G-SHANK ENTERPRISE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors' Review Report

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 June 30, 2026 and 2025 , the consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025 , and the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2026 and 2025, 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 effedt 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 TWSRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists primarily of inquiries (mainly of persons responsible for financial and accounting matters), analytical procedures, and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole. 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$3,883,472 thousand and NT$3,421,614 thousand, accounted for 28.56% and 29.44% of the total consolidated assets as of June 30, 2026 and 2025, respectively. The total liabilities were NT$699,699 thousand and NT$458,298 thousand, accounted for 18.61% and 12.48% of total consolidated liabilities, respectively. The total consolidated profits and losses were NT$105,146 thousand, NT$(179,288) thousand and NT$171,197 thousand, NT$(69,932) thousand, constituting 22.80%, 39.04% and 19.43%, 33.14% of the consolidated total comprehensive income for the three-month periods ended June 30, 2026 and 2025, and the six-month periods ended June 30, 2026 and 2025, respectively. As stated in Note 6.(9) of the consolidated financial statements, the investment book amount under the equity method on the consolidated balance sheet of G-Shank Enterprise Co., Ltd. and its subsidiaries were NT$209,330 thousand and NT$206,104 thousand, accounted for 1.54% and 1.77% of the total consolidated assets, respectively, as of June 30, 2026 and 2025, respectively. The amount of loss from the affiliated enterprise under the equity method was NT$(2,847) thousand, NT$(9,498) thousand and NT$(4,347) thousand and NT$(8,699) thousand, accounted for (0.62)%, 2.07% and (0.49)% , 4.12% of the total consolidated profits and losses for the three-month periods ended June 30, 2026 and 2025, and the six-month periods ended June 30, 2026 and 2025, respectively, which were calculated according to the same period financial statements of the invested companies that have not been reviewed by the independent auditors. In addition, the relevant information of the aforementioned subsidiaries as disclosed in Note 13 to the consolidated financial statements and the invested companies under the equity method have not been reviewed by the independent auditors.

Conclusion

Based on our review, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investees accounted for using the equity method and the relevant information disclosed in Note 13 to the consolidated financial statements described in the Basis for Qualified Conclusion section been reviewed by independent accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of G-SHANK ENTERPRISE CO., LTD. and its subsidiaries as of June 30, 2026 and 2025, their consolidated financial performance for the three-month periods ended June 30, 2026 and 2025 and the six-month periods ended June 30, 2026 and 2025, and their consolidated cash flows for the six-month periods ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission.

Lu, Jui-Wen　　　　　Li, Pin-chueh

Diwan & Company

August 7, 2026

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 urisdictions. 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 SHEETS

(June 30, 2026 & 2025 have been Reviewed; December 31, 2025 has been audited)

(In Thousands of New Taiwan Dollars)

ASSETS		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
Code	Accounts		Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	4 & 6.(1)	$ 3,484,831	26	$ 3,337,561	25	$ 3,006,610	26
1110	Financial assets at fair value through profit or loss - current	6.(2) & 6.(14)	2,073,312	15	2,520,842	19	2,215,012	19
1136	Current financial assets at amortised cost	4 & 6.(3)	15,972	-	-	-	-	-
1150	Notes receivable, net	6.(4)	26,981	-	30,252	-	24,110	-
1170	Accounts receivable, net	6.(5)	2,171,341	16	1,797,316	14	1,515,852	13
1180	Accounts receivable - related parties	7	55	-	29	-	18	-
1200	Other receivables	6.(5) & 6.(10)	60,244	-	59,202	1	51,694	1
1220	Current tax assets	4 & 6.(30)	22,235	-	25,712	-	1,748	-
130x	Inventories	6.(6)	1,156,833	9	1,040,941	8	858,257	7
1470	Prepayments and Other current assets		140,514	1	84,905	1	61,989	1
1476	Other financial assets - current	4, 6.(7) & 8	20,851	-	28,351	-	28,387	-
	Total current assets		9,173,169	67	8,925,111	68	7,763,677	67
15xx	Noncurrent Asset							
1510	Financial assets at fair value through profit or loss - noncurrent	6.(2) & 6.(14)	-	-	468	-	539	-
1517	Financial assets at fair value through other comprehensive income - noncurrent	6.(8) & 6.(22)	396,745	3	357,650	3	259,466	2
1550	Investments accounted for using equity method	6.(9) & 7	209,330	2	201,783	2	206,104	2
1600	Property, Plant and Equipment	6.(10) & 9	3,287,414	24	3,186,439	24	3,045,670	26
1755	Right-of-use asset	6.(11) & 6.(15)	344,280	3	312,978	2	227,427	2
1780	Intangible assets	6.(12)	2,172	-	3,020	-	3,585	-
1840	Deferred tax assets	4 & 6.(30)	12,114	-	12,235	-	25,686	-
1915	Prepayments for equipment		121,817	1	108,331	1	70,783	1
1920	Refundable deposits		26,428	-	7,196	-	6,528	-
1975	Net defined benefit assets - noncurrent	4 & 6.(16)	6,001	-	6,001	-	-	-
1990	Other noncurrent assets, others	6.(5) & 8	18,633	-	13,599	-	13,147	-
	Total noncurrent Asset		4,424,934	33	4,209,700	32	3,858,935	33
1xxx	Total Assets		$ 13,598,103	100	$ 13,134,811	100	$ 11,622,612	100

(CONTINUING)

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

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(June 30, 2026 & 2025 have been Reviewed; December 31, 2025 has been audited)

(In Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
Code	Accounts		Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term loans	6.(13) & 6.(32)	$ 80,000	1	$ 789,000	6	$ 100,000	1
2130	Contract liabilities - current	6.(25)	22,891	-	22,538	-	22,075	-
2170	Accounts payable		810,095	6	719,495	6	548,887	5
2180	Accounts payable - related parties	7	95	-		-	378	-
2200	Other payables	6.(10), 6.(16) & 6.(26)	1,408,029	11	692,404	5	1,374,586	12
2220	Other payables - related parties	7	3,950	-	5,629	-	2,985	-
2230	Current tax liabilities	4 & 6.(30)	165,174	1	59,939	-	117,499	1
2280	Lease liabilities - current	6.(15) & 6.(32)	75,056	1	71,406	1	46,917	1
2322	Current portion of bonds payable	6.(14) & 6.(32)	298,693	2	-	-	-	-
2300	Other current liabilities		54,061	-	27,036	-	33,047	-
	Total current liabilities		2,918,044	22	2,387,447	18	2,246,374	20
25xx	Non-current liabilities							
2530	Bonds payable	6.(14) & 6.(32)	-	-	381,800	3	747,054	6
2570	Deferred tax liabilities	4 & 6.(30)	715,213	5	674,181	5	600,852	5
2580	Lease liabilities - noncurrent	6.(15) & 6.(32)	93,630	1	100,528	1	46,477	1
2640	Net defined benefit liabilities - noncurrent	4 & 6.(16)	-	-	-	-	10,750	-
2645	Guarantee deposits		32,086	-	26,836	-	19,368	-
	Total non-current liabilities		840,929	6	1,183,345	9	1,424,501	12
2xxx	Total liabilities		3,758,973	28	3,570,792	27	3,670,875	32
31xx	Equity attributable to owners of parent							
3100	Share capital	6.(17) , 6.(24) & 11						
3110	Ordinary shares		2,180,810	16	2,166,209	16	2,108,960	18
3140	Advance Receipts for Capital Stock		9,895	-	11,323	-	-	-
3200	Capital surplus	6.(14), 6.(18), 6.(21) & 6.(24)	1,001,979	7	1,253,983	10	922,359	8
3300	Retained earnings							
3310	Legal reserve	6.(19) & 6.(21)	1,251,485	9	1,157,252	9	1,157,252	10
3320	Special reserve	6.(20)	284,690	2	284,690	2	284,690	2
3350	Unappropriated earnings	6.(21)	4,070,358	30	3,840,410	29	3,130,602	27
3400	Other equity							
3410	Exchange differences on translation of foreign financial statements	6.(22), 6.(23) & 6.(29)	(77,697)	-	(173,734)	(1)	(483,848)	(4)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	6.(8), 6.(9), 6.(22) & 6.(29)	392,056	3	341,102	3	238,642	2
	Total equity attributable to owners of parent		9,113,576	67	8,881,235	68	7,358,657	63
36xx	Non-controlling interests	6.(23)	725,554	5	682,784	5	593,080	5
3xxx	Total Equity		9,839,130	72	9,564,019	73	7,951,737	68
	Total liabilities and equity		$ 13,598,103	100	$ 13,134,811	100	$ 11,622,612	100

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

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

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

Code	Accounts	Notes	For the three months ended June 30				For the six months ended June 30			
			2026	%	2025	%	2026	%	2025	%
4000	Sales revenue	6.(25) & 7	$ 2,567,030	100	$ 1,811,516	100	$ 4,734,678	100	$ 3,457,947	100
5000	Operating costs	6.(6), 6.(16), 6.(26) & 7	(1,757,146)	(68)	(1,261,250)	(70)	(3,276,223)	(69)	(2,425,790)	(70)
5900	Gross profit from operations		809,884	32	550,266	30	1,458,455	31	1,032,157	30
6000	Operating expense	6.(15), 6.(16) & 6.(26)								
6100	Selling expenses		(86,219)	(3)	(72,804)	(4)	(160,818)	(4)	(141,612)	(4)
6200	General and administrative expenses		(146,268)	(6)	(134,214)	(7)	(285,731)	(6)	(261,299)	(8)
6300	Research and development expenses		(48,823)	(2)	(41,713)	(2)	(96,267)	(2)	(82,596)	(2)
6450	Loss (reversal) of expected credit loss	6.(5)	(362)	-	(65)	-	(978)	-	55	-
	Total operating expense		(281,672)	(11)	(248,796)	(13)	(543,794)	(12)	(485,452)	(14)
6500	Other operating income and expenses, net	6.(10), 6.(26) & 6.(27)	95	-	95	-	191	-	191	-
6900	Net operating income		528,307	21	301,565	17	914,852	19	546,896	16
7000	Non-operating income and expenses									
7100	Interest income	6.(28)	44,270	2	50,951	3	88,855	2	110,520	3
7010	Other income	6.(28)	7,167	-	18,461	1	17,646	-	22,937	1
7020	Other gains and losses	6.(3) , 6.(10) & 6.(28)	34,070	1	(207,446)	(12)	570	-	(171,783)	(5)
7050	Finance costs	6.(14), 6.(15) & 6.(28)	(2,960)	-	(4,563)	-	(7,069)	-	(11,046)	(1)
7060	Share of profit of associates accounted for using the equity method	6.(9) & 6.(28)	(2,847)	-	(9,498)	(1)	(4,347)	-	(8,699)	-
7230	Foreign exchange gains (loss)	6.(28)	(23,724)	(1)	(50,608)	(3)	(45,185)	(1)	(41,364)	(1)
	Total non-operating income and expenses		55,976	2	(202,703)	(12)	50,470	1	(99,435)	(3)
7900	Profit from continuing operations before tax		584,283	23	98,862	5	965,322	20	447,461	13
7950	Income Tax Expense	4 & 6.(30)	(141,527)	(6)	(56,971)	(3)	(246,906)	(5)	(154,758)	(5)
8200	Profit for the period		442,756	17	41,891	2	718,416	15	292,703	8
8300	Other comprehensive income	6.(8) , 6.(9) & 6.(29)								
8310	Components of other comprehensive income that will not be reclassified to profit or loss:									
8316	Unrealised gain (loss) on financial assets measured at fair through other comprehensive income		(22,943)	(1)	(83,172)	(4)	39,095	1	(184,565)	(5)
8320	Share of the other comprehensive (loss) income of associates		13,307	1	(1,421)	-	11,901	-	(2,338)	-
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		(9,636)	-	(84,593)	(4)	50,996	1	(186,903)	(5)
8360	Items that may be reclassified subsequently to profit or loss:									
8361	Exchange differences on translating foreign operations		28,054	1	(416,567)	(23)	111,718	3	(316,850)	(9)
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		28,054	1	(416,567)	(23)	111,718	3	(316,850)	(9)
	Total other comprehensive income (loss) for the period		18,418	1	(501,160)	(27)	162,714	4	(503,753)	(14)
8500	Total comprehensive income (loss) for the period		$ 461,174	18	$ (459,269)	(25)	$ 881,130	19	$ (211,050)	(6)
8600	Net profit attributable to：									
8610	Owners of the Corporation		$ 402,167	16	$ 8,145	-	$ 651,261	14	$ 232,523	6
8620	Non-controlling interests		40,589	1	33,746	2	67,155	1	60,180	2
			$ 442,756	17	$ 41,891	2	$ 718,416	15	$ 292,703	8
8700	Total comprehensive income attributable to：									
8710	Owners of the Corporation		$ 415,872	16	$ (440,958)	(24)	$ 798,294	17	$ (232,676)	(7)
8720	Non-controlling interests		45,302	2	(18,311)	(1)	82,836	2	21,626	1
			$ 461,174	18	$ (459,269)	(25)	$ 881,130	19	$ (211,050)	(6)
	Earnings per share (dollar)	6.(31)								
9750	Basic		$ 1.84		$ 0.04		$ 2.98		$ 1.10	
9850	Diluted		$ 1.79		$ 0.04		$ 2.90		$ 1.07	

(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)

	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	Unrealized Gains and Losses on Financial			
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.(21))											
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 six months ended June 30, 2025	-	-	-	-	-	232,523	-	-	232,523	60,180	292,703
Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	-	(278,296)	(186,903)	(465,199)	(38,554)	(503,753)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	232,523	(278,296)	(186,903)	(232,676)	21,626	(211,050)
Changes in the net interest of associates recognised under the equity method	-	-	8,083	-	-	-	-	262	8,345	-	8,345
share-based payment transaction	9,050	(2,630)	9,612	-	-	-	-	-	16,032	-	16,032
Conversion of convertible bonds	2,155	(575)	9,007	-	-	-	-	-	10,587	-	10,587
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(30,992)	(30,992)
BALANCE AT JUNE 30, 2025	$ 2,108,960	$ -	$ 922,359	$ 1,157,252	$ 284,690	$ 3,130,602	$ (483,848)	$ 238,642	$ 7,358,657	$ 593,080	$ 7,951,737
BALANCE AT JANUARY 1, 2026	$ 2,166,209	$ 11,323	$ 1,253,983	$ 1,157,252	$ 284,690	$ 3,840,410	$ (173,734)	$ 341,102	$ 8,881,235	$ 682,784	$ 9,564,019
Appropriation of 2025 earnings (Note 6.(21))											
Legal reserve	-	-	-	94,233	-	(94,233)	-	-	-	-	-
Cash dividends to ordinary shareholders	-	-	-	-	-	(327,122)	-	-	(327,122)	-	(327,122)
Unclaimed dividends past statutory expiry by shareholders	-	-	51	-	-	-	-	-	51	-	51
Cash dividends distribution from capital surplus	-	-	(327,122)	-	-	-	-	-	(327,122)	-	(327,122)
Net profit for the six months ended June 30, 2026	-	-	-	-	-	651,261	-	-	651,261	67,155	718,416
Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	-	96,037	50,996	147,033	15,681	162,714
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	651,261	96,037	50,996	798,294	82,836	881,130
Changes in the net interest of associates recognised under the equity method	-	-	(7)	-	-	42	-	(42)	(7)	-	(7)
share-based payment transaction	-	-	2,125	-	-	-	-	-	2,125	-	2,125
Conversion of convertible bonds	14,601	(1,428)	72,949	-	-	-	-	-	86,122	-	86,122
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(40,066)	(40,066)
BALANCE AT JUNE 30, 2026	$ 2,180,810	$ 9,895	$ 1,001,979	$ 1,251,485	$ 284,690	$ 4,070,358	$ (77,697)	$ 392,056	$ 9,113,576	$ 725,554	$ 9,839,130

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

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

(In Thousands of New Taiwan Dollars)

Description	For the six months ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	$ 965,322	$ 447,461
Adjustments for		
The profit or loss items which did not affect cash flows:		
Depreciation	123,021	99,987
Amortization	8,946	17,523
Expected credit loss (gain)	978	(55)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(3,808)	173,078
Interest expenses	7,069	11,046
Interest income	(88,855)	(110,520)
Dividends income	(5,089)	(16,964)
Share-based payment compensation cost	2,125	4,062
Share of loss of associates accounted for using equity method	4,347	8,699
Loss (Gain) on disposal of property, plant and equipment	2,943	(1,649)
Unrealized foreign exchange gains	(19,229)	(54,812)
Other items	825	262
Changes in operating assets and liabilities：		
Financial assets at fair value through profit or loss	449,084	(55,507)
Notes receivable	3,271	7,026
Accounts receivable	(374,911)	(65,230)
Accounts receivable - related parties	(26)	(18)
Other receivables	(6,503)	16,055
Inventories	(116,895)	(854)
Prepayments and other current assets	(55,609)	(9,246)
Contract liabilities	353	1,330
Accounts payable	90,381	35,152
Accounts payable - related parties	95	135
Other payables	68,044	4,065
Other payables - related parties	(1,679)	196
Other current liabilities	27,025	10,576
Cash generated from operating activities:	1,081,225	521,798
Interest received	94,919	111,391
Dividends received	5,089	16,964
Interest paid	(4,160)	(4,674)
Income tax paid	(97,041)	(264,073)
Net cash flows from operating activities	1,080,032	381,406

(Continuing)

G-SHANK ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUING)

(Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars)

Description	For the six month ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at amortized cost	$ (16,279)	$ -
Acquisition of investments accounted for using the equity method	-	(31,282)
Acquisition of property, plant and equipment	(180,768)	(196,039)
Proceeds from disposal of property, plant and equipment	6,093	4,595
Decrease (increase) in refundable deposits	(19,232)	253
Acquisition of intangible assets	-	(2,608)
Decrease in other financial assets	7,603	1,139
Increase in other non-current assets - others	(12,927)	(13,929)
Increase in prepayments for business facilities	(72,633)	(42,645)
Net cash used in investing activities	(288,143)	(280,516)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Short-term borrowings	(709,000)	(400,000)
Increase in guarantee deposits received	4,650	6,106
Repayment for the principal portion of the lease liabilities	(11,691)	(6,692)
Employee exercise of stock warrant	-	11,970
Cash dividends paid by subsidiaries to non-controlling interests	(40,066)	(30,992)
Other financing activities	51	72
Net cash (used in) provided by financing activities	(756,056)	(419,536)
Effect of changes in exchange rate on cash and cash equivalents	111,437	(197,581)
Net increase (decrease) in cash and cash equivalents	147,270	(516,227)
Cash and cash equivalents at the beginning of the period	3,337,561	3,522,837
Cash and cash equivalents at the end of the period	$ 3,484,831	$ 3,006,610

(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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)
(Reviewed, Not Audited)

1. COMPANY HISTORY

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

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

The company’s board of directors had resolved on October 22, 2007 for the merger of the company and the subsidiary “HON YEH INVESTMENT CO., LTD.” (Referred to as “HON YEH” hereinafter) with “HON YEH” 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 YEH,” 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 reports of the Company and its subsidiaries (hereinafter referred to as "the Group") for the periods from January 1 to June 30 of 2026 and 2025 have been approved by the Company's Board of Directors and released on August 7, 2026.

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

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.

The Group has applied the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (collectively, "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and effective for the fiscal year beginning on or after January 1, 2026:

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IFRS 17	Insurance Contracts	January 1, 2023
IFRS 17 (amendments)	Amendments to IFRS 17	January 1, 2023
IFRS 17 (amendments)	First-Time Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Partial Amendments to IFRS 7 and IFRS 9 (amendments)	Amendments to The Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 7 and IFRS 9 (amendments)	Nature-Dependent Electricity Contracts	January 1, 2026
IFRS	IFRS Accounting Standards Annual Improvements - Volume 11	January 1, 2026

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: None.

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

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

New/Revision/Amendment Standards and Explanations	Content	Effective in the annual period commencing from the following date of IASB
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027 (Note 1)
IFRS 19 (including 2025 Amendments)	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 21 (amendments)	Lack of Exchangeability	January 1, 2027
IAS 28 (amendments)	Fair Value Option for Investments in Associates and Joint Ventures	January 1, 2027 (Note 2)
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029

Note 1: The FSC announced in its press release dated September 25, 2025 that public offering companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, companies with a need for early adoption of IFRS 18 may choose to adopt the requirements of IFRS 18 early after the FSC's endorsement of IFRS 18.

Note 2: These amendments shall be applied concurrently upon the adoption of IFRS 18.

As of the date the consolidated financial statements were authorized for issue, the Group is in the process of assessing the potential impact of the aforementioned new standards or amendments, and therefore cannot reasonably estimate the impact on the Group's consolidated financial position and financial performance.

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

The consolidated financial statements are prepared in accordance with the Financial Reporting Standards for Issuers of Securities (hereinafter referred to as the reporting standards) and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued 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 liquating 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:

(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:

				Shareholding ratio (%)		
Investing company	Subsidiary	Location	Business nature	June 30, 2026	December 31, 2025	June 30, 2025
The company	CHIN DE INVESTMENT CO., LTD.	Taiwan	General investment	100.00	100.00	100.00
The company	GRAND STAR ENTERPRISES L.L.C.	Anguilla	General investment	100.00	100.00	100.00
The company	G-SHANK, INC.	USA	Sales of stamping parts molds, and fixtures, and holding company	100.00	100.00	100.00
The company	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	China Shanghai (Note 1)	Precision progressive die and hardware products	85.00	85.00	85.00
The company	G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.	China Suzhou (Note 1)	Planer, milling machine or die machine, precision progressives die, and hardware products	5.86	5.86	5.86
The company	G-SHANK ENTERPRISE (M) SDN. BHD.	Malaysia	Stamping parts molds and fixtures	92.33	92.33	92.33
The company	G-SHANK JAPAN CO., LTD. (Note 2)	Japan Tokyo	International trade	80.00	80.00	58.89
The company	GREAT-SHANK CO., LTD.	Thailand	Precision progressive die and hardware products	85.00	85.00	85.00

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

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Investing company	Subsidiary	Location	Business nature	Shareholding ratio (%) June 30, 2026	December 31, 2025	June 30, 2025
The company	G-SHANK PHILIPPINES CORP.	Philippines	Precision progressive die and hardware products	100.00	100.00	100.00
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 INTERNATION AL 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 INTERNATION AL CO., LTD.	G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	China Dongguan (Note 1)	Precision progressive die and hardware products	51.00	51.00	51.00
GLOBAL STAR INTERNATION AL 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 INTERNATION AL 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 INTERNATION AL 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 INTERNATION AL 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 INTERNATION AL 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 INTERNATION AL 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 INTERNATION AL 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

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

(Continued from previous page)

				Shareholding ratio (%)		
Investing company	Subsidiary	Location	Business nature	June 30, 2026	December 31, 2025	June 30, 2025
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
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	DONGGUAN QIAOJU TRADING CO., LTD.	China Dongguan (Note 3)	Plastic hardware wholesale and import/export business	-	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

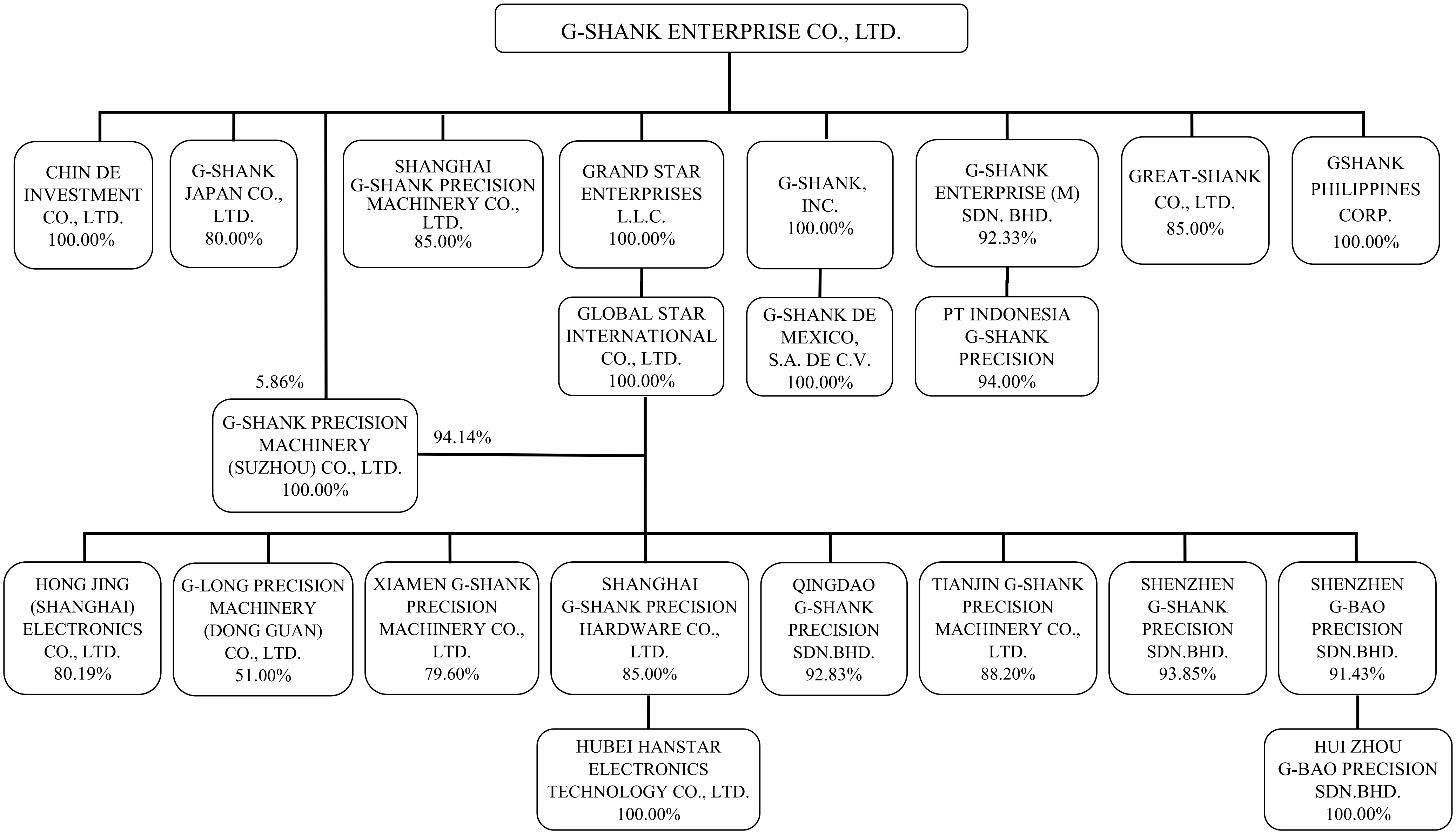
Note 1: These companies are incorporated in Mainland China, a jurisdiction subject to foreign exchange controls where capital transfers are restricted by local laws and regulations. As of June 30, 2026, December 31, 2025, and June 30, 2025, the total amounts of cash, bank deposits, financial assets measured at amortized cost - current, and other financial assets - current of these companies subject to foreign exchange controls were NT$2,471,056 thousand, NT$2,411,514 thousand, and NT$1,986,584 thousand, respectively.

Note 2: On September 9, 2025, the Company purchased a 21.11% equity interest in its subsidiary, G-SHANK JAPAN CO., LTD., from non-controlling interest shareholders for JPY 19,000 thousand, increasing its shareholding ratio from 58.89% to 80%. The remittance for the aforementioned share acquisition was completed on September 19, 2025, and the update of registration in the shareholder register of G-SHANK JAPAN CO., LTD. has been finalized.

Note 3: To streamline the organizational structure and enhance operational efficiency for business management purposes, DONGGUAN QIAOJU TRADING CO., LTD., a subsidiary of the Group, resolved to proceed with dissolution and liquidation upon approval by its shareholder meeting on July 4, 2025, and subsequently completed the liquidation procedures on January 4, 2026.

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 first half of 2026 and 2025 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 June 30, 2026 and 2025 are NT$3,883,472 thousand and NT$3,421,614 thousand, respectively. The total liabilities are NT$699,699 thousand and NT$458,298 thousand respectively. The total consolidated profits and losses were NT$105,146 thousand, NT$(179,288) thousand and NT$171,197 thousand, NT$(69,932) thousand, for the three months and six months periods ended June 30, 2026 and 2025, respectively.

As of June 30, 2026, the investment and shareholding ratios of the company and its subsidiaries are as follows:


G-SHANK ENTERPRISE CO., LTD.
CHIN DE INVESTMENT CO., LTD. 100.00%
G-SHANK JAPAN CO., LTD. 80.00%
SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. 85.00%
GRAND STAR ENTERPRISES L.L.C. 100.00%
G-SHANK, INC. 100.00%
G-SHANK ENTERPRISE (M) SDN. BHD. 92.33%
GREAT-SHANK CO., LTD. 85.00%
GSHANK PHILIPPINES CORP. 100.00%
GLOBAL STAR INTERNATIONAL CO., LTD. 100.00%
G-SHANK DE MEXICO, S.A. DE C.V. 100.00%
PT INDONESIA G-SHANK PRECISION 94.00%
5.86%
G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD. 100.00%
94.14%
HONG JING (SHANGHAI) ELECTRONICS CO., LTD. 80.19%
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD. 51.00%
XIAMEN G-SHANK PRECISION MACHINERY CO., LTD. 79.60%
SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD. 85.00%
QINGDAO G-SHANK PRECISION SDN.BHD. 92.83%
TIANJIN G-SHANK PRECISION MACHINERY CO., LTD. 88.20%
SHENZHEN G-SHANK PRECISION SDN.BHD. 93.85%
SHENZHEN G-BAO PRECISION SDN.BHD. 91.43%
HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD. 100.00%
HUI ZHOU G-BAO PRECISION SDN.BHD. 100.00%

(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 2025 consolidated financial report. Please refer to the Group’s 2025 consolidated financial report for details.

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

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 2025 consolidated financial report. Please refer to the Group's 2025 consolidated financial report for details.

6. DESCRIPTION OF IMPORTANT ACCOUNTING ITEMS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash and petty cash	$5,393	$6,081	$5,615
Checking deposit and savings deposit	1,673,272	1,492,594	1,265,935
Time deposits	1,806,166	1,838,886	1,735,060
Total	$3,484,831	$3,337,561	$3,006,610

(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.

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

(2) Financial assets-current measured at fair value through profit and loss

	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets measured at fair value through profit and loss mandatorily			
Acquisition cost:			
Funds	$59,108	$71,420	$56,766
Bonds	1,955,628	2,345,432	2,231,562
Embedded derivative financial instruments	90	-	-
Subtotal	2,014,826	2,416,852	2,288,328
Evaluation adjustment:			
Funds	3,471	3,484	2,784
Bonds	55,045	100,506	(76,100)
Embedded derivative financial instruments	(30)	-	-
Subtotal	58,486	103,990	(73,316)
Total	$2,073,312	$2,520,842	$2,215,012
Non-current items:			
Financial assets measured at fair value through profit or loss			
Embedded derivative financial instruments	$-	$468	$539

(A) For the second quarter and the six-month period ended June 30, 2026 and 2025, the net evaluation gains (losses) generated by the Group from financial assets and liabilities at fair value through profit or loss were NT$33,788 thousand, NT$(207,141) thousand, NT$3,808 thousand, and NT$(173,078) thousand, respectively, which were recognized under non-operating income and expenses - other gains and losses.

(B) No financial assets at fair value through profit or loss mentioned above were pledged as collateral or pledged.

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

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

(D) The disclosure of information regarding embedded derivative financial instruments can be found in Notes 6.(14) and 12 of the consolidated financial statements.

(3) Financial assets at amortized cost – current

	June 30, 2026	December 31, 2025	June 30, 2025
Certificate of deposit	$15,972	$-	$-
Less: Allowance for loss	-	-	-
Net amount	$15,972	$-	$-

(A) Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, they are classified as financial assets at amortized cost.

(B) There was no movement in the loss allowance for financial assets at amortized cost of the Group for the six-month period ended June 30, 2026.

(C) No financial assets at amortized cost mentioned above were pledged as collateral or pledged.

(D) For information on the credit risk disclosures regarding the Group's financial assets at amortized cost, please refer to Note 12.(2)(C)(a) and (b) of the consolidated financial statements.

(4) Notes receivable - net

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$26,981	$30,252	$24,110
Less: Allowance for loss	-	-	-
Net amount	$26,981	$30,252	$24,110

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

(5) Net Accounts Receivable and Collections

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	$2,179,203	$1,803,995	$1,519,170
Less: Allowance for loss	(7,862)	(6,679)	(3,318)
Net amount	$2,171,341	$1,797,316	$1,515,852
Collection of receivables (classified under other non-current assets - others)	$24,451	$23,444	$21,755
Less: Allowance for losses	(24,451)	(23,444)	(21,755)
Net amount	$-	$-	$-

(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:

	For the six-month periods ended June 30,	
	2026	2025
Balance - beginning	$30,123	$26,943
Provision for allowance for impairment losses on notes receivable, accounts receivable, other receivables and collection of receivables	978	-
Reversal of allowance for impairment losses on notes receivable, accounts receivable, other receivables and collection of receivables	-	(55)
Exchange difference	1,212	(1,815)
Balance - ending	$32,313	$25,073

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

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

(6) Inventory

	June 30, 2026		
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	$356,279	$19,629	$336,650
Substances	33,593	217	33,376
Work-in-process goods	318,060	25,148	292,912
Finished goods	523,278	35,451	487,827
Merchandise trade	6,595	527	6,068
Total	$1,237,805	$80,972	$1,156,833

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

	June 30, 2025		
	Cost	Allowance for loss of inventory in valuation	Book amount
Raw materials	$294,759	$15,918	$278,841
Substances	26,205	324	25,881
Work-in-process goods	206,542	21,227	185,315
Finished goods	389,038	25,098	363,940
Merchandise trade	4,834	554	4,280
Total	$921,378	$63,121	$858,257

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

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Inventory booked in cost of goods sold	$1,759,016	$1,266,804	$3,273,842	$2,428,632
Write-down of inventories to net realizable value	2,946	-	10,683	-
Recovery of net realizable value of inventories	-	(4,810)	-	(952)
Inventory surplus	(4,816)	(744)	(8,302)	(1,890)
Total operating cost	$1,757,146	$1,261,250	$3,276,223	$2,425,790

(B) For the second quarter and the six-month period ended June 30, 2025, the factors causing the net realizable value of inventories to be lower than their cost no longer existed due to the recovery in prices or the utilization of certain raw materials for which inventory write-downs had previously been recognized, the completion of work in process into finished goods that were subsequently sold, or the sale of finished goods. As a result, a reversal of the inventory write-down to net realizable value was recognized, which reduced the cost of sales by NT$4,810 thousand and NT$952 thousand, respectively.

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

(7) Other financial assets-current

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposit	$18,319	$25,853	$23,713
Restricted assets – bank deposit	77	74	69
Overseas funds repatriation account			
Time deposit	2,455	2,424	4,605
Total	$20,851	$28,351	$28,387

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

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Equity instrument			
Unlisted stocks	$27,006	$27,006	$27,006
Equity instrument investment evaluation adjustment	369,739	330,644	232,460
Total	$396,745	$357,650	$259,466

(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$5,089 thousand, NT$16,964 thousand, NT$5,089 thousand, and NT$16,964 thousand for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

(C) The Group did not have cumulative profit or loss transferred within equity for the three-month and six-month periods ended June 30, 2026 and 2025.

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

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

(9) Investment under the equity method

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

Affiliated enterprises	June 30, 2026	Equity holding ratio (%)	December 31, 2025	Equity holding ratio (%)	June 30, 2025	Equity holding ratio (%)
SUNFLEX TECHNOLOGY CO., LTD. (Note)	$209,330	14.35	$201,783	14.42	$206,104	14.42

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

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

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Net profit of the continuing business unit - current	$(2,847)	$(9,498)	$(4,347)	$(8,699)
Other comprehensive profit and loss (after tax) - current	13,307	(1,421)	11,901	(2,338)
Total comprehensive profit and loss - current	$10,460	$(10,919)	$7,554	$(11,037)

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

	For the six-month periods ended June 30,	
	2026	2025
Beginning Balance	$201,783	$177,776
Increases in investments for the current period (Note)	-	31,282
Share of loss for the period	(4,347)	(8,699)
Changes in associates accounted for using the equity method	(7)	8,083
Share of unrealized gains (losses) arising from changes in the fair value of financial assets measured at fair value through other comprehensive income	11,901	(2,338)
Ending Balance	$209,330	$206,104

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)(d) of the consolidated financial statements.

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

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

(10) Property, plant and equipment

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

For the six months ended June 30, 2026

Cost	Land	House & building	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment yet to be tested	Total
Balance at January 1, 2026	$1,229,921	$1,589,866	$2,828,471	$124,800	$115,078	$288,889	$158,079	$6,335,104
Addition	-	30,736	56,815	4,043	4,451	17,952	60,236	174,233
Disposition	-	(369)	(29,162)	(5,449)	(2,964)	(4,227)	-	(42,171)
Reclassification	-	14,706	44,199	888	683	6,248	(43,167)	23,557
Exchange difference	(1,246)	18,969	49,349	(268)	217	3,941	5,033	75,995
Balance at June 30, 2026	1,228,675	1,653,908	2,949,672	124,014	117,465	312,803	180,181	6,566,718
Accumulated depreciation:								
Balance at January 1, 2026	-	809,192	1,966,981	85,936	90,265	196,291	-	3,148,665
Depreciation	-	29,655	59,961	4,714	4,633	10,178	-	109,141
Disposition	-	(332)	(20,959)	(5,106)	(2,685)	(4,053)	-	(33,135)
Reclassification	-	-	-	-	-	-	-	-
Exchange difference	-	16,199	35,168	111	154	3,001	-	54,633
Balance at June 30, 2026	-	854,714	2,041,151	85,655	92,367	205,417	-	3,279,304
Carrying amount at June 30, 2026	$1,228,675	$799,194	$908,521	$38,359	$25,098	$107,386	$180,181	$3,287,414

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

For the six months ended June 30, 2025

Cost	Land	House & building	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment yet to be tested	Total
Balance at January 1, 2025	$1,228,692	$1,551,570	$2,558,317	$113,039	$109,514	$259,298	$248,909	$6,069,339
Addition	-	24,098	109,500	5,293	2,037	10,792	498	152,218
Disposition	-	-	(28,450)	(6,103)	(561)	(5,290)	-	(40,404)
Reclassification	-	-	25,171	3,575	(2)	1,587	(26,638)	3,693
Exchange difference	(1,388)	(51,459)	(116,234)	(4,426)	(6,520)	(8,550)	(7,666)	(196,243)
Balance at June 30, 2025	1,227,304	1,524,209	2,548,304	111,378	104,468	257,837	215,103	5,988,603
Accumulated depreciation:								
Balance at January 1, 2025	-	755,240	1,921,698	84,188	82,380	187,975	-	3,031,481
Depreciation	-	26,777	48,875	4,794	4,095	7,391	-	91,932
Disposition	-	-	(25,837)	(5,935)	(504)	(5,182)	-	(37,458)
Reclassification	-	-	694	-	-	(694)	-	-
Exchange difference	-	(36,321)	(91,126)	(3,499)	(5,057)	(7,019)	-	(143,022)
Balance at June 30, 2025	-	745,696	1,854,304	79,548	80,914	182,471	-	2,942,933
Carrying amount at June 30, 2025	$1,227,304	$778,513	$694,00	$31,830	$23,554	$75,366	$215,103	$3,045,670

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

(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 six-month periods ended June 30, 2026 and 2025.

(D) The Group did not have any impairment occurred to the property, plant and equipment for the three-month and six-month periods ended June 30, 2026 and 2025.

(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 six-month periods ended June 30,	
	2026	2025
The current addition of property, plant and equipment listed in Note 6(10)(A) of the consolidated financial report	$174,233	$152,218
Add: Equipment payable - beginning	21,087	122,450
Less: Equipment payable - ending	(14,552)	(78,629)
Cash outflow for the acquisition of property, plant and equipment	$180,768	$196,039

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

	June 30, 2026	December 31, 2025	June 30, 2025
House and building	$1,340	$1,340	$1,340
Less: Accumulated depreciation	(1,136)	(1,117)	(1,099)
Leased assets - net	$204	$223	$241

(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, 2024 to September 30, 2025. The lease was subsequently renewed on October 1, 2025, covering the period from October 1, 2025 to September 30, 2026.

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

(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.

(11) Right-of-use assets

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

	For the six-month ended June 30, 2026			
	Lands	House and buildings	Transportation equipment	Total
Cost:				
Balance at January 1, 2026	$212,770	$139,537	$4,237	$356,544
Addition	-	4,012	-	4,012
Due/transfer amount	-	(6,405)	-	(6,405)
Reclassification during the period	35,768	-	-	35,768
Exchange differences	5,668	1,802	(993)	6,477
Balance at June 30, 2026	254,206	138,946	3,244	396,396
Accumulated depreciation:				
Balance at January 1, 2026	14,061	29,284	221	43,566
Depreciation	1,029	12,645	206	13,880
Due/transfer amount	-	(6,405)	-	(6,405)
Reclassifications	-	-	-	-
Reclassification during the period	498	632	(55)	1,075
Balance at June 30, 2026	15,588	36,156	372	52,116
Carrying amount at June 30, 2026	$238,618	$102,790	$2,872	$344,280

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

	For the six-month ended June 30, 2025			
	Lands	House and buildings	Transportation equipment	Total
Cost				
Balance at January 1, 2025	$210,669	$127,231	$-	$337,900
Addition	-	-	-	-
Due/transfer amount	-	-	-	-
Exchange differences	(13,493)	(8,287)	-	(21,780)
Balance at June 30, 2025	197,176	118,944	-	316,120
Accumulated depreciation:				
Balance at January 1, 2025	11,854	74,639	-	86,493
Depreciation	971	7,084	-	8,055
Due/transfer amount	-	-	-	-
Exchange differences	(743)	(5,112)	-	(5,855)
Balance at June 30, 2025	12,082	76,611	-	88,693
Carrying amount at June 30, 2025	$185,094	$42,333	$-	$227,427

(B) The Group did not have the right-of-use assets sublet for the three-month and six-month periods ended June 30, 2026 and 2025.

(C) The Group did not have any impairment occurred to the right-of-use assets for the three-month and six-month periods ended June 30, 2026 and 2025.

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

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

(12) Intangible assets

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

	For the six-month periods ended June 30,	
Cost：	2026	2025
Balance - beginning	$5,555	$2,735
Addition - current	-	2,608
Decrease in the current period - delisted on the due date	-	-
Reclassification	-	300
Exchange difference	60	(138)
Balance - ending	5,615	5,505
Accumulated depreciation：		
Balance - beginning	2,535	1,231
Amortization - current	872	759
Decrease in current period - delisted on the due date	-	-
Exchange difference	36	(70)
Balance - ending	3,443	1,920
Book amount - ending	$2,172	$3,585

(B) The Group did not have any impairment occurred to the intangible assets for the three-month and six-month periods ended June 30, 2026 and 2025.

(13) Short-term loans

	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans	$80,000	$789,000	$100,000

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

Nature of loan	June 30, 2026	December 31, 2025	June 30, 2025
Credit loan	1.79%	0.8%-1.8%	1.80%

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

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

(14) Bonds Payable

	June 30, 2026	December 31, 2025	June 30, 2025
Domestic Second Unsecured Convertible Corporate Bonds	$1,000,000	$1,000,000	$1,000,000
Less：Discount on corporate bonds payable	(3,207)	(7,700)	(22,246)
Less：Cumulative amount of conversion applications by bondholders’	(698,100)	(610,500)	(230,700)
Components of non-derivative financial instrument liabilities	298,693	381,800	747,054
Less：Corporate bonds payable due within one year	(298,693)	-	-
Non-current portion of corporate bonds payable	$-	$381,800	$747,054
Embedded Derivatives (Note)			
Financial assets at fair value through profit or loss – current	$60	$-	$-
Financial assets at fair value through profit or loss – non-current	$-	$468	$539
Equity Component (Capital Surplus)	$57,257	$73,871	$145,902

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Gains on financial assets measured at fair value through profit or loss as part of the liabilities composition	$(185)	$(384)	$(332)	$(1,384)
Interest expense	$1,406	$3,445	$3,091	$6,938

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 June 30, 2026, the company has issued the 2024 domestic second unsecured convertible bonds with the following main terms explained:

(a) Issue Amount:

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

(b) Issue Period:

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

(c) Bond Type:

Unsecured convertible bonds.

(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 depositary receipts, and changes in the face value of shares. Additionally, the conversion price will be adjusted if the company distributes cash dividends on common shares, issues new securities with conversion rights at a price lower than the market price per share, or grants subscription rights for the issuance of new shares to others. The conversion prices, as adjusted pursuant to the terms of issuance, were NT$66.5, NT$66.5, and NT$69.6 per share as of June 30, 2026, December 31, 2025, and June 30, 2025, 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.

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

(C) For the three-month and six-month periods ended June 30, 2026 and 2025, the amounts of convertible bonds converted into common shares upon bondholders' requests were NT$65,800 thousand, NT$0 thousand, NT$87,600 thousand, and NT$11,000 thousand, respectively.

(15) Lease liabilities

	Discount rate	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities				
Land		$49,883	$47,830	$44,384
House and building	2.475%-4.750%	117,069	121,348	49,010
Transportation equipment	4.6%	1,734	2,756	
Total		168,686	171,934	93,394
Less: Lease liabilities due within one year		(75,056)	(71,406)	(46,917)
Lease liabilities due after one year		$93,630	$100,528	$46,477

(A) G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD., a subsidiary of the Group, leased plants and dormitories under lease agreements in September 2007, which have been recognized under right-of-use assets starting from January 1, 2019, with a lease term of 40 years, and lease payments are made on a monthly basis.

(B) G-SHANK JAPAN CO., LTD., G-SHANK PHILIPPINES COPR., and SHENZHEN G-BAO PRECISION SDN. BHD., subsidiaries of the Group, leased plants and dormitories under lease agreements in April 2024, July 2025, and August 2025, respectively, with lease terms of 3.5 years, 5 years, and 2 years, respectively, and lease payments are all made on a monthly basis.

(C) PT INDONESIA G-SHANK PRECISION, a subsidiary of the Group, leased transportation equipment under lease agreement in August 2025, with a lease term of 3 years, and lease payments are made on a monthly basis.

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

(D) Other rental information is listed as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Short-term lease expense	$2,452	$1,490	$6,237	$3,119
Low-value asset lease expenses	$-	$-	$-	$-
Changes in lease expense excluded from the measurement of a lease liability	$-	$-	$-	$-
Total cash outflow of all leases	$9,594	$5,352	$20,562	$11,090
Lease liabilities interest	$1,308	$604	$2,634	$1,279

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.

(16) Retirement benefits

(A) Defined benefits plan

(a) The company has established an employee retirement plan according to the employees’ years of service and the expected wages before retirement. A certain percentage of the monthly wage is appropriated as pension in accordance with the “Labor Standards Act” that is deposited in the special account and managed by the Labor Retirement Reserve Committee. The aforementioned pension fund is completely separated from the company; therefore, it is not included in the consolidated financial report. As of June 30, 2026, December 31, 2025, and June 30, 2025, the company’s pension reserve deposit account with the Bank of Taiwan was with a balance of NT$193,175 thousand, NT$180,386 thousand, and NT$183,703 thousand, respectively.

(b) Please refer to Note 6.(15)(A) of the 2025 consolidated financial report for the company’s defined benefit plan on December 31, 2025.

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

(c) Pension expenses recognized as profit or loss:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Cost of Goods Sold	$530	$537	$1,068	$1,079
Selling expenses	142	138	286	279
General and administrative expenses	344	334	689	667
Research and development expenses	66	67	132	142
Total	$1,082	$1,076	$2,175	$2,167

(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, Japan and Philippines 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.

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

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Cost of Goods Sold	$14,663	$12,574	$29,152	$25,727
Selling expenses	2,599	2,355	5,119	4,819
General and administrative expenses	3,462	2,996	6,690	6,279
Research and development expenses	2,421	2,020	4,608	4,177
Total	$23,145	$19,945	$45,569	$41,002

(17) 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, 2026	350,000	217,753	$2,177,532
Conversion of convertible bonds		1,317	13,173
Balance amount on June 30, 2026	350,000	219,070	$2,190,705
Balance amount on January 1, 2025	350,000	210,096	$2,100,960
Employee stock options execution		642	6,420
Conversion of convertible bonds		158	1,580
Balance amount on June 30, 2025	350,000	210,896	$2,108,960

(A) As of June 30, 2026, December 31, 2025, and June 30, 2025, the company's authorized capital stock included 20,000 thousand shares reserved for the issuance of an employee stock warrant.

(B) The related rights, priority, and restrictions of the common stock shares issued by the company are as follows:

(a) Each shareholder is entitled to one vote per share.
(b) The distribution of dividends and bonuses are based on the shareholding ratio of each shareholder.
(c) The property net of the debt is distributed proportionally to the shareholding ratio of each shareholder.

(C) The number of employee stock options exercised during the first half of 2026, the fourth quarter of 2025 and the first half of 2025 were 0 thousand shares, 0 thousand shares and 642 thousand shares, respectively. As of June 30, 2026, December 31, 2025, and June 30, 2025, the cumulative number of shares subscribed through the exercise of employee stock options was 13,702 thousand shares, 13,702 thousand shares, and 12,556 thousand shares, respectively. For additional information regarding the issuance of employee stock options, please refer to Note 6.(24) of the consolidated financial statements.

(D) As of June 30, 2026, the cumulative number of ordinary shares converted from the Company's convertible bonds upon application by bondholders was 10,316 thousand shares (among which, 989 thousand shares and 1,132 thousand shares had not yet completed the registration procedures for change of capital as of June 30, 2026 and December 31, 2025, respectively, and were thus temporarily recognized under advance receipts for capital stock). This conversion resulted in capital surplus - conversion premium of convertible bonds of NT$704,185 thousand (including NT$132,398 thousand reclassified from capital surplus - stock options of convertible bonds in accordance with the conversion ratio). For further information regarding the issuance of convertible bonds, please refer to Note 6.(14) of the consolidated financial statements.

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

(18) Additional paid-in capital

	June 30, 2026	December 31, 2025	June 30, 2025
Common stock premium	$32,570	$359,692	$345,141
Conversion premium for convertible bonds	704,185	614,622	230,461
Treasury stock transaction	63,306	63,306	63,306
The difference between the actual acquisition price of the subsidiary's equity and the book amount	9,965	9,965	3,563
Changes in the net equity value of subsidiaries under the equity method and affiliated enterprises	40,889	40,896	40,765
Employee stock options	45,124	42,999	44,751
Convertible bonds into stock options	57,257	73,871	145,902
Invalid employee stock options	46,460	46,460	46,298
Unclaimed dividends past statutory expiry by shareholders	1,883	1,832	1,832
Exercise the right of disgorgement	340	340	340
Total	$1,001,979	$1,253,983	$922,359

(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$327,122 thousand (NT$1.5 per share) and NT$526,845 thousand (NT$2.5 per share), On June 12, 2026 and June 13, 2025, respectively.

(19) Legal reserve

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

(20) Special reserve

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

(21) Earnings distribution and dividend policy

(A) According to the company's Articles of Incorporation, the annual earnings, if any, should be applied to pay income tax and make up for the losses of the previous years; also, appropriate 10% legal reserve from the remaining balance, if any. In addition, appropriate or reverse a certain amount of special reserve according to the regulations of the competent authority. Then, for the balance amount, if any, and the unappropriated earnings of the previous year, except for the retained amount, the board of directors shall draft an earnings distribution plan for the resolutions of the shareholders meeting.

(B) The company's dividend policy: the company's current industrial development is growing and will be expanded to support the business development. The earnings distribution shall be handled in accordance with the company's Articles of Incorporation. However, the shareholders' dividends distributed in the current year shall include not more than 50% of the stock dividend and must be more than 50% of the cash.

(C) The aforementioned earnings distribution proposal issued by the board of directors or resolved in the shareholders' meeting is as follows:

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

	Years ended December 31,	
	2025	2024
Legal reserve	$94,233	$108,051
Special reserve	$-	$-
Shareholder's dividends		
Cash	$327,122	$210,738
Cash dividend per share	NT$1.50	NT$1.00
Stock (NT$10 par)	-share	-share
Stock dividend per share	-NT$	-NT$
Capital surplus distribution to shareholders		
Cash	$327,122	$526,845
Cash dividend per share	NT$1.50	NT$2.50

(22) Other equity (net amount after tax)

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

	For the six-month periods ended June 30,	
	2026	2025
Balance - beginning	$(173,734)	$(205,552)
Transactions of current period	96,037	(278,296)
Reclassified to (profit) and loss in the current period	-	-
Balance - ending	$(77,697)	$(483,848)

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

	For the six-month periods ended June 30,	
	2026	2025
Balance - beginning	$341,102	$425,283
Transactions of current period	39,095	(184,565)
Recognized under the equity method in the current period - affiliated enterprise	11,901	(2,338)
Reclassified to retained earnings in the current period	(42)	262
Balance - ending	$392,056	$238,642

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

(23) Non-controlling interests

	For the six-month periods ended June 30,	
	2025	2025
Balance - beginning	$682,784	$602,446
The amount attributable to non-controlling interests:		
Net income	67,155	60,180
Exchange difference from the conversion of the financial statements of foreign operating institutions	15,681	(38,554)
Cash dividends paid by subsidiaries to non-controlling interests	(40,066)	(30,992)
Balance - ending	$725,554	$593,080

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

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

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

As of June 30, 2026, the issuance of compensatory employee stock warrants is disclosed as follows:

Warrant issuance date	Total warrants issued originally	Total warrants outstanding at yearend	Total warrants available for subscription at yearend	Subscription price (NTD) (Note)
2019.08.12	210,000	74,700	747,000	17.90
2022.08.05	100,000	87,700	526,200	45.20
2022.11.04	100,000	98,000	588,000	39.60
2023.06.05	100,000	100,000	600,000	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 June 30, 2026.

(a) The company adopts the Black-Scholes stock options model to assess the fair value of the employee stock warrant issued each year. The remuneration cost accrued were NT$1,068 thousand, NT$2,042 thousand, NT$2,125 thousand, and NT$4,062 thousand, for the three-month and the six-month periods ended June 30, 2026 and 2025, respectively. The input values of the stock option pricing model are as follows:

	2022 Stock option plan	2022 Stock option plan	2022 Stock option plan
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
Expected dividend ratio	-%
Expected price fluctuation ratio	18.99%~20.95%
Risk-free interest rate	0.554%~0.582%
Expected duration	4.5~6 years

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

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:

	For the six-month period ended June 30, 2026		For the six-month period ended June 30, 2025	
Employee stock operations	QTY (unit)	Weighted average price per share (NTD)	QTY (unit)	Weighted average price per share (NTD)
Outstanding shares - beginning	360,400	$37.91	541,800	$32.72
Granted in current period	-	-	-	-
Exercised in current period	-	-	(64,200)	18.64
Lost in current period (expired)	-	-	-	-
Outstanding shares - ending	360,400	37.91	477,600	34.61
Exercisable employee stock options - ending	246,120	35.48	304,800	28.66
Average fair value per share of stock options granted to employees in the current period (NTD)	$-		$-	

For the six-month period ended June 30, 2026, no share options were exercised by employees of the Company. For the share options exercised by employees during the six-month period ended June 30, 2025, the weighted-average stock price at the date of exercise was NT$93.9 per share.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the company’s outstanding compensatory employee stock option plan is as follows:

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

		Outstanding stock options			Exercisable employee stock options	
	Price range per share (NTD)	Outstanding QTY (Unit)	Weighted average expected remaining duration	Weighted average price per share (NTD)	Exercisable QTY (Unit)	Weighted average price per share (NTD)
June 30, 2026						
2018 Stock option plan	$17.90	74,700	-	$17.90	74,700	$17.90
2022 Stock option plan	45.20	87,700	1.19	45.20	52,620	45.20
2022 Stock option plan	39.60	98,000	1.44	39.60	58,800	39.60
2022 Stock option plan	44.80	100,000	2.03	44.80	60,000	44.80
December 31, 2025						
2018 Stock option plan	$17.90	74,700	-	$17.90	74,700	$17.90
2022 Stock option plan	45.20	87,700	1.69	45.20	52,620	45.20
2022 Stock option plan	39.60	98,000	1.94	39.60	58,800	39.60
2022 Stock option plan	44.80	100,000	2.52	44.80	40,000	44.80
June 30, 2025						
2018 Stock option plan	$18.60	61,000	-	$18.60	61,000	$18.60
2018 Stock option plan	18.70	128,600	0.03	18.70	128,600	18.70
2022 Stock option plan	47.30	88,000	2.19	47.30	35,200	47.30
2022 Stock option plan	41.40	100,000	2.44	41.40	40,000	41.40
2022 Stock option plan	46.90	100,000	3.03	46.90	40,000	46.90

(25) Net operating revenue

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Sales revenue				
Parts	$2,455,645	$1,730,731	$4,506,170	$3,311,285
Dies	68,587	52,721	143,415	95,150
Tools	12,343	11,831	32,474	23,106
Merchandise	33,947	19,363	60,041	34,509
Total	2,570,522	1,814,646	4,742,100	3,464,050
Less:Sales returns	(1,187)	(1,630)	(1,872)	(2,397)
Sales allowances	(2,305)	(1,500)	(5,550)	(3,706)
Net operating revenue	$2,567,030	$1,811,516	$4,734,678	$3,457,947

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

(A) Disaggregation of revenue:

(a) Major product / service

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Sales of parts	$2,452,529	$1,727,604	$4,499,124	$3,305,236
Sales of dies	68,423	52,721	143,251	95,150
Sales of tools	12,343	11,831	32,474	23,106
Sales of merchandise	33,735	19,360	59,829	34,455
Total	$2,567,030	$1,811,516	$4,734,678	$3,457,947

(b) Main regional markets

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
Customer location	2026	2025	2026	2025
Taiwan	$482,554	$397,396	$929,543	$758,674
Asia(excluding Taiwan)	1,916,565	1,287,222	3,459,796	2,433,562
Americas	96,695	73,341	173,276	145,984
Others	71,216	53,557	172,063	119,727
Total	$2,567,030	$1,811,516	$4,734,678	$3,457,947

(c) Timing of revenue recognition

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Goods transferred at a point in time	$2,567,030	$1,811,516	$4,734,678	$3,457,947

(B) Contract liabilities:

	June 30, 2026	December 31, 2025	June 30, 2025
Contract liabilities	$22,891	$22,538	$22,075

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

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

	For the six-month periods ended June 30,	
	2026	2025
Contract liabilities balance - beginning transferred to income in the current period	$(12,990)	$(5,053)
Increase in cash received in advance in the current period	13,343	6,383

(26) Operating costs and expenses

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

Function / Nature	For the three-month period ended June 30, 2026			For the three-month period ended June 30, 2025		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee welfare expenses						
Employee expense (note 1)	$266,726	$131,303	$398,029	$226,012	$123,189	$349,201
Labor and health insurance expenses	20,240	11,059	31,299	17,212	10,079	27,291
Pension expenses	15,193	9,034	24,227	13,111	7,910	21,021
Director remuneration	-	1,429	1,429	-	1,337	1,337
Other welfare expenses	7,666	2,522	10,188	6,610	2,230	8,840
Depreciation expenses (note 2)	43,480	19,665	63,145	33,751	16,415	50,166
Amortization expense	2,955	896	3,851	7,329	778	8,107

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

Function / Nature	For the six-month period ended June 30, 2026			For the six-month period ended June 30, 2025		
	Attributable to operating cost	Attributable to operating expense	Total	Attributable to operating cost	Attributable to operating expense	Total
Employee welfare expenses						
Employee expense (note 1)	$519,048	$254,799	$773,847	$441,732	$240,889	$682,621
Labor and health insurance expenses	41,070	22,266	63,336	34,614	21,003	55,617
Pension expenses	30,220	17,524	47,744	26,806	16,363	43,169
Director remuneration	-	3,431	3,431	-	3,259	3,259
Other welfare expenses	15,005	5,308	20,313	12,779	4,770	17,549
Depreciation expenses (note 2)	83,721	39,281	123,002	67,450	32,518	99,968
Amortization expense	7,089	1,857	8,946	15,940	1,583	17,523

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 amounts of employee compensation payable for the first half of 2026 and 2025 were NT$15,000 thousand and NT$14,142 thousand, respectively, while director compensation for both periods was NT$0. The estimation of employee compensation is based on a certain percentage of the Company's pre-tax net profit for the first half of 2026 and 2025 (without considering the impact of employee compensation). The estimated employee compensation is recognized as operating costs or operating expenses for the current period. However, if the amount of distribution resolved by the Board of Directors subsequently changes, it will be treated as a change in accounting estimate and adjusted in the profit or loss of the following year.

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

(3) The company's board of directors had resolved on March 13, 2026 to distribute the 2025 remuneration to employees for NT$29,700 thousand in cash and remuneration to directors for NT$0 that were reported in the regular shareholders meeting on June 12, 2026; also, it was not different from the estimated remuneration to employees, directors, and in the company's 2025 financial report. The company's board of directors had resolved on March 7, 2025 to distribute the 2024 remuneration to employees for NT$28,177 thousand in cash and remuneration to directors 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 and directors in the company's 2024 financial report.

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

Note 2：The Group had appropriated the depreciation expenses were NT$63,155 thousand, NT$50,176 thousand, NT$123,021 thousand, and NT$99,987 thousand, for the three-month and the six-month periods ended June 30, 2026 and 2025, respectively. Also, the depreciation expenses of the property, plant and equipment - leased assets were NT$10 thousand, NT$10 thousand, NT$19 thousand, and NT$19 thousand, respectively, and recognized under "Other income and expenses, net" account.

(27) Other income and expenses - net

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Property, plant and equipment - lease assets				
Rent income	$105	$105	$210	$210
Depreciation expense	(10)	(10)	(19)	(19)
Other income and expenses - net	$95	$95	$191	$191

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

(28) Non-operating income and expense

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
(A) Interest income				
Bank deposit interest	$13,421	$15,127	$26,230	$32,075
Financial assets at amortized cost interest	101	-	191	-
Other interest income	30,748	35,824	62,434	78,445
Total	$44,270	$50,951	$88,855	$110,520
(B) Other income				
Cash dividends	$5,089	$16,964	$5,089	$16,964
Other income-other	2,078	1,497	12,557	5,973
Total	$7,167	$18,461	$17,646	$22,937
(C) Other gains and losses				
Net gain (loss) on financial assets and liabilities measured at fair value through profit or loss	$33,788	$(207,141)	$3,808	$(173,078)
Net gain (loss) from the disposal of property, plant, and equipment	410	(2)	(2,943)	1,649
Other expenses	(128)	(303)	(295)	(354)
Total	$34,070	$(207,446)	$570	(171,783)

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
(D) Financial cost				
Bank loan interest	$(246)	$(514)	$(1,344)	$(2,829)
Lease liability interest	(1,308)	(604)	(2,634)	(1,279)
Amortization of discount on company bonds payable	(1,406)	(3,445)	(3,091)	(6,938)
Total	$(2,960)	$(4,563)	$(7,069)	$(11,046)

(E) Share of profit of associates accounted for using the equity method

Please refer to Note 6.(9)(C) of the consolidated financial report for details.

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
(F) Exchange profit (loss) - net				
Realized net foreign exchange gain (loss)	$(3,744)	$(35,904)	$(64,414)	$(96,176)
Unrealized foreign exchange gain (loss)	(19,980)	(14,704)	19,229	54,812
Total	$(23,724)	$(50,608)	$(45,185)	$41,364

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

(29) Other comprehensive profit and loss

Other comprehensive profit and loss constituents	Transactions of current period	Reclassification and adjustment of current period	Other comprehensive profit and loss	Income tax expense	Amount after tax
For the three- month ended June 30, 2026					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	$(22,943)	$-	$(22,943)	$-	$(22,943)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss of affiliated enterprises under the equity method	13,307	-	13,307	-	13,307
Total amount of items not reclassified to profit and loss:	(9,636)	-	(9,636)	-	(9,636)
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	28,054	-	28,054	-	28,054
Total	$18,418	$-	$18,418	$-	$18,418
For the three- month ended June 30, 2025					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	$(83,172)	$-	$(83,172)	$-	$(83,172)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss of affiliated enterprises under the equity method	(1,421)	-	(1,421)	-	(1,421)
Total amount of items not reclassified to profit and loss:	(84,593)	-	(84,593)	-	(84,593)
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	(416,567)	-	(416,567)	-	(416,567)
Total	$(501,160)	$-	$(501,160)	$-	$(501,160)

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

Other comprehensive profit and loss constituents	Transactions of current period	Reclassification and adjustment of current period	Other comprehensive profit and loss	Income tax expense	Amount after tax
For the six-month ended June 30, 2026					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	$39,095	$-	$39,095	$-	$39,095
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss of affiliated enterprises under the equity method	11,901	-	11,901	-	11,901
Total amount of items not reclassified to profit and loss:	50,996	-	50,996	-	50,996
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	111,718	-	111,718	-	111,718
Total	$162,714	$-	$162,714	$-	$162,714
For the six-month ended June 30, 2025					
Items not reclassified to profit and loss:					
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss	$(184,565)	$-	$(184,565)	$-	$(184,565)
Unrealized appraisal benefits of equity instrument investment measured at fair value through other comprehensive loss of affiliated enterprises under the equity method	(2,338)	-	(2,338)	-	(2,338)
Total amount of items not reclassified to profit and loss:	(186,903)	-	(186,903)	-	(186,903)
Items that may be reclassified to profit and loss subsequently:					
Exchange difference from the conversion of the financial statements of foreign operating institutions	(316,850)	-	(316,850)	-	(316,850)
Total	$(503,753)	$-	$(503,753)	$-	$(503,753)

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

(30) Income tax

(A) The corporate income tax returns of the Group's entities are filed separately by each individual entity and cannot be filed on a consolidated basis. The income tax returns of the Company and its subsidiary, CHIN DE INVESTMENT CO., LTD., for the years up to and including 2024 have been assessed and approved by the tax authorities.

(B) The income tax expense constituents:

(a) Income tax recognized in profit and loss

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Income tax expense - current				
Income tax expenses of the current period	$113,705	$94,267	$205,753	$163,679
Deferred income tax expense (benefits)	27,822	(37,296)	41,153	(8,921)
Income tax expense	$141,527	$56,971	$246,906	$154,758

(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 six-month periods ended June 30, 2026 and 2025, respectively.

(31) Earnings per share

(A) Basic earnings per share

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

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Net profit attributable to the company's common stock shareholders	$402,167	$8,145	$651,261	$232,523
Outstanding shares at the beginning of the period	210,080,998 shares	210,896,003 shares	217,753,180 shares	210,095,958 shares
Employee stock option -subscribing issue new shares (Note)	-	-	-	475,293
Conversion of company bonds into common stock (Note)	656,271	-	605,245	85,492
Outstanding weighted average shares	210,737,269 shares	210,896,003 shares	218,358,425 shares	210,656,743 shares
Basic earnings per share (after tax) (NTD)	$1.84	$0.04	$2.98	$1.10

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

(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:

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Net profit attributable to the company's common stock shareholders	$402,167	$8,145	$651,261	$232,523
Add: Effect of potential conversion of convertible bonds on net income (Note)	1,578	-	3,395	8,258
Adjusted net profit attributable to the company's common stock shareholders	$403,745	$8,145	$654,656	$240,781
Outstanding weighted average shares	218,737,269 shares	210,896,003 shares	218,358,425 shares	210,656,743 shares
Add: Potential common stock share effect				
Employee stock option hypothesis - subscribing new shares	2,399,740	2,329,109	2,222,357	2,704,277
Conversion of company bonds assumed to result in additional shares (Note)	4,873,035	-	5,251,879	11,125,714
Employee Remuneration hypothesis - issuing new shares	115,385	198,903	268,818	306,150
Adjusted weighted average shares	226,125,429 shares	213,424,015 shares	226,101,479 shares	224,792,884 shares
Basic earnings per share (after tax) (NTD)	$1.79	$0.04	$2.90	$1.07

Note: The Company issued convertible bonds outstanding in 2024. As they were anti-dilutive in the second quarter of 2025, they were excluded from the calculation of diluted earnings per share.

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

(32) Reconciliation of liabilities from financing activities

			Non-cash changes				
Accounting items	Beginning balance	Cash flows	Additions during the period	Change in exchange rate	Recognized as interest expense	Others	Ending balance
For the six-month period ended June 30, 2026							
Short-term loan	$789,000	$(709,000)	$-	$-	$-	$-	$80,000
Bonds payable (including those due within one year)	381,800	-	-	-	3,091	(86,198)	298,693
Lease liabilities (including current and noncurrent)	171,934	(11,691)	4,012	4,431	-	-	168,686
Total	$1,342,734	$(720,691)	$4,012	$4,431	$3,091	$(86,198)	$547,379
For the six-month period ended June 30, 2025							
Short-term loan	$500,000	$(400,000)	$-	$-	$-	$-	$100,000
Bonds payable	750,731	-	-	-	6,938	(10,615)	747,054
Lease liabilities (including current and noncurrent)	106,983	(6,692)	-	(6,897)	-	-	93,394
Total	$1,357,714	$(406,692)	$-	$(6,897)	$6,938	$(10,615)	940,448

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:

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

(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 an investee accounted for using the equity method by the Company.
SUNFLEX ELECTRONIC (SHENZHEN) CO., LTD. (SHENZHEN SUNFLEX)	SHENZHEN SUNFLEX is a subsidiary of an investee accounted for using the equity method by the Company.

(2) Major transactions with related parties

(A) Purchases

Related party category/name	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Other related parties				
KUAI LUNG	$20	$321	$20	$338
Affiliated enterprises				
SUNFLEX	197	246	388	748
Total	$217	$567	$408	$1,086

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 June 30,		For the six-month periods ended June 30,	
	2026	2025	2026	2025
Other related parties				
KUAI LUNG	$44	$17	$44	$34
Affiliated enterprises				
SUNFLEX	26	-	33	8
SHENZHEN SUNFLEX	162	-	230	-
Total	$232	$17	$307	$42

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

The products sold in the preceding paragraph are mostly equipment, tools, and materials used for production with the price negotiated by both parties by adding a percentage to the cost or by the cost price at the time of trade depending on the type of product traded; also, taking into account the expenses and exchange rate risk. The specifications of products that are sold to related parties are exclusive; therefore, there is no other customer available for comparison. The payment term of sales to a related party is OA 30-45 days; while the general customer is with a payment term of OA 30-150 days.

(C) Processing expense

The company had contracted the affiliated, SUNFLEX, for product proceeding with a processing expense of NT$4,890 thousand, NT$3,702 thousand, NT$9,882 thousand and NT$7,778 thousand incurred for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

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

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

(E) Claims/obligations arising from the aforementioned transactions

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
(a) Accounts receivable - related party			
Other related parties			
KUAI LUNG	$-	$24	$18
Affiliated enterprises			
SUNFLEX	18	5	-
SHENZHEN SUNFLEX	37	-	-
Total	$55	$29	$18
(b) Accounts payable - related party			
Other related parties			
KUAI LUNG	$21	$-	$355
Affiliated enterprises			
SUNFLEX	74	-	23
Total	$95	$-	$378

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

Related party category/name	June 30, 2026	December 31, 2025	June 30, 2025
(c) Other payable － related party			
Other related parties			
KUAI LUNG	$626	$1,290	$677
Affiliated enterprises			
SUNFLEX	3,324	4,339	2,308
Total	$3,950	$5,629	$2,985

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.

(F) Information on total remunerations of key management personnel

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

Item	For the three-month periods ended June 30, 2026	For the three-month periods ended June 30, 2025	For the six-month periods ended June 30, 2026	For the six-month periods ended June 30, 2025
Short-term benefits	$2,949	$2,781	$8,230	$7,893
Retirement benefits	102	95	200	192
Total	$3,051	$2,876	$8,430	$8,085

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.

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

8. MORTGAGED ASSETS

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group had assets provided as collateral to financial institutions for loans, applying for credit line, electricity deposits, materials, contracts, and issuing the letter of credit as follows:

Accounting item	June 30, 2026	December 31, 2025	June 30, 2025	Mortgage agency	Collateral for loans
Other financial assets - current Bank deposits	$77	$74	$69	Bank of China	Material deposit, contract deposit, and others
Other noncurrent assets - others Bank deposits	241	250	231	Bangkok Bank	Electricity deposit
Other noncurrent assets - others Bank deposits	981	1,004	1,038	Mizuho Bank	Tariff deposits
Total	$1,299	$1,328	$1,338		

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 June 30, 2026:

(1) The company had had a guaranteed loan from financial institutions for the tariff guarantee amount of NT$500 thousand on June 30, 2026.

(2) As of June 30, 2026, the unused balance of letters of credit issued by the Company was RMB 2,426 thousand.

(3) The Group's G-SHANK ENTERPRISE (M) SDN. BHD. had a guaranteed loan of MYR$4,000 thousand from financial institutions for the introduction of foreign labor and other matters on June 30, 2026.

(4) The total contract amounts for the acquisition of property, plant and equipment signed by the Group were NT$82,915 thousand, US$2,438 thousand, and RMB 100,350 thousand, respectively, among which the unpaid balances were NT$50,629 thousand, US$488 thousand, and RMB 63,440 thousand, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. MATERIAL POST EVENTS

(1) As described in Note 6.(17)(D) to the consolidated financial statements, during the second quarter of 2026, the cumulative number of ordinary shares converted from the Company's convertible bonds upon application by bondholders was 989 thousand shares (recognized under advance receipts for capital stock). Subsequently, on August 7, 2026, the Board of Directors resolved to set August 10, 2026 as the record date for the capital increase.

(2) On July 8, 2026, a total of 747 thousand shares were subscribed through the exercise of employee stock options of the Company. As of the date the consolidated financial statements were authorized for issue, the registration procedures for change of capital had not yet been completed.

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, 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 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:

				Sensitive analysis		
	Foreign currency (Thousand)	Exchange rate	Book amount	Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
June 30, 2026						
Financial assets						
Monetary items						
USD	$68,785	31.83	$2,189,438	5%	$109,472	$-
EUR	4,777	36.29	173,373	5%	8,669	-
JPY	58,300	0.1962	11,438	5%	572	-
HKD	2,140	4.062	8,692	5%	435	-
RMB	562	4.69	2,636	5%	132	-
Non-monetary items						
USD	$44,213	31.83	$1,407,294	5%	$70,365	$-
SGD	20,715	24.60	509,578	5%	25,479	-
AUD	3,195	21.90	69,969	5%	3,498	-
CHF	606	39.36	23,832	5%	1,192	-
Derivative financial instrument: None.						
Financial liabilities						
Monetary items						
USD	$2,795	31.83	$88,960	5%	$4,448	$-
JPY	16,434	0.1962	3,224	5%	161	-
RMB	22	4.69	103	5%	5	-
Non-monetary items: None.						
Derivative financial instrument: None.						

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	Foreign currency (Thousand)	Exchange rate	Book amount	Sensitive analysis		
				Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
December 31, 2025						
Financial assets						
Monetary items						
USD	$58,687	31.42	$1,843,956	5%	$92,198	$-
EUR	3,890	36.89	143,500	5%	7,175	-
RMB	4,664	4.497	20,976	5%	1,049	-
HKD	2,772	4.039	11,196	5%	560	-
JPY	47,658	0.2008	9,570	5%	479	-
Non-monetary items						
USD	$60,891	31.42	$1,913,192	5%	$95,660	$-
SGD	20,799	24.45	508,527	5%	25,426	-
CHF	611	39.64	24,219	5%	1,211	-

Derivative financial instrument: None.

	Foreign currency (Thousand)	Exchange rate	Book amount	Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
Financial liabilities						
Monetary items						
USD	$3,073	31.42	$96,556	5%	$4,828	$-
RMB	3,819	4.497	17,174	5%	859	-
JPY	17,396	0.2008	3,493	5%	175	-

Non-monetary items: None.

Derivative financial instrument: None.

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	Foreign currency (Thousand)	Exchange rate	Sensitive analysis: Book amount	Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
June 30, 2025						
Financial assets						
Monetary items						
USD	$44,310	29.85	$1,322,655	5%	$66,133	$-
EUR	2,190	35.06	76,769	5%	3,838	-
JPY	149,044	0.2075	30,927	5%	1,546	-
RMB	2,717	4.173	11,339	5%	567	-
HKD	1,553	3.809	5,917	5%	296	-
Non-monetary items						
USD	$55,302	29.85	$1,650,771	5%	$82,539	$-
SGD	20,533	23.47	481,916	5%	24,096	-
CHF	608	37.43	22,775	5%	1,139	-

Derivative financial instrument: None.

	Foreign currency (Thousand)	Exchange rate	Book amount	Change ratio	Increase/ decrease in net income before tax	Decrease in Equity
Financial liabilities						
Monetary items						
USD	$708	29.85	$21,144	5%	$1,057	$-
JPY	113,000	0.2075	23,447	5%	1,172	-
RMB	3,311	4.173	13,816	5%	691	-

Non-monetary items: None.

Derivative financial instrument: None.

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

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

	For the three-month period ended June 30, 2026		For the three-month period ended June 30, 2025	
Functional currency	Exchange profit (loss)	Average exchange rate	Exchange profit (loss)	Average exchange rate
NTD	$(120)	-	$(50,684)	-
USD	1,063	31.607	517	30.58
RMB	(30,082)	4.652	6,183	4.247
MYR	5,095	7.897	(7,316)	7.190
Others	320	-	692	-
Total	$(23,724)		$(50,608)	

	For the six -month period ended June 30, 2026		For the six-month period ended June 30, 2025	
Functional currency	Exchange profit (loss)	Average exchange rate	Exchange profit (loss)	Average exchange rate
NTD	$8,248	-	$(45,773)	-
USD	2,302	31.583	3,477	31.737
RMB	(59,942)	4.615	10,657	4.389
MYR	4,573	7.938	(9,262)	7.313
Others	(366)	-	(463)	-
Total	$(45,185)		$(41,364)	

(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, or JPY will result in the risk of exchange profit or loss.

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

(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

	June 30, 2026	December 31, 2025	June 30, 2025
Fixed interest rate			
Financial assets	$3,853,585	$4,313,101	$3,918,840
Financial liabilities	(547,379)	(1,342,734)	(940,448)
Net amount	$3,306,206	$2,970,367	$2,978,392
Floating interest rate			
Financial assets	$1,663,282	$1,482,912	$1,259,619
Financial liabilities	-	-	-
Net amount	$1,663,282	$1,482,912	$1,259,619

(02) Sensitivity Analysis

For the Group's financial assets and liabilities with a floating interest rate, if the interest rate of market deposits or loans increased by 0.5% on the reporting date, assuming that it is held for an accounting quarter and all other factors are given, it would cause the Group's net income (loss) before tax increased by NT$4,158 thousand and NT$3,149 thousand for the six-month periods ended June 30, 2026 and 2025, respectively.

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

The embedded derivative financial instruments arising from convertible bonds among the fixed-rate financial liabilities engaged by the Group would expose the Group to fair value interest rate risk. If the risk-free interest rate had increased or decreased by 0.1% at the reporting date, with all other risk variables held constant, there would have been no impact on the net income before tax of the Group for the six-month periods ended June 30, 2026 and 2025.

(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:

	June 30, 2026	December 31, 2025	June 30, 2025
Increase in net income before tax			
Financial assets measured at fair value through profit and loss	$103,663	$126,042	$110,751
Increase in equity			
Financial assets measured at fair value through other comprehensive profit and loss	$19,837	$17,883	$12,973

The embedded derivative financial instruments arising from convertible bonds engaged by the Group would expose the Group to price risk due to changes in the Company's share price. If the Company's share price had increased or decreased by 10% at the reporting date, with all other risk variables held constant, the net income before tax of the Group for the six-month periods ended June 30, 2026 and 2025 would have decreased by $30 thousand or increased by $60 thousand, and increased by $385 thousand or decreased by $231 thousand, respectively.

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

(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:

	June 30, 2026	December 31, 2025	June 30, 2025
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	32,313	30,123	25,073
Total	$32,313	$30,123	$25,073

The aforementioned credit risk exposure amounts are all from the recovery of accounts receivable and Collection of receivables. The Group has continuously evaluated the losses that affect the estimated future cash flow of accounts receivable and Collection of receivables with appropriate allowance accounts appropriated. Therefore, the book amount of accounts receivable and Collection of 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.

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

(iii) The expected credit loss of the Group's notes and accounts receivable as of June 30, 2026, December 31, 2025 and June 30, 2025 is analyzed as follows:

	Total book amount of notes and accounts receivable	Reserve matrix (loss rate)	Allowance for loss (expected credit loss throughout the duration)
June 30, 2026			
Not overdue	$2,025,153	0%~1.77%	$3,305
30 days overdue	152,466	0%~3.45%	441
31-90 days overdue	19,294	0%~41.40%	555
91-180 days overdue	4,843	0%~16.63%	5
181-365 days overdue	873	0%~82.23%	1
Over 366 days overdue	3,555	100%	3,555
Total	$2,206,184		$7,862
December 31, 2025			
Not overdue	$1,737,913	0%~2.15%	$2,905
30 days overdue	73,203	0%~5.57%	232
31-90 days overdue	18,818	0%~49.29%	708
91-180 days overdue	901	0%~16.60%	2
181-365 days overdue	632	0%~99.07%	52
Over 366 days overdue	2,780	100%	2,780
Total	$1,834,247		$6,679
June 30, 2025			
Not overdue	$1,365,308	0%~3.67%	$826
30days overdue	156,351	0%-52.15%	499
31-90 days overdue	7,450	0%-56.85%	87
91-180 days overdue	9,100	0%-48.20%	148
181-365 days overdue	3,391	0%-55.77%	78
Over 366 days overdue	1,680	100%	1,680
Total	$1,543,280		$3,318

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
The accounts receivable ratio of the top five customers	46.84%	36.93%	41.09%

(c) Liquidity risk

The Group manages and maintains a sufficient level of cash and cash equivalents to fund operating performance of all contractual obligations and to mitigate the effects of fluctuations in cash flows. Bank borrowing facilities are an important source of liquidity for the Group. Management manages liquidity risk by managing the capital structure, monitoring the utilization of bank credit facilities, and ensuring compliance with borrowing terms to secure the renewal of bank facilities. Equity investments classified as financial assets at fair value through other comprehensive income recognized by the Group are exposed to liquidity risk due to the lack of an active market. In addition, fixed-rate certificates of deposit classified as financial assets at amortized cost held by the Group do not have early redemption rights prior to contractual maturity, meaning the Group cannot sell such investments in the market at any time, thereby exposing them to liquidity risk; however, the Group has considered this risk when selecting investment targets.

(i) Bank loan amount

	June 30, 2026	December 31, 2025	June 30, 2025
Short-term loan	$2,608,121	$1,903,572	$2,519,500

(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
June 30, 2026					
Non-derivative financial liabilities					
Short-term loan	$80,184	$-	$-	$-	$80,184
Accounts payable	810,095	-	-	-	810,095
Accounts payable - related party	95	-	-	-	95
Other payables	1,390,121	17,908	-	-	1,408,029
Other payables - related party	3,950	-	-	-	3,950
Bonds payable	301,900	-	-	-	301,900
Lease liabilities	78,838	19,279	40,306	67,246	205,669
Total	$2,665,183	$37,187	$40,306	$67,246	$2,809,922

Derivative financial liabilities: None.

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

	Less than 1 year	More than 1-2 years	More than 2-5 years	Over 5 years	Total
December 31, 2025					
Non-derivative financial liabilities					
Short-term loan	$790,103	$-	$-	$-	$790,103
Accounts payable	719,495	-	-	-	719,495
Other payables	689,381	3,023	-	-	692,404
Other payables - related party	5,629	-	-	-	5,629
Bonds payable	-	389,500	-	-	389,500
Lease liabilities	74,541	23,483	44,552	65,241	207,817
Total	$2,279,149	$416,006	$44,552	$65,241	$2,804,948

Derivative financial liabilities: None.

	Less than 1 year	More than 1-2 years	More than 2-5 years	Over 5 years	Total
June 30, 2025					
Non-derivative financial liabilities					
Short-term loan	$100,424	$-	$-	$-	$100,424
Accounts payable	548,887	-	-	-	548,887
Accounts payable - related party	378	-	-	-	378
Other payables	1,357,725	16,861	-	-	1,374,586
Other payables - related party	2,985	-	-	-	2,985
Bonds payable	-	769,300	-	-	769,300
Lease liabilities	51,692	3,310	9,929	67,400	132,331
Total	$2,062,091	$789,471	$9,929	$67,400	$2,928,891

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.

	June 30, 2026		December 31, 2025		June 30, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Bonds payable	$298,693	$299,877	$381,800	$381,944	$747,054	$746,913

(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 carrying amounts of financial assets at amortized cost, other financial assets, and other non-current assets - restricted assets represent a reasonable basis for estimating fair value because the present value of expected future cash flows discounted at market interest rates approximates their carrying amounts.

(v) Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the lease commencement date, and subsequently measured at amortized cost using the effective interest method. The carrying amount represents a reasonable approximation of 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:

	Lever 1	Level 2	Level 3	Total
June 30, 2026				
Assets				
Financial assets measured at fair value through profit and loss				
Funds	$62,579	$-	$-	$62,579
Bonds	-	2,010,673	-	2,010,673
Embedded derivative financial instruments	-	-	60	60

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

	Lever 1	Level 2	Level 3	Total
Financial assets measured at fair value through other profit and loss				
Unlisted stocks	-	-	$396,745	$396,745

Liabilities: None.

December 31, 2025

Assets

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

Liabilities: None.

June 30, 2025

Assets

Financial assets measured at fair value through profit and loss				
Funds	$59,550	$-	$-	$59,550
Bonds	-	2,155,462	-	2,155,462
Embedded derivative financial instruments	-	-	539	539
Financial assets measured at fair value through other profit and loss				
Unlisted stocks	-	-	259,466	259,466

Liabilities: None.

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

(ii) The Group did not have any significant transfers between Level 1 and Level 2 of the fair value hierarchy for the six-month periods ended June 30, 2026 and 2025.

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

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

	Embedded derivative financial instruments	
	For the six-month periods ended June 30	
Items	2026	2025
Opening balance	$468	$1,951
Additions during the period	-	-
Recognized in profit or loss during the period	(332)	(1,384)
Reclassification	(76)	(28)
Closing balance	$60	$539

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

	Investment in equity instruments - unlisted (OTC) stocks	
	For the six-month periods ended June 30	
Items	2026	2025
Opening balance	$357,650	$444,031
Total (loss) profit		
Recognized in other comprehensive income	39,095	(184,565)
Closing balance	$396,745	$259,466

For the six-month periods ended June 30, 2026 and 2025, the total losses recognized in profit or loss resulting from changes in Level 3 fair value measurements were NT$332 thousand and NT$1,384 thousand, respectively, which were recognized under non-operating income and expenses - other gains and losses. For the six-month periods ended June 30, 2026 and 2025, the total profit (loss) recognized in other comprehensive income resulting from changes in Level 3 fair value measurements was NT$39,095 thousand and NT$(184,565) thousand, respectively, which was recognized under other comprehensive income - unrealized valuation gains (losses) on equity instruments at fair value through other comprehensive income.

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

(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 embedded derivative financial instrument liability consists of components whose fair value is evaluated using a binomial tree convertible bond pricing model.

(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
June 30, 2026					
Financial assets					
Financial assets-current measured at fair value through profit and loss:					
Embedded derivative financial instruments	Binomial tree convertible bond valuation model	Volatility	41.02%	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$60 thousand / decrease by NT$30 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	3.29	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

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

	Evaluation technique	Significant unobservable input value	Quantitative information	Relationship between the input value and fair value	Sensitivity analysis of the relationship between the input value and fair value
					NT$12,973 thousand.
December 31, 2025					
Financial assets					
Financial assets-current measured at fair value through profit and loss:					
Embedded derivative financial instruments	Binomial tree convertible bond valuation model	Volatility	38.53%	The higher the volatility, the higher the estimated fair value.	When volatility increases (decreases) by 5%, the impact on the Group's profit and loss is an NT$312 thousand / decrease by NT$117 thousand.
Financial assets measured at fair value through other comprehensive profit and loss:					
Stock	Market Approach	Similar company's stock price-to-net value ratio	2.88	The higher the stock price-to-net value ratio of similar companies, the higher the estimated fair value.	When the stock price-to-net value ratio of similar companies increases (decreases) by 5%, the equity of the Company will increase/decrease by NT$17,883 thousand.
June 30, 2025					
Financial assets					
Financial assets-current measured at fair value through profit and loss:					
Embedded derivative financial instruments	Binomial tree convertible bond valuation model	Volatility	41.36%	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$308 thousand / decrease by NT$154 thousand.
Financial assets measured at fair value through other comprehensive profit and loss:					
Stock	Market Approach	Similar company's stock price-to-net value ratio	2.22	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$12,973 thousand.

(vii) 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 six-month periods ended June 30, 2026 is disclosed as follows:

(A) Loaning of funds:

Unit: NT$ Thousand/RMB

No	Lending company	Borrower	Accounting item	Related party	Maximum amount - current	Balance – ending (June 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	$ 37,520 (RMB8,000,000)	$ 37,520 (RMB8,000,000)	$ 37,520 (RMB8,000,000)	-	Short -term loan	$-	Business operation of affiliated enterprise	$-	-	$-	$233,984 (RMB49,890,049)	$935,937 (RMB199,560,197)

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

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

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

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

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

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

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (June 30, 2026)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Stocks	REEL MASK INDUSTRY CO., LTD.	None.	Financial assets-noncurrent measured at fair value through other comprehensive profit and loss	3,392,713	$396,745	9.98%	$396,745	
	Bonds	UBS Group Bonds UBS 7 PERP (FF95)	None.	Financial assets-current measured at fair value through profit and loss	1,700,000	54,407 (USD 1,709,299)	-	54,407 (USD 1,709,299)	
	Bonds	UBS Group Bonds UBS 7 PERP (FQ50)(I)	None.	Financial assets-current measured at fair value through profit and loss	5,500,000	176,138 (USD 5,533,715)	-	176,138 (USD 5,533,715)	
	Bonds	UBS Group Bonds UBS 7.125 PERP	None.	Financial assets-current measured at fair value through profit and loss	500,000	16,078 (USD 505,135)	-	16,078 (USD 505,135)	
	Bonds	UBS Group Bonds UBS 7.75 PERP (I)	None.	Financial assets-current measured at fair value through profit and loss	1,440,000	48,340 (USD 1,518,696)	-	48,340 (USD 1,518,696)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (10Y)	None.	Financial assets-current measured at fair value through profit and loss	3,100,000	113,809 (USD 3,575,540)	-	113,809 (USD 3,575,540)	
	Bonds	UBS Group Bonds UBS 9.25 PERP (5Y)	None.	Financial assets-current measured at fair value through profit and loss	1,800,000	61,711 (USD 1,938,780)	-	61,711 (USD 1,938,780)	
	Bonds	BCS-Barclays Plc bonds BACR 7.625 PERP (I)	None.	Financial assets-current measured at fair value through profit and loss	4,400,000	146,499 (USD 4,602,532)	-	146,499 (USD 4,602,532)	

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

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (June 30, 2026)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	BNP Paribas bonds BNP 7.2 PERP (I)	None.	Financial assets-current measured at fair value through profit and loss	2,630,000	$84,251 (USD 2,646,911)	-	$84,251 (USD 2,646,911)	
	Bonds	HSBC Holding bonds HSBC 7 PERP	None.	Financial assets-current measured at fair value through profit and loss	2,680,000	87,609 (USD 2,752,414)	-	87,609 (USD 2,752,414)	
	Bonds	UBS Group Bonds UBS 7 PERP (FA09)(I)	None.	Financial assets-current measured at fair value through profit and loss	8,233,000	266,603 (USD 8,375,843)	-	266,603 (USD 8,375,843)	
	Bonds	BCS-Barclays Plc bonds BACR 7.625 PERP (II)	None.	Financial assets-current measured at fair value through profit and loss	304,000	10,124 (USD 318,078)	-	10,124 (USD 318,078)	
	Bonds	BNP Paribas bonds BNP 7.2 PERP (II)	None.	Financial assets-current measured at fair value through profit and loss	435,000	13,875 (USD 435,914)	-	13,875 (USD 435,914)	
	Bonds	Societe Generale bonds SOCGEN 10 PERP	None.	Financial assets-current measured at fair value through profit and loss	1,000,000	34,750 (USD 1,091,750)	-	34,750 (USD 1,091,750)	
	Bonds	UBS Group Bonds UBS 7 PERP (FA09)(II)	None.	Financial assets-current measured at fair value through profit and loss	640,000	20,699 (USD 650,304)	-	20,699 (USD 650,304)	
	Bonds	UBS Group Bonds UBS 7 PERP (FQ50)(II)	None.	Financial assets-current measured at fair value through profit and loss	3,612,000	115,927 (USD 3,642,052)	-	115,927 (USD 3,642,052)	

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

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (June 30, 2026)				Remarks
					Shares / unit / 1,000 shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	UBS Group Bonds UBS 7.75 PERP (II)	None.	Financial assets-current measured at fair value through profit and loss	2,500,000	$83,672 (USD 2,628,725)	-	$83,672 (USD 2,628,725)	
	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	25,825 (SGD 1,049,800)	-	25,825 (SGD 1,049,800)	
	Bonds	HSBC Holding bonds HSBC 5.25 PERP (SGD)(I)	None.	Financial assets-current measured at fair value through profit and loss	5,750,000	145,698 (SGD 5,922,673)	-	145,698 (SGD 5,922,673)	
	Bonds	HSBC Holding bonds HSBC 5 PERP (SGD)	None.	Financial assets-current measured at fair value through profit and loss	750,000	19,016 (SGD 773,003)	-	19,016 (SGD 773,003)	
	Bonds	HSBC Holding bonds HSBC 5.25 PERP (SGD)(II)	None.	Financial assets-current measured at fair value through profit and loss	3,000,000	76,016 (SGD 3,090,090)	-	76,016 (SGD 3,090,090)	
	Bonds	BCS-Barclays Plc bonds BACR 5.4 PERP (SGD)	None.	Financial assets-current measured at fair value through profit and loss	2,000,000	50,627 (SGD 2,058,000)	-	50,627 (SGD 2,058,000)	
	Bonds	HSBC Holding bonds HSBC 5.25 PERP (SGD)(III)	None.	Financial assets-current measured at fair value through profit and loss	2,750,000	69,737 (SGD 2,834,838)	-	69,737 (SGD 2,834,838)	
	Bonds	UBS Group Bonds UBS 5.6 PERP (SGD)(II)	None.	Financial assets-current measured at fair value through profit and loss	3,000,000	77,438 (SGD 3,147,900)	-	77,438 (SGD 3,147,900)	
	Bonds	UBS Group Bonds UBS 5.75 PERP (SGD)	None.	Financial assets-current measured at fair value through profit and loss	1,250,000	32,307 (SGD 1,313,313)	-	32,307 (SGD 1,313,313)	

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

Holding company	Type of securities	Name of securities	Relationship with the securities issuer	Accounting title	Ending (June 30, 2026)				Remarks
					Shares/unit/ 1,000shares	Book amount	Shareholding ratio (%)	Fair value / net value	
G-SHANK ENTERPRISE CO., LTD.	Bonds	UBS Group Bonds UBS 3.375 PERP(CHF)	None.	Financial assets-current measured at fair value through profit and loss	600,000	$23,833 (CHF 605,502)	-	$23,833 (CHF 605,502)	
	Bonds	UBS Group Bonds UBS 7.125 PERP(AUD)	None.	Financial assets-current measured at fair value through profit and loss	3,210,000	69,969 (AUD 3,194,913)	-	69,969 (AUD 3,194,913)	
CHIN DE INVESTMENT CO., LTD.	Bonds	UBS Group Bonds UBS 7.125 PERP	None.	Financial assets-current measured at fair value through profit and loss	1,680,000	54,024 (USD 1,697,254)	-	54,024 (USD 1,697,254)	
GREAT-SHANK CO., LTD.	Funds	BFIXED	None.	Financial assets-current measured at fair value through profit and loss	885,155	11,521 (THB 12,013,143)	-	11,521 (THB 12,013,143)	
	Funds	KFAFIX-A	None.	Financial assets-current measured at fair value through profit and loss	3,099,082	36,663 (THB 38,230,581)	-	36,663 (THB 38,230,581)	
	Funds	SCBFIXDA	None.	Financial assets-current measured at fair value through profit and loss	1,331,274	14,395 (THB 15,010,377)	-	14,395 (THB 15,010,377)	
G-LONG PRECISION MACHINERY (DONG GUAN) CO., LTD.	Others	Fixed-Rate Certificates of Deposit	None.	Financial assets at amortized cost - current	-	15,972 (USD 500,000)	-	15,972 (USD 500,000)	

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

(D) The amount of purchases from or sales to related parties reached NT$100 million or 20% or more of the paid-in capital: None.

(E) The balance of accounts receivable from related parties amounted to NT$100 million or 20% or more 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	$13,260	Note 4	0.28%
				Other receivables - related parties	13,563		0.10%
0	G-SHANK ENTERPRISE CO., LTD.	G-SHANK JAPAN CO., LTD	1	Sales	24,425	Note 5	0.52%
				Accounts receivable - related parties	13,292		0.10%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	HONG JING (SHANGHAI) ELECTRONICS CO., LTD.	3	Cost of goods sold	76,214	Note 6	1.61%
				Other payables - related parties	37,563		0.28%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	3	Cost of goods sold	25,587	Note 6	0.54%
				Other income and expenses	10,268	Note 4	0.22%
				Other receivables - related parties	41,774		0.31%
				Other payables - related parties	11,537		0.08%

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.	G-SHANK JAPAN CO., LTD	3	Cost of goods sold	16,104	Note 6	0.34%
1	SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.	G-SHANK PRECISION MACHINERY (SUZHOU) CO., LTD.	3	Cost of goods sold	14,928	Note 6	0.32%

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

(a) Fill in "0" for the parent company;

(b) The subsidiaries are numbered sequentially starting from the Arabic number "1" by the company type.

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

(a) The parent company to the consolidated subsidiary;

(b) Consolidate subsidiary to parent company;

(c) Consolidated subsidiary to consolidated subsidiary;

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

Note 4: Recognized in accordance with contractual terms.

Note 5: Sales of products are mostly equipment, tools, and materials for production purposes, which are determined by mutual agreement based on cost-plus pricing or the cost price at the time of transaction depending on the type of merchandise, taking into account various expenses and foreign exchange risks; however, for products sold to related parties, there are no identical specifications sold to other customers, and thus no comparable sales to other customers are available. The credit terms for related parties are OA60-150 days.

Note 6: The purchase is mostly for molds and parts with special specifications from one single supplier. Therefore, there is no other purchase price available for comparison. The payment term for such single supplier is OA 60-120 days.

(2) Re-investment business-related information

Supplementary disclosure of information related to the company's direct or indirect significant influence, control, or joint venture equity on the investee company not in Mainland China for the six-month period ended June 30, 2026.

Unit：NTD Thousand/USD/MYR

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of June 30, 2026			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Footnote
				June 30, 2026	December 31, 2025	Number of shares	Ratio (%)	Book amount (Note 12)			
G-SHANK ENTERPRISE CO., LTD.	CHIN DE INVESTMENT CO., LTD.	Note 1	General investment	$50,000	$50,000	5,000,000	100.00%	$60,939	$1436	$1,436	
	GRAND STAR ENTERPRISES L.L.C.	Note 2	General investment	590,864	590,864	-	100.00%	1,661,777	85,696	85,633	
	G-SHANK, Inc.	Note 3	Stamping parts molds, fixtures	36,686	36,686	1,000	100.00%	395,165	(1,421)	(1,371)	
	G-SHANK ENTERPRISE (M) SDN. BHD.	Note 4	Stamping parts molds, fixtures	85,112	85,112	6,924,750	92.33%	489,850	59,436	54,884	
	GREAT-SHANK CO., LTD.	Note 5	Precision progressive die and hardware products	69,509	69,509	7,968,750	85.00%	121,260	17,269	14,659	
	G-SHANK JAPAN CO., LTD.	Note 6	International trade	23,615	23,615	1,440	80.00%	41,397	9,877	7,902	
	G-SHANK PHILIPPINES CORP.	Note 11	Stamping parts molds, fixtures	115,888	68,428	2,093,200	100.00%	71,726	(20,045)	(20,123)	
	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	71,706	71,706	11,375,148	14.34%	209,126	(30,223)	(4,343)	

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Unit：NTD Thousand/USD/MYR

Investor Company	Investee Company	Location	Main business operation	Original investment amount (Note 13)		As of June 30, 2026			Current profit (loss) of the Investee Company	Investment profit (loss) recognized in current period (Note 12)	Footnote
				June 30, 2026	December 31, 2025	Number of shares	Ratio (%)	Book amount (Note 12)			
CHIN DE INVESTMENT CO., LTD.	SUNFLEX TECHNOLOGY CO., LTD.	Note 7	Manufacturing and trading of electronic components	$241	$241	11,087	0.01%	$204	$(30,223)	$(4)	
G-SHANK ENTERPRISE (M) SDN. BHD.	PT INDONESIA G-SHANK PRECISION	Note 8	Stamping parts molds, fixtures	55,870 (RM7,144,500)	55,870 (RM7,144,500)	18,800	94.00%	218,444 (RM27,934,073)	12,242 (RM1,542,157)	-	
G-SHANK, INC.	G-SHANK DEMEXICO,S.A. DE C.V.	Note 9	Stamping parts molds, fixtures	462 (USD 14,512)	462 (USD 14,512)	-	100.00%	37,493 (USD1,177,924)	2,407 (USD76,212)	-	
GRAND STAR ENTERPRISES L.L.C. (Note 2)	GLOBAL STAR INTERNATIONAL CO., LTD.	Note 10	General investment	611,709 (USD19,218,011)	611,709 (USD19,218,011)	19,218,011	100.00%	1,647,285	85,278	-	

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 Il 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, KYl-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 June 30, 2026.

(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

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	$331,152	85.00%	$281,498	$2,274,733	$2,881,389 (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	7,505	80.19%	6,019	70,770	120,097 (USD3,773,062)
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	(2,085)	51.00%	(1,064)	87,245	35,259 (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	1,722	79.60%	1,370	94,500	82,564 (USD2,593,887)

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Unit： NTD Thousand/USD/RMB

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	$17,583	100.00%	$17,583	$294,176	$214,981 (USD6,754,048)
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	(12,269)	92.83%	(11,390)	173,896	374,743 (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	18,744	88.20%	16,532	179,209	241,445 (USD7,585,463)
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	3,362	85.00%	2,858	75,667	660,932 (USD20,764,424)

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Unit： NTD Thousand/USD/RMB

Invested company in China	Main business operation	Paid-in capital	Investment method	Cumulative investment amount remitted out of Taiwan in current period - beginning	Investment amount remitted in or out in current period		Cumulative investment amount remitted out of Taiwan in current period - ending	Current profit (loss) of the invested company	The company's direct or indirect investment shareholding ratio (%)	Investment profit (loss) recognized in current period (Note 4)	Book amount of investment - ending	Investment profit remitted into Taiwan as of current period
					Remitted out	Remitted in						
SHENZHEN G-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	4,650	93.85%	4,364	103,780	27,885 (USD876,056)
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	54,650	91.43%	49,967	582,433	187,514 (USD5,891,121)
HUBEI HANSTAR ELECTRONICS TECHNOLOGY CO., LTD. (Note 5)	Precision progressive die and hardware products, electroplating processing	RMB19,000,000 (Note 6)	Transfer investment of SHANGHAI G-SHANK PRECISION HARDWARE CO., LTD.	$-	$-	$-	$-	$(3,932)	100.00%	$(3,932)	$82,642	$-
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%	-	262,461	-

(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)
$671,172 (USD21,086,140)	$899,435 (USD28,257,472)	$5,903,478

Note 1：It includes the approved investment of USD 2,730,000 in Dongguan Qiaoju Trading Co., Ltd., with the remaining investment funds of USD 932,685 deducted, resulting in a net amount of USD 1,797,315.

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

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

Note 4：The profit and loss amount from the subsidiary under the equity method for the six-month period ended June 30, 2026 was calculated according to the investee company's financial statements not audited by the independent auditors, except for SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD.

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

Note 6：HUBEI HANSTAR 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 June 30, 2026, SHANGHAI G-SHANK PRECISION MACHINERY CO., LTD. had a paid-in capital of USD$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, Lin, Yu-Huang. The main content of the power of attorney is as follows:

(a) The company designated the trustee to invest USD$1,700,000 (including bank transfer of USD$1,250,000 and machinery and equipment for an amount of USD$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 March 3, 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 mount 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 June 13, 2019 to acquire the 5.86% (investment amount US$361 thousand) shareholding from the non-related party, Mr. Bershin Lo, and it was approved by the Investment Commission, MOEA by issuing the Jin-Shen-II-Tzi No. 10800157300 Letter with the comprehensive shareholding increased to 100% thereafter.

Note G：HON 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)(F) of the consolidated financial report for details.

(b) The sales amount and percentage and the related receivable amount and percentage at yearend: The transaction amount for the current period was not material and, therefore, was not disclosed.

(c) The property transaction amount and the profit and loss resulted: The transaction amount for the current period was not material and, therefore, was not disclosed.

(d) The ending balance and purpose of notes endorsements/guarantees or collateral provided： None.

(e) Maximum balance amount, ending balance amount, interest rate range, and total interest of the current period of loans: Please refer to 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 Note 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.

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

Department information

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
For the three-month period ended June 30, 2026				
Income				
Income from external customers	$2,567,030	$-	$-	$2,567,030
Inter-department income	-	-	-	-
Total income	$2,567,030	$-	$-	$2,567,030
Departmental profit and loss	$528,308	$2,334	$-	$530,642
Non-operating income and expense				53,641
Net income before tax of the continuing business unit				$584,283
For the three-month period ended June 30, 2025				
Income				
Income from external customers	$1,811,516	$-	$-	$1,811,516
Inter-department income	-	-	-	-
Total income	$1,811,516	$-	$-	$1,811,516
Departmental profit and loss	$301,567	$(4,362)	$-	$297,205
Non-operating income and expense				(198,343)
Net income before tax of the continuing business unit				$98,862

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

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
For the six-month period ended June 30, 2026				
Income				
Income from external customers	$4,734,678	$-	$-	$4,734,678
Inter-department income	-	-	-	-
Total income	$4,734,678	$-	$-	$4,734,678
Departmental profit and loss	$914,855	$1,796	$-	$916,651
Non-operating income and expense				48,671
Net income before tax of the continuing business unit				$965,322
For the six-month period ended June 30, 2025				
Income				
Income from external customers	$3,457,947	$-	$-	$3,457,947
Inter-department income	-	-	-	-
Total income	$3,457,947	$-	$-	$3,457,947
Departmental profit and loss	$546,900	$(1,887)	$-	$545,013
Non-operating income and expense				(97,552)
Net income before tax of the continuing business unit				$447,461

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

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
June 30, 2026				
Assets				
Department assets	$10,854,715	$61,907	$-	$10,916,622
Current tax assets	22,235	-	-	22,235
Deferred tax assets	12,114	-	-	12,114
Investment - non-investment department	2,641,131	-	-	2,641,131
Net defined benefit assets	6,001	-	-	6,001
Total assets	$13,536,196	$61,907	$-	$13,598,103
Liabilities				
Department liabilities	$2,878,561	$25	$-	$2,878,586
Current tax liabilities	164,783	391	-	165,174
Deferred tax liabilities	714,661	552	-	715,213
Total liabilities	$3,758,005	$968	$-	$3,758,973
December 31, 2025				
Assets				
Department assets	$10,001,379	$63,194	$-	$10,064,573
Current tax assets	25,697	15	-	25,712
Deferred tax assets	12,235	-	-	12,235
Investment - non-investment department	3,026,290	-	-	3,026,290
Net defined benefit assets	6,001	-	-	6,001
Total assets	$13,071,602	$63,209	$-	$13,134,811
Liabilities				
Department liabilities	$2,836,647	$25	$-	$2,836,672
Current tax liabilities	59,453	486	-	59,939
Deferred tax liabilities	673,592	589	-	674,181
Total liabilities	$3,569,692	$1,100	$-	$3,570,792

(Continuing to the next page)

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

(Continued from the previous page)

	Stamping parts department	General investment department	Adjustment & write-off	Consolidation
June 30, 2025				
Assets				
Department assets	$8,908,099	$57,672	$-	$8,965,771
Current tax assets	1,733	15	-	1,748
Deferred tax assets	25,423	263	-	25,686
Investment - non-investment department	2,629,407	-	-	2,629,407
Total assets	$11,564,662	$57,950	$-	$11,622,612
Liabilities				
Department liabilities	$2,941,749	$25	$-	$2,941,774
Current tax liabilities	117,259	240	-	117,499
Deferred tax liabilities	600,852	-	-	600,852
Net defined benefit liabilities	10,750	-	-	10,750
Total liabilities	$3,670,610	$265	$-	$3,670,875