

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

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 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 September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, and the consolidated statements of changes in equity and of cash flows for the nine months ended September 30, 2025 and 2024, and notes to the financial statements, including a summary of significant accounting policies. (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except 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\$3,546,228 thousand and NT\$3,658,851 thousand, accounted for 28.59% and 30.18% of the total consolidated assets as of September 30, 2025 and 2024, respectively. The total liabilities were NT\$587,685 thousand and NT\$541,037 thousand, accounted for 16.58% and 15.5% of total consolidated liabilities, respectively. The total consolidated profits and losses were NT\$118,040 thousand, NT\$161,290 thousand and NT\$48,108 thousand, NT\$394,813 thousand, constituting 19.56%, 37.19% and 12.26%, 32.29% of the consolidated total comprehensive income for the three months and nine months periods ended September 30, 2025 and 2024, respectively. As stated in Note 6.(8) 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\$205,002 thousand and NT\$176,086 thousand, accounted for 1.65% and 1.45% of the total consolidated assets, respectively, as of September 30, 2025 and 2024, respectively. The amount of profit from the affiliated enterprise under the equity method was NT\$856 thousand, NT\$136 thousand and NT\$(7,843) thousand, NT\$11,676 thousand, accounted for 0.14%, 0.03% and (2.00)%, 0.95% of the total consolidated profits and losses for the period of the three months and nine months periods ended September 30, 2025 and 2024, 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

In our conclusion, 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three-month and nine-month periods then ended, and of its consolidated cash flows for the nine months ended September 30, 2025 and 2024, 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.

Lu, Jui-Wen
Diwan & Company
October 31, 2025

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

(September 30, 2025 & 2024 have been Reviewed 、December 31, 2024 have been audited)

(In Thousands of New Taiwan Dollars)

ASSETS		Notes	September 30,2025		December 31,2024		September 30,2024	
Code	Accounts		Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	4 & 6.(1)	\$ 3,212,304	26	\$ 3,522,837	29	\$ 3,801,974	31
1110	Financial assets at fair value through profit or loss - current	6.(2)	2,338,733	19	2,333,708	19	2,043,901	17
1150	Notes receivable, net	6.(3) & 6.(4)	39,330	-	31,136	-	41,635	-
1170	Accounts receivable, net	6.(4)	1,624,389	13	1,453,314	12	1,476,737	12
1180	Accounts receivable- related parties	7	13	-	-	-	82	-
1200	Other receivables	6.(4)	52,275	-	69,728	1	58,801	1
1220	Current tax assets	4 & 6.(29)	61,250	1	10,842	-	5,163	-
130x	Inventory	6.(5)	879,111	7	860,592	7	847,641	7
1470	Prepayments and Other current assets		90,724	1	55,743	-	85,845	1
1476	Other financial assets-current	4 、 6.(6) & 8	28,951	-	29,613	-	33,865	-
	Total current assets		8,327,080	67	8,367,513	68	8,395,644	69
15xx	Noncurrent Asset							
1510	Financial assets at fair value through profit or loss - noncurrent	6.(2) & 6.(13)	976	-	1,951	-	2,196	-
1517	Financial assets at fair value through other comprehensive income	6.(7) & 6.(21)	377,307	3	444,031	4	354,696	3
1550	Investments accounted for using equity method	6.(8) & 7	205,002	2	177,776	1	176,086	2
1600	Property, Plant and Equipment	6.(9) 、 7 & 9	3,062,407	25	3,037,858	25	2,845,736	23
1755	Right-of-use asset	6.(10) & 6.(14)	301,397	2	251,407	2	259,059	2
1780	Intangible assets	6.(11)	3,415	-	1,504	-	1,528	-
1840	Deferred tax assets	4 & 6.(29)	9,628	-	9,828	-	9,189	-
1915	Prepayments for equipment		95,363	1	28,942	-	61,026	1
1920	Refundable deposits		6,781	-	3,781	-	3,913	-
1990	Other noncurrent assets, others	6.(4) & 8	13,372	-	16,349	-	14,791	-
	Total noncurrent Asset		4,075,648	33	3,973,427	32	3,728,220	31
1xxx	Total Assets		\$ 12,402,728	100	\$ 12,340,940	100	\$ 12,123,864	100

(CONTINUING)

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

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(September 30, 2025 & 2024 have been Reviewed 、December 31, 2024 have been audited)

(In Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
Code	Accounts		Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term loans	6.(12) & 6.(31)	\$ 890,000	7	\$ 500,000	4	\$ 630,000	5
2130	Contract liabilities - current	6.(24)	19,742	-	20,745	-	22,792	-
2170	Accounts payable		706,339	6	517,367	4	563,441	5
2180	Accounts payable-related parties	7	335	-	243	-	245	-
2200	Other payables	6.(9) 、6.(15) & 6.(25)	573,094	5	677,601	6	519,551	4
2220	Other payables-related parties	7	4,908	-	2,789	-	4,111	-
2230	Current tax liabilities	4 & 6.(29)	44,876	-	226,987	2	157,495	1
2280	Lease liabilities-current	6.(14) & 6.(31)	67,157	1	56,371	-	59,913	1
2300	Other current liabilities		31,317	-	22,471	-	22,826	-
	Total current liabilities		<u>2,337,768</u>	<u>19</u>	<u>2,024,574</u>	<u>16</u>	<u>1,980,374</u>	<u>16</u>
25xx	Non-current liabilities							
2530	Bonds payable	6.(13) & 6.(31)	453,471	4	750,731	6	751,034	6
2570	Deferred tax liabilities	4 & 6.(29)	622,992	5	593,915	5	664,422	6
2580	Lease liabilities - noncurrent	6.(14) & 6.(31)	100,076	1	50,612	1	51,656	1
2640	Net defined benefit liabilities- noncurrent	4 & 6.(15)	10,750	-	10,750	-	29,956	-
2645	Guarantee deposits		20,517	-	14,032	-	13,367	-
	Total non-current liabilities		<u>1,207,806</u>	<u>10</u>	<u>1,420,040</u>	<u>12</u>	<u>1,510,435</u>	<u>13</u>
2xxx	Total liabilities		<u>3,545,574</u>	<u>29</u>	<u>3,444,614</u>	<u>28</u>	<u>3,490,809</u>	<u>29</u>
31xx	Equity attributable to owners of parent							
3100	Share capital	6.(16) 、6.(23)&11						
3110	Ordinary shares		2,108,960	17	2,097,755	17	2,072,921	17
3140	Advance Receipts for Capital Stock		57,249	-	3,205	-	24,834	-
3200	Capital surplus	6.(13) 、6.(17) 、6.(20) 、6.(22) & 6.(23)	1,190,033	10	1,422,430	12	1,413,921	12
3300	Retained earnings							
3310	Legal reserve	6.(18) & 6.(20)	1,157,252	9	1,049,201	9	1,049,201	9
3320	Special reserve	6.(19)	284,690	2	284,690	2	284,690	2
3350	Unappropriated earnings	6.(20)& 6.(21)	3,472,651	28	3,216,868	26	2,933,664	24
3400	Other equity							
3410	Exchange differences on translation of foreign financial statements	6.(21) 、6.(22) & 6.(28)	(395,746)	(3)	(205,552)	(2)	(161,200)	(1)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	6.(7) 、6.(8) 、6.(21) & 6.(28)	<u>365,831</u>	<u>3</u>	<u>425,283</u>	<u>3</u>	<u>336,652</u>	<u>3</u>
	Total equity attributable to owners of parent		<u>8,240,920</u>	<u>66</u>	<u>8,293,880</u>	<u>67</u>	<u>7,954,683</u>	<u>66</u>
36xx	Non-controlling interests	6.(21) & 6.(22)	<u>616,234</u>	<u>5</u>	<u>602,446</u>	<u>5</u>	<u>678,372</u>	<u>5</u>
3xxx	Total Equity		<u>8,857,154</u>	<u>71</u>	<u>8,896,326</u>	<u>72</u>	<u>8,633,055</u>	<u>71</u>
	Total liabilities and equity		<u>\$ 12,402,728</u>	<u>100</u>	<u>\$ 12,340,940</u>	<u>100</u>	<u>\$ 12,123,864</u>	<u>100</u>

(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-month ended September 30				For the nine-month ended September 30			
			2025	%	2024	%	2025	%	2024	%
4000	Sales revenue	6.(24) & 7	\$ 1,974,954	100	\$ 1,861,908	100	\$ 5,432,901	100	\$ 4,914,859	100
5000	Operating costs	6.(5) 、6.(15) 、6.(25) & 7	(1,390,291)	(70)	(1,229,306)	(66)	(3,816,081)	(70)	(3,298,631)	(67)
5900	Gross profit from operations		584,663	30	632,602	34	1,616,820	30	1,616,228	33
6000	Operating expense	6.(14) 、6.(15) 、6.(25)								
6100	Selling expense		(71,013)	(4)	(63,267)	(3)	(212,625)	(4)	(201,688)	(4)
6200	General and administrative expenses		(150,631)	(8)	(124,799)	(7)	(411,930)	(8)	(405,155)	(8)
6300	Research and development expenses		(48,185)	(2)	(42,351)	(2)	(130,781)	(2)	(123,427)	(3)
6450	Loss (reversal) of expected credit loss	6.(4)	(385)	-	263	-	(330)	-	(568)	-
	Total operating expense		(270,214)	(14)	(230,154)	(12)	(755,666)	(14)	(730,838)	(15)
6500	Other operating income and expenses, net	6.(9) 、6.(25) & 6.(26)	96	-	96	-	287	-	287	-
6900	Net operating income		314,545	16	402,544	22	861,441	16	885,677	18
7000	Non-operating income and expenses									
7100	Interest income	6.(27)	51,343	3	56,115	3	161,863	3	181,467	4
7010	Other income	6.(27)	12,399	1	5,848	-	35,336	-	21,887	-
7020	Other gains and losses	6.(2) 、6.(9) 、6.(13) & 6.(27)	107,409	5	28,809	1	(64,374)	(1)	148,320	3
7050	Finance costs	6.(13) 、6.(14) & 6.(27)	(5,813)	-	(6,591)	-	(16,859)	-	(24,506)	-
7060	Share of profit of associates accounted for using the equity method	6.(8) & 6.(27)	856	-	136	-	(7,843)	-	11,676	-
7230	Foreign exchange gains (loss)	6.(27)	4,008	-	(33,579)	(2)	(37,356)	(1)	15,773	-
	Total non-operating income and expenses		170,202	9	50,738	2	70,767	1	354,617	7
7900	Profit (loss) from continuing operations before tax		484,747	25	453,282	24	932,208	17	1,240,294	25
7950	Income Tax Expense	4 & 6.(29)	(111,947)	(6)	(131,253)	(7)	(266,705)	(5)	(339,920)	(7)
8200	Profit (loss) for the period		372,800	19	322,029	17	665,503	12	900,374	18
8300	Other comprehensive income	6.(7) 、6.(8) & 6.(28)								
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		117,841	6	(19,897)	(1)	(66,724)	(1)	33,793	1
8320	Share of the other comprehensive (loss) income of associates		9,349	1	(2,695)	-	7,011	-	2,679	-
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		127,190	7	(22,592)	(1)	(59,713)	(1)	36,472	1
8360	Items that may be reclassified subsequently to profit or loss :									
8361	Exchange differences on translating foreign operations		103,432	5	134,285	7	(213,418)	(4)	285,899	6
8370	Share of the other comprehensive income of associates		-	-	-	-	-	-	-	-
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		103,432	5	134,285	7	(213,418)	(4)	285,899	6
	Total other comprehensive income (loss) for the period		230,622	12	111,693	6	(273,131)	(5)	322,371	7
8500	Total comprehensive income (loss) for the period		\$ 603,422	31	\$ 433,722	23	\$ 392,372	7	\$ 1,222,745	25
8600	Net profit (loss) attributable to :									
8610	Owners of the Corporation		\$ 342,310	17	\$ 282,368	15	\$ 574,833	10	\$ 797,306	16
8620	Non-controlling interests		30,490	2	39,661	2	90,670	2	103,068	2
			\$ 372,800	19	\$ 322,029	17	\$ 665,503	12	\$ 900,374	18
8700	Total comprehensive income attributable to :									
8710	Owners of the Corporation		\$ 559,311	28	\$ 374,580	20	\$ 326,635	6	\$ 1,082,216	22
8720	Non-controlling interests		44,111	2	59,142	3	65,737	1	140,529	3
			\$ 603,422	30	\$ 433,722	23	\$ 392,372	7	\$ 1,222,745	25
	Earnings per share (dollar)	6.(30)								
9750	Basic		\$ 1.61		\$ 1.35		\$ 2.72		\$ 3.91	
9850	Diluted		\$ 1.53		\$ 1.27		\$ 2.59		\$ 3.66	

(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)

Item	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 Cpmprehensive Income			
BALANCE AT JANUARY 1, 2024	\$ 1,906,543	\$ 1,900	\$ 489,905	\$ 981,760	\$ 284,690	\$ 2,512,565	\$ (409,638)	\$ 300,180	\$ 6,067,905	\$ 683,605	\$ 6,751,510
Appropriation of 2023 earnings (Note 6.(20))		\$ -									
Legal reserve	-	-	-	67,441	-	(67,441)	-	-	-	-	-
Cash dividends to ordinary shareholders	-	-	-	-	-	(308,766)	-	-	(308,766)	-	(308,766)
Unclaimed dividends past statutory expiry by shareholders	-	-	49	-	-	-	-	-	49	-	49
Cash dividends distribution from capital surplus	-	-	(205,844)	-	-	-	-	-	(205,844)	-	(205,844)
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	797,306	-	-	797,306	103,068	900,374
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	248,438	36,472	284,910	37,461	322,371
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	797,306	248,438	36,472	1,082,216	140,529	1,222,745
Cash capital increase	150,000	-	716,447	-	-	-	-	-	866,447	-	866,447
Equity component of issuance of convertible bonds -share options	-	-	189,655	-	-	-	-	-	189,655	-	189,655
Changes in the net interest of associates recognised under the equity method	-	-	448	-	-	-	-	-	448	-	448
share-based payment transaction	9,660	(1,070)	48,805	-	-	-	-	-	57,395	-	57,395
Conversion of convertible bonds	6,718	24,004	174,456	-	-	-	-	-	205,178	-	205,178
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(145,762)	(145,762)
BALANCE AT SEPTEMBER 30, 2024	\$ 2,072,921	\$ 24,834	\$ 1,413,921	\$ 1,049,201	\$ 284,690	\$ 2,933,664	\$ (161,200)	\$ 336,652	\$ 7,954,683	\$ 678,372	\$ 8,633,055
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
Appropriation of 2024 earnings (Note 6.(20))											
Legal reserve	-	-	-	108,051	-	(108,051)	-	-	-	-	-
Cash dividends to ordinary shareholders	-	-	-	-	-	(210,738)	-	-	(210,738)	-	(210,738)
Unclaimed dividends past statutory expiry by shareholders	-	-	44	-	-	-	-	-	44	-	44
Exercise the right of disgorgement	-	-	28	-	-	-	-	-	28	-	28
Cash dividends distribution from capital surplus	-	-	(526,845)	-	-	-	-	-	(526,845)	-	(526,845)
Net profit for the nine months ended September 30, 2025	-	-	-	-	-	574,833	-	-	574,833	90,670	665,503
Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	-	(188,485)	(59,713)	(248,198)	(24,933)	(273,131)
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	574,833	(188,485)	(59,713)	326,635	65,737	392,372
Changes in the net interest of associates recognised under the equity method	-	-	8,163	-	-	(261)	-	261	8,163	-	8,163
share-based payment transaction	9,050	8,830	20,670	-	-	-	-	-	38,550	-	38,550
Conversion of convertible bonds	2,155	45,214	259,141	-	-	-	-	-	306,510	-	306,510
The difference between the actual price of equity acquired from the subsidiary and its book value	-	-	6,402	-	-	-	(1,709)	-	4,693	(8,559)	(3,866)
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(43,390)	(43,390)
BALANCE AT SEPTEMBER 30, 2025	\$ 2,108,960	\$ 57,249	\$ 1,190,033	\$ 1,157,252	\$ 284,690	\$ 3,472,651	\$ (395,746)	\$ 365,831	\$ 8,240,920	\$ 616,234	\$ 8,857,154

(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)

Item	For the nine months ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	\$ 932,208	\$ 1,240,294
Adjustments for		
The profit or loss items which did not affect cash flows:		
Depreciation	153,765	131,535
Amortization	21,285	13,875
Expected Credit Losses	330	568
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	68,134	(148,421)
Interest expenses	16,859	24,506
Interest income	(161,863)	(181,467)
Dividends income	(16,964)	(11,874)
Share-based payment expenses	6,128	40,403
Share of profit of associates ventures accounted for using the equity method	7,843	(11,676)
Profit on disposal of property, plant and equipment	(3,968)	(194)
Unrealized foreign exchange gains	(56,033)	(20,182)
Changes in operating assets and liabilities :		
Financial assets at fair value through profit or loss	(74,065)	(444,341)
Notes receivables	(8,194)	(308)
Accounts receivable	(167,162)	(152,919)
Accounts receivable-related parties	(13)	(79)
Other receivables	21,701	5,250
Inventories	(21,781)	(52,374)
Prepayments and Other current assets	(37,981)	(37,672)
Current contract	(1,003)	3,361
Accounts payable	191,247	128,968
Accounts payable-related parties	92	(1,032)
Other payables	(23,239)	14,533
Other payables-related parties	2,119	1,537
Other current liabilities	8,846	2,459
Cash (used in) generated from operating activities:	858,291	544,750
Interest received	158,449	177,273
Dividends received	16,964	11,874
Interest paid	(6,865)	(13,678)
Income tax paid	(469,947)	(245,099)
Net cash flows from operating activities	556,892	475,120

(Continuing)

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUING)
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Not Audited)

Description	For the nine months ended September 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from investments accounted for using equity method	\$ 11,387	\$ 6,965
Acquisition of investments accounted for using the equity method	(31,282)	\$ -
Acquisition of property, plant and equipment	(285,736)	(1,354,859)
Proceeds from disposal of property, plant and equipment	13,525	5,024
Increase in refundable deposits	-	(126)
Acquisition of intangible assets	(2,837)	(409)
Decrease (Increase) in other current financial assets	666	(3,349)
Increase in Other non-current assets	(17,385)	(16,382)
Increase in prepayments for business facilities	(67,884)	(43,928)
Net cash used in investing activities	(379,546)	(1,407,064)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Short-term Loans	390,000	(580,000)
Issuance of Convertible Bonds	-	1,134,903
Increase in Deposit for Guarantee	6,959	2,346
Cash payment for the principal portion of the lease liabilities	(12,134)	(9,864)
Payment of cash dividends	(210,738)	(308,766)
Cash dividend distributed from capital surplus	(526,845)	(205,844)
Cash capital increase	-	866,447
Employee exercise of stock warrant	32,422	16,992
Cash dividends paid by subsidiaries to non-controlling interests	(43,390)	(145,762)
Acquisition of non-controlling interests in subsidiaries	(3,866)	-
Unclaimed dividends past statutory expiry by shareholders	44	49
Exercise the right of disgorgement	28	-
Net cash used in financing activities	(367,520)	770,501
Effect of changes in exchange rate on cash and cash equivalents	(120,359)	255,558
Net increase (decrease) in cash and cash equivalents for the period	(310,533)	94,115
Cash and cash equivalents at the beginning of the period	3,522,837	3,707,859
Cash and cash equivalents at the end of the period	\$ 3,212,304	\$ 3,801,974

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

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(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 nine months ended September 30, 2025 and 2024 were approved and authorized for issuance by the Board of Directors on October 31, 2025.

3. **APPLICATION OF THE NEWLY ISSUED AND REVISED STANDARDS AND INTERPRETATIONS**

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

Since January 1, 2025, the Group has been applying the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretations announcements applicable in 2025, as announced on the website of the Securities and Futures Bureau of the Financial Supervisory Commission. The new/amended/revised standards and interpretations that have been released by the International Accounting Standards Board (hereinafter referred to as IASB) and recognized and released by the FSC in 2025 are as follows:

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IAS 21 (amendments)	Lack of convertibility	January 1, 2025

The management of the Group has assessed the amendments to the regulations approved and announced by the FSC, and concluded that they do not have a material impact on the Group's consolidated financial statements.

- (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:

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IFRS 7 and IAS 9 (amendments)	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 17	Insurance contracts	January 1, 2023
IFRS 17 (amendments)	Amendments to IFRS17	January 1, 2023

(Continuing to next page)

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)

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IFRS 17 (amendments)	First-time application of IFRS 17 and IFRS 9 - comparative information	January 1, 2023
IFRS	IFRS accounting standards annual improvements - volume 11	January 1, 2026
IFRS 7 and IAS 9 (amendments)	Nature-dependent electricity contracts	January 1, 2026

The management team of this group is currently evaluating the potential impacts of the aforementioned criteria revisions, therefore it is not possible at this time to reasonably estimate the effects on the consolidated financial statements of this group.

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

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

Note: In the press release issued by the Financial Supervisory Commission (FSC) on September 25, 2025, it was announced that public companies will be required to apply International Financial Reporting Standard No. 18 (“IFRS 18”) starting from fiscal year 2028. Entities that wish to apply IFRS 18 earlier may do so upon the FSC’s endorsement of the standard.

The Group's management is currently evaluating the potential impact of the aforementioned new standards or amendments and is therefore unable to reasonably estimate their effect on the Group's consolidated financial statements at this time.

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**

(A) **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.

(B) **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.

(C) **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:

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)

- (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 intake.

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

Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%)		
				September 30, 2025	December 31, 2024	September 30, 2024
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	58.89	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 die and hardware products	100.00	-	-

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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 the last page)

Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%)		
				September 30, 2025	December 31, 2024	September 30, 2024
GRAND STAR ENTERPRISES L.L.C. (Note 3)	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
GLOBAL STAR INTERNATIONAL CO., LTD.	G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	China Dongguan (Note1)	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
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

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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 the last page)

Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%)		
				September 30, 2025	December 31, 2024	September 30, 2024
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	DONG GUAN QIAOJU TRADING CO., LTD.	China Dongguan (Note 1)	Plastic hardware wholesale and import/export business	100.00	100.00	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

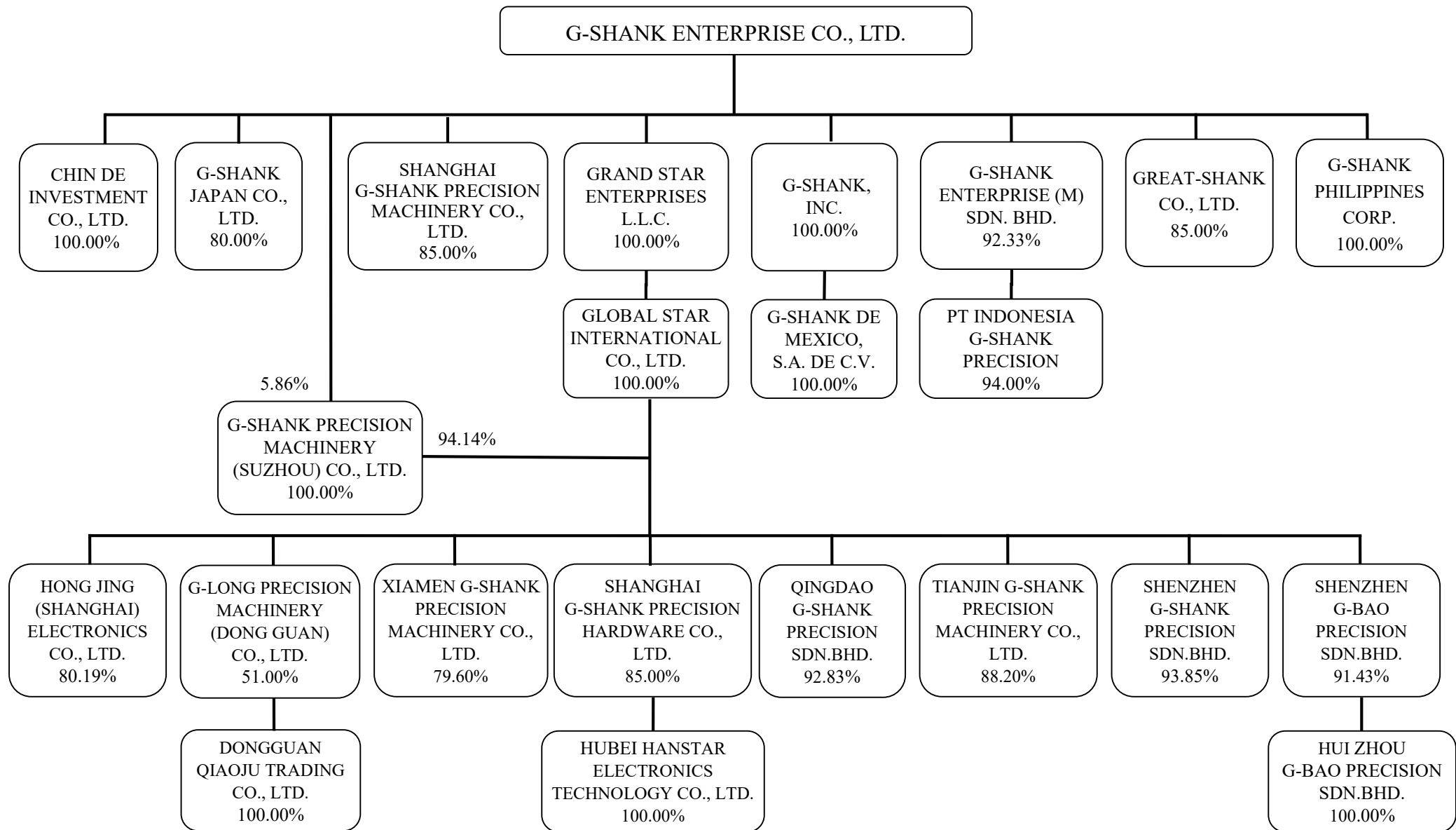
Note1 : The aforementioned companies are established in China where the foreign exchange control is enforced; therefore, the transfer of funds is restricted by local law and regulations. As of September 30, 2025, December 31, 2024, and September 30, 2024, the cash, bank deposits, and financial assets-current measured at amortized cost and other financial assets-current of the companies that are subject to foreign exchange control regulation were NT\$2,220,963 thousand, NT\$2,006,013 thousand, and NT\$2,588,315 thousand, respectively.

Note2 : On September 9, 2025, the Company acquired a 21.11% equity interest in its subsidiary, G-Shank Japan Co., Ltd., from the subsidiary's non-controlling shareholders for JPY 19,000 thousand, increasing its ownership from 58.89% to 80%. The purchase consideration was remitted on September 19, 2025, and the transfer of ownership was registered in the shareholders' register of G-SHANK JAPAN CO., LTD.

G-SHANK ENTERPRISE CO., LTD. has prepared the consolidated financial reports with the separate statements from all subsidiaries accordingly. Except for SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD., GRAND STAR ENTERPRISES L.L.C. and GLOBAL STAR INTERNATIONAL Co., Ltd., which financial statements for the three quarters of 2025 and 2024 having been audited by certified accounts, the financial statements of the remaining subsidiary companies have not been audited by certified accountants during the same accounting periods. The total assets of the unaudited subsidiary companies as of September 30, 2025 and 2024 are NT\$3,546,228 thousand and NT\$3,658,851 thousand, respectively. The total liabilities are NT\$587,685 thousand and NT\$541,037 thousand respectively. The total consolidated profits and losses were NT\$118,040 thousand, NT\$161,290 thousand and NT\$48,108 thousand, NT\$394,813 thousand, for the three months and nine months periods ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, 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.
- (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 preparing this consolidated financial report are the same as those in Note 4 of the 2024 consolidated financial report. Please refer to the Group's 2024 consolidated financial report for 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 while preparing this consolidated financial report, as well as the main causes of uncertainty in assumptions and estimations about the future are the same as those in Note 5 of the 2024 consolidated financial report. Please refer to the Group's 2024 consolidated financial report for details.

6. DESCRIPTION OF IMPORTANT ACCOUNTING ITEMS

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash and petty cash	\$5,382	\$9,358	\$7,592
Checking deposit and savings deposit	1,445,115	1,621,921	1,438,017
Time deposits	1,761,807	1,891,558	2,356,365
Total	<u>\$3,212,304</u>	<u>\$3,522,837</u>	<u>\$3,801,974</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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Financial assets measured at fair value through profit and loss mandatorily			
Acquisition cost:			
Funds	\$58,183	\$226,970	\$156,879
Bonds	2,240,740	1,988,242	1,779,230
Subtotal	<u>2,298,923</u>	<u>2,215,212</u>	<u>1,936,109</u>
Evaluation adjustment:			
Funds	3,255	2,517	1,967
Bonds	36,555	115,979	105,825
Subtotal	<u>39,810</u>	<u>118,496</u>	<u>107,792</u>
Total	<u><u>\$2,338,733</u></u>	<u><u>\$2,333,708</u></u>	<u><u>\$2,043,901</u></u>
Non-current items:			
Financial assets measured at fair value through profit or loss			
Embedded derivative			
financial instruments	<u>\$976</u>	<u>\$1,951</u>	<u>\$2,196</u>

(A) The foreign exchange contracts entered into by the Company with financial institutions are primarily for financial hedging purposes, aiming to mitigate the impact of exchange rate and interest rate fluctuations on foreign currency assets and liabilities. However, these contracts were not designated as hedging instruments. Accordingly, the derivative instruments that were not accounted for under hedge accounting were reported as financial assets held for trading, with balances of NT\$0 thousand as of September 30, 2025, December 31, 2024, and September 30, 2024.

The net profits arising from foreign exchange transactions were NT\$4,438 thousand and NT\$23,065 thousand, for the three months and nine months periods ended September 30, 2024, respectively.

(B) The Group's valuation profits(losses) of financial assets and liabilities at fair value through income were NT\$104,944 thousand, NT\$28,430 thousand, NT\$(68,134) thousand, and NT\$148,421 thousand, for the three months and nine months periods ended September 30, 2025 and 2024, respectively, which were booked in the "Non-operating income and expenses - other profit and loss" account.

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

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

(E) The disclosure of information regarding embedded derivative financial instruments can be found in Notes 6.(13) and 12 of the consolidated financial statements.

(3) Notes receivable - net

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$39,330	\$31,136	\$41,635
Less: Allowance for loss	-	-	-
Net amount	<u>\$39,330</u>	<u>\$31,136</u>	<u>\$41,635</u>

(4) Net Accounts Receivable and Collections

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$1,628,156	\$1,456,912	\$1,480,741
Less: Allowance for loss	(3,767)	(3,598)	(4,004)
Net amount	<u>\$1,624,389</u>	<u>\$1,453,314</u>	<u>\$1,476,737</u>
Collection of receivables (classified under other non-current assets - others)	\$22,282	\$23,345	\$23,590
Less: Allowance for losses	(22,282)	(23,345)	(23,590)
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.
- (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 nine months periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Balance - beginning	\$26,943	\$25,871
Allowance account for the impairment of notes receivable, accounts receivable, other receivables and collection of receivables	330	568
Allowance reversal account for the impairment of notes receivable, accounts receivable, other receivables and collection of receivables	-	-
Exchange difference	(1,224)	1,155
Balance - ending	<u>\$26,049</u>	<u>\$27,594</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.

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)

(5) Inventory

September 30, 2025			
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$297,680	\$17,261	\$280,419
Substances	24,630	202	24,428
Work-in-process goods	210,915	20,780	190,135
Finished goods	403,426	25,554	377,872
Merchandise trade	6,682	425	6,257
Total	<u>\$943,333</u>	<u>\$64,222</u>	<u>\$879,111</u>

December 31, 2024			
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$295,195	\$19,824	\$275,371
Substances	20,593	136	20,457
Work-in-process goods	196,413	21,494	174,919
Finished goods	410,795	24,537	386,258
Merchandise trade	4,348	761	3,587
Total	<u>\$927,344</u>	<u>\$66,752</u>	<u>\$860,592</u>

September 30, 2024			
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	\$301,449	\$20,185	\$281,264
Substances	24,975	114	24,861
Work-in-process goods	179,957	21,888	158,069
Finished goods	407,871	25,356	382,515
Merchandise trade	1,452	520	932
Total	<u>\$915,704</u>	<u>\$68,063</u>	<u>\$847,641</u>

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Inventory booked in “cost of goods sold”	\$1,391,936	\$1,233,980	\$3,820,568	\$3,314,000
Inventory cost written down to net realizable value	274	-	-	-
Recovery of inventory to net realizable value		(4,847)	(678)	(14,242)
Inventory (surplus) loss	(1,919)	173	(3,809)	(1,127)
Total operating cost	<u>\$1,390,291</u>	<u>\$1,229,306</u>	<u>\$3,816,081</u>	<u>\$3,298,631</u>

(B) The recovery of raw material prices or their usage, as well as the completion and sale of work-in-progress or finished products, for the third quarter of 2024 and the first three quarters of 2025 and 2024, respectively, led to the elimination of the factors causing the provision for inventory impairment. As a result, the net realizable value of inventory increased, leading to a decrease in cost of sales of NT\$4,847 thousand, NT\$678 thousand, and NT\$14,242 thousand, respectively.

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

(6) Other financial assets-current

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposit	\$24,185	\$24,482	\$25,678
Restricted assets – bank deposit	70	74	317
Overseas funds repatriation account			
Time deposit	4,696	5,057	7,870
Total	<u>\$28,951</u>	<u>\$29,613</u>	<u>\$33,865</u>

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

(7) Financial assets at fair value through other comprehensive income - noncurrent

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Equity instrument</u>			
Unlisted stocks	\$27,006	\$27,006	\$27,006
Equity instrument investment evaluation adjustment	350,301	417,025	327,690
Total	<u>\$377,307</u>	<u>\$444,031</u>	<u>\$354,696</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 were NT\$0 thousand, NT\$0 thousand, NT\$16,964 thousand, and NT\$11,874 thousand for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.
- (C) The Group did not have cumulative profit or loss transferred within equity for the three-month and nine-month periods ended September 30, 2025 and 2024.
- (D) The aforementioned financial assets measured at fair value through other comprehensive profit and loss had not been provided as collateral or mortgaged.
- (E) Please refer to Note 12.(2)(C)(a) and (b) of the 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.

(8) 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:

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(Continuing)

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

Affiliated enterprises	September 30, 2025	Equity holding ratio (%)	December 31, 2024	Equity holding ratio (%)	September 30, 2024	Equity holding ratio (%)
SUNFLEX TECHNOLOGY CO., LTD. (Note)	<u>\$205,002</u>	14.42	<u>\$177,776</u>	14.43	<u>\$176,086</u>	14.43

Note : The Group is the largest single shareholder of SUNFLEX TECHNOLOGY CO., LTD. with 14.42% 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-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Net profit (loss) of the continuing business unit - current	\$856	\$136	\$(7,843)	\$11,676
Other comprehensive profit and loss (after tax) -current	<u>9,349</u>	<u>(2,695)</u>	<u>7,011</u>	<u>2,679</u>
Total comprehensive profit and loss -current	<u><u>\$10,205</u></u>	<u><u>\$(2,559)</u></u>	<u><u>\$(832)</u></u>	<u><u>\$14,355</u></u>

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

	For the nine-month periods ended September 30,	
	2025	2024
Beginning Balance	\$177,776	\$168,248
Increases in investments for the current period (Note)	31,282	-
Dividends pay from associates	(11,387)	(6,965)
Share of profit (loss) for the period	(7,843)	11,676
Changes in associates accounted for using the equity method	8,163	448
Share of unrealized gains arising from changes in the fair value of financial assets measured at fair value through other comprehensive income	7,011	2,679
Ending Balance	\$205,002	\$176,086

Note : In March 2025, the Group participated in the cash capital increase of SUNFLEX TECHNOLOGY CO., LTD. For more details, please refer to Note 7.(B)(c) 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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(9) Property, plant and equipment

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

For the nine months ended September 30, 2025

	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	-	29,501	121,158	19,249	3,423	29,538	1,676	204,545
Disposition	-	-	(69,908)	(8,680)	(885)	(7,414)	-	(86,887)
Reclassification	-	-	26,484	3,575	(1)	1,485	(27,118)	4,425
Exchange difference	(590)	(33,364)	(75,737)	(2,857)	(4,189)	(5,442)	(5,125)	(127,304)
Balance at September 30, 2025	1,228,102	1,547,707	2,560,314	124,326	107,862	277,465	218,342	6,064,118
Accumulated depreciation	-	-	-	-	-	-	-	-
Balance at January 1, 2025	-	755,250	1,921,698	84,188	82,380	187,975	-	3,031,481
Depreciation	-	40,500	73,563	7,360	6,102	11,550	-	139,075
Disposition	-	-	(60,928)	(8,169)	(803)	(6,326)	-	(76,226)
Reclassification	-	-	694	-	-	(694)	-	-
Exchange difference	-	(23,569)	(59,209)	(2,225)	(3,197)	(4,419)	-	(92,619)
Balance at September 30, 2025	-	772,171	1,875,818	81,154	84,482	188,086	-	\$3,001,711
Carrying amount at September 30, 2025	\$1,228,102	\$775,536	\$684,496	\$43,172	\$23,380	\$89,379	\$218,342	\$3,062,407

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For the nine months ended September 30, 2024

	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, 2024	\$134,504	\$1,053,443	\$2,403,892	\$101,063	\$102,891	\$231,035	\$47,840	\$4,074,668
Addition	1,090,846	9,712	73,587	9,838	3,502	13,819	170,718	1,372,022
Disposition	-	-	(42,099)	(3,109)	(1,354)	(3,754)	-	(50,316)
Reclassification	-	-	6,558	1,754	-	106	305,283	313,701
Exchange difference	2,851	46,359	96,576	4,775	6,641	6,645	2,613	166,460
Balance at September 30, 2024	1,228,201	1,109,514	2,538,514	114,321	111,680	247,851	526,454	5,876,535
Accumulated depreciation								
Balance at January 1, 2024	-	690,735	1,824,626	75,836	73,753	170,443	-	2,835,393
Depreciation	-	31,516	65,452	7,021	6,078	9,248	-	119,315
Disposition	-	-	(37,976)	(2,857)	(1,242)	(3,411)	-	(45,486)
Reclassification	-	-	-	-	-	(1)	-	(1)
Exchange difference	-	28,568	78,700	3,687	5,020	5,603	-	121,578
Balance at September 30, 2024	-	750,819	1,930,802	83,687	83,609	181,882	-	3,030,799
Carrying amount at September 30, 2024	\$1,228,201	\$358,695	\$607,712	\$30,634	\$28,071	\$65,969	\$526,454	\$2,845,736

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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 three-month and nine-month periods ended September 30, 2025 and 2024.
- (D) The Group did not have any impairment occurred to the property, plant and equipment for the three-month and nine-month periods ended September 30, 2025 and 2024.
- (E) The aforementioned property, plant and equipment had not been provided as collateral or mortgaged.
- (F) The acquired property, plant and equipment listed in the consolidated cash flow statement:

	For the nine-month periods ended September 30,	
	2025	2024
The current addition of property, plant and equipment listed in Note 6(9)(A) of the consolidated financial report	\$204,545	\$1,372,022
Add: Equipment payable – beginning	122,450	10,355
Less: Equipment payable – ending	(41,259)	(27,518)
Cash outflow for the acquisition of property, plant and equipment	<u>\$285,736</u>	<u>\$1,354,859</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
House and building	\$1,340	\$1,340	\$1,340
Less: Accumulated depreciation	(1,108)	(1,080)	(1,071)
Leased assets - net	<u>\$232</u>	<u>\$260</u>	<u>\$269</u>

- (a) A portion of the Company's plant premises was leased to BAIYUE PRECISION CO., LTD. (hereinafter referred to as "BAIYUE") for the period from October 1, 2023 to September 30, 2024. The lease was subsequently renewed on October 25, 2024, covering the period from October 1, 2024 to September 30, 2025.

- (b) The Group has leased certain floors of its own factory building to BAIYUE PRECISION CO., LTD. for use. Since the property cannot be sold separately, and the primary use of the building is for the production of goods, provision of services, and management purposes, it has not been classified as investment property.

(10) Right-of-use assets

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

Cost	For the nine-month periods ended September 30, 2025		
	Land	House & building	Total
Balance at January 1, 2025	\$210,669	\$127,231	\$337,900
Addition	-	77,730	77,730
Due/transfer amount	-	(62,890)	(62,890)
Exchange difference	(8,822)	(7,276)	(16,098)
Balance at September 30, 2025	201,847	134,795	336,642
Accumulated depreciation			
Balance at January 1, 2025	11,854	74,639	86,493
Depreciation	1,441	13,249	14,690
Due/transfer amount	-	(62,890)	(62,890)
Exchange difference	(460)	(2,588)	(3,048)
Balance at September 30, 2025	12,835	22,410	35,245
Carrying amount at September 30, 2025	\$189,012	\$112,385	\$301,397
Cost	For the nine-month periods ended September 30, 2024		
	Land	House & building	Total
Balance at January 1, 2024	\$202,460	\$123,460	\$325,920
Addition	-	-	-
Due/transfer amount	-	-	-
Exchange difference	11,322	5,438	16,760
Balance at September 30, 2024	213,782	128,898	342,680
Accumulated depreciation			
Balance at January 1, 2024	9,424	58,542	67,966
Depreciation	1,448	10,772	12,220
Due/transfer amount	-	-	-
Exchange difference	704	2,731	3,435
Balance at September 30, 2024	11,576	72,045	83,621
Carrying amount at September 30, 2024	\$202,206	\$56,853	\$259,059

- (B) The Group did not have the right-of-use assets sublet for the three-month and nine-month periods ended September 30, 2025 and 2024.
- (C) The Group did not have any impairment occurred to the right-of-use assets for the three-month and nine-month periods ended September 30, 2025 and 2024.
- (D) The aforementioned right-of-use assets had not been provided as collateral or mortgaged.

(11) Intangible assets

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

Cost	For the nine-month periods ended September 30,	
	2025	2024
Balance – beginning	\$2,735	\$1,968
Addition - current	2,837	409
Decrease in the current period – delisted on the due date	(243)	-
Reclassification	300	1,030
Exchange difference	(83)	75
Balance – ending	5,546	3,482
<u>Accumulated depreciation</u>		
Balance – beginning	1,231	1,307
Amortization – current	1,181	595
Decrease in the current period – delisted on the due date	(243)	-
Exchange difference	(38)	52
Balance – ending	2,131	1,954
Book amount - ending	\$3,415	\$1,528

- (B) The Group did not have any impairment occurred to the intangible assets for the three-month and nine-month periods ended September 30, 2025 and 2024.

(12) Short-term loans

	September 30, 2025	December 31, 2024	September 30, 2024
Credit loan	\$890,000	\$500,000	\$630,000

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

<u>Nature of loan</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Credit loan	1.80%	1.845%-1.853%	1.815%-1.88%

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

(13) Bonds Payable

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Domestic Second Unsecured Convertible Corporate Bonds	\$1,000,000	\$1,000,000	\$1,000,000
Less: Discount on corporate bonds payable	(11,329)	(29,569)	(33,266)
Less: Cumulative amount of conversion applications by bondholders	(535,200)	(219,700)	(215,700)
Components of non-derivative financial instrument liabilities	453,471	750,731	751,034
Less: Corporate bonds payable due within one year	-	-	-
Non-current portion of corporate bonds payable	<u>\$453,471</u>	<u>\$750,731</u>	<u>\$751,034</u>
Embedded Derivatives (Note)			
Non-current Financial Assets Measured at Fair Value through Profit or Loss	<u>\$976</u>	<u>\$1,951</u>	<u>\$2,196</u>
Equity Component (Capital Surplus)	<u>\$88,152</u>	<u>\$147,988</u>	<u>\$148,746</u>

	<u>For the three-month periods ended September 30,</u>		<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Gains on financial assets measured at fair value through profit or loss as part of the liabilities composition	<u>\$1,126</u>	<u>\$(170)</u>	<u>\$(258)</u>	<u>\$2,482</u>
Interest expense	<u>\$3,033</u>	<u>\$3,744</u>	<u>\$9,971</u>	<u>\$11,254</u>

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 September 30, 2025, the company has issued the 2024 domestic second unsecured convertible bonds with the following main terms explained:

(a) Issue Amount:

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

(b) Issue Period:

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

(c) Bond Type:

Unsecured convertible bonds.

(d) Face Interest Rate and Repayment Method:

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

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

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

(f) Conversion Period:

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

(g) Conversion Price and Its Adjustment:

The conversion price was set at NT\$72.2 per share on January 8, 2024 as the reference date. After the issuance of the convertible bonds, the conversion price will be adjusted in accordance with the terms of issuance when there is an increase in the company's outstanding common shares due to various events such as cash capital increase, profit to capital increase, capital surplus to capital increase, mergers, acquisitions, stock splits, issuance of overseas depository receipts, and changes in the face value of shares. Additionally, the conversion price will be adjusted if the company distributes cash dividends on common shares, issues new securities with conversion rights at a price lower than the market price per share, or grants subscription rights for the issuance of new shares to others. The conversion price will also be adjusted if there is a reduction in common shares due to reasons other than the cancellation of treasury shares. As of September 30, 2025, December 31, 2024, and September 30, 2024, the Company's conversion price, as adjusted in accordance with the formula stipulated in the issuance terms, was NT\$66.5, NT\$69.6, 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) In the third quarter and the first three quarters of 2025 and 2024, the amounts converted upon the requests of the holders of the above-mentioned convertible bonds were NT\$304,500 thousand, NT\$167,800 thousand, NT\$315,500 thousand, and NT\$215,700 thousand, respectively.

(14) Lease liabilities

	Discount rate	September 30, 2025	December 31, 2024	September 30, 2024
Lease liabilities				
Land		\$45,458	\$47,628	\$48,128
House and building	2.475%-4.750%	121,775	59,355	63,441
Total		167,233	106,983	111,569
Less: Lease liabilities due within one year		(67,157)	(56,371)	(59,913)
Lease liabilities due after one year		<u>\$100,076</u>	<u>\$50,612</u>	<u>\$51,656</u>

- (A) The Group's subsidiary, G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD., leased factory and dormitory buildings in September 2007. Starting from January 1, 2019, the leased assets have been recognized under right-of-use assets. The lease term is forty years, and rent is paid 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 and dormitory buildings in April 2024, July 2025, and August 2025, respectively. The lease terms are three years and six months, five years, and two years, respectively, with rent paid on a monthly basis.

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(C) Other rental information is listed as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Short-term lease expense	\$3,901	\$1,626	\$7,020	\$4,712
Low-value asset lease expenses	\$-	\$-	\$-	\$-
Changes in lease expense excluded from the measurement of a lease liability	\$-	\$-	\$-	\$-
Total cash outflow of all leases	\$10,636	\$5,735	\$21,726	\$16,834
Lease liabilities interest	\$1,293	\$736	\$2,572	\$2,258

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.

(15) 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 September 30, 2025, December 31, 2024, and September 30, 2024, the company's pension reserve deposit account with the Bank of Taiwan was with a balance of NT\$182,919 thousand, NT\$172,260 thousand, and NT\$174,805 thousand, respectively.

(b) Please refer to Note 6.(15)(A) of the 2024 consolidated financial report for the company's defined benefit plan on December 31, 2024.

(c) Pension expenses recognized as profit or loss:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Operating cost	\$522	\$515	\$1,601	\$1,571
Selling expense	136	134	415	417
General and administrative expenses	336	326	1,003	971
Research and development expenses	65	97	207	330
Total	<u>\$1,059</u>	<u>\$1,072</u>	<u>\$3,226</u>	<u>\$3,289</u>

(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.
- (b) The Group’s subsidiaries in Mainland China, Malaysia, Indonesia, the United States, Mexico, Thailand, and Japan shall appropriate an amount equivalent to a certain percentage of the salaries as pension in accordance with the local law and regulations, and pay the appropriated amount to the responsible government departments and then have it deposited in each employee’s personal account.

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(c) The pension expenses recognized according to the defined contribution plan of the Group is as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Operating cost	\$13,111	\$12,415	\$38,838	\$35,871
Marketing expense	2,403	2,309	7,222	6,590
Management expense	3,026	3,024	9,305	8,482
R&D expense	2,161	2,103	6,338	6,156
Total	<u>\$20,701</u>	<u>\$19,851</u>	<u>\$61,703</u>	<u>\$57,099</u>

(16) Capital stock

	Authorized capital stock (1,000 shares)	Common stock shares issued at NT\$10 par	
		Shares (1,000 shares)	Capital stock
Balance amount on January 1, 2025	<u>350,000</u>	210,096	\$2,100,960
Employee stock options execution		1,788	17,880
Conversion of convertible bonds		4,737	47,369
Balance amount on September 30, 2025	<u>350,000</u>	<u>216,621</u>	<u>\$2,166,209</u>
Balance amount on January 1, 2024	<u>350,000</u>	190,844	1,908,443
Cash capital increase and issuance of new shares		15,000	150,000
Employee stock options execution		859	8,590
Conversion of convertible bonds		3,072	30,722
Balance amount on September 30, 2024	<u>350,000</u>	<u>209,775</u>	<u>\$2,097,755</u>

- (A) As of September 30, 2025, December 31, 2024, and September 30, 2024, the company's authorized capital stock included 20,000 thousand shares reserved for the issuance of an employee stock warrant.
- (B) The related rights, priority, and restrictions of the common stock shares issued by the company are as follows:
- (a) Each shareholder is entitled to one vote per share.

- (c) The distribution of dividends and bonuses are based on the shareholding ratio of each shareholder.
- (d) The property net of the debt is distributed proportionally to the shareholding ratio of each shareholder.
- (C) The numbers of employee stock options exercised during the first three quarters of 2025, the fourth quarter of 2024, and the first three quarters of 2024 were 1,788 thousand shares, 263 thousand shares, and 859 thousand shares, respectively. As of September 30, 2025, and December 31 and September 30, 2024, the cumulative numbers of shares issued upon exercise of employee stock options were 13,702 thousand shares, 11,914 thousand shares, and 11,651 thousand shares, respectively. As of September 30, 2025, December 31, 2024, and September 30, 2024, 1,146 thousand shares, 263 thousand shares, and 83 thousand shares, respectively, were still pending registration of change, and therefore were temporarily classified under “Advance Receipts for Share Capital.” For additional information regarding the issuance of employee stock options, please refer to Note 6.(23) of the consolidated financial statements.
- (D) On October 27, 2023, the Board of Directors approved a cash capital increase, issuing new shares totaling NT\$150,000 thousand, divided into 15,000 thousand shares with a par value of NT\$10 per share. The shares were issued at NT\$58 per share, resulting in a total cash capital increase of NT\$870,000 thousand, after deducting related issuance costs of NT\$3,553 thousand. The net cash capital increase was NT\$866,447 thousand. The Chairman was authorized to set February 27, 2024, as the record date for the capital increase. The aforementioned capital increase was approved by the regulatory authorities and the registration process has been completed.
- (E) As of September 30, 2025, the accumulated number of shares issued upon conversion of the Company’s convertible bonds by its creditors amounted to 7,867 thousand shares (of which 4,579 thousand shares, 58 thousand shares, and 672 thousand shares as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively, had not yet completed the registration of change and were therefore temporarily classified under “Advance Receipts for Share Capital” as of those dates), resulting in a capital surplus—premium on conversion of convertible bonds amounting to NT\$538,345 thousand (including NT\$101,503 thousand reclassified from capital surplus—stock options of convertible bonds in accordance with the conversion ratio). For additional information related to the issuance of convertible bonds, please refer to Note 6.(13) of the consolidated financial statements.

(17) Capital Surpluses

	September 30, 2025	December 31, 2024	September 30, 2025
Common stock premium	\$359,692	\$863,310	\$859,686
Conversion premium for convertible bonds	538,345	219,368	215,365
Treasury stock transaction	63,306	63,306	63,306
Difference between the actual acquisition cost of the subsidiary's equity and its book value	9,965	3,563	3,563
Changes in the net equity value of subsidiaries under the equity method and affiliated enterprises	40,845	32,682	32,606
Employee stock options	41,242	43,815	42,581
Convertible bonds into stock options	88,152	147,988	148,746
Invalid employee stock options	46,314	46,298	46,280
Unclaimed dividends past statutory expiry by shareholders	1,832	1,788	1,788
Exercise the right of disgorgement	340	312	-
Total	<u>\$1,190,033</u>	<u>\$1,422,430</u>	<u>\$1,413,921</u>

(A) According to the Company Act, the company shall apply the additional paid-in capital to make up for losses only. However, if the company has no loss, the stock premium and all or part of the donation received may be used to distribute new shares or cash proportionally to the shareholders' original shareholding ratio. In addition, the company may apply the additional paid-in capital to supplement the capital loss only when there is an insufficient reserve.

(B) The Company's shareholders' meetings resolved to distribute cash dividends to shareholders from capital surplus in the amounts of NT\$526,845 thousand (NT\$2.5 per share) and NT\$205,844 thousand (NT\$1.0 per share), On June 13, 2025 and June 14, 2024, respectively.

(18) 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.

(19) Special reserve

The Company appropriated and reversed special reserve in accordance with FSC Order No. 1090150022 and the "Q&A on the Application of Special Reserve under IFRSs."

(20) 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 or resolved in the shareholders' meeting is as follows:

	For the year ended December 31,	
	2024	2023
Legal reserve	\$108,051	\$67,441
Special reserve	\$-	\$-
Shareholder's dividends		
Cash	\$210,738	\$308,766
Cash dividend per share	NT\$1.00	NT\$1.50
Stock (NT\$10 par)	-share	-share
Stock dividend per share	-NT\$	-NT\$

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	For the year ended December 31,	
	2024	2023
Capital surplus distribution to shareholders		
Cash	\$526,845	\$205,844
Cash dividend per share	NT\$2.50	NT\$1.00

(21) Other equity (net amount after tax)

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

	For the nine-month periods ended September 30,	
	2025	2024
Balance – beginning	\$(205,552)	\$(409,638)
Transactions of current period	(188,485)	248,438
Acquisition of subsidiary equity during the period	(1,709)	-
Reclassified to (profit) and loss in the current period	-	-
Balance - ending	<u><u>\$(395,746)</u></u>	<u><u>\$(161,200)</u></u>

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

	For the nine-month periods ended September 30,	
	2025	2024
Balance - beginning	\$425,283	\$300,180
Transactions of current period	(66,724)	33,793
Recognized under the equity method in the current period - affiliated enterprise	7,011	2,679
Reclassified to retained earnings in the current period	261	-
Balance - ending	<u><u>\$365,831</u></u>	<u><u>\$336,652</u></u>

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(22) Non-controlling interests

	For the nine-month periods ended September 30,	
	2025	2024
Balance - beginning	\$602,446	\$683,605
The amount attributable to non-controlling interests:		
Net income	90,670	103,068
Exchange difference from the conversion of the financial statements of foreign operating institutions	(24,933)	37,461
Book value of non-controlling interests acquired	(8,559)	-
Cash dividends paid by subsidiaries to non-controlling interests	(43,390)	(145,762)
Balance - ending	<u>\$616,234</u>	<u>\$678,372</u>

(1) The Group had no subsidiaries with significant non-controlling interests for the nine-month periods ended September 30, 2025 and 2024

(2) Acquisition of non-controlling interests

The Company, on September 9, 2025, purchased a 21.11% equity interest from the non-controlling shareholders of its subsidiary, G-SHANK JAPAN CO., LTD., for JPY 19 million, increasing its ownership interest from 58.89% to 80%. The change in the Company's ownership interest in G-SHANK JAPAN CO., LTD. affected the equity attributable to the owners of the parent as follows:

	Amount
Book value of non-controlling interests purchased	\$8,559
Consideration paid to non-controlling interests	(3,866)
Other equity – Foreign operations translation differences	<u>1,709</u>
Adjustment to additional paid-in capital arising from the difference between the actual acquisition cost of the subsidiary's equity and its book value	<u>\$6,402</u>

(23) Share-based payment - employee rewards

(A) Employee stock options

The company was authorized by the Securities and Futures Bureau of the Financial Supervisory Commission to issue 500,000 units and 300,000 units of employee stock warrants on August 22, 2018 and June 21, 2022, respectively. One stock warrant is entitled to subscribe to 10 common stock shares of the company. New shares will be issued for the stock option exercised by employees and the subscription price is the company's common stock closing price on the issuance day. The stock warrant holders can exercise a certain percentage of the stock warrant after 2-year from the issuance date (according to the regulations, the exercisable subscription amount is 40% of the amount available for subscription in each stock warrant issued after 2-year from the issuance date, 60% after 3-year from the issuance date, 80% after 4-year from the issuance date, and 100% after 5 years from the issuance date). The duration of the stock warrant is for seven years. The unexercised stock options after 7 years shall be deemed as being waived, and the subscribers cannot claim their rights to subscribe.

As of September 30, 2025, the issuance of compensatory employee stock warrants is disclosed as follows:

Warrant issuance date	Total warrants issued originally	Total warrants outstanding at yearend	Total warrants available for subscription at yearend	Subscription price (NTD) (Note)
September 12, 2018	290,000	-	-	\$17.80
August 12, 2019	210,000	74,700	747,000	17.90
August 5, 2022	100,000	88,000	528,000	45.20
November 4, 2022	100,000	100,000	400,000	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 September 30, 2025.

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- (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\$2,066 thousand, NT\$3,913 thousand, NT\$6,218 thousand, and NT\$11,760 thousand, for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively. The input values of the stock option pricing model are as follows:

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

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

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

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

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	For the nine-month periods ended September 30,			
	2025		2024	
Employee stock operations	QTY (unit)	Weighted average price per share (NTD)	QTY (unit)	Weighted average price per share (NTD)
Outstanding shares - beginning	541,800	\$32.72	664,600	\$31.76
Granted in current period	-	-	-	-
Exercised in current period	(178,800)	18.13	(85,900)	19.78
Lost in current period (expired)	(300)	17.80	-	-
Outstanding shares - ending	<u>362,700</u>	<u>37.92</u>	<u>578,700</u>	<u>32.32</u>
Exercisable employee stock options - ending	<u>207,500</u>	<u>34.22</u>	<u>318,700</u>	<u>22.07</u>
Average fair value per share of stock options granted to employees in the current period (NTD)	<u>\$-</u>		<u>\$-</u>	

The weighted average share prices on the exercise dates of employee stock options executed during the first three quarters of 2025 and 2024 were NT\$92.63 and NT\$78.22, respectively.

As of September 30, 2025, and for the periods ended December 31, 2024, and September 30, 2024, the information regarding the outstanding share-based employee stock option plans of the Company is presented as follows:

	Price range per share (NTD)	Outstanding stock options			Exercisable employee stock options	
		Outstanding QTY (Unit)	Weighted average expected remaining duration	Weighted average price per share (NTD)	Exercisable QTY (Unit)	Weighted average price per share (NTD)
<u>September 30, 2025</u>						
2018 Stock option plan	17.90	74,700	-	17.90	74,700	17.90
2022 Stock option plan	45.20	88,000	1.94	45.20	52,800	45.20
2022 Stock option plan	39.60	100,000	2.19	39.60	40,000	39.60
2022 Stock option plan	44.80	100,000	2.77	44.80	40,000	44.80

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	Price range per share (NTD)	Outstanding stock options			Exercisable employee stock options	
		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, 2024</u>						
2018 Stock option plan	\$18.60	96,700	-	\$18.60	96,700	\$18.60
2018 Stock option plan	18.70	157,100	0.18	18.70	157,100	18.70
2022 Stock option plan	47.30	88,000	2.69	47.30	35,200	47.30
2022 Stock option plan	41.40	100,000	2.94	41.40	40,000	41.40
2022 Stock option plan	46.90	100,000	3.52	46.90	-	46.90
<u>September 30, 2024</u>						
2018 Stock option plan	\$18.60	123,000	-	\$18.60	123,000	\$18.60
2018 Stock option plan	18.70	157,700	0.31	18.70	157,700	18.70
2022 Stock option plan	47.30	98,000	2.95	47.30	38,000	47.30
2022 Stock option plan	41.40	100,000	3.19	41.40	-	41.40
2022 Stock option plan	46.90	100,000	3.77	46.90	-	46.90

(B) Cash capital increase with employee subscription

On October 27, 2023, the board of directors decided to carry out a cash capital increase, with 2,250 thousand shares reserved for employees to subscribe. The employee forfeited subscription of 775 thousand shares, and the company estimated the fair value per share at NT\$12.73 using the Black-Scholes option pricing model. The Company recognized compensation costs of NT\$0 and NT\$28,643 thousand for the three-month and nine-month periods ended September 30, 2024, respectively, and recorded a capital surplus of NT\$9,866 thousand for expired stock options.

The fair value of the employee subscription rights reserved by the company for cash capital increase is assessed using the Black-Scholes option pricing model. The information regarding the assumptions for each of these items is as follows:

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Exercise price per share (in NT\$ dollars)	\$58.00
Stock price per share on grant date (pre-dilution) (in NT\$ dollars)	71.70
Stock price per share on grant date (post-dilution) (in NT\$ dollars)	70.70
Expected dividend yield	-%
Expected price volatility	30.25%
Risk-free interest rate	1.0302%
Expected term to maturity	16 days

(24) Net operating income

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Sales income				
Parts income	\$1,849,139	\$1,769,230	\$5,160,424	\$4,684,030
Mold income	98,112	64,603	193,262	153,100
Fixture income	12,722	13,183	35,828	34,273
Merchandise income	19,459	18,634	53,968	53,418
Total	1,979,432	1,865,650	5,443,482	4,924,821
Less: Sales return	(2,625)	(1,420)	(5,022)	(4,663)
Sales discount	(1,853)	(2,322)	(5,559)	(5,299)
Net operating income	<u>\$1,974,954</u>	<u>\$1,861,908</u>	<u>\$5,432,901</u>	<u>\$4,914,859</u>

(A) Income classification:

(a) Main merchandise / service

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Parts income	\$1,844,748	\$1,765,493	\$5,149,984	\$4,674,159
Mold income	98,112	64,602	193,262	153,024
Fixture income	12,723	13,183	35,829	34,273
Merchandise income	19,371	18,630	53,826	53,403
Total	<u>\$1,974,954</u>	<u>\$1,861,908</u>	<u>\$5,432,901</u>	<u>\$4,914,859</u>

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(b) Main regional markets

Customer location	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Taiwan	\$471,454	\$382,196	\$1,230,128	\$978,559
Asia (other than Taiwan)	1,366,765	1,316,516	3,800,327	3,485,782
America	65,068	85,173	211,052	252,646
Others	71,667	78,023	191,394	197,872
Total	<u>\$1,974,954</u>	<u>\$1,861,908</u>	<u>\$5,432,901</u>	<u>\$4,914,859</u>

(c) Income recognition time

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Goods transferred at a certain time	<u>\$1,974,954</u>	<u>\$1,861,908</u>	<u>\$5,432,901</u>	<u>\$4,914,859</u>

(B) Contract liabilities:

	September 30, 2025	December 31, 2024	September 30, 2024
Contract liabilities	<u>\$19,742</u>	<u>\$20,745</u>	<u>\$22,792</u>

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

	For the nine-month periods ended September 30,	
	2025	2024
Contract liabilities balance – beginning transferred to income in the current period	\$ (6,962)	\$ (16,505)
Increase in cash received in advance in the current period	5,959	19,866

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(25) Operating costs and expenses

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

Function Nature	For the three-month periods ended September 30, 2025			For the three-month periods ended September 30, 2024		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee welfare expenses						
Employee expense(Note 1)	\$239,495	\$120,102	\$359,597	\$211,467	\$118,683	\$330,150
Labor and health insurance expenses	18,821	10,932	29,753	16,705	10,788	27,493
Pension expenses	13,633	8,127	21,760	12,930	7,993	20,923
Director remuneration	-	1,395	1,395	-	1,358	1,358
Other welfare expenses	7,303	2,415	9,718	6,192	2,107	8,299
Depreciation expenses (Note 2)	33,721	20,048	53,769	31,934	12,880	44,814
Amortization expense	2,932	830	3,762	5,276	731	6,007

Function Nature	For the nine-month periods ended September 30, 2025			For the nine-month periods ended September 30, 2024		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee welfare expenses						
Employee expense(Note 1)	\$681,227	\$360,991	\$1,042,218	\$613,953	\$395,905	\$1,009,858
Labor and health insurance expenses	53,435	31,935	85,370	46,998	30,761	77,759
Pension expenses	40,439	24,490	64,929	37,442	22,946	60,388
Director remuneration	-	4,654	4,654	-	4,761	4,761
Other welfare expenses	20,082	7,185	27,267	17,921	6,383	24,304
Depreciation expenses (Note 2)	101,171	52,566	153,737	94,329	37,178	131,507
Amortization expense	18,872	2,413	21,285	11,469	2,406	13,875

- Note 1 : (1) According to the company's Articles of Incorporation, the Company appropriates 1% to 10% of pre-tax profit, before employee and directors' remuneration, as employee remuneration, and up to 3% as directors' remuneration. If accumulated losses exist, an amount sufficient to cover such losses shall be reserved. Of the employee remuneration appropriated, at least 30% is allocated to rank-and-file employees. Employee remuneration may be paid in shares or cash, and may include employees of subsidiaries who meet the Board of Directors' criteria. Directors' remuneration is paid exclusively in cash.
- (2) The estimated remuneration payable to employees of the company for the nine-month periods ended September 30, 2025 and 2024 were NT\$21,213 thousand and NT\$18,081 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 nine-month periods ended September 30, 2025 and 2024. The estimated remuneration to employees is recognized as the current operating cost or 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 7, 2025 to distribute the 2024 remuneration to employees for NT\$28,177 thousand in cash and remuneration to directors 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 in the company's 2024 financial report. The company's board of directors had resolved on March 8, 2024 to distribute the 2023 remuneration to employees for NT\$23,000 thousand in cash and remuneration to directors for NT\$0 that were reported in the regular shareholders meeting on June 14, 2024; also, it was not different from the estimated remuneration to employees and directors in the company's 2023 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 were NT\$53,778 thousand, NT\$44,823 thousand, NT\$153,765 thousand, and NT\$131,535 thousand, for the three-month and nine-month periods ended September 30, 2025 and 2024 respectively. Also, the depreciation expenses of the property, plant and equipment - leased assets were NT\$9 thousand, NT\$9 thousand, NT\$28 thousand, and NT\$28 thousand, respectively, and listed in the “Other income and expenses - net” account.

(26) Other income and expenses – net

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Property, plant and equipment – lease assets				
Rent income	\$105	\$105	\$315	\$315
Depreciation expense	(9)	(9)	(28)	(28)
Net other gains and losses	<u>\$96</u>	<u>\$96</u>	<u>\$287</u>	<u>\$287</u>

(27) Non-operating income and expense

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
(A) <u>Interest income</u>				
Bank deposit interest	\$13,513	\$20,481	\$45,588	\$80,878
Other interest income	37,830	35,634	116,275	100,589
Total	<u>\$51,343</u>	<u>\$56,115</u>	<u>\$161,863</u>	<u>\$181,467</u>
(B) <u>Other income</u>				
Cash dividends	\$-	\$-	\$16,964	\$11,874
Other income-other	12,399	5,848	18,372	10,013
Total	<u>\$12,399</u>	<u>\$5,848</u>	<u>\$35,336</u>	<u>\$21,887</u>

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	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
(C) <u>Other gains and losses</u>				
Net gain (loss) on financial assets and liabilities measured at fair value through profit or loss	\$104,944	\$28,430	\$(68,134)	\$148,421
Net gain from the disposal of property, plant, and equipment	2,319	277	3,968	194
Other expenses	146	102	(208)	(295)
Total	<u>\$107,409</u>	<u>\$28,809</u>	<u>\$(64,374)</u>	<u>\$148,320</u>
(D) <u>Financial cost</u>				
Bank loan interest	\$(1,487)	\$(2,111)	\$(4,316)	\$(10,994)
Lease liability interest	(1,293)	(736)	(2,572)	(2,258)
Amortization of Discount on Bonds Payable	<u>(3,033)</u>	<u>(3,744)</u>	<u>(9,971)</u>	<u>(11,254)</u>
Total	<u>\$(5,813)</u>	<u>\$(6,591)</u>	<u>\$(16,859)</u>	<u>\$(24,506)</u>
(E) <u>Share of profit of associates accounted for using the equity method</u>				
Please refer to Note 6(8)(C) of the consolidated financial report for details.				
(F) <u>Foreign exchange gains (loss)-net</u>				
Realized net foreign exchange gain (loss)	\$2,787	\$19,394	\$(93,389)	\$(4,409)
Unrealized foreign exchange gain (loss)	1,221	(52,973)	56,033	20,182
Total	<u>\$4,008</u>	<u>\$(33,579)</u>	<u>\$(37,356)</u>	<u>\$15,773</u>

(28) Other comprehensive profit and loss

Other comprehensive profit and loss constituents	Transaction s of current period	Reclassification and adjustment of current period	Other comprehensive profit and loss	Income tax expense	Amount after tax
<u>For the three-month periods ended September 30,2025</u>					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	\$117,841	\$-	\$117,841	\$-	\$117,841
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive profit of affiliated enterprises under the equity method	9,349	-	9,349	-	9,349
Total amount of items not reclassified to profit and loss	127,190	-	127,190	-	127,190
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	103,432	-	103,432	-	103,432
Total	\$230,622	\$-	\$230,622	\$-	\$230,622

For the three-month periods ended September 30,2024

Items not reclassified to profit and loss:

Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	\$(19,897)	\$-	\$(19,897)	\$-	\$(19,897)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive profit of affiliated enterprises under the equity method	(2,695)	-	(2,695)	-	(2,695)
Total amount of items not reclassified to profit and loss:	(22,592)	-	(22,592)	-	(22,592)
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	134,285	-	134,285	-	134,285
Total	\$111,693	\$-	\$111,693	\$-	\$111,693

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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 nine-month periods ended September 30,2025</u>					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	\$(66,724)	\$-	\$(66,724)	\$-	\$(66,724)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive profit of affiliated enterprises under the equity method	7,011	-	7,011	-	7,011
Total amount of items not reclassified to profit and loss:	<u>(59,713)</u>	<u>-</u>	<u>(59,713)</u>	<u>-</u>	<u>(59,713)</u>
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	<u>(213,418)</u>	<u>-</u>	<u>(213,418)</u>	<u>-</u>	<u>(213,418)</u>
Total	<u><u>\$ (273,131)</u></u>	<u><u>\$-</u></u>	<u><u>\$ (273,131)</u></u>	<u><u>\$-</u></u>	<u><u>\$ (273,131)</u></u>

For the nine-month periods ended September 30,2024

Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	\$33,793	\$-	\$33,793	\$-	\$33,793
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive profit of affiliated enterprises under the equity method	2,679	-	2,679	-	2,679
Total amount of items not reclassified to profit and loss:	<u>36,472</u>	<u>-</u>	<u>36,472</u>	<u>-</u>	<u>36,472</u>
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	<u>285,899</u>	<u>-</u>	<u>285,899</u>	<u>-</u>	<u>285,899</u>
Total	<u><u>\$322,371</u></u>	<u><u>\$-</u></u>	<u><u>\$322,371</u></u>	<u><u>\$-</u></u>	<u><u>\$322,371</u></u>

(29) Income tax

(A) The Group is required to file corporate income tax returns on an individual entity basis, and consolidated filing is not permitted. The corporate income tax returns of the Company for fiscal year 2022 and prior, and those of its subsidiary, CHIN DE INVESTMENT CO., LTD., for fiscal year 2023 and prior, have been assessed and approved by the relevant tax authorities.

(B) The income tax expense constituents:

(a) Income tax recognized in profit and loss

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Income tax expense - current				
Income tax expenses of the current period	\$73,749	\$93,917	\$237,428	\$344,075
Deferred income tax expense (benefits)	38,198	37,336	29,277	(4,155)
Income tax expense	<u>\$111,947</u>	<u>\$131,253</u>	<u>\$266,705</u>	<u>\$339,920</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 three-month and nine-month periods ended September 30, 2025 and 2024 respectively.

(30) 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:

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	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Net profit attributable to the company's Common stock shareholders	\$342,310	\$282,368	\$574,833	\$797,306
Outstanding shares at the beginning of the period	210,896,003 shares	207,292,092 shares	210,095,958 shares	190,844,298 shares
Issuance of new shares through cash capital increase (Note 1)	-	-	-	11,879,562
Employee stock option – subscribing issue new shares (Note)	459,261	68,870	686,242	578,219
Conversion of company bonds into common stock (Note 2)	924,209	1,138,695	421,400	631,496
Outstanding weighted average shares	212,279,473 shares	208,499,657 shares	211,203,600 shares	203,933,575 shares
Basic earnings per share (after tax) (NTD)	\$1.61	\$1.35	\$2.72	\$3.91

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

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

(B) Diluted earnings per share

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

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	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Net profit attributable to the company's common stock shareholders	\$342,310	\$282,368	\$574,833	\$797,306
Add: Impact on Net Income from the Hypothetical Conversion of Convertible Bonds	1,878	3,878	10,136	8,667
Adjusted net profit attributable to the company's common stock shareholders	\$344,188	\$286,246	\$584,969	\$805,973
Outstanding weighted average shares	212,279,473 shares	208,499,657 shares	211,203,600 shares	203,933,575 shares
Add: Potential common stock share effect				
Employee stock option hypothesis – subscribing new shares (Note)	2,546,681	3,776,683	3,737,519	3,675,679
Impact on Net Income from the Hypothetical Conversion of Convertible Bonds	10,644,147	12,530,378	11,305,000	12,400,902
Employee Remuneration hypothesis –issuing new shares	202,029	198,692	273,134	269,249
Adjusted weighted average shares	225,672,330 shares	225,005,410 shares	225,519,253 shares	220,279,405 shares
Basic earnings per share (after tax) (NTD)	\$1.53	\$1.27	\$2.59	\$3.66

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(31) Reconciliation of liabilities from financing activities

Accounting item	Balance - beginning	Cash flow	Changes in non-cash				Balance - ending
			Additions during the period	Change in exchange rate	Recogniz ed as interest expense	Other	
<u>For the nine-month periods ended September 30,2025</u>							
Short-term loan	\$500,000	\$390,000	\$-	\$-	\$-	\$-	\$890,000
Bonds payable	750,731	-	-	-	9,971	(307,231)	453,471
Lease liabilities (including current and noncurrent)	106,983	(12,134)	77,730	(5,346)	-	-	167,233
Total	\$1,357,714	\$377,866	\$77,730	\$ (5,346)	\$9,971	\$ (307,231)	\$1,510,704

Accounting item	Balance - beginning	Cash flow	Changes in non-cash			Balance - ending
			Change in exchange rate	Recognized as interest expense	Other	
For the nine-month periods ended September 30,2024						
Short-term loan	\$1,210,000	\$(580,000)	\$-	\$-	\$-	\$630,000
Bonds payable	-	1,134,903	-	11,254	(395,123)	751,034
Lease liabilities (including current and noncurrent)	116,383	(9,864)	5,050	-	-	111,569
Total	\$1,326,383	\$545,039	\$5,050	\$11,254	\$(395,123)	1,492,603

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:

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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 G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD., the subsidiary of the company.
SUNFLEX TECHNOLOGY CO., LTD. (SUNFLEX)	SUNFLEX is invested by the company under equity method.
HONGLIN INVESTMENT CO., LTD. (HONGLIN)	The chairman of t HONGLIN is the general manager of the Company.

2. Major transactions with related parties

(A) Purchases

Related party category/name	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Other related parties				
KUAI LUNG	\$-	\$-	\$338	\$8
Affiliated enterprises				
SUNFLEX	177	236	925	725
Total	<u>\$177</u>	<u>\$236</u>	<u>\$1,263</u>	<u>\$733</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-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Other related parties				
KUAI LUNG	\$-	\$74	\$34	\$87
Affiliated enterprises				
SUNFLEX	12	7	20	49
Total	<u>\$12</u>	<u>\$81</u>	<u>\$54</u>	<u>\$136</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) 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 affiliated, SUNFLEX, in the amount of NT\$23,810 thousand, and acquired 1,082,279 common shares.

(D) Property Transactions

The Company acquired two automobiles from a related party, Honglin Investment Co., Ltd., during the third quarter of 2025, amounting to NT\$569 thousand.

(E) Processing expense

The company had contracted the affiliated enterprise, SUNFLEX TECHNOLOGY CO., LTD., for product proceeding with a processing expense of NT\$4,882 thousand, NT\$4,217 thousand, NT\$12,660 thousand and NT\$11,034 thousand incurred for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

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(F) Other

In the third quarter and the nine-month periods ended September 30 of 2025 and 2024, the Company commissioned its affiliate, SUNFLEX, to purchase employee uniforms at amounts of NT\$0, NT\$0, NT\$0 thousand and NT\$84, respectively.

(G) Claims/obligations arising from the aforementioned transactions

Related party category/name	September 30, 2025	December 31, 2024	September 30, 2024
(a) <u>Accounts receivable – related party</u>			
Other related parties			
KUAI LUNG	\$-	\$-	\$75
Affiliated enterprises			
SUNFLEX	13	-	7
Total	<u>\$13</u>	<u>\$-</u>	<u>\$82</u>
(b) <u>Accounts payable – related party</u>			
Other related parties			
KUAI LUNG	\$222	\$-	\$-
Affiliated enterprises			
SUNFLEX	113	243	245
Total	<u>\$335</u>	<u>\$243</u>	<u>\$245</u>
(c) <u>Other payable – related party</u>			
Other related parties			
KUAI LUNG	\$980	\$-	\$1,137
Affiliated enterprises			
SUNFLEX	3,928	2,789	2,974
Total	<u>\$4,908</u>	<u>\$2,789</u>	<u>\$4,111</u>

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.

(H) 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-month periods ended September 30,		For the nine-month periods ended September 30,	
	2025	2024	2025	2024
Short-term benefits	\$4,068	\$4,042	\$11,961	\$12,147
Retirement benefits	97	97	289	289
Share-based payment	-	-	-	6,239
Total	<u>\$4,165</u>	<u>\$4,139</u>	<u>\$12,250</u>	<u>\$18,675</u>

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 September 30, 2025, December 31, 2024, and September 30, 2024, 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	September 30, 2025	December 31, 2024	September 30, 2024	Mortgage agency	Collateral for loans
Other financial assets				Bank of China	Material deposit,
- current bank					contract deposit,
deposits	\$70	\$74	\$317		and others
Other noncurrent				Bangkok Bank	Electricity
assets - others bank					deposit
deposits	237	240	247		
Other noncurrent				Mizuho Bank	Tariff deposits
assets – others					
bank deposits	<u>1,030</u>	<u>1,050</u>	<u>1,112</u>		
Total	<u>\$1,337</u>	<u>\$1,364</u>	<u>\$1,676</u>		

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 September 30, 2025:

- (1) The company had had a guaranteed amount of NT\$500 thousand for customs duties, provided by financial institutions on September 30, 2025.
- (2) As of September 30, 2025, G-SHANK ENTERPRISE (M) SDN. BHD. of the Group entrusted a financial institution to guarantee an amount of MYR 4,000 thousand for the introduction of foreign labor and other matters.
- (3) The Group has signed contracts for the purchase of real estate, factories, and equipment with a total contract amount of RMB 45,059 thousand, of which RMB 22,559 thousand remains unpaid.
- (4) The Group's PTINDONESIA G-SHANK PRECISION has signed a land lease quotation with an amount of IDR 19,850,000 thousand, of which IDR 2,315,833 thousand remains unpaid.
- (5) The Group's subsidiary, G-SHANK PHILIPPINES CORP., entered into a plant construction contract amounting to \$16,000 thousand, of which \$3,200 thousand remained unpaid as of the reporting date.
- (6) The Company has issued letters of credit with an unused balance of JPY 34,500 thousand.

10. Significant disaster loss

None

11. **Material post events**

As disclosed in Notes 6.16(C) and (E) to the consolidated financial statements, during the third quarter of 2025, a total of 1,146 thousand shares were issued upon the exercise of employee stock options, and 4,579 thousand shares were issued upon the conversion of convertible bonds by bondholders into the Company's common shares. These shares were recorded under advance receipts for share capital. On October 31, 2025, the Board of Directors subsequently resolved to set November 3, 2025 as the record date for the capital increase.

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 main 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, other financial assets (time deposits), short-term loans, Bonds payable, long-term loans, lease liabilities, receivables and payables 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.

(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

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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>September 30, 2025</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$50,261	30.44	\$1,529,955	5%	\$76,498	\$-
JPY	154,396	0.206	31,805	5%	1,590	-
RMB	362	4.274	1,547	5%	77	-
EUR	2,937	35.80	105,145	5%	5,257	-
HKD	2,725	3.917	10,674	5%	534	-
SGD	310	23.64	7,331	5%	367	-
 <u>Non-monetary items</u>						
USD	\$57,541	30.44	\$1,751,533	5%	\$87,577	\$-
SGD	21,244	23.64	502,217	5%	25,111	-
CHF	615	38.3	23,545	5%	1,117	-
 <u>Derivative financial instrument:</u> None.						
 <u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$2,500	30.44	\$76,106	5%	\$3,805	\$-
JPY	121,855	0.206	25,102	5%	1,255	-
RMB	6,319	4.274	27,009	5%	1,350	-

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(continued from previous page)

	Foreign currency (Thousand)	Exchange rate	Book amount	Sensitive analysis		
				Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
<u>December 31, 2024</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$46,637	32.78	\$1,528,758	5%	\$76,438	\$-
JPY	52,777	0.21	11,083	5%	554	-
HKD	2,089	4.225	8,824	5%	441	-
EUR	2,445	34.15	83,490	5%	4,175	-
<u>Non-monetary items</u>						
USD	\$62,308	32.78	\$2,042,471	5%	\$102,124	\$-
SGD	2,558	24.14	61,750	5%	3,088	-

Derivative financial instrument: None.

Financial liabilities

Monetary items

USD	\$822	32.78	\$26,948	5%	\$1,347	\$-
JPY	379,332	0.21	79,660	5%	3,983	-
RMB	2,194	4.478	9,825	5%	491	-

Non-monetary items: None

Derivative financial instrument: None

(continuing to next page)

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES
(Continuing)
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(continued from previous page)

	Foreign currency (Thousand)	Exchange rate	Book amount	Sensitive analysis		
				Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
<u>September 30, 2024</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$48,462	31.65	\$1,533,830	5%	\$76,692	\$-
JPY	56,940	0.2225	12,669	5%	633	-
RMB	118	4.525	535	5%	27	-
HKD	1,520	4.078	6,200	5%	310	-
EUR	3,551	35.39	125,678	5%	6,284	-
 <u>Non-monetary items</u>						
USD	\$57,532	31.65	\$1,820,899	5%	\$91,045	\$-
SGD	2,594	24.73	64,156	5%	3,208	-

Derivative financial instrument: None.

Financial liabilities

Monetary items

USD	\$692	31.65	\$21,910	5%	\$1,096	\$-
JPY	29,704	0.2225	6,609	5%	330	-
RMB	2,346	4.525	10,616	5%	531	-

Non-monetary items: None

Derivative financial instrument: None

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:

(Continuing)

(Review only without following generally accepted auditing standards)

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

Functional currency	For the three-month periods ended September 30, 2025		For the three -month periods ended September 30, 2024	
	Exchange profit (loss)	Average exchange rate	Exchange profit (loss)	Average exchange rate
NTD	\$8,506	-	\$(832)	-
USD	710	30.303	(1,740)	32.14
RMB	(7,680)	4.240	(14,539)	4.528
MYR	2,304	7.163	(13,765)	7.41
Others	168	-	(2,703)	-
Total	<u>\$4,008</u>		<u>\$(33,579)</u>	

Functional currency	For the nine-month periods ended September 30, 2025		For the nine-month periods ended September 30, 2024	
	Exchange profit (loss)	Average exchange rate	Exchange profit (loss)	Average exchange rate
NTD	\$(37,267)	-	\$38,466	-
USD	4,187	31.259	(4,603)	32.070
RMB	2,977	4.339	(8,735)	4.458
MYR	(6,958)	7.263	(9,020)	6.98
Others	(295)	-	(335)	-
Total	<u>\$(37,356)</u>		<u>\$15,773</u>	

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

(ii) Interest rate risk

The Group's interest rate risks include the fair value interest rate risk of the financial instruments with fixed interest rate and the cash flow interest rate risk of financial instruments with floating interest rate. The financial instruments with fixed interest rate refer to the company's time deposits, some financial assets-current measured at fair value through profit and loss, some other financial assets-current, some bank loans, bonds payable, and lease liabilities.; the financial instruments with floating rate refer to savings deposits, some other financial assets-current, some other noncurrent assets-others, and some bank loans. The Group has interest rate risk evaluated and analyzed on a dynamic basis and controlled the interest rate risk exposure by maintaining an appropriate combination of fixed and floating interest rates. The Group expects no significant interest rate risk.

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

	September 30, 2025	December 31, 2023	September 30, 2024
Fixed interest rate			
Financial assets	\$4,067,983	\$4,025,318	\$4,274,968
Financial liabilities	(1,510,704)	(1,357,714)	(1,492,603)
Net amount	<u>\$2,557,279</u>	<u>\$2,667,604</u>	<u>\$2,782,365</u>
Floating interest rate			
Financial assets	\$1,439,824	\$1,613,523	\$1,428,541
Financial liabilities	-	-	-
Net amount	<u>\$1,439,824</u>	<u>\$1,613,523</u>	<u>\$1,428,541</u>

(02) Sensitivity Analysis

For the floating rate financial assets held by the Group, if the market deposit rate increases by 0.5% on the reporting date, and assuming the assets are held for three accounting quarters, with all other factors held constant, the Group's pre-tax net income for the nine-month periods ended September 30, 2025 and 2024 would increase by NT\$5,399 thousand and NT\$5,357 thousand, respectively.

For the Group's fixed-rate financial liabilities, the embedded derivative financial instruments in the convertible bonds are exposed to fair value interest rate risk. If the risk-free interest rate were to increase or decrease by 0.1% on the reporting date, and assuming all other risk variables remain constant, there would be no impact on the Group's pre-tax profit for the first three quarters of 2025 and 2024.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Increase in net income before tax			
Financial assets measured at fair value through profit and loss	<u>\$116,937</u>	<u>\$116,685</u>	<u>\$102,195</u>
Increase in equity			
Financial assets measured at fair value through other comprehensive profit and loss	<u>\$18,865</u>	<u>\$22,202</u>	<u>\$17,735</u>

The embedded derivative financial instruments arising from the issuance of the Group's 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 income before tax for the nine months ended September 30, 2025 and 2024 would have decreased by NT\$46 thousand or NT\$0 thousand, and increased by NT\$784 thousand or decreased by NT\$549 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, 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.
- (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:

	September 30, 2025	Decdmber 31, 2024	September 30, 2024
Credit risk exposure amount			
Allowance for losses- measured by the expected credit losses amount for 12-month	\$-	\$-	\$-
Allowance loss-measured by the expected credit loss amount throughout the duration - Accounts receivable and overdue receivables	26,049	26,943	27,594
Total	<u>\$26,049</u>	<u>\$26,943</u>	<u>\$27,594</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 and overdue receivables with appropriate allowance accounts appropriated. Therefore, the book amount of accounts receivable and overdue receivables 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.

(Continuing)

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

(iii) The expected credit loss of the Group's notes and accounts receivable as of September 30, 2025, December 31, 2024 and September 30, 2024 is analyzed as follows:

	Total book amount of notes and accounts receivable	Reserve matrix (loss rate)	Allowance for loss (expected credit loss throughout the duration)
<u>September 30, 2025</u>			
Not overdue	\$1,515,549	0%-3.67%	\$793
30 days overdue	136,396	0%-53.75%	313
31-90 days overdue	5,347	0%-59.65%	74
91-180 days overdue	6,209	0%-51.05%	164
181-365 days overdue	1,713	0%-59.56%	151
Over 366 days overdue	2,272	100%	2,272
Total	<u>\$1,667,486</u>		<u>\$3,767</u>
<u>December 31, 2024</u>			
Not overdue	\$1,360,802	0%~3.90%	\$736
30 days overdue	82,671	0%~49.29%	248
31-90 days overdue	33,029	0%~45.42%	517
91-180 days overdue	4,632	0%~33.02%	354
181-365 days overdue	5,677	0%~42.42%	506
Over 366 days overdue	1,237	100%	1,237
Total	<u>\$1,488,048</u>		<u>\$3,598</u>
<u>September 30, 2024</u>			
Not overdue	\$1,389,482	0%-3.65%	\$841
30 days overdue	113,185	0%-44.34%	491
31-90 days overdue	7,844	0%-40.35%	198
91-180 days overdue	6,978	0%-27.96%	732
181-365 days overdue	4,493	0%-37.83%	1,348
Over 366 days overdue	394	100%	394
Total	<u>\$1,522,376</u>		<u>\$4,004</u>

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES
(Continuing)
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(iv) The concentration of credit risk of accounts receivable is analyzed as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
The accounts receivable ratio of the top five customers	39.59%	37.21%	38.21%

(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.

(i) Bank loan amount

	September 30, 2025	December 31, 2024	September 30, 2024
Short-term loan	\$1,552,393	\$2,253,334	\$1,935,273

(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>September 30, 2025</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loan	\$892,192	\$-	\$-	\$-	\$892,192
Accounts payable	706,339	-	-	-	706,339
Accounts payable – related party	335	-	-	-	335
Other payables	570,478	2,616	-	-	573,094
Other payables – related party	4,908	-	-	-	4,908
Bonds payable	-	464,800	-	-	464,800
Lease liabilities	73,405	25,024	46,780	65,800	211,009
Total	\$2,247,657	\$492,440	\$46,780	\$65,800	\$2,852,677

Derivative financial liabilities: None

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>December 31, 2024</u>					
<u>Non-derivative financial liabilities</u>					
Short-term loan	\$501,575	\$-	\$-	\$-	\$501,575
Accounts payable	517,367	-	-	-	517,367
Accounts payable - related party	243	-	-	-	243
Other payables	674,946	2,655	-	-	677,601
Other payables - related party	2,789	-	-	-	2,789
Bonds payable	-	-	780,300	-	780,300
Lease liabilities	58,279	3,612	10,101	70,251	142,693
Total	<u>\$1,755,649</u>	<u>\$6,267</u>	<u>\$790,401</u>	<u>\$70,251</u>	<u>\$2,622,568</u>

Derivative financial liabilities: None

September 30, 2024

<u>Non-derivative financial liabilities</u>					
Short-term loan	\$631,417	\$-	\$-	\$-	\$631,417
Accounts payable	563,441	-	-	-	563,441
Accounts payable – related party	245	-	-	-	245
Other payables	516,920	2,631	-	-	519,551
Other payables – related party	4,111	-	-	-	4,111
Bonds payable	-	-	784,300	-	784,300
Lease liabilities	61,595	3,851	10,086	70,981	146,513
Total	<u>\$1,777,729</u>	<u>\$6,482</u>	<u>\$794,386</u>	<u>\$70,981</u>	<u>\$2,649,578</u>

Derivative financial liabilities: None

(D) Fair value of financial instruments

The book amount of the Group's financial instruments is an amount reasonably close to the fair value..

	September 30, 2025		December 31, 2024		September 30, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Bonds payable	<u>\$453,471</u>	<u>\$453,970</u>	<u>\$750,731</u>	<u>\$747,840</u>	<u>\$751,034</u>	<u>\$748,850</u>

(a) The methods adopted for the fair value of financial instruments and the assumptions adopted for the use of evaluation techniques

- (i) The fair value of short-term financial instruments is estimated according to the book value on the balance sheet. Such financial instruments are with a short maturity date; also, the present value of future cash flows discounted at the market interest rate is close to the book amount; therefore, the book amount should be a reasonable basis for estimating the fair value. This method is applied to cash and cash equivalents, net notes receivable, net accounts receivable (including related parties), other receivables (including related parties), short-term loans, accounts payable (including related parties), and other payables (including related parties).
- (ii) Beneficiary certificates classified as financial assets at fair value through profit or loss are measured at fair value based on quoted prices in active markets. The fair values of foreign bonds are determined using quotations from Bloomberg, Reuters, or other broker platforms as of the reporting date. The fair values of embedded derivative financial instruments are determined using the binomial convertible bond pricing model.
- (iii) Financial assets at fair value through other comprehensive income represent equity instrument investments without quoted prices in active markets. Fair value is estimated using the market approach, based on prices derived from market transactions of identical or comparable equity instruments and other relevant information.
- (iv) The fair value of other financial assets and other noncurrent assets-restricted assets is estimated according to the book amount, since the present value of future cash collected and discounted at the market interest rate is close to the book amount; therefore, the book amount should be a reasonable basis for estimating the fair value.
- (v) 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 payable corporate bonds is estimated by discounting their cash flows using the market interest rate for corporate bonds with similar terms.

(b) Classification of fair value measurement

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

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

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

Level 3: Unobservable input value of assets or liabilities;

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

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

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

	<u>Lever 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>September 30, 2025</u>				
<u>Assets</u>				
Financial assets				
measured at fair value				
through profit and loss				
Funds	\$61,438	\$-	\$-	\$61,438
Bonds	-	2,277,295	-	2,277,295
Embedded derivative				
financial instruments	-	-	976	976
Financial assets				
measured at fair value				
through other profit				
and loss				
Unlisted stocks	-	-	377,307	377,307

Liabilities: None

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	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
<u>Assets</u>				
Financial assets				
measured at fair value				
through profit and loss				
Funds	\$229,487	\$-	\$-	\$229,487
Bonds	-	2,104,221	-	2,104,221
Embedded derivative				
financial instruments	-	-	1,951	1,951
Financial assets				
measured at fair value				
through other profit				
and loss				
Unlisted stocks	-	-	444,031	444,031
<u>Liabilities: None</u>				
<u>September 30, 2024</u>				
<u>Assets</u>				
Financial assets				
measured at fair value				
through profit and loss				
Funds	\$158,846	\$-	\$-	\$158,846
Bonds	-	1,885,055	-	1,885,055
Embedded derivative				
financial instruments	-	-	2,196	2,196
Financial assets				
measured at fair value				
through other profit				
and loss				
Unlisted stocks	-	-	354,696	354,696
<u>Liabilities: None</u>				

- (ii) There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy for the Group during the nine-month periods ended September 30, 2025 and 2024.

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

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

Items	Embedded derivative financial instruments	
	For the nine-month periods ended September 30,	
	2025	2024
Opening balance	\$1,951	\$-
Additions during the period	-	300
Recognized in profit or loss during the period	(258)	2,482
Reclassification	(717)	(586)
Closing balance	\$976	\$2,196

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

Items	Investment in equity instruments - unlisted (OTC) stocks	
	For the nine-month periods ended September 30,	
	2025	2024
Opening balance	\$444,031	\$320,903
Total (loss) profit Recognized in other comprehensive income	(66,724)	33,793
Closing balance	\$377,307	\$354,696

For the first three quarters of 2025 and 2024, the Group recognized total gains(loss) of NT\$(258) thousand and NT\$2,482 thousand, respectively, arising from changes in the fair value of Level 3 financial instruments, and recorded under “Other Gains and Losses” in non-operating income and expenses; for the first three quarters of 2025 and 2024, the Group recognized total gains(loss) of NT\$(66,724) thousand and NT\$33,793 thousand, respectively, arising from changes in the fair value of Level 3 financial instruments, and recorded under “Unrealized Gains on Equity Instruments Measured at Fair Value through Other Comprehensive Income” in 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 liability component of the embedded derivative financial instruments is assessed using a binomial tree model for convertible bonds.

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

(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
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September 30, 2025

Financial assets

Financial assets measured at fair value through comprehensive profit and loss:

The embedded derivative financial instrument	Binomial Tree Convertible Bond Valuation Model	Volatility	39.62%	The higher the volatility, the higher the estimated fair value.	When the volatility increases (decreases) by 5%, the profit / loss for the Group will increase by NT\$232 thousand / decrease by NT\$186 thousand.
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Financial assets measured at fair value through other comprehensive profit and loss:

Stock	Market Approach	Similar company's stock price-to-net value ratio	2.98	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\$18,865 thousand.
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	<u>Evaluation technique</u>	<u>Significant unobservable input value</u>	<u>Quantitative information</u>	<u>Relationship between the input value and fair value</u>	<u>Sensitivity analysis of the relationship between the input value and fair value</u>
<u>December 31, 2024</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through other comprehensive profit and loss:					
The embedded derivative financial instrument	Binomial tree convertible bond pricing model	Volatility	39.55%	The higher the volatility, the higher the estimated fair value.	When the volatility increases (decreases) by 5%, the profit / loss for the Group will increase by NT\$624 thousand / decrease by NT\$858 thousand.
Financial assets measured at fair value through other comprehensive profit and loss:					
Stock	Market Approach	Similar company's stock price-to-net value ratio	3.59	The higher the stock price-to-net value ratio of similar companies, the higher the estimated fair value.	When the stock price-to-net value ratio of similar companies increases (decreases) by 5%, the equity of the Company will increase/decrease by NT\$22,202 thousand.
<u>September 30, 2024</u>					
<u>Financial assets</u>					
Financial assets measured at fair value through other comprehensive profit and loss					
The embedded derivative financial instrument	Binomial tree convertible bond pricing model	Volatility	39.3%	The higher the volatility, the higher the estimated fair value.	When the volatility increases (decreases) by 5%, the profit / loss for the Group will increase/ decrease by NT\$706 thousand.
Stock	Market Approach	Similar company's stock price-to-net value ratio	3.02	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\$17,735 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.

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 nine-month periods ended September 30, 2025 is disclosed as follows:

(A) Financings Provided:

Unit : NT\$ Thousand/RMB

No	Lending company	Borrower	Accounting item	Related party	Maximum amount -current	Balance – ending (September 30. 2025) (Note 2)	Actual amount implemented (Note 3)	Interest rate range	Nature of loan	Transaction amount	Reason for short-term loan	Allowance for bad debt appropriated	Collateral		Loaning of fund limit to individual (Note 1)	Total loaning of fund limit (Note 1)
													Name	Value		
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD	Other accounts receivable -related party	Yes	\$42,740 (RMB10,000,000)	\$34,192 (RMB8,000,000)	\$34,192 (RMB8,000,000)	-	Short-term loan	-	Business operation of affiliated enterprise	-	-	-	\$154,882 (RMB36,238,301)	\$619,530 (RMB144,953,204)

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) Making of endorsements/guarantees: None

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(Review only without following generally accepted auditing standards)
(Unit amount in NT\$ Thousand, unless otherwise specified)

(C) Securities held at yearend (excluding the investment in the equity of the subsidiaries, affiliate enterprises, and joint venture):

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

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (September 30, 2025)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Stocks	REEL MASK INDUSTRY CO., LTD.	None	Financial assets-noncurrent measured at fair value through other comprehensive profit and loss	3,392,713	\$377,307	9.98	\$377,307	
	Bonds	HSBC Holding bonds HSBC 6.95 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	95,996 (USD 3,153,600)	-	95,996 (USD 3,153,600)	
	Bonds	UBS Group Bonds UBS 6.85 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	2,300,000	72,218 (USD 2,372,473)	-	72,218 (USD 2,372,473)	
	Bonds	UBS Group Bonds UBS 7 PERP (2025)(I)	None	Financial assets-current measured at fair value through profit and loss	1,700,000	52,796 (USD 1,734,442)	-	52,796 (USD 1,734,442)	
	Bonds	UBS Group Bonds UBS 7.125 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	500,000	15,679 (USD 515,085)	-	15,679 (USD 515,085)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (I)	None	Financial assets-current measured at fair value through profit and loss	1,440,000	47,268 (USD 1,552,824)	-	47,268 (USD 1,552,824)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (10Y) (I)	None	Financial assets-current measured at fair value through profit and loss	3,100,000	112,460 (USD 3,694,487)	-	112,460 (USD 3,694,487)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (5Y) (I)	None	Financial assets-current measured at fair value through profit and loss	1,800,000	60,345 (USD 1,982,412)	-	60,345 (USD 1,982,412)	

(Continuing to next page)

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)

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Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (September 30, 2024)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	BCS-Barclays Plc Bonds BACR 7.625 PERP	None	Financial assets-current measured at fair value through profit and loss	1,200,000	\$38,684 (USD 1,270,812)	-	\$38,684 (USD 1,270,812)	
	Bonds	HSBC Holding bonds HSBC 6.875 PERP	None	Financial assets-current measured at fair value through profit and loss	1,000,000	31,605 (USD 1,038,260)	-	31,605 (USD 1,038,260)	
	Bonds	HSBC Holding bonds HSBC 6.95 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	3,270,000	104,635 (USD 3,437,424)	-	104,635 (USD 3,437,424)	
	Bonds	ING Group NV INTNED 7.5 PERP	None	Financial assets-current measured at fair value through profit and loss	500,000	15,911 (USD522,705)	-	15,911 (USD522,705)	
	Bonds	UBS Group Bonds UBS 6.85 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	94,197 (USD 3,094,530)	-	94,197 (USD 3,094,530)	
	Bonds	UBS Group Bonds UBS 7 PERP (2025) (II)	None	Financial assets-current measured at fair value through profit and loss	4,900,000	152,178 (USD 4,999,274)	-	152,178 (USD 4,999,274)	
	Bonds	UBS Group Bonds UBS 7.125 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	9,090,000	285,048 (USD 9,364,245)	-	285,048 (USD 9,364,245)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	5,030,000	\$165,109 (USD 5,424,101)	-	\$165,109 (USD 5,424,101)	

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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)

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Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (September 30, 2024)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	UBS Group Bonds UBS 9.25 PERP (10Y) (II)	None	Financial assets-current measured at fair value through profit and loss	300,000	\$10,883 (USD 357,531)	-	\$10,883 (USD 357,531)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (5Y) (II)	None	Financial assets-current measured at fair value through profit and loss	1,000,000	33,525 (USD 1,101,340)	-	33,525 (USD 1,101,340)	
	Bonds	HSBC Holding Bonds HSBC 6.95 PERP (II)	None	Financial assets-current measured at fair value through profit and loss	1,250,000	39,766 (USD 1,306,375)	-	39,766 (USD 1,306,375)	
	Bonds	Societe Generale Bonds SOCGEN 10 PERP	None	Financial assets-current measured at fair value through profit and loss	1,500,000	50,358 (USD 1,654,350)	-	50,358 (USD 1,654,350)	
	Bonds	UBS Group Bonds UBS 6.85 PERP (III)	None	Financial assets-current measured at fair value through profit and loss	338,000	10,594 (USD 348,039)	-	10,594 (USD 348,039)	
	Bonds	UBS Group Bonds UBS 7 PERP (2025) (III)	None	Financial assets-current measured at fair value through profit and loss	3,177,000	98,217 (USD 3,226,561)	-	98,217 (USD 3,226,561)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (III)	None	Financial assets-current measured at fair value through profit and loss	2,500,000	82,005 (USD 2,694,000)	-	82,005 (USD 2,694,000)	
	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	25,418 (SGD1,075,230)	-	25,418 (SGD1,075,230)	
	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	143,590 (SGD6,074,013)	-	143,590 (SGD6,074,013)	

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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)

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Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (September 30, 2024)				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 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	750,000	\$18,718 (SGD 791,798)	-	\$18,718 (SGD 791,798)	
	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	74,916 (SGD 3,169,050)	-	74,916 (SGD 3,169,050)	
	Bonds	BCS-Barclays Plc Bonds BACR 5.4 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	2,000,000	49,989 (SGD 2,114,600)	-	49,989 (SGD 2,114,600)	
	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	68,800 (SGD 2,910,325)	-	68,800 (SGD 2,910,325)	
	Bonds	UBS Group Bonds UBS 5.6 PERP (SGD) (II)	None	Financial assets-current measured at fair value through profit and loss	3,000,000	76,271 (SGD 3,226,350)	-	76,271 (SGD 3,226,350)	
	Bonds	UBS Group Bonds UBS 5.75 PERP (SGD)	None	Financial assets-current measured at fair value through profit and loss	1,250,000	\$31,809 (SGD 1,345,563)	-	\$31,809 (SGD 1,345,563)	
	Bonds	UBS Group Bonds UBS 3.375 PERP (CHF)	None	Financial assets-current measured at fair value through profit and loss	600,000	23,545 (CHF 614,748)	-	23,545 (CHF 614,748)	
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	52,682 (USD 1,730,686)	-	52,682 (USD 1,730,686)	

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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)
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Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (September 30, 2025)				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	11,275 (THB 11,943,658)	-	11,275 (THB 11,943,658)	
	Funds	KFAFIX-A	None	Financial assets-current measured at fair value through profit and loss	3,099,082	36,102 (THB 38,244,217)	-	36,102 (THB 38,244,217)	
	Funds	SCBFIXDA	None	Financial assets-current measured at fair value through profit and loss	1,331,274	14,061 (THB 14,894,822)	-	14,061 (THB 14,894,822)	

(D) The purchase or sale of goods with the related party for an amount more than NT\$100 million or 20% of the paid-in capital: None

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

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

No. (Note 1)	Trading party	Counterparty	Relationship with the trading party (Note 2)	Transactions			
				Item	Amount	Transaction conditions	Ratio to total consolidated operating income or total assets (Note 3)
0	G-SHANK ENTERPRISE CO., LTD.	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	1	Other income	\$18,597	Note 4	0.34%
				Other receivables - related parties	18,541		0.15%

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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)
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No. (Note 1)	Trading party	Counterparty	Relationship with the trading party (Note 2)	Transactions			
				Item	Amount	Transaction conditions	Ratio to total consolidated operating income or total assets (Note 3)
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	3	Cost of goods sold Other profit and loss Other payables - related parties	83,714 11,715 25,551	Note 5 Note 4	1.54% 0.22% 0.21%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	3	Cost of goods sold Other profit and loss Other receivables - related parties Other payables - related parties	32,581 14,254 37,760 12,004	Note 5 Note 4	0.60% 0.32% 0.30% 0.10%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	G-SHANK JAPAN CO., LTD	3	Cost of goods sold	17,700	Note 5	0.33%

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

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

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

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

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

Note 4: Recognized in accordance with contractual terms.

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.

Notes to Consolidated Financial Statements of G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES (Continuing)
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(2) Re-investment business-related information

Supplementary disclosure of information related to the company's direct or indirect significant influence, control, or joint venture equity on the investee company not in Mainland China for the nine-month period ended September 30, 2025.

Unit : NTD Thousand/USD/MYD

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of September 30, 2025			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Note
				September 30, 2025	December 31, 2024	Number of shares	Ratio (%)	Book amount (Note 12)			
G-SHANK ENTERPRISE CO., LTD.	CHIN DE INVESTMENT CO., LTD.	Note 1	General investment	\$50,000	\$50,000	5,000,000	100.00	\$60,009	\$804	\$804	
	GRAND STAR ENTERPRISES L.L.C.	Note 2	General investment	590,864	590,864	-	100.00	1,536,776	95,275	95,278	
	G-SHANK, Inc.	Note 3	Stamping parts molds, fixtures	36,686	36,686	1,000	100.00	383,311	1,704	1,706	
	G-SHANK ENTERPRISE (M) SDN. BHD.	Note 4	Stamping parts molds, fixtures	85,112	85,112	6,924,750	92.33	440,308	48,556	44,912	
	GREAT-SHANK CO., LTD.	Note 5	Precision progressive die and hardware products	69,509	69,509	7,968,750	85.00	115,531	15,252	12,976	
	G-SHANK JAPAN CO., LTD.	Note 6	International trade	23,615	19,749	1,440	80.00	33,580	7,399	4,764	
	G-SHANK PHILIPPINES CORP.	Note 11	Stamping parts molds, fixtures	68,428	-	1,200,000	100.00	56,381	(5,831)	(6,784)	
	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	71,706	40,448	11,375,148	14.41	204,803	(54,484)	(7,835)	
CHIN DE INVESTMENT CO., LTD.	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	241	217	11,087	0.01	199	(54,484)	(8)	

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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)

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Unit : NTD Thousand/USD/MYD

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 12)		As of September 30, 2024			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Note
				September 30, 2025	December 31, 2024	Number of shares	Ratio (%)	Book amount (Note 12)			
G-SHANK ENTERPRISE (M) SDN. BHD.	PT INDONESIA G-SHANK PRECISION	Note 8	Stamping parts molds, fixtures	\$51,655 (RM7,144,500)	\$51,655 (RM7,144,500)	18,800	94.00	\$243,015 (RM33,612,101)	\$26,501 (RM3,648,783)	\$-	
G-SHANK, INC.	G-SHANK DEMEXICO,S.A. DE C.V.	Note 9	Stamping parts molds, fixtures	442 (USD14,512)	442 (USD14,512)	-	100.00	32,749 (USD1,075,866)	3,871 (USD123,837)	-	
GRAND STAR ENTERPRISES L.L.C.	GLOBAL STAR INTERNATIONAL CO., LTD.	Note 10	General investment	584,996 (USD19,218,011)	584,996 (USD19,218,011)	19,218,011	100.00	1,523,146	95,865	-	

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

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

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

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

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

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

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

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

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

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

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

Note 12: 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 September 30, 2025.

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	Cumulative investment amount remitted out of Taiwan in current period - beginning	Investment amount remitted in or out in current period		Cumulative investment amount remitted out of Taiwan in current period - ending	Current profit (loss) of the invested company	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized in current period (Note 4)	Book amount of investment - ending	Investment profit remitted into Taiwan as of current period
					Remitted out	Remitted in						
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	Precision progressive die and hardware products	USD 10,000,000 (Note A)	Entrusted investment (Note B)	USD1,700,000	\$-	\$-	USD1,700,000	\$442,026	85.00	\$375,803	\$1,686,409	\$2,755,559 (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	(2,113)	80.19	(1,695)	56,688	109,318 (USD3,591,264)
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	Precision progressive die and hardware products	USD3,000,000	Investment through the company set up in the third region (Note D)	USD1,530,000	-	-	USD1,530,000	13,437	51.00	6,853	100,256	33,720 (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	(1,452)	79.60	(1,156)	88,699	69,466 (USD2,282,062)

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(Continued from the last page)

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						
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	\$23,465	100.00	\$23,465	\$255,516	\$193,622 (USD6,360,767)
QINGDAO G-SHANK PRECISION SDN.BHD.	Precision progressive die and hardware products	USD4,000,000	Investment through the company set up in the third region (Note G)	USD3,342,000	-	-	USD3,342,000	(14,009)	92.83	(13,005)	174,114	358,378 (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	28,061	88.20	24,750	177,438	195,874 (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)	USD255,000	-	-	USD255,000	10,722	85.00	9,113	78,878	619,413 (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	9,521	93.85	8,936	108,241	7,937 (USD260,742)

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Unit : NTD Thousand/USD/RMB/HKD

Invested company in China	Main business operation	Paid-in capital	Investment method	investment amount remitted out of Taiwan in current period - beginning	Investment amount remitted in or out in current period		Cumulative investment amount remitted out of Taiwan in current period - ending	Current profit (loss) of the invested company	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized in current period (Note 4)	Book amount of investment - ending	Investment profit remitted into Taiwan as of current period
					Remitted out	Remitted in						
SHENZHEN G-BAO PRECISION SDN.BHD.	Precision progressive die and hardware products	USD3,150,000	Investment through the company set up in the third region(Note K)	USD2,880,000	\$-	\$-	USD2,880,000	\$43,872	91.43	\$40,112	\$495,424	\$150,278 (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.	-	-	-	-	(987)	100.00	(987)	81,247	-
DONGGUAN QIAOJU TRADING CO., LTD. (Note 5)	Plastic hardware wholesale and import/export business	HKD3,000,000	Transfer investment of G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	-	-	-	-	5,011	100.00	5,011	22,700	-
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	-	239,181	-

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

Cumulative investment amount remitted out from Taiwan to China at yearend (Note 1)	Investment amount approved by the Investment Commission, MOEA (Notes 1 and 2)	The investment amount limit stipulated by the Investment Commission, MOEA (Note 3)
\$641,862 (USD21,086,140)	\$860,157 (USD28,257,472)	\$5,314,292

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

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

Note 3 : According to the Investment Commission of the Ministry of Economic Affairs' "Principles for Reviewing Investment or Technical Cooperation in Mainland China," the Company's investment limit in Mainland China is determined based on 60% of net worth or consolidated net worth, whichever is higher. However, enterprises certified by the Industrial Development Bureau of the Ministry of Economic Affairs as meeting the scope of an operational headquarters are exempt from this limit. The Company applied to the Industrial Development Bureau for certification as an operational headquarters on March 18, 2024, and the approval is valid for investments in Mainland China from March 18, 2024, to March 17, 2027. The Company has not violated the investment limit regulations set by the Investment Commission.

Note 4 : The profit and loss amount from the subsidiary under the equity method for the nine-month period ended September 30, 2025 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 ELECTRONICS TECHNOLOGY CO., LTD. originally had a paid-in capital of RMB 30,000,000. In May 2023, it carried out a reduction of capital and refunded RMB 11,000,000 to shareholders, resulting in a revised paid-in capital of RMB 19,000,000.

Note 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 September 30, 2025, SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. had a paid-in capital of US\$10,000 thousand.

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

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

- (h) The matters not addressed in the power of attorney shall be handled in accordance with the law and regulations of the Republic of China, domestic and foreign banking practices, and other regulations.

Note C : HON YEH 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 YEH 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 YEH 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 YEH 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 YEH 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 September 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 YEH 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 mount US\$58 thousand), and 0.58% (investment amount US\$15 thousand) of the shareholding was transferred to non-related parties, Mr. Shenwei Guo, Mr. Hongjun Li, and Mr. Bangyong Liu, in March 2003, respectively. The company's shareholding was reduced to 92.19 % thereafter that was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 092010560 Letter. QINGDAO G-SHANK PRECISION SDN.BHD. had arranged capital increase in cash on November 25, 2006; however, the company did not subscribe shares proportionally to the shareholding ratio; therefore, the company's shareholding ratio was 92.83% thereafter. QINGDAO G-SHANK PRECISION SDN.BHD. had a paid-in capital of US\$3,600 thousand and then arranged a capital increase from earnings for an amount of US\$400 thousand in January 2019 and the paid-in capital of QINGDAO G-SHANK PRECISION SDN.BHD. was US\$4,000 thousand thereafter.

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

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

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

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

(B) Significant transactions conducted with the invested companies in China in the current period :

- (a) The purchase amount and percentage and the related payable amount and percentage at yearend : Please refer to Notes 13.(1)(J) of the consolidated financial report for details.
- (b) The sales amount and percentage and the related receivable amount and percentage at yearend: Not disclosed as the amount is immaterial.

- (c) The property transaction amount and the profit and loss resulted: Not disclosed as the amount is immaterial.
- (d) The ending balance and purpose of notes endorsements/guarantees or collateral provided: None
- (e) Maximum balance amount, ending balance amount, interest rate range, and total interest of the current period of loans: Please refer to Note 13.(1)(A) of the consolidated financial report for details.
- (f) Other transactions that have a significant impact on the profit and loss or financial status: Please refer to Notes 13.(1)(F) of the consolidated financial report for details.

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-month period ended September 30, 2025</u>				
<u>Revenue</u>				
Revenue from external customers	\$1,974,954	\$-	\$-	\$1,974,954
Interdepartmental revenue	-	-	-	-
Total Revenue	<u>\$1,974,954</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,974,954</u>
Departmental profit and loss	<u>\$314,550</u>	<u>\$2,894</u>	<u>\$-</u>	<u>\$317,444</u>
Non-operating income and expense				<u>167,303</u>
Net income before tax of the continuing business unit				<u>\$484,747</u>

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)

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
<u>For the three-month period ended September 30, 2024</u>				
<u>Revenue</u>				
Revenue from external customers	\$1,861,908	\$-	\$-	\$1,861,908
Interdepartmental revenue	-	-	-	-
Total Revenue	<u>\$1,861,908</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,861,908</u>
Departmental profit and loss	<u>\$402,550</u>	<u>\$1,645</u>	<u>\$-</u>	<u>\$404,195</u>
Non-operating income and expense				<u>49,087</u>
Net income before tax of the continuing business unit				<u>\$453,282</u>
<u>For the nine -month period ended September 30, 2025</u>				
<u>Revenue</u>				
Revenue from external customers	\$5,432,901	\$-	\$-	\$5,432,901
Interdepartmental revenue	-	-	-	-
Total Revenue	<u>\$5,432,901</u>	<u>\$-</u>	<u>\$-</u>	<u>\$5,432,901</u>
Departmental profit and loss	<u>\$861,450</u>	<u>\$1,007</u>	<u>\$-</u>	<u>\$862,457</u>
Non-operating income and expense				<u>69,751</u>
Net income before tax of the continuing business unit				<u>\$932,208</u>
<u>For the nine -month period ended September 30, 2024</u>				
<u>Revenue</u>				
Revenue from external customers	\$4,914,859	\$-	\$-	\$4,914,859
Interdepartment revenue	-	-	-	-
Total Revenue	<u>\$4,914,859</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,914,859</u>
Departmental profit and loss	<u>\$885,691</u>	<u>\$5,957</u>	<u>\$-</u>	<u>\$891,648</u>
Non-operating income and expense				<u>348,646</u>
Net income before tax of the continuing business unit				<u>\$1,240,294</u>

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)

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
<u>September 30, 2025</u>				
Assets				
Department assets	\$9,402,167	\$60,546	\$-	\$9,462,713
Current tax assets	61,235	15	-	61,250
Deferred tax assets	9,628	-	-	9,628
Investment -non-investment department	2,869,137	-	-	2,869,137
Total assets	<u>\$12,342,167</u>	<u>\$60,561</u>	<u>\$-</u>	<u>\$12,402,728</u>
Liabilities				
Department liabilities	\$2,866,956	\$-	\$-	\$2,866,956
Current tax liabilities	44,585	291	-	44,876
Deferred tax liabilities	622,731	261	-	622,992
Net defined benefit liabilities	10,750	-	-	10,750
Total liabilities	<u>\$3,545,022</u>	<u>\$552</u>	<u>\$-</u>	<u>\$3,545,574</u>
<u>December 31, 2024</u>				
Assets				
Department assets	\$9,357,224	\$61,103	\$-	\$9,418,327
Current tax assets	10,537	305	-	10,842
Deferred tax assets	9,676	152	-	9,828
Investment – non- investment department	2,901,943	-	-	2,901,943
Total assets	<u>\$12,279,380</u>	<u>\$61,560</u>	<u>\$-</u>	<u>\$12,340,940</u>
Liabilities				
Department liabilities	\$2,612,937	\$25	\$-	\$2,612,962
Current tax liabilities	226,987	-	-	226,987
Deferred tax liabilities	593,407	508	-	593,915
Net defined benefit liabilities	10,750	-	-	10,750
Total liabilities	<u>\$3,444,081</u>	<u>\$533</u>	<u>\$-</u>	<u>\$3,444,614</u>

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)

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
<u>September 30, 2024</u>				
Assets				
Department assets	\$9,511,020	\$58,596	\$-	\$9,569,616
Current tax assets	4,858	305	-	5,163
Deferred tax assets	8,779	410	-	9,189
Investment –non- investment department	2,539,896	-	-	2,539,896
Total assets	<u>\$12,064,553</u>	<u>\$59,311</u>	<u>\$-</u>	<u>\$12,123,864</u>
Liabilities				
Department liabilities	\$2,638,936	\$-	\$-	\$2,638,936
Current tax liabilities	157,495	-	-	157,495
Deferred tax liabilities	664,153	269	-	664,422
Net defined benefit liabilities	29,956	-	-	29,956
Total liabilities	<u>\$3,490,540</u>	<u>\$269</u>	<u>\$-</u>	<u>\$3,490,809</u>