</u>
Carrying amount at March 31, 2025	<u>\$1,229,480</u>	<u>\$796,982</u>	<u>\$675,590</u>	<u>\$31,971</u>	<u>\$25,906</u>	<u>\$71,194</u>	<u>\$225,170</u>	<u>\$3,056,293</u>

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- (B) The Group'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 Group did not acquire property, plant and equipment that caused the capitalization of the loan cost for the first quarters of 2026 and 2025.
- (D) The Group did not have any impairment occurred to the property, plant and equipment for the first quarters of 2026 and 2025.
- (E) The aforementioned property, plant and equipment had not been provided as collateral or mortgaged.
- (F) Acquisition of property, plant and equipment as presented in the consolidated statement of cash flows:

	For the three months ended March 31,	
	2026	2025
The current addition of property, plant and equipment listed in Note 6.(10)(A) of the consolidated financial report	\$66,135	\$45,632
Add: Equipment payable -beginning	21,087	122,450
Less: Equipment payable -ending	(19,994)	(40,954)
Cash outflow for acquisition of property, plant and equipment	<u>\$67,228</u>	<u>\$127,128</u>

- (G) Disposal of property, plant and equipment as presented in the consolidated statement of cash flows:

	For the three months ended March 31,	
	2026	2025
Proceeds from disposal of property, plant and equipment for the period	\$1,164	\$4,251
Add: Equipment Receivables -beginning	-	-
Less: Equipment Receivables -ending	-	(1,100)
Cash inflows from disposal of property, plant and equipment	<u>\$1,164</u>	<u>\$3,151</u>

(Continuing)

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(H) The Group's leased assets are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
House and building	\$1,340	\$1,340	\$1,340
Less: Accumulated depreciation	(1,126)	(1,117)	(1,089)
Leased assets - net	<u>\$214</u>	<u>\$223</u>	<u>\$251</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, 2024 to September 30, 2025. The lease contract was renewed on October 1, 2025 for a lease period from October 1, 2025 to September 30, 2026.

(b) The Group 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.

(11) Right-of-use assets

(A) The increase and decrease of the Group's right-of-use assets are as follows:

	For the three months ended March 31, 2026			
	Land	House & building	Transportation equipment	Total
Cost				
Balance at January 1, 2026	\$212,770	\$139,537	\$4,237	\$356,544
Addition	-	4,061	-	4,061
Due/transfer amount	-	(6,482)	-	(6,482)
Reclassification during the period	38,175	-	-	38,175
Exchange difference	4,155	1,589	(749)	4,995
Balance at March 31, 2026	<u>255,100</u>	<u>138,705</u>	<u>3,488</u>	<u>397,293</u>
Accumulated depreciation				
Balance at January 1, 2026	14,061	29,284	221	43,566
Depreciation	512	6,332	110	6,954
Due/transfer amount	-	(6,482)	-	(6,482)
Reclassification during the period	-	-	-	-
Exchange difference	403	485	(40)	848
Balance at March 31, 2026	<u>14,976</u>	<u>29,619</u>	<u>291</u>	<u>44,886</u>
Carrying amount at March 31, 2026	<u>\$240,124</u>	<u>\$109,086</u>	<u>\$3,197</u>	<u>\$352,407</u>

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	For the three months ended March 31, 2025			
	Land	House & building	Transportation equipment	Total
<u>Cost</u>				
Balance at January 1, 2025	\$210,669	\$127,231	\$-	\$337,900
Addition	-	-	-	-
Due/transfer amount	-	-	-	-
Exchange difference	4,484	2,962	-	7,446
Balance at March 31, 2025	215,153	130,193	-	345,346
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	11,854	74,639	-	86,493
Depreciation	499	3,652	-	4,151
Due/transfer amount	-	-	-	-
Exchange difference	258	1,838	-	2,096
Balance at March 31, 2025	12,611	80,129	-	92,740
Carrying amount at March 31, 2025	\$202,542	\$50,064	\$-	\$252,606

(B) The Group did not have the right-of-use assets sublet for the first quarters of 2026 and 2025.

(C) The Group did not have any impairment occurred to the right-of-use assets for the first quarters of 2026 and 2025.

(D) The aforementioned right-of-use assets had not been provided as collateral or mortgaged.

(12) Intangible assets

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

Cost	For the three months ended March 31,	
	2026	2025
Balance -beginning	\$5,555	\$2,735
Addition -current	-	2,186
Decrease in the current period -delisted on the due date	-	-
Reclassification	-	300
Exchange difference	43	46
Balance -ending	5,598	5,267

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Accumulated depreciation	For the three months ended March 31,	
	2026	2025
Balance -beginning	2,535	1,231
Amortization -current	440	353
Decrease in current period -delisted on the due date	-	-
Exchange difference	25	23
Balance -ending	3,000	1,607
Book amount -ending	\$2,598	\$3,660

(B) The Group did not have any impairment occurred to the intangible assets for the first quarters of 2026 and 2025.

(13) Short-term loans

	March 31, 2026	December 31, 2025	March 31, 2025
Credit loans	\$-	\$789,000	\$380,000

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

Nature of loan	March 31, 2026	December 31, 2025	March 31, 2025
Credit loan	-	0.8%-1.8%	1.85%-1.858%

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

(14) Bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic Second Unsecured Convertible Corporate Bonds	\$1,000,000	\$1,000,000	\$1,000,000
Less: Discount on corporate bonds payable	(5,584)	(7,700)	(25,691)
Less: Cumulative amount of conversion applications by bondholders	(632,300)	(610,500)	(230,700)
Components of non-derivative financial instrument liabilities	362,116	381,800	743,609
Less: Corporate bonds payable due within one year	(362,116)	-	-
Non-current portion of corporate bonds payable	\$-	\$381,800	\$743,609

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	March 31, 2026	December 31, 2025	March 31, 2025
Embedded Derivatives (Note)			
Financial assets at fair value through profit or loss – current	\$294	\$-	\$-
Financial assets at fair value through profit or loss – non-current	\$-	\$468	\$923
Equity Component (Capital Surplus)	\$69,736	\$73,871	\$145,902
	For the three months ended March 31,		
	2026	2025	
Gains on financial assets measured at fair value through profit or loss as part of the liabilities composition	\$(147)	\$(1,000)	
Interest expense	\$1,685	\$3,493	

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.

(A) As of March 31, 2026, 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 , with a face value of 100 thousand per bond, issued at 113.80% of the face value. The actual total funds raised amount to 1,137,967 thousand , after deducting related issuance costs of 3,064 thousand , the net funds raised is 1,134,903 thousand.

(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.

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(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.

(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

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capital increase, profit to capital increase, capital surplus to capital increase, mergers, acquisitions, stock splits, issuance of overseas depositary 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 March 31, 2026, December 31, 2025, and March 31, 2025, the conversion prices, as adjusted in accordance with the terms of issuance, were NT\$66.5, 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 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) The amounts converted into common shares upon requests by holders of the above-mentioned convertible bonds were NT\$21,800 thousand and NT\$11,000 in the first quarters of 2026 and 2025, respectively.

(15) Lease liabilities

	Discount rate	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities				
Land	-	\$49,255	\$47,830	\$48,638
House and building	2.475%-4.750%	122,517	121,348	57,191
Transportation equipment	4.6%	2,068	2,756	-
Total		173,840	171,934	105,829
Less: Lease liabilities due within one year		(74,165)	(71,406)	(54,642)
Lease liabilities due after one year		\$99,675	\$100,528	\$51,187

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- (A) The Group's subsidiary, G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD., leased factory buildings and dormitories in September 2007. Beginning January 1, 2019, such leases have been recognized under right-of-use assets. The lease term is 40 years, and lease payments are made on a monthly basis.
- (B) The Group's subsidiaries, G-SHANK JAPAN CO., LTD., G-SHANK PHILIPPINES CORP., and SHENZHEN G-BAO PRECISION SDN.BHD, leased factory buildings and dormitories in April 2024, July 2025, and August 2025, respectively. The lease terms are three years and six months, five years, and two years, respectively, and lease payments are made on a monthly basis.
- (C) The Group's subsidiary, PT INDONESIA G-SHANK PRECISION, leased transportation equipment in August 2025. The lease term is three years, and lease payments are made on a monthly basis.
- (D) Other rental information is listed as follows:

	For the three months ended March 31,	
	2026	2025
Short-term lease expense	\$3,785	\$1,629
Low-value asset lease expenses	\$-	\$-
Changes in lease expense excluded from the measurement of a lease liability	\$-	\$-
Total cash outflow of all leases	\$10,968	\$5,738
Lease liabilities interest	\$1,326	\$675

The Group chose to have the qualified short-term dormitories lease exempted from lease recognition, and no related right-of-use assets and lease liabilities of such lease are recognized.

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(16) Retirement benefits(A) Defined benefits plan

- (a) The company has established an employee retirement plan according to the employees' years of service and the expected wages before retirement. A certain percentage of the monthly wage is appropriated as pension in accordance with the "Labor Standards Act" that is deposited in the special account and managed by the Labor Retirement Reserve Committee. The aforementioned pension fund is completely separated from the company; therefore, it is not included in the consolidated financial report. As of March 31, 2026, December 31, 2025, and March 31, 2025, the company's pension reserve deposit account with the Bank of Taiwan was with a balance of NT\$196,152 thousand, NT\$180,386 thousand, and NT\$187,447 thousand, respectively.
- (b) Please refer to Note 6.(15)(A) of the 2025 consolidated financial report for the company's defined benefit plan on December 31, 2025.
- (c) Pension expenses recognized as profit or loss:

	For the three months ended March 31,	
	2026	2025
Cost of Goods Sold	\$538	\$542
Selling Expenses	144	141
General and Administrative Expenses	345	333
Research and Development Expenses	66	75
Total	\$1,093	\$1,091

(B) Defined contribution plan

- (a) The company has adopted a definite contribution plan since the implementation of the "Labor Pension Act" in July 2005. The employees can choose the relevant pension plan of the "Labor Standards Act" since then or apply the pension system of the "Labor Pension Act" and retain the seniority accumulated before the Act. For employees subject to the "Labor Pension Act," the company shall appropriate an amount not less than 6% of the employee's monthly salary and have it deposited in the employee's personal account with the Bureau of Labor Insurance, Ministry of Labor. The company after paying the monthly pension for each employee is not liable for the statutory and constructive obligations of paying additional contributions.

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- (b) The Group's subsidiaries in Mainland China, Malaysia, Indonesia, the United States, Mexico, Thailand, Japan, and the Philippines contribute pension insurance premiums at a certain percentage of employees' total salaries in accordance with the applicable local laws and regulations. Such contributions are remitted to the relevant government authorities and deposited into individual accounts maintained for each employee.
- (c) The pension expenses recognized according to the defined contribution plan of the Group is as follows:

	For the three months ended March 31,	
	2026	2025
Cost of Goods Sold	\$14,489	\$13,153
Selling Expenses	2,520	2,464
General and Administrative Expenses	3,228	3,283
Research and Development Expenses	2,187	2,157
Total	\$22,424	\$21,057

(17) 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, 2026	350,000	217,753	\$2,177,532
Conversion of convertible bonds		328	3,278
Balance amount on March 31, 2026	350,000	218,081	\$2,180,810
Balance amount on January 1, 2025	350,000	210,096	\$2,100,960
Exercise of employee stock options		642	6,420
Conversion of convertible bonds		158	1,580
Balance amount on March 31, 2025	350,000	210,896	\$2,108,960

- (A) As of March 31, 2026, December 31, 2025, and March 31, 2025, the company's authorized capital stock included 20,000 thousand shares reserved for the issuance of an employee stock warrant.

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- (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 numbers of shares subscribed through the exercise of employee stock options for the first quarter of 2026, the fourth quarter of 2025, and the first quarter of 2025 were 0 shares, 0 shares, and 642 thousand shares, respectively. As of March 31, 2026, December 31, 2025, and March 31, 2025, the cumulative numbers of shares subscribed through the exercise of employee stock options were 13,702 thousand shares, 13,702 thousand shares, and 12,556 thousand shares, respectively. Of these, as of March 31, 2025, 642 thousand shares had not yet completed the registration procedures and were therefore temporarily recorded under advance receipts for share capital. For further information regarding the issuance of employee stock options, please refer to Note 6.(24) to the consolidated financial statements.
- (D) As of March 31, 2026, the cumulative number of common shares converted from convertible bonds upon requests by bondholders amounted to 9,327 thousand shares. Of these, 328 thousand shares, 1,132 thousand shares, and 158 thousand shares as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively, had not yet completed the registration procedures and were therefore temporarily recorded under advance receipts for share capital. In addition, such conversions resulted in capital surplus—premium on conversion of convertible bonds amounting to NT\$636,821 thousand, including NT\$119,919 thousand reclassified from capital surplus—share options of convertible bonds based on the conversion ratio. For further information regarding the issuance of convertible bonds, please refer to Note 6.(14) to the consolidated financial statements.

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(18) Capital Surpluses

	March 31, 2026	December 31, 2025	March 31, 2025
Common stock premium	\$359,692	\$359,692	\$871,986
Conversion premium on convertible bonds	636,821	614,622	230,461
Treasury stock transaction	63,306	63,306	63,306
The difference between the actual acquisition price of the subsidiary's equity and the book amount	9,965	9,965	3,563
Changes in the net equity value of subsidiaries under the equity method and affiliated enterprises	40,735	40,896	39,517
Employee stock options	44,056	42,999	42,709
Convertible bonds into stock options.	69,736	73,871	145,902
Expired employee stock options	46,460	46,460	46,298
Unclaimed dividends past the statutory claim period	1,881	1,832	1,788
Exercise the right of disgorgement	340	340	312
Total	<u>\$1,272,992</u>	<u>\$1,253,983</u>	<u>\$1,445,842</u>

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.

(19) 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.

(20) Special reserve

The Company appropriates and reverses the special reserve in accordance with Financial Supervisory Commission (FSC) Order No. 1090150022 and the “Q&A on the Application of Special Reserve under IFRSs” issued following the adoption of International Financial Reporting Standards (IFRSs).

(21) 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 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) The aforementioned earnings distribution proposal issued by the board of directors (to be resolved in the company’s general shareholders meeting on June 12, 2026) or resolved in the shareholders’ meeting is as follows:

	Years Ended December 31,	
	2025	2024
Legal reserve	\$94,233	\$108,051
Special reserve	\$-	\$-
Shareholder’s dividends		
Cash	\$327,121	\$210,738
Cash dividend per share	NT\$1.50	NT\$1.00
Stock (NT\$10 par)	-share	-share
Stock dividend per share	-NT\$	-NT\$

## Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

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	Years Ended December 31,	
	2025	2024
Capital surplus distribution to shareholders		
Cash	\$327,121	\$526,845
Cash dividend per share	NT\$1.50	NT\$2.50

(22) Other equity (net amount after tax)

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

	For the three months ended March 31,	
	2026	2025
Balance -beginning	\$(173,734)	\$(205,552)
Transactions of current period	72,696	86,214
Reclassified to (profit) and loss in the current period	-	-
Balance -ending	<u>\$ (101,038)</u>	<u>\$ (119,338)</u>

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

	For the three months ended March 31,	
	2026	2025
Balance - beginning	\$341,102	\$425,283
Transactions of current period	62,038	(101,393)
Recognized under the equity method in the current period - affiliated enterprise	(1,406)	(917)
Reclassified to retained earnings in the current period	(42)	-
Balance - ending	<u>\$401,692</u>	<u>\$322,973</u>

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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(23) Non-controlling interests

	For the three months ended March 31,	
	2026	2025
Balance - beginning	\$682,784	\$602,446
The amount attributable to non-controlling interests:		
Net income	26,566	26,434
Exchange difference from the conversion of the financial statements of foreign operating institutions	10,968	13,503
Cash dividends paid by subsidiaries to non-controlling interests	(20,259)	(19,834)
Balance - ending	\$700,059	\$622,549

The Group had no subsidiaries with significant non-controlling interests for the first quarters of 2026 and 2025.

(24) Share-based payment - employee rewards

Employee stock options

The company was approved by the Securities and Futures Bureau of the Financial Supervisory Commission to issue employee stock option certificates on August 22, 2018 and June 21, 2022, for 500,000 units and 300,000 units respectively. Each unit of stock option certificate entitles the holder to subscribe to 10 shares of the company's common stock. When employees exercise the stock options, new shares will be issued. The exercise price is the closing price of the company's common stock on the day of issuance. Holders of the certificates may exercise a certain proportion of the stock options granted starting from the second anniversary of the issuance date (with the exercisable subscription amount being 40% of the total amount that the employee was entitled to subscribe as stated on the certificate at the time of issuance, increasing to 60% after three years, 80% after four years, and 100% after five years). The validity period of the stock option certificates is seven years, and any unexercised options upon maturity will be deemed as waived, and the holder will forfeit their right to exercise the options.

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As of March 31, 2026, 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)
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 March 31, 2026.

- (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\$1,057 thousand and NT\$2,020 thousand, for the first quarters of 2026 and 2025, 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	2018 Stock option plan
Expected dividend ratio	-%	-%	-%	-%
Expected price fluctuation ratio	32.86%~36.80%	32.35%~36.13%	31.76%~35.33%	18.99%~20.95%
Risk-free interest rate	1.0873%~1.0996%	1.5365%~1.5954%	1.0109%~1.0687%	0.554%~0.582%
Expected duration	4.5~6 years	4.5~6 years	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.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

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

Employee stock operations	For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
	QTY (unit)	Weighted average price per share (NTD)	QTY (unit)	Weighted average price per share (NTD)
Outstanding shares -beginning	364,400	\$37.91	541,800	\$32.72
Granted in current period	-	-	-	-
Exercised in current period	-	-	(64,200)	18.64
Lost in current period (expired)	-	-	-	-
Outstanding shares -ending	<u>364,400</u>	37.91	<u>477,600</u>	34.61
Exercisable employee stock options -ending	<u>226,120</u>	34.65	<u>264,800</u>	25.91
Average fair value per share of stock options granted to employees in the current period (NTD)	<u>\$-</u>		<u>\$-</u>	

The Company had no employee stock options exercised during the first quarter of 2026. The weighted-average share price at the exercise dates of employee stock options exercised during the first quarter of 2025 was NT\$93.9 per share.

As of March 31, 2026, December 31, 2025 and March 31, 2025, 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>March 31, 2026</u>						
2018 Stock option plan	\$17.90	74,700	-	\$17.90	74,700	\$17.90
2022 Stock option plan	45.20	87,700	1.44	45.20	52,620	45.20
2022 Stock option plan	39.60	98,000	1.69	39.60	58,800	39.60
2022 Stock option plan	44.80	100,000	2.28	44.80	40,000	44.80

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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	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>March 31, 2025</u>						
2018 Stock option plan	\$18.60	61,000	-	\$18.60	61,000	\$18.60
2018 Stock option plan	18.70	128,600	0.11	18.70	128,600	18.70
2022 Stock option plan	47.30	88,000	2.46	47.30	35,200	47.30
2022 Stock option plan	41.40	100,000	2.69	41.40	40,000	41.40
2022 Stock option plan	46.90	100,000	3.28	46.90	-	46.90

(25) Net operating income

	For the three months ended March 31,	
	2026	2025
Sales income		
Parts income	\$2,050,525	\$1,580,554
Mold income	74,828	42,429
Fixture income	20,131	11,275
Merchandise income	26,094	15,146
Total	2,171,578	1,649,404
Less: Sales return	(685)	(767)
Sales discount	(3,245)	(2,206)
Net operating income	\$2,167,648	\$1,646,431

## Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

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## (A) Income classification:

(a) Main merchandise / service

	For the three months ended March 31,	
	2026	2025
Parts income	\$2,046,595	\$1,577,632
Mold income	74,828	42,429
Fixture income	20,131	11,275
Merchandise income	26,094	15,095
Total	\$2,167,648	\$1,646,431

(b) Main regional markets

Customer location	For the three months ended March 31,	
	2026	2025
Taiwan	\$446,989	\$361,278
Asia (other than Taiwan)	1,543,231	1,146,340
America	76,581	72,643
Others	100,847	66,170
Total	\$2,167,648	\$1,646,431

(c) Income recognition time

	For the three months ended March 31,	
	2026	2025
Goods transferred at a certain time	\$2,167,648	\$1,646,431

## (B) Contract liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities	\$19,335	\$22,538	\$22,945

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

	For the three months ended March 31,	
	2026	2025
Contract liabilities balance – beginning transferred to income in the current period	\$(8,263)	\$(2,707)
Increase in cash received in advance in the current period	5,060	4,907

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(26) Operating costs and expenses

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

Function Nature	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	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)	\$252,322	\$123,496	\$375,818	\$215,720	\$117,700	\$333,420
Labor and health insurance expenses	20,830	11,207	32,037	17,402	10,924	28,326
Pension expenses	15,027	8,490	23,517	13,695	8,453	22,148
Director remuneration	-	2,002	2,002	-	1,922	1,922
Other welfare expenses	7,339	2,786	10,125	6,169	2,540	8,709
Depreciation expenses (Note 2)	40,241	19,616	59,857	33,699	16,103	49,802
Amortization expense	4,134	961	5,095	8,679	805	9,484

Note 1 : (1) According to the Company's Articles of Incorporation, if the Company has profits for the year, 1% to 10% of the current year's profit before tax prior to the deduction of employee compensation and remuneration to directors shall be appropriated as employee compensation, and not more than 3% shall be appropriated as remuneration to directors. However, an amount shall first be reserved to offset accumulated losses, if any. Of the employee compensation appropriated in the preceding paragraph, no less than 30% shall be distributed to grassroots employees. Employee compensation may be paid in the form of shares or cash, and may include employees of subordinate companies who meet the conditions prescribed by the Board of Directors. Remuneration to directors shall be paid in cash only.

(2) The estimated remuneration payable to employees of the company for the first quarters of 2026 and 2025 were NT\$7,500 thousand and NT\$7,071 thousand, respectively, and the remuneration to directors and supervisors was NT\$0, respectively. The estimated remuneration to employees was based on a certain percentage of the net income before tax (without considering the impact of employee remuneration) for the first quarters of 2026 and 2025. The estimated remuneration to employees is recognized as the current operating cost or

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operating expense. However, if there is a change in the distribution amount resolved by the board of directors, it will be treated according to the accounting estimates changes and adjusted to the profit and loss of the following year.

(3) 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.

(4) 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 Group had appropriated the depreciation expenses for the first quarters of 2026 and 2025 were NT\$59,866 thousand and NT\$49,811 thousand, respectively. Also, the depreciation expenses of the property, plant and equipment - leased assets is all NT\$9 thousand, respectively, and listed in the "Other income and expenses - net" account.

(27) Other income and expenses - net

	For the three months ended March 31,	
	2026	2025
Property, plant and equipment - lease assets		
Rent income	\$105	\$105
Depreciation expense	(9)	(9)
Net other gains and losses	\$96	\$96

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(28) Non-operating income and expense

	For the three months ended March 31,	
	2026	2025
(A) <u>Interest income</u>		
Bank deposit interest	\$12,809	\$16,948
Interest income from financial assets at amortized cost	90	-
Other interest income	31,686	42,621
Total	<u>\$44,585</u>	<u>\$59,569</u>
(B) <u>Other income</u>		
Other income-other	<u>\$10,479</u>	<u>\$4,476</u>
(C) <u>Other gains and losses</u>		
Net loss of financial assets measured at fair value profit and (loss)	\$(29,980)	\$34,063
Net profit (loss) from the disposal of property, plant, and equipment	(3,353)	1,651
Other expenses	(167)	(51)
Total	<u>\$(33,500)</u>	<u>\$35,663</u>
(D) <u>Financial cost</u>		
Bank loan interest	\$(1,098)	\$(2,315)
Lease liability interest	(1,326)	(675)
Amortization of discount on bonds payable	(1,685)	(3,493)
Total	<u>\$(4,109)</u>	<u>\$(6,483)</u>
(E) <u>Share of profit of associates accounted for using the equity method</u>		
Please refer to Note 6.(9)(C) of the consolidated financial report for details.		
(F) <u>Exchange profit – net</u>		
Realized exchange profit (loss) -net	\$(60,670)	\$(60,272)
Unrealized exchange profit (loss) -net	39,209	69,516
Total	<u>\$21,461</u>	<u>\$9,244</u>

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(29) Other comprehensive profit and loss

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
<u>For the three months ended March 31, 2026</u>					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	\$62,038	\$-	\$62,038	\$-	\$62,038
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss of affiliated enterprises under the equity method	(1,406)	-	(1,406)	-	(1,406)
Total amount of items not reclassified to profit and loss:	<u>60,632</u>	<u>-</u>	<u>60,632</u>	<u>-</u>	<u>60,632</u>
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	83,664	-	83,664	-	83,664
Total	<u>\$144,296</u>	<u>\$-</u>	<u>\$144,296</u>	<u>\$-</u>	<u>\$144,296</u>
<u>For the three months ended March 31, 2025</u>					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	\$(101,393)	\$-	\$(101,393)	\$-	\$(101,393)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss of affiliated enterprises under the equity method	(917)	-	(917)	-	(917)
Total amount of items not reclassified to profit and loss:	<u>(102,310)</u>	<u>-</u>	<u>(102,310)</u>	<u>-</u>	<u>(102,310)</u>
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	99,717	-	99,717	-	99,717
Total	<u>\$(2,593)</u>	<u>\$-</u>	<u>\$(2,593)</u>	<u>\$-</u>	<u>\$(2,593)</u>

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(30) Income tax

(A) The Group files income tax returns on a separate entity basis, and consolidated filing is not permitted. The Company's income tax returns through 2024 and those of its subsidiary, CHIN DE INVESTMENT CO., LTD., through 2023 have been assessed and approved by the tax authorities.

(B) The income tax expense constituents:

(a) Income tax recognized in profit and loss

	For the three months ended March 31,	
	2026	2025
Income tax expense - current		
Income tax expenses of the current period	\$92,048	\$69,412
Deferred income tax expense	13,331	28,375
Income tax expense	<u>\$105,379</u>	<u>\$97,787</u>

(b) The Group had no income tax related to other comprehensive profit and loss constituents or direct debited or credited to equity for the first quarters of 2026 and 2025, respectively.

(31) 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 three months ended March 31,	
	2026	2025
Net profit attributable to the company's Common stock shareholders	\$249,094	\$224,378
Outstanding weighted average shares	217,753,180 shares	210,095,958 shares
Employee stock option – subscribing issue new shares (Note)	-	306,733
Conversion of convertible bonds into common shares (Note)	222,188	12,132
Outstanding weighted average shares	<u>217,975,368 shares</u>	<u>210,414,823 shares</u>
Basic earnings per share (after tax) (NTD)	<u>\$1.14</u>	<u>\$1.07</u>

Note: Calculated based on the shares outstanding for each subscription period.

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(B) Diluted earnings per share

Diluted earnings per share is the impact on earnings attributable to the owners of the company's common equity holders by all dilutive potential ordinary shares, divided by the impact on all the dilutive potential ordinary shares, adjusted for the weighted average number of shares outstanding during the period. Its calculation is as follows:

	For the three months ended March 31,	
	2026	2025
Net profit attributable to the company's common stock shareholders	\$249,094	\$224,378
Add: Impact of Convertible Bonds Conversion on Net Profit	1,817	4,461
Adjusted net profit attributable to the company's common stock shareholders	\$250,911	\$228,839
Outstanding weighted average shares	217,975,368 shares	210,414,823 shares
Add: Impact of Potential Common Shares		
Employee stock options assume subscription for additional shares	1,941,777	3,033,593
Convertible bonds assume conversion into additional shares	5,634,953	11,199,074
Employee compensation assumes issuance of stock for additional shares	400,596	302,982
Adjusted weighted average shares	225,952,694 shares	224,950,472 shares
Basic earnings per share (after tax) (NTD)	\$1.11	\$1.02

(32) Reconciliation of liabilities from financing activities

Accounting item	Balance		Changes in non-cash				Balance -ending
			-beginning	Cash flow	Additions during the period	Change in exchange rate	
<u>For the three months ended March 31, 2026</u>							
Short-term loan	\$789,000	\$(789,000)	\$-	\$-	\$-	\$-	\$-
Bonds payable (including those due within one year)	381,800	-	-	-	1,685	(21,369)	362,116
Lease liabilities (including current and noncurrent)	171,934	(5,857)	4,061	3,702	-	-	173,840
Total	\$1,342,734	\$(794,857)	\$4,061	\$3,702	\$1,685	\$(21,369)	\$535,956

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Accounting item	Balance -beginning	Cash flow	Changes in non-cash				Balance -ending
			Additions during the period	Change in exchange rate	Recognized as interest expense	Other	
<u>For the three months ended March 31, 2025</u>							
Short-term loan	\$500,000	\$(120,000)	\$-	\$-	\$-	\$-	\$380,000
Bonds payable	750,731	-	-	-	3,493	(10,615)	743,609
Lease liabilities (including current and noncurrent)	106,983	(3,434)	-	2,280	-	-	105,829
Total	\$1,357,714	\$(123,434)	\$-	\$2,280	\$3,493	\$(10,615)	\$1,229,438

## 7. RELATED PARTY TRANSACTIONS

The account balance amount, transactions, income, and expenses related to the transactions between entities within the Group were written-off at the time of preparing the consolidated financial report. Please refer to Note 13(1)(J) of the consolidated financial report for the business relationships and important transactions between the company and the subsidiaries and among subsidiaries. The relationship and transactions between the Group and related parties are disclosed as follows:

### (1) Name of related party and relationship

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 the Company's subsidiary, G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.
SUNFLEX TECHNOLOGY CO., LTD. (SUNFLEX)	The Company's investees accounted for using the equity method
SUNFLEX ELECTRONIC (SHENZHEN) CO., LTD. (SHENZHEN SUNFLEX)	Subsidiaries of the Company's equity-accounted investees

(Continuing)

(Review only without following generally accepted auditing standards)

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

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

Related party category/name	For the three months ended March 31,	
	2026	2025
Other related parties		
KUAI LUNG	\$-	\$17
Affiliated enterprises		
SUNFLEX	191	502
Total	<u>\$191</u>	<u>\$519</u>

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 90 days; while other suppliers are with a payment term of OA 0-120 days.

(B) Sales

Related party category/name	For the three months ended March 31,	
	2026	2025
Other related parties		
KUAI LUNG	\$-	\$17
Affiliated enterprises		
SUNFLEX	7	8
SHENZHEN SUNFLEX	68	-
Total	<u>\$75</u>	<u>\$25</u>

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 30-45 days; while the general customer is with a payment term of OA 30-150 days.

(C) Processing expense

For the first quarters of 2026 and 2025, the Group incurred processing expenses of NT\$4,992 thousand and NT\$4,076 thousand, respectively, from outsourcing product processing to its related party, SUNFLEX.

(Continuing)

(Review only without following generally accepted auditing standards)

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

(D) Acquisition of investments accounted for using the equity method

In the first quarter of 2025, the Group subscribed to a capital increase in cash by its associate, SUNFLEX, in the amount of NT\$23,810 thousand, and acquired 1,082,279 shares of common stock.

(E) Claims/obligations arising from the aforementioned transactions

Related party category/name	March 31, 2026	December 31, 2025	March 31, 2025
(a) <u>Accounts receivable - related party</u>			
Other related parties			
KUI LUNG	\$-	\$24	\$-
Affiliated enterprises			
SUNFLEX	7	5	8
Total	\$7	\$29	\$8
(b) <u>Accounts payable - related party</u>			
Other related parties			
KUI LUNG	\$-	\$-	\$18
Affiliated enterprises			
SUNFLEX	35	-	334
Total	\$35	\$-	\$352
(c) <u>Other payable -related party</u>			
Other related parties			
KUI LUNG	\$306	\$1,290	\$341
Affiliated enterprises			
SUNFLEX	3,101	4,339	2,843
Total	\$3,407	\$5,629	\$3,184

The claims/obligations between the Group 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 Group's claims against the related parties.

(Continuing)

(Review only without following generally accepted auditing standards)

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

(F) Information on total remunerations of key management personnel

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

Item	For the three months ended March 31,	
	2026	2025
Short-term benefits	\$5,281	\$5,112
Retirement benefits	98	97
Total	\$5,379	\$5,209

The remuneration to key management personnel is determined by the Group'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

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had assets provided as collateral to financial institutions for loans, applying for credit line, electricity deposits, materials, contracts, and issuing the letter of credit as follows:

Accounting item	March 31, 2026	December 31, 2025	March 31, 2025	Mortgage agency	Collateral for loans
Other financial assets -current bank deposits	\$76	\$74	\$75	Bank of China	Material deposit, contract deposit, and others
Other noncurrent assets -others bank deposits	244	250	246	Bangkok Bank	Electricity deposit
Other noncurrent assets -others bank deposits	1,003	1,004	1,113	Mizuho Bank	Tariff deposits
Total	\$1,323	\$1,328	\$1,434		

**9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS**

The Group had the following significant contingent liabilities and unrecognized contractual commitments not yet included in the aforementioned consolidated financial report as of March 31, 2026:

- (1) The company had had a guaranteed loan from financial institutions for the tariff guarantee amount of NT\$500 thousand on March 31, 2026.
- (2) The Group's G-SHANK ENTERPRISE (M) SDN. BHD. had a guaranteed loan of NT\$4,000 thousand from financial institutions for the introduction of foreign labor and other matters on March 31, 2026.
- (3) The Group had entered into contracts for the acquisition of property, plant and equipment in the amounts of NT\$28,490 thousand, US\$2,438 thousand, and RMB88,095 thousand, respectively, of which the unpaid amounts were NT\$18,324 thousand, US\$1,219 thousand, and RMB64,476 thousand, respectively.

**10. SIGNIFICANT DISASTER LOSS**

None.

**11. MATERIAL POST EVENTS**

- (1) As described in Note 6.17(D) to the consolidated financial statements, bondholders of the Company's convertible bonds applied for the conversion of 328 thousand common shares during the first quarter of 2026, which were recorded under advance receipts for share capital. Subsequently, the Board of Directors resolved on April 30, 2026 to set May 4, 2026 as the capital increase record date.
- (2) On April 30, 2026, the Board of Directors resolved to approve the issuance of 300,000 units of employee stock options, with each unit entitling the holder to subscribe for 10 shares. The employee stock options may be issued in installments. However, the issuance will become effective only upon approval by the competent authority.

## 12. **OTHERS**

### (1) Capital management

- (A) The Group's capital management is aimed to ensure the Group's ongoing concern, to continue to provide remuneration to shareholders and benefits to stakeholders, 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 Group 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 Group 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 Group's principal financial instruments include cash and cash equivalents, financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive profit and loss, financial assets at amortized cost, other financial assets (time deposits), short-term loans, bonds payable, lease liabilities, and accounts receivable and accounts payable arising from operating activities. etc., also, adjust operating fund needs through such financial instruments. Therefore, the Group's operations are subject to various financial risks, including market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk. The purpose of the Group's overall financial risk management is to reduce the potential adverse effects of the Group's exposure to financial risks due to changes in the financial market.
- (B) The Finance Department of the Group is responsible for identifying, evaluating, and hedging financial risks through close contact with the business units of the Group, planning and coordinating the access to domestic and international financial markets, and manages the Group's operation related financial risks by analyzing the degree of risk exposure; also, the Group'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 Group 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.

(Continuing)

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

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

(a) Market risk

The main market risks of the Group 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 Group 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. In addition, the Group's net investment in foreign operating institutions is a strategic investment; therefore, no hedging is performed.

The Group'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 (the functional currency of the company and some subsidiaries is "NTD," and the functional currency of some subsidiaries is RMB, THB, USD, PHP, MYR, IDR, and JPY); sensitivity analysis is regarding the impact of the Group'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>March 31, 2026</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$61,493	32.00	\$1,967,771	5%	\$98,389	\$-
JPY	117,146	0.2006	23,500	5%	1,175	-
RMB	785	4.631	3,637	5%	182	-
EUR	4,623	36.71	169,716	5%	8,486	-
HKD	1,306	4.085	5,334	5%	267	-
SGD	305	24.81	7,564	5%	378	-

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## Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

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	Foreign currency (thousand)	Exchange rate	Book amount	Change ratio	Sensitive analysis	
					Increase/ decrease in net income before tax	Decrease in equity
<u>Non-monetary items</u>						
USD	\$32,761	32.00	\$1,048,341	5%	\$52,417	\$-
SGD	20,469	24.81	507,836	5%	25,392	-
CHF	607	40.03	24,312	5%	1,216	-
AUD	3,101	21.96	68,102	5%	3,405	-

Derivative financial instruments: None.Financial liabilitiesMonetary items

USD	\$3,147	32.00	\$100,690	5%	\$5,035	\$-
JPY	19,752	0.2006	3,962	5%	198	-
RMB	3,131	4.6310	14,500	5%	725	-

Non-monetary items: None.Derivative financial instrument: None.December 31, 2025Financial assetsMonetary items

USD	\$58,687	31.42	\$1,843,956	5%	\$92,198	\$-
EUR	3,890	36.89	143,500	5%	7,175	-
RMB	4,664	4.497	20,976	5%	1,049	-
HKD	2,772	4.039	11,196	5%	560	-
JPY	47,658	0.2008	9,570	5%	479	-
SGD	203	24.45	4,969	5%	248	-
CHF	36	39.64	1,411	5%	71	-

Non-monetary items

USD	\$60,891	31.42	\$1,913,192	5%	\$95,660	\$-
SGD	20,799	24.45	508,527	5%	25,426	-
CHF	611	39.64	24,219	5%	1,211	-

Derivative financial instrument: None.

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

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	Foreign currency (thousand)	Exchange rate	Book amount	Sensitive analysis		
				Change ratio	Increase/ decrease in net income before tax	Decrease in equity
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$3,073	31.42	\$96,556	5%	\$4,828	\$-
JPY	17,396	0.2008	3,493	5%	175	-

Non-monetary items: None.

Derivative financial instrument: None.

March 31, 2025

Financial assets

Monetary items

USD	\$47,242	33.18	\$1,567,484	5%	\$78,374	\$-
JPY	203,476	0.2226	45,294	5%	2,265	-
RMB	529	4.573	2,418	5%	121	-
HKD	1,936	4.269	8,266	5%	413	-
EUR	3,200	35.98	115,153	5%	5,758	-

Non-monetary items

USD	\$68,846	33.18	\$2,284,303	5%	\$114,215	\$-
SGD	2,566	24.78	63,595	5%	3,180	-
CHF	608	37.71	22,944	5%	1,147	-

Financial liabilities

Monetary items

USD	\$730	33.18	\$24,207	5%	\$1,210	\$-
JPY	133,198	0.2226	29,650	5%	1,483	-
RMB	1,627	4.573	7,440	5%	372	-

Non-monetary items: None.

Derivative financial instrument: None.

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

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

Functional currency	For the three months ended March 31, 2026		For the three months ended March 31, 2025	
	Exchange profit (loss)	Average exchange rate	Exchange profit (loss)	Average exchange rate
NTD	\$8,368	-	\$4,911	-
USD	1,239	31.560	2,960	32.893
RMB	(29,860)	4.577	4,474	4.531
MYR	(522)	7.980	(1,946)	7.437
Others	(686)	-	(1,155)	-
Total	<u>\$ (21,461)</u>		<u>\$ 9,244</u>	

(ii) Interest rate risk

The Group'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 mainly include time deposits, certain financial assets at fair value through profit or loss – current, financial assets at amortized cost – current, certain other financial assets – current, bank borrowings, bonds payable, and lease liabilities. Floating-rate financial instruments mainly include demand deposits, certain other financial assets – current, and certain other non-current assets – others. The Group assesses and analyzes interest rate risk on a dynamic basis and manages its exposure to interest rate risk by maintaining an appropriate mix of fixed-rate and floating-rate financial instruments. Accordingly, the Group expects that there will be no significant exposure to interest rate risk.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fixed interest rate			
Financial assets	\$3,461,659	\$4,313,101	\$4,366,763
Financial liabilities	(535,956)	(1,342,734)	(1,229,438)
Net amount	<u>\$2,925,703</u>	<u>\$2,970,367</u>	<u>\$3,137,325</u>

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

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	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Floating interest rate			
Financial assets	\$1,602,424	\$1,482,912	\$1,471,901
Financial liabilities	-	-	-
Net amount	<u>\$1,602,424</u>	<u>\$1,482,912</u>	<u>\$1,471,901</u>

(02) Sensitivity Analysis

For the Group'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 quarter and all other factors are given, it would cause the Group's net income before tax increased by NT\$2,003 thousand and NT\$1,840 thousand for the first quarters of 2026 and 2025, respectively.

The embedded derivative financial instruments generated from the conversion of corporate bonds in fixed-rate financial liabilities engaged by the Group will result in fair value interest rate risk. If the risk-free interest rate increases or decreases by 0.1% as of the reporting date, and assuming other risk variables remain constant, it will have no impact on the Group's profit before tax for the first quarter of 2026 and 2025, respectively.

(iii) Other price risks

The Group'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 Group manages the price risk of beneficiary certificates and equity securities by holding investment portfolios with different risks.

Sensitivity Analysis

For the Group's financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income held by the Group, a 5% increase in the prices of beneficial securities and equity securities on the reporting date will have the following impact on profit before tax or equity. Conversely, a 5% decrease in the prices of beneficial securities and equity securities will have the opposite effect on profit before tax or equity.

## Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	March 31, 2026	December 31, 2025	March 31, 2025
Increase in net income before tax			
Financial assets measured at fair value through profit and loss	\$88,249	\$126,042	\$124,048
Increase in equity			
Financial assets measured at fair value through other comprehensive profit and loss	\$20,984	\$17,883	\$17,132

The embedded derivative financial instruments arising from the Group's issuance of convertible bonds are exposed to price risk due to fluctuations in the Company's share price. If the Company's share price had increased or decreased by 10% as of the reporting date, with all other risk variables held constant, the Group's profit before tax for the first quarter of 2026 and 2025 would have increased by NT\$184 thousand or decreased by NT\$147 thousand, and increased by NT\$462 thousand or decreased by NT\$308 thousand, respectively.

(b) Credit risk

- (i) The Group'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 Group. In order to reduce credit risk, the Group 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 Group 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 Group's credit-granting quality.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Credit risk exposure amount			
Allowance for credit losses – measured at 12-month expected credit losses	\$-	\$-	\$-
Allowance for credit losses – accounts receivable and collection amounts measured at lifetime expected credit losses	31,596	30,123	27,392
Total	<u>\$31,596</u>	<u>\$30,123</u>	<u>\$27,392</u>

The aforementioned credit risk exposure amounts are all from the recovery of accounts receivable and overdue receivables. The Group 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 Group does not hold collateral for the impairment of financial assets that is with an allowance account appropriated.

- (iii) The expected credit loss of the Group's notes and accounts receivable as of March 31, 2026, December 31, 2025 and March 31, 2025 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>March 31, 2026</u>			
Not overdue	\$1,799,138	0%~2.08%	\$2,605
30 days overdue	121,286	0%~4.31%	379
31-90 days overdue	34,156	0%~49.29%	1,022
91-180 days overdue	5,061	0%~16.62%	7
181-365 days overdue	355	0%~91.43%	46
Over 366 days overdue	3,394	100%	3,394
Total	<u>\$1,963,390</u>		<u>\$7,453</u>

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

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	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	\$1,737,913	0%~2.15%	\$2,905
30 days overdue	73,203	0%~5.57%	232
31-90 days overdue	18,818	0%~49.29%	708
91-180 days overdue	901	0%~16.60%	2
181-365 days overdue	632	0%~99.07%	52
Over 366 days overdue	2,780	100%	2,780
Total	<u>\$1,834,247</u>		<u>\$6,679</u>
<u>March 31, 2025</u>			
Not overdue	\$1,342,454	0%~3.64%	\$826
30 days overdue	93,268	0%~52.15%	298
31-90 days overdue	32,525	0%~53.99%	281
91-180 days overdue	5,409	0%~41.59%	381
181-365 days overdue	4,387	0%~42.42%	321
Over 366 days overdue	1,445	100%	1,445
Total	<u>\$1,479,488</u>		<u>\$3,552</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
The accounts receivable ratio of the top five customers	<u>46.20%</u>	<u>36.93%</u>	<u>34.74%</u>

(c) Liquidity risk

The Group 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 Group. 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 Group'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 Group's SWAP contract has been determined; therefore, there is no significant cash flow risk.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

(i) Unused bank credit facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Short-term loan	\$2,699,500	\$1,903,572	\$2,230,641

(ii) Maturity analysis of undiscounted financial liabilities

	Less than 1 year	More than 1-2 years	More than 2-5 years	Over 5 years	Total
<u>March 31, 2026</u>					
<u>Non-derivative financial liabilities</u>					
Accounts payable	\$761,203	\$-	\$-	\$-	\$761,203
Accounts payable -related party	35	-	-	-	35
Other payables	643,101	10,453	-	-	653,554
Other payables -related party	3,407	-	-	-	3,407
Bonds payable	367,700	-	-	-	367,700
Lease liabilities	78,510	22,297	44,261	67,598	212,666
Total	<u>\$1,853,956</u>	<u>\$32,750</u>	<u>\$44,261</u>	<u>\$67,598</u>	<u>\$1,998,565</u>

Derivative financial liabilities: None.

December 31, 2025

Non-derivative financial liabilities

Short-term loan	\$790,103	\$-	\$-	\$-	\$790,103
Accounts payable	719,495	-	-	-	719,495
Other payables	689,381	3,023	-	-	692,404
Other payables -related party	5,629	-	-	-	5,629
Bonds payable	-	389,500	-	-	389,500
Lease liabilities	74,541	23,483	44,552	65,241	207,817
Total	<u>\$2,279,149</u>	<u>\$416,006</u>	<u>\$44,552</u>	<u>\$65,241</u>	<u>\$2,804,948</u>

Derivative financial liabilities: None.

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES  
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	Less than 1 year	More than 1-2 years	More than 2-5 years	Over 5 years	Total
<u>March 31, 2025</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loan	\$381,242	\$-	\$-	\$-	\$381,242
Accounts payable	543,720	-	-	-	543,720
Accounts payable -related party	352	-	-	-	352
Other payables	509,742	9,790	-	-	519,532
Other payables -related party	3,184	-	-	-	3,184
Bonds payable	-	769,300	-	-	769,300
Lease liabilities	56,604	3,417	10,251	70,435	140,707
Total	<u>\$1,494,844</u>	<u>\$782,507</u>	<u>\$10,251</u>	<u>\$70,435</u>	<u>\$2,358,037</u>

Derivative financial liabilities: None.

(D) Fair value of financial instruments

For the financial instruments of the Group, except for those listed in the table below, the carrying amounts approximate their fair values.

	March 31, 2026		December 31, 2025		March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Corporate bonds payable	<u>\$362,116</u>	<u>\$364,170</u>	<u>\$381,800</u>	<u>\$381,944</u>	<u>\$743,609</u>	<u>\$742,682</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, short-term loans, accounts payable (including related parties), and other payables (including related parties).

(Continuing)

(Review only without following generally accepted auditing standards)

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

- (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 profit and loss are equity instrument investments without market price available for reference; therefore, the fair value is estimated according to the Market Approach. The company has the fair value estimated according to the prices derived from the market transactions of the same or comparable equity instruments and other relevant information.
- (iv) The fair values of financial assets at amortized cost, other financial assets, and other non-current assets – restricted assets are estimated based on their carrying amounts because the present values of the amounts expected to be received in the future, discounted at market interest rates, approximate their carrying amounts. Accordingly, carrying amounts are considered a reasonable basis for estimating fair values.
- (v) Lease liabilities are discounted at the Group's increment loan interest rate on the unpaid lease expense on the lease starting day and then measured at amortized cost of the effective interest method subsequently. The book amount of the lease liabilities is an amount reasonably close to the fair value.
- (vi) The fair value of the Bonds payable is determined by discounting the future cash flows at the market rate of interest for similar corporate bonds under the same conditions.

(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;

(Continuing)

(Review only without following generally accepted auditing standards)

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

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:

	Level 1	Level 2	Level 3	Total
<u>March 31, 2026</u>				
<u>Assets</u>				
Financial assets measured at fair value through profit and loss				
Funds	\$116,380	\$-	\$-	\$116,380
Bonds	-	1,648,591	-	1,648,591
Embedded derivative financial instruments	-	-	294	294
Financial assets measured at fair value through other profit and loss				
Unlisted stocks	-	-	419,688	419,688

Liabilities: None.

December 31, 2025

Assets

Financial assets measured at fair value through profit and loss				
Funds	\$74,904	\$-	\$-	\$74,904
Bonds	-	2,445,938	-	2,445,938
Embedded derivative financial instruments	-		468	468
Financial assets measured at fair value through other profit and loss				
Unlisted stocks	-	-	357,650	357,650

Liabilities: None.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

(Review only without following generally accepted auditing standards)

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

	Level 1	Level 2	Level 3	Total
<u>March 31, 2025</u>				
<u>Assets</u>				
Financial assets measured at fair value through profit and loss				
Funds	\$110,111	\$-	\$-	\$110,111
Bonds	-	2,370,842	-	2,370,842
Embedded derivative financial instruments	-	-	923	923
Financial assets measured at fair value through other profit and loss				
Unlisted stocks	-	-	342,638	342,638

Liabilities: None.

(ii) The group did not have any significant transfers between Level 1 and Level 2 of the fair value hierarchy in the first quarter of 2026 and 2025.

(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

Items	Embedded derivative financial instruments	
	For the three months ended March 31,	
	2026	2025
Beginning balance	\$468	\$1,951
Additions during the period	-	-
Recognized in loss during the period	(147)	(1,000)
Reclassification	(27)	(28)
Ending balance	\$294	\$923

(Continuing)

(Review only without following generally accepted auditing standards)

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

## (02) Financial assets measured at fair value through other comprehensive income

Items	Investment in equity instruments - unlisted (OTC) stocks	
	For the three months ended March 31,	
	2026	2025
Beginning balance	\$357,650	\$444,031
Total profit		
Recognized in other comprehensive income	62,038	(101,393)
Ending balance	\$419,688	\$342,638

The Group recognized total losses arising from changes in fair value of Level 3 financial instruments in profit or loss in the first quarter of 2026 and 2025 in the amounts of NT\$(147) thousand and NT\$(1,000) thousand, respectively, which were recorded under non-operating income and expenses -other gains and losses. The Group also recognized total gains (losses) arising from changes in fair value of Level 3 financial instruments in other comprehensive income in the first quarter of 2026 and 2025 in the amounts of NT\$62,038 thousand and NT\$(101,393) thousand, respectively, which were recorded under other comprehensive income -unrealized gains (losses) 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 fair value of the embedded derivative financial liability component is assessed using the binomial tree convertible bond valuation model.

(04) The fair value of domestic unlisted equity instrument investment is evaluated with the Market Approach.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

(Review only without following generally accepted auditing standards)

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

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

	Evaluation technique	Significant unobservable input value	Quantitative information	Relationship between the input value and fair value	Sensitivity analysis of the relationship between the input value and fair value
<u>March 31, 2026</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through profit or loss					
Embedded derivative financial instruments	Binomial tree convertible bond valuation model	Volatility	41.27%	Higher volatility leads to higher estimated fair value	When volatility increases (decreases) by 5%, the impact on the Group's profit and loss is an increase of NT\$37 thousand / decrease of NT\$110 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	3.42	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 Group will increase / decrease by NT\$20,984 thousand.
<u>December 31, 2025</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through other comprehensive 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 Group will increase / decrease by NT\$17,883 thousand.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

(Continuing)

(Review only without following generally accepted auditing standards)

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

	Evaluation technique	Significant unobservable input value	Quantitative information	Relationship between the input value and fair value	Sensitivity analysis of the relationship between the input value and fair value
<u>March 31, 2025</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through profit or loss					
Embedded derivative financial instruments	Binomial tree convertible bond valuation model	Volatility	38.00%	Higher volatility leads to higher estimated fair value	When volatility increases (decreases) by 5%, the impact on the Group's profit and loss is an increase of NT\$385 thousand / decrease of NT\$308 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	2.69	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 Group will increase / decrease by NT\$17,132 thousand.

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

The Accounting Department of the Group 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 Group's accounting policies to ensure the reasonableness of the evaluation result.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. and Subsidiaries (Continuing)  
(Review only without following generally accepted auditing standards)  
(Unit amount in NT\$ Thousand, unless otherwise specified)

**13. SUPPLEMENTARY DISCLOSURE MATTERS**

The transactions between the company and the following subsidiaries and among the subsidiaries were written-off at the time of preparing the consolidated financial report. The information disclosed below is for reference only.

**(1) Information on major transactions**

Supplementary information of the company and the subsidiaries for the first quarters of 2026 is disclosed as follows:

**(A) Loans to others:**

Unit: NT\$ Thousand / RMB Yuan

No	Lending company	Borrower	Accounting item	Related party	Maximum amount -current	Balance – ending (3.31.2026) (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	\$37,048 (RMB8,000,000)	\$37,048 (RMB8,000,000)	\$37,048 (RMB8,000,000)	-	Short-term loan	-	Business operation of affiliated enterprise	-	-	-	\$ 231,041 (RMB49,890,049)	\$924,163 (RMB199,560,197)

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 Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
 (Review only without following generally accepted auditing standards)  
 (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/RMB/THB/USD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (March 31, 2026)				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	\$419,688	9.98%	\$419,688	
	Funds	Fubon Money Market Fund	None	Financial assets-current measured at fair value through profit and loss	2,761,642	43,546	-	43,546	
	Bonds	UBS Group Bonds UBS 7 PERP (FF95)	None	Financial assets-current measured at fair value through profit and loss	1,700,000	52,549 (USD 1,642,166)	-	52,549 (USD 1,642,166)	
	Bonds	UBS Group Bonds UBS 7 PERP (FQ50)(I)	None	Financial assets-current measured at fair value through profit and loss	5,500,000	170,069 (USD 5,314,650)	-	170,069 (USD 5,314,650)	
	Bonds	UBS Group Bonds UBS 7.125 PERP	None	Financial assets-current measured at fair value through profit and loss	500,000	15,678 (USD 489,930)	-	15,678 (USD 489,930)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	1,440,000	47,386 (USD 1,480,810)	-	47,386 (USD 1,480,810)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (10Y)	None	Financial assets-current measured at fair value through profit and loss	3,100,000	111,945 (USD 3,498,288)	-	111,945 (USD 3,498,288)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (5Y)	None	Financial assets-current measured at fair value through profit and loss	1,800,000	61,281 (USD 1,915,020)	-	61,281 (USD 1,915,020)	

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
(Review only without following generally accepted auditing standards)  
(Unit amount in NT\$ Thousand, unless otherwise specified)

(Continued from previous page)

Unit: NT\$ Thousand/RMB/THB/USD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (March 31, 2026)				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)(I)	None	Financial assets-current measured at fair value through profit and loss	8,233,000	\$260,887 (USD 8,152,728)	-	\$260,887 (USD 8,152,728)	
	Bonds	Societe Generale bonds SOCGEN 10 PERP	None	Financial assets-current measured at fair value through profit and loss	1,000,000	34,758 (USD 1,086,190)	-	34,758 (USD 1,086,190)	
	Bonds	UBS Group Bonds UBS 7 PERP (FA09)(II)	None	Financial assets-current measured at fair value through profit and loss	640,000	20,265 (USD 633,280)	-	20,265 (USD 633,280)	
	Bonds	UBS Group Bonds UBS 7 PERP (FQ50)(II)	None	Financial assets-current measured at fair value through profit and loss	3,612,000	111,540 (USD 3,485,616)	-	111,540 (USD 3,485,616)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	2,500,000	81,328 (USD 2,541,500)	-	81,328 (USD 2,541,500)	
	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	25,574 (SGD 1,030,790)	-	25,574 (SGD 1,030,790)	
	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	145,581 (SGD 5,867,818)	-	145,581 (SGD 5,867,818)	
	Bonds	HSBC Holding bonds HSBC 5 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	750,000	18,940 (SGD 763,410)	-	18,940 (SGD 763,410)	

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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(Unit amount in NT\$ Thousand, unless otherwise specified)

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Unit: NT\$ Thousand/RMB/THB/USD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (March 31, 2026)				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)(II)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	\$75,955 (SGD 3,061,470)	-	\$75,955 (SGD 3,061,470)	
	Bonds	Barclays PLC Bonds BACR 5.4 PERP	None	Financial assets-current measured at fair value through profit and loss	2,000,000	50,149 (SGD 2,021,300)	-	50,149 (SGD 2,021,300)	
	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	69,592 (SGD 2,805,000)	-	69,592 (SGD 2,805,000)	
	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	77,028 (SGD 3,104,700)	-	77,028 (SGD 3,104,700)	
	Bonds	UBS Group Bonds UBS 5.75 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	1,250,000	32,200 (SGD 1,297,875)	-	32,200 (SGD 1,297,875)	
	Bonds	UBS Group Bonds UBS 3.375 PERP (CHF)	None	Financial assets-current measured at fair value through profit and loss	600,000	24,312 (CHF 607,344)	-	24,312 (CHF 607,344)	
	Bonds	UBS Group Bonds UBS 7.125 PERP (AUD)	None	Financial assets-current measured at fair value through profit and loss	3,210,000	68,102 (AUD 3,101,181)	-	68,102 (AUD 3,101,181)	
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	52,677 (USD 1,646,165)	-	52,677 (USD 1,646,165)	

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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 (Unit amount in NT\$ Thousand, unless otherwise specified)

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Unit: NT\$ Thousand/RMB/THB/USD

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (March 31, 2026)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
GREAT-SHANK CO., LTD.	Funds	BFIXED	None	Financial assets-current measured at fair value through profit and loss	885,155	\$11,621 (THB 11,931,532)	-	\$11,621 (THB 11,931,532)	
	Funds	KFAFIX-A	None	Financial assets-current measured at fair value through profit and loss	3,099,082	36,864 (THB 37,847,535)	-	36,864 (THB 37,847,535)	
	Funds	SCBFIXDA	None	Financial assets-current measured at fair value through profit and loss	1,331,274	14,586 (THB 14,975,098)	-	14,586 (THB 14,975,098)	
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	Others	Fixed-rate certificates of deposit	None	Financial assets at amortized cost - current	-	16,022 (USD 500,000)	-	16,022 (USD 500,000)	

(D) Sales to or purchases from related parties amounting to NT\$100 million or more, or exceeding 20% of the paid-in capital: None.

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

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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(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.	G-SHANK JAPAN CO., LTD.	1	Sales	\$12,502	Note 4	0.58%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	3	Cost of goods sold Other payables - related parties	31,154 23,971	Note 5	1.44% 0.19%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	3	Cost of goods sold Other receivables -related parties	11,393 40,688	Note 5	0.53% 0.32%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	G-SHANK JAPAN CO., LTD.	3	Other payables – related parties	13,268		0.10%

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

- (1) Fill in “0” for the parent company;
- (2) 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:

- (1) The parent company to the consolidated subsidiary;
- (2) Consolidate subsidiary to parent company;
- (3) 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.

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Note 4 : The products sold mainly comprise tools and materials. Depending on the nature of the products transacted, selling prices are determined either on a cost-plus basis or based on the cost at the time of transaction, taking into consideration various expenses, foreign exchange risks, and other factors, as mutually agreed upon by both parties. However, the products sold to related parties are not of identical specifications to those sold to other customers; therefore, no comparable transactions with other customers are available for comparison. The collection period for related parties is approximately OA 60-150 days.

Note 5 : The 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 for such single supplier is OA 60-120 days.

(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 first quarters of 2026.

Unit: NTD Thousand/USD/MYR

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of March 31, 2026			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Remarks
				March 31, 2026	December 31, 2025	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%	\$61,678	\$(431)	\$(431)	
	GRAND STAR ENTERPRISES L.L.C.	Note 2	General investment	590,864	590,864		100%	1,721,896	24,860	24,803	
	G-SHANK, Inc.	Note 3	Stamping parts molds, fixtures	36,686	36,686	1,000	100%	395,974	(2,679)	(2,654)	
	G-SHANK ENTERPRISE (M) SDN. BHD.	Note 4	Stamping parts molds, fixtures	85,112	85,112	6,924,750	92.33%	474,711	23,403	21,569	

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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Unit: NTD Thousand/USD/MYR

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of March 31, 2026			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Remarks
				March 31, 2026	December 31, 2025	Number of shares	Ratio (%)	Book amount (Note 12)			
G-SHANK ENTERPRISE CO., LTD.	GREAT-SHANK CO., LTD.	Note 5	Precision progressive die and hardware products	\$69,509	\$69,509	7,968,750	85.00%	\$131,808	\$8,059	\$6,833	
	G-SHANK JAPAN CO., LTD.	Note 6	International trade	23,615	23,615	1,440	80.00%	38,610	5,140	4,112	
	G-SHANK PHILIPPINES CORP.	Note 11	Stamping parts molds, fixtures	115,888	68,428	2,093,200	100%	83,334	(9,714)	(9,714)	
	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	71,706	71,706	11,375,148	14.34%	198,522	(11,275)	(1,498)	
CHIN DE INVESTMENT CO., LTD.	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	241	241	11,087	0.01%	194	(11,275)	(2)	
G-SHANK ENTERPRISE (M) SDN. BHD.	PT INDONESIA G- SHANK PRECISION	Note 8	Stamping parts molds, fixtures	56,584 (RM7,144,500)	56,584 (RM7,144,500)	18,800	94.00%	228,647 (RM28,869,581)	6,382 (RM799,717)	-	
G-SHANK, INC.	G-SHANK DE MEXICO,S.A. DE C.V.	Note 9	Stamping parts molds, fixtures	464 (USD14,512)	464 (USD14,512)	-	100%	36,728 (USD1,147,756)	1,453 (USD46,043)	-	
GRAND STAR ENTERPRISES L.L.C.	GLOBAL STAR INTERNATIONAL CO., LTD.	Note 10	General investment	614,976 (USD19,218,011)	614,976 (USD19,218,011)	19,218,011	100%	1,707,437	24,480	-	

(Continued on next page)

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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(Unit amount in NT\$ Thousand, unless otherwise specified)

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- 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, KYI-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: Except for GRAND STAR ENTERPRISES L.L.C. and GLOBAL STAR INTERNATIONAL CO., LTD. the calculation according to the financial statements of the invested companies of the same period that have not been reviewed by the independent auditor.
- 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 March 31, 2026.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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(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	Accumulated investment amount remitted from Taiwan as of beginning of the period	Investment amount remitted during the period		Accumulated investment amount remitted from Taiwan as of end of the period	Net income (loss) of investee company for the period	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized for the period (note 4)	Book value of investment at end of the period	Cumulative investment income remitted back to Taiwan as of the end of the 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	\$134,891	85.00%	\$114,671	\$2,079,664	\$2,896,778 (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	(3,233)	80.19%	(2,593)	67,623	114,919 (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	1,259	51.00%	642	87,865	35,448 (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	(2,625)	79.60%	(2,090)	100,881	73,026 (USD2,282,062)
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	5,789	100.00%	5,789	292,582	203,545 (USD6,360,767)

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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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						
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	\$(7,042)	92.83%	\$(6,537)	\$176,523	\$376,745 (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	7,954	88.20%	7,016	208,309	205,912 (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	-	-	USD 255,000	(303)	85.00%	(257)	86,237	651,157 (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	1,797	93.85%	1,687	121,533	8,344 (USD260,742)
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	23,073	91.43%	21,095	580,184	157,979 (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.	-	-	-	-	(2,571)	100.00%	(2,571)	82,947	-

(Continued on next page)

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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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						
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%	-	\$259,159	-

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)
\$674,756 (USD21,086,140)	\$904,239 (USD28,257,472)	\$5,991,602

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.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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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 March 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 profit and loss amount from the subsidiary under the equity method for the first quarters of 2026 was calculated according to the investee company’s financial statements not audited by the independent auditors, except for SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.

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 Electronic Technology Co., Ltd. originally had a paid-in capital of RMB 30,000,000. In May of 2023, it reduced its capital and refunded RMB 11,000,000. After the reduction of capital, the paid-in capital changed to RMB 19,000,000.

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 March 31, 2026, 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 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 YE H 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 Notes13 (1)(F) of the consolidated financial report for details.
- (b) The sales amount and percentage and the related receivable amount and percentage at yearend: The transaction amount for the period is not material and therefore not disclosed.
- (c) The property transaction amount and the profit and loss resulted : The transaction amount for the period is not material and therefore not disclosed.
- (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 Notes13 (1)(A) of the consolidated financial report for details.
- (f) Other transactions that have a significant impact on the profit and loss or financial status: The transaction amount for the period is not material and therefore not disclosed.

#### 14. DEPARTMENT INFORMATION

There are two reporting departments within the Group, including the stamping parts department and the general investment department. The stamping parts department is mainly for the manufacturing and production, processing, and trading of stamping components, while the general investment department is engaged in short-term investment and general investment activities. The reportable departmental profit and loss are measured by operating profit and loss before tax (excluding the total management and logistics costs to be amortized, non-operating income and benefits, non-operating expenses and losses, and income tax expenses) and it is the base for performance evaluation. This measurement amount is provided to the operating decision-maker to determine the allocation of resources to each department and to evaluate the performance of each department. The accounting policies of the operating department are the same as the summary of the significant accounting policies described in Note 4. of the consolidated financial report.

##### Department information

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
<u>For the three months ended March 31, 2026</u>				
<u>Income</u>				
Income from external customers	\$2,167,648	\$-	\$-	\$2,167,648
Inter-department income	-	-	-	-
Total income	<u>\$2,167,648</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,167,648</u>
Departmental profit and loss	<u>\$386,547</u>	<u>\$(538)</u>	<u>\$-</u>	<u>\$386,009</u>
Non-operating income and expense				<u>(4,970)</u>
Net income before tax of the continuing business unit				<u>\$381,039</u>
<u>For the three months ended March 31, 2025</u>				
<u>Income</u>				
Income from external customers	\$1,646,431	\$-	\$-	\$1,646,431
Inter-department income	-	-	-	-
Total income	<u>\$1,646,431</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,646,431</u>
Departmental profit and loss	<u>\$245,333</u>	<u>\$2,475</u>	<u>\$-</u>	<u>\$247,808</u>
Non-operating income and expense				<u>100,791</u>
Net income before tax of the continuing business unit				<u>\$348,599</u>

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
<u>March 31, 2026</u>				
Assets				
Department assets	\$10,369,004	\$62,655	\$-	\$10,431,659
Current tax assets	29,920	15	-	29,935
Deferred tax assets	12,201	-	-	12,201
Investment -				
Non-investment department	2,346,820	-	-	2,346,820
Net defined benefit asset	6,001	-	-	6,001
Total assets	<u>\$12,763,946</u>	<u>\$62,670</u>	<u>\$-</u>	<u>\$12,826,616</u>
Liabilities				
Department liabilities	\$2,037,938	\$25	\$-	\$2,037,963
Current tax liabilities	114,493	680	-	115,173
Deferred tax liabilities	687,190	287	-	687,477
Total liabilities	<u>\$2,839,621</u>	<u>\$992</u>	<u>\$-</u>	<u>\$2,840,613</u>
<u>December 31, 2025</u>				
Assets				
Department assets	\$10,001,379	\$63,194	\$-	\$10,064,573
Current tax assets	25,697	15	-	25,712
Deferred tax assets	12,235	-	-	12,235
Investment -				
Non-investment department	3,026,290	-	-	3,026,290
Net defined benefit asset	6,001	-	-	6,001
Total assets	<u>\$13,071,602</u>	<u>\$63,209</u>	<u>\$-</u>	<u>\$13,134,811</u>
Liabilities				
Department liabilities	\$2,836,647	\$25	\$-	\$2,836,672
Current tax liabilities	59,453	486	-	59,939
Deferred tax liabilities	673,592	589	-	674,181
Total liabilities	<u>\$3,569,692</u>	<u>\$1,100</u>	<u>\$-</u>	<u>\$3,570,792</u>

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Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)  
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	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
<u>March 31, 2025</u>				
Assets				
Department assets	\$9,354,289	\$63,850	\$-	\$9,418,139
Current tax assets	5,029	39	-	5,068
Deferred tax assets	8,429	-	-	8,429
Investment - Non-investment department	2,976,044	-	-	2,976,044
Total assets	<u>\$12,343,791</u>	<u>\$63,889</u>	<u>\$-</u>	<u>\$12,407,680</u>
Liabilities				
Department liabilities	\$2,371,816	\$25	\$-	\$2,371,841
Current tax liabilities	247,982	93	-	248,075
Deferred tax liabilities	620,133	758	-	620,891
Net defined benefit liabilities	10,750	-	-	10,750
Total liabilities	<u>\$3,250,681</u>	<u>\$876</u>	<u>\$-</u>	<u>\$3,251,557</u>