STOCK CODE:：8383

# CHENFULL International Co., Ltd.

# 2024 Consolidated Financial Statements

***Notice to readers***
***This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.***

Taiwan Stock Exchange Market Observation Post System:
http://newmops.twse.com.tw
ChenFull International Annual Report is available at:
https://www.chenfull.com.tw
Printed on March 3, 2025

## Consolidated Financial Statement Declaration for Associates

The entities that are required to be included in the combined financial statements of CHENFULL International Company Limited as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, CHENFULL International Company Limited and Subsidiaries do not prepare a separate set of combined financial statements

Very truly yours,

CHENFULL INTERNATIONAL CO., LTD.
By

Company Executive: Alice Chang
March 3, 2025

# Independent Auditors' Report

# (Consolidated Financial Statements)

The Board of Directors and Shareholders
ChenFull International Company Limited

**Opinion**

We have audited the accompanying consolidated financial statements of ChenFull International Company Limited and its subsidiaries (the " Group "), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Goveming Financial Statement Audit and Artestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethies for Cerufied Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those malters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31. 2024. These matters were addressed in the context of our audit of the cousolidated financial statesnents as & whole. and in forming our opmion thereon, and we do not provide a separate opinion on these maitors

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

**Assessment of the Authenticity of Revenue from Specific Customers**

The revenue source of ChenFull International Co., Ltd. Limited originates from the manufacturing and sale of various shoe-making machinery, components, and materials for factory engineering pipeline. The income of ChenFull Precision Co., Ltd., a subsidiary of the Group, comes from components for optoelectronics and semiconductor equipment, as well as aerospace components. The auditors have analyzed the sales revenue data of each customer, filtering those that meet specific criteria.

After evaluating, customers that meet the specific criteria were found to have higher risks regarding the recognition of sales revenue. Therefore, the truthfulness of the recognition of their sales revenue was listed as a key audit matter. For accounting policies and information related to revenue recognition, please refer to Note 4(12) and Note 22 in the financial statements.

We performed the following audit procedures on the above key audit matter:

1. Understand, evaluate, and test that the internal control system for revenue recognition is reasonable and effectively implemented.
2. Select samples of specific customer sales revenue details and verify whether the relevant documents for revenue recognition are consistent to confirm the truthfulness of sales revenue.
3. Obtain details of sales returns after the reporting period, randomly inspect their related vouchers, and examine the reasonableness of the returns.

**Other Matter**

We have also audited the parent company only financial statements of ChenFull International Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tseng, Chien-Ming and Liu, Shu-Lin.

Deloitte & Touche
Taipei, Taiwan
The Republic of China
March 3, 2025

**ChenFull International Co., Ltd. and Subsidiaries**

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| ASSETS | Amount | % | Amount | % |
| **Current Assets** | | | | |
| Cash and Cash Equivalents (Notes 4, 6, and 29) | $ 452,822 | 8 | $ 980,987 | 20 |
| Financial Assets at Fair Value Through Profit or Loss - Current (Notes 4, 7, and 29) | 131,514 | 2 | 129,051 | 3 |
| Contract Assets - Current (Notes 4 and 22) | 1,064,373 | 18 | 534,092 | 11 |
| Notes Receivable, Net (Notes 9 and 29) | 14,721 | - | 14,051 | - |
| Accounts Receivable (Notes 4, 9, and 29) | 553,482 | 10 | 336,922 | 7 |
| Other Receivables (Notes 9 and 29) | 10,787 | - | 13,370 | - |
| Current Income Tax Assets (Note 25) | 94 | - | 84 | - |
| Inventories (Notes 4 and 10) | 665,063 | 11 | 614,901 | 12 |
| Prepayments (Note 16) | 28,812 | 1 | 13,852 | - |
| Other Financial Assets - Current (Notes 16, 29, and 31) | 27,308 | 1 | 26,030 | 1 |
| Other Current Assets (Note 16) | 10,655 | - | 6,683 | - |
| Total Current Assets | 2,959,631 | 51 | 2,670,023 | 54 |
| **Non-Current Assets** | | | | |
| Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4, 8, and 29) | 152,448 | 3 | 31,146 | 1 |
| Property, Plant, and Equipment (Notes 4 and 12) | 2,133,164 | 36 | 1,563,204 | 31 |
| Right-of-Use Assets (Notes 4 and 13) | 107,158 | 2 | 120,234 | 2 |
| Investment Property (Notes 4 and 14) | 312,176 | 5 | 315,824 | 6 |
| Other Intangible Assets (Notes 4 and 15) | 15,887 | - | 21,446 | 1 |
| Deferred Income Tax Assets (Notes 4 and 25) | 44,808 | 1 | 52,632 | 1 |
| Other Financial Assets - Non-Current (Notes 16, 29, and 31) | 34,543 | - | - | - |
| Other Non-Current Assets (Notes 16 and 29) | 94,109 | 2 | 211,497 | 4 |
| Total Non-Current Assets | 2,894,293 | 49 | 2,315,983 | 46 |
| **TOTAL ASSETS** | $ 5,853,924 | 100 | $ 4,986,006 | 100 |
| LIABILITIES AND EQUITY | | | | |
| **Current Liabilities** | | | | |
| Short-Term Borrowings (Notes 4, 17, and 29) | $ 330,000 | 6 | $ 20,000 | 1 |
| Contract Liabilities - Current (Notes 4 and 22) | 145,262 | 2 | 192,404 | 4 |
| Accounts Payable (Notes 18 and 29) | 373,509 | 6 | 256,921 | 5 |
| Other Payables (Notes 19 and 29) | 275,555 | 5 | 226,855 | 5 |
| Current Income Tax Liabilities (Note 25) | 74,695 | 1 | 17,911 | - |
| Lease Liabilities - Current (Notes 4, 14, and 29) | 5,651 | - | 6,328 | - |
| Other Current Liabilities (Note 19) | 3,358 | - | 3,343 | - |
| Total Current Liabilities | 1,208,030 | 20 | 723,762 | 15 |
| **Non-Current Liabilities** | | | | |
| Long-Term Borrowings (Notes 4, 17, and 29) | 69,458 | 1 | - | - |
| Deferred Income Tax Liabilities (Notes 4 and 25) | 15,136 | - | 13,947 | - |
| Lease Liabilities - Non-Current (Notes 4, 14, and 29) | 109,798 | 2 | 120,964 | 2 |
| Net Defined Benefit Liabilities - Non-Current (Notes 4 and 20) | 21,783 | 1 | 27,231 | 1 |
| Other Non-Current Liabilities (Notes 19 and 29) | 1,207 | - | 1,312 | - |
| Total Non-Current Liabilities | 217,382 | 4 | 163,454 | 3 |
| **Total Liabilities** | 1,425,412 | 24 | 887,216 | 18 |
| **Equity Attributable to Owners of the Company (Note 21)** | | | | |
| Capital Stock | | | | |
| Common Stock | 1,137,605 | 19 | 1,137,605 | 23 |
| Capital Surplus | | | | |
| Capital Surplus - Additional Paid-in Capital for Common Stock | 258,010 | 4 | 258,010 | 5 |
| Capital Surplus - Convertible Bonds Conversion Premium | 207,018 | 4 | 207,018 | 4 |
| Capital Surplus - Treasury Stock Transactions | 1,863 | - | 1,440 | - |
| Capital Surplus - Differences Between Acquisition or Disposal Price and Book Value of Subsidiary Equity | 544,174 | 9 | 544,174 | 11 |
| Capital Surplus - Recognized Ownership Changes in Subsidiary | 211,006 | 4 | 211,006 | 5 |
| Capital Surplus - Merger Surplus | 10,618 | - | 10,618 | - |
| Total Capital Surplus | 1,232,689 | 21 | 1,232,266 | 25 |
| Retained Earnings | | | | |
| Legal Reserve | 510,355 | 9 | 493,635 | 10 |
| Special Reserve | 15,491 | - | 13,106 | - |
| Unappropriated Earnings | 794,266 | 14 | 586,843 | 12 |
| Total Retained Earnings | 1,320,112 | 23 | 1,093,584 | 22 |
| Other Equity | | | | |
| Exchange Differences on Translation of Foreign Operations | ( 15,260 ) | - | ( 18,647 ) | ( 1 ) |
| Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income | 44,252 | 1 | 3,156 | - |
| Total Other Equity | 28,992 | 1 | ( 15,491 ) | ( 1 ) |
| Treasury Stock | ( 31,717 ) | ( 1 ) | ( 31,717 ) | ( 1 ) |
| Total Equity Attributable to Owners of the Company | 3,687,681 | 63 | 3,416,247 | 68 |
| **Non-Controlling Interests** | 740,831 | 13 | 682,543 | 14 |
| **Total Equity** | 4,428,512 | 76 | 4,098,790 | 82 |
| **TOTAL LIABILITIES AND EQUITY** | $ 5,853,924 | 100 | $ 4,986,006 | 100 |

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

With Deloitte & Touche audit report dated March 3, 2025

**ChenFull International Co., Ltd. and Subsidiaries**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Note 4 & 22) | | | | |
| Sales | $ 1,876,351 | 63 | $ 1,767,328 | 67 |
| Construction revenue | 1,083,893 | 37 | 854,245 | 33 |
| Service revenue | 7,272 | - | 6,858 | - |
| Total operating revenue | 2,967,516 | 100 | 2,628,431 | 100 |
| OPERATING COSTS (Note 10, 20 & 23) | | | | |
| Cost of goods sold | 1,261,103 | 43 | 1,265,213 | 48 |
| Construction costs | 771,452 | 26 | 731,606 | 28 |
| Service costs | 3,648 | - | 3,605 | - |
| Total operating costs | 2,036,203 | 69 | 2,000,424 | 76 |
| GROSS PROFIT/(LOSS) | 931,313 | 31 | 628,007 | 24 |
| OPERATING EXPENSES (Note 20 & 23) | | | | |
| Selling and marketing expenses | 76,911 | 2 | 99,754 | 4 |
| General and administrative expenses | 255,022 | 9 | 204,472 | 8 |
| Research and development expenses | 59,603 | 2 | 59,924 | 2 |
| Expected credit loss | 6,216 | - | 2,035 | - |
| Total operating expenses | 397,752 | 13 | 366,185 | 14 |
| OPERATING PROFIT/(LOSS) | 533,561 | 18 | 261,822 | 10 |
| NON-OPERATING INCOME AND EXPENSES (Note 23) | | | | |
| Interest income | 31,881 | 1 | 16,389 | 1 |
| Other income | 26,314 | 1 | 15,365 | - |
| Other gains and losses | 58,671 | 2 | 12,614 | - |
| Finance costs | ( 13,066 ) | ( 1 ) | ( 3,445 ) | - |
| Total non-operating income and expenses | 103,800 | 3 | 40,923 | 1 |
| PROFIT/(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS | 637,361 | 21 | 302,745 | 11 |
| INCOME TAX EXPENSE/(BENEFIT) (Note 4 & 25) | ( 118,950 ) | ( 4 ) | ( 58,320 ) | ( 2 ) |
| NET PROFIT/(LOSS) FOR THE PERIOD | 518,411 | 17 | 244,425 | 9 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans | $ 1,714 | - | ($ 706 ) | - |
| Unrealized (gain)/loss on Fair value through other comprehensive income | 41,096 | 2 | ( 702 ) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of foreign financial statements | 3,387 | - | ( 1,683 ) | - |

| | | | | |
|---|---|---|---|---|
| Other comprehensive income/(loss) | 46,197 | 2 | ( 3,091 ) | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | $ 564,608 | 19 | $ 241,334 | 9 |
| NET PROFIT/(LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 394,422 | 13 | $ 167,755 | 6 |
| Non-controlling interests | 123,989 | 4 | 76,670 | 3 |
| | $ 518,411 | 17 | $ 244,425 | 9 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of the Company | $ 440,647 | 15 | $ 164,814 | 6 |
| Non-controlling interests | 123,961 | 4 | 76,520 | 3 |
| | $ 564,608 | 19 | $ 241,334 | 9 |
| EARNINGS PER SHARE (Note 26) | | | | |
| From continuing operations | | | | |
| Basic | $ 3.50 | | $ 1.49 | |
| Diluted | $ 3.48 | | $ 1.48 | |

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

With Deloitte & Touche audit report dated March 3, 2025

**ChenFull International Co., Ltd. and Subsidiaries**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Other Equity | | | | | |
| | Share Capital | | | Retained Earnings | | | | | | | | |
| | Shares (Thousand Shares) | Amounts | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translation of Foreign Operations | Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Treasury Shares | Total | Non-controlling Interests | Total Equity |
| BALANCE AT JANUARY 1, 2023 | 113,761 | $1,137,605 | $1,208,562 | $ 465,623 | $ 18,139 | $ 725,349 | ($ 16,964) | $ 3,858 | ($ 31,717) | $3,510,455 | $ 716,029 | $4,226,484 |
| Appropriations of prior year's earnings | | | | | | | | | | | | |
| Legal reserve | - | - | - | 28,012 | - | (28,012) | - | - | - | - | - | - |
| Reversal of special reserve | - | - | - | - | (5,033) | 5,033 | - | - | - | - | - | - |
| Cash dividends to shareholders | - | - | - | - | - | (282,726) | - | - | - | (282,726) | - | (282,726) |
| Issued to subsidiary dividend adjustment capital reserve | - | - | 704 | - | - | - | - | - | - | 704 | - | 704 |
| Cash dividends to subsidiary shareholders | - | - | - | - | - | - | - | - | - | - | (118,211) | (118,211) |
| Actual disposal of partial equity interests in ChenFull Precision Co., Ltd. (Note 27) | - | - | 23,000 | - | - | - | - | - | - | 23,000 | 8,205 | 31,205 |
| Net profit/(loss) for the twelve months ended December 31,2023 | - | - | - | - | - | 167,755 | - | - | - | 167,755 | 76,670 | 244,425 |
| Other comprehensive income/(loss) for the twelve months ended December 31,2023, net of income tax | - | - | - | - | - | (556) | (1,683) | (702) | - | (2,941) | (150) | (3,091) |
| Total comprehensive income/(loss) for the twelve months ended December 31,2023 | - | - | - | - | - | 167,199 | (1,683) | (702) | - | 164,814 | 76,520 | 241,334 |
| BALANCE AT DECEMBER 31,2023 | 113,761 | 1,137,605 | 1,232,266 | 493,635 | 13,106 | 586,843 | (18,647) | 3,156 | (31,717) | 3,416,247 | 682,543 | 4,098,790 |
| Appropriations of prior year's earnings | | | | | | | | | | | | |
| Legal reserve | - | - | - | 16,720 | - | (16,720) | - | - | - | - | - | - |
| Reversal of special reserve | - | - | - | - | 2,385 | (2,385) | - | - | - | - | - | - |
| Cash dividends to shareholders | - | - | - | - | - | (169,636) | - | - | - | (169,636) | - | (169,636) |
| Issued to subsidiary dividend adjustment capital reserve | - | - | 423 | - | - | - | - | - | - | 423 | - | 423 |
| Cash dividends to subsidiary shareholders | - | - | - | - | - | - | - | - | - | - | (65,673) | (65,673) |
| Net profit/(loss) for the twelve months ended December 31,2024 | - | - | - | - | - | 394,422 | - | - | - | 394,422 | 123,989 | 518,411 |
| Other comprehensive income/(loss) for the twelve months ended December 31,2024, net of income tax | - | - | - | - | - | 1,742 | 3,387 | 41,096 | - | 46,225 | (28) | 46,197 |
| Total comprehensive income/(loss) for the twelve months ended December 31,2024 | - | - | - | - | - | 396,164 | 3,387 | 41,096 | - | 440,647 | 123,961 | 564,608 |
| BALANCE AT DECEMBER 31,2024 | 113,761 | $1,137,605 | $1,232,689 | $ 510,355 | $ 15,491 | $ 794,266 | ($ 15,260) | $ 44,252 | ($ 31,717) | $3,687,681 | $ 740,831 | $4,428,512 |

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

With Deloitte & Touche audit report dated March 3, 2025

**ChenFull International Co., Ltd. and Subsidiaries**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

| | 2024 | 2023 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | $ 637,361 | $ 302,745 |
| Adjustments: | | |
| Depreciation expense | 140,540 | 146,884 |
| Amortization expense | 8,622 | 8,667 |
| Expected credit loss recognized/(reversed) on trade receivables | 6,216 | 2,035 |
| Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss | ( 12,725 ) | ( 4,210 ) |
| Finance costs | 13,066 | 3,445 |
| Gains on Inventory Value Recoveries | ( 2,205 ) | ( 8,094 ) |
| Interest income | ( 31,881 ) | ( 16,389 ) |
| Dividend income | ( 8,797 ) | ( 9,277 ) |
| (Gain)/loss on disposal of property, plant and equipment | ( 4,484 ) | ( 470 ) |
| Net (gain)/loss on disposal of financial assets at fair value through profit or loss | ( 6,138 ) | ( 22,645 ) |
| Realized deferred revenue | ( 49 ) | ( 49 ) |
| Changes in operating assets and liabilities | | |
| Contract assets | ( 530,281 ) | 438,958 |
| Notes receivable | ( 670 ) | ( 4,643 ) |
| Trade receivables | ( 222,814 ) | 171,760 |
| Inventories | ( 74,032 ) | 88,358 |
| Prepayments | ( 14,960 ) | 30,501 |
| Other current assets | ( 1,924 ) | ( 1,636 ) |
| Contract liabilities | ( 47,142 ) | 17,166 |
| Notes payable | 142,663 | ( 421,975 ) |
| Other payables | 51,680 | ( 88,267 ) |
| Other current liabilities | 15 | 632 |
| Net defined benefit liability | ( 3,306 ) | ( 641 ) |
| Cash generated from operations | 38,755 | 632,855 |
| Interest received | 32,416 | 15,742 |
| Interest paid | ( 12,904 ) | ( 3,445 ) |
| Income tax paid | ( 54,438 ) | ( 104,044 ) |
| Net cash flows from operating activities | 3,829 | 541,108 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of Financial Assets at Fair Value Through Other Comprehensive Income | ($ 80,206 ) | $ - |
| Acquisition of financial assets at fair value through profit or loss | ( 447,599 ) | ( 175,037 ) |
| Proceeds from sale of financial assets at fair value through profit or loss | 463,999 | 185,273 |
| Payments for property, plant and equipment | ( 585,293 ) | ( 270,492 ) |
| Proceeds from disposal of property, plant and equipment | 4,799 | 487 |
| Acquisition of intangible assets | ( 3,063 ) | ( 8,441 ) |
| Increase/(decrease) in other financial assets | ( 35,821 ) | ( 107 ) |
| Increase in other non-current assets | ( 5,217 ) | ( 95,813 ) |

| | | |
|---|---|---|
| Dividend received | 8,797 | 9,277 |
| Increase in refundable deposits | 4,314 | 1,353 |
| Net cash flows used in investing activities | ( 675,290 ) | ( 353,500 ) |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term borrowings | 3,699,000 | 670,000 |
| Decrease in short-term borrowings | ( 3,389,000 ) | ( 650,000 ) |
| Increase in Short-Term Notes Payable | 40,000 | - |
| Decrease in Short-Term Notes Payable | ( 40,000 ) | - |
| Proceeds from Long-Term Borrowings | 69,458 | - |
| Refundable deposits returned | ( 56 ) | ( 564 ) |
| Decrease in lease liabilities | ( 5,477 ) | ( 6,598 ) |
| Cash dividends paid | ( 169,213 ) | ( 282,022 ) |
| Cash dividends for non-controlling equity | ( 65,673 ) | ( 118,211 ) |
| Proceeds from the sale of partial equity interest in subsidiary | - | 32,673 |
| Net cash generated from/(used in) financing activities | 139,039 | ( 354,722 ) |
| | | |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | 4,257 | ( 2,638 ) |
| | | |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | ( 528,165 ) | ( 169,752 ) |
| | | |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 980,987 | 1,150,739 |
| | | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | $ 452,822 | $ 980,987 |

The accompanying notes are an integral part of the consolidated financial statements.
With Deloitte & Touche audit report dated March 3, 2025

**ChenFull International Co., Ltd.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**
**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

1. Company history:
   ChenFull International Co., Ltd. (the “Company”) was established in April 1982. ChenFull’s business scope includes semiconductor control equipment system engineering; buying, selling, designing, manufacturing, and constructing cleanroom, ultrapure water equipment pipelines, and various chemical engineering equipment; manufacturing and trading of various hydraulic, mechanical parts, factory engineering pipeline materials, and precision molds; design planning of machinery and equipment for entire shoe factories and the manufacturing, processing, and trading of related material products; as well as the manufacturing and trading of various aircraft equipment.

   ChenFull’s stock has been listed and traded on the Taipei Exchange (TPEx) since September 2004.

   This consolidated financial report is expressed in functional New Taiwan dollars of ChenFull.

2. Approval date and procedures of financial statements:
   The consolidated financial statements were authorized for issuance by the Board of Directors on March 3, 2025.

3. New standards, amendments and interpretations adopted:
   1)Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpreations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).
   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on ChenFull and its subsidiaries’ (collectively as the “Group”) accounting policies.

   2)IFRSs approved by the Financial Supervisory Commission (FSC) for the year 2025.

| New standards, amendments and interpretations adopted | Effective Date Issued by IASB |
|---|---|
| Amendments to IAS 21: "Lack of Exchangeability" | January 1, 2025 (Note1) |

   Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. When first applying the amendment, comparative periods shall not be restated. Instead, the impact shall be recognized in retained earnings or the foreign operation exchange difference under equity (as appropriate) and the affected related assets and liabilities as of the date of initial application.

   3)IFRSs that have been issued by the IASB but have not yet been approved and published by the FSC for implementation.

| New standards, amendments and interpretations adopted | Effective Date Issued by IASB (Note 1) |
|---|---|
| Annual Improvements to IFRS Accounting Standards － 11th Cycle | 1-Jan-26 |
| Amendments to IFRS 9 and IFRS 7: "Amendments to Classification and Measurement of Financial Instruments" | 1-Jan-26 |
| Amendments to IFRS 9 and IFRS 7: "Contracts Involving Nature-Dependent Power" | 1-Jan-26 |
| Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture" | To be determined |

| | |
|---|---|
| IFRS 17 "Insurance Contracts" | 1-Jan-23 |
| Amendments to IFRS 17 | 1-Jan-23 |
| Amendments to IFRS 17: "Initial Application of IFRS 17 and IFRS 9 – Comparative Information" | 1-Jan-23 |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | 1-Jan-27 |
| IFRS 19 "Subsidiaries Without Public Accountability: Disclosures" | 1-Jan-27 |

Note 1: Unless otherwise specified, the above new, revised, or amended standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements," with the following key changes:

- The income statement should classify revenue and expense items into categories of operating, investing, financing, income tax, and discontinued operations.
- The income statement should present operating profit, pre-tax profit before financing, and subtotals and totals of profit and loss.
- Guidelines are provided to strengthen aggregation and disaggregation requirements: The consolidated entity must identify assets, liabilities, equity, revenue, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on shared characteristics, ensuring that each item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. A consolidated entity should classify such items as "other" only when a more informative categorization cannot be identified.
- Additional disclosure of performance measures defined by management: When a consolidated entity communicates publicly outside of the financial statements and shares management's perspective on a specific aspect of the entity's overall financial performance with financial statement users, it should disclose in a single note to the financial statements information about management-defined performance measures, including the description of the measure, how it is calculated, adjustments to subtotals or totals required by IFRS standards, and the impact of related adjustments on income tax and non-controlling interests.

In addition to the above impacts, as of the date the consolidated financial statements are authorized for issuance, the consolidated entity continues to assess the effects of amendments to various standards and interpretations on its financial position and performance, and will disclose the related effects when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of compliance

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Issuers of Securities and the IFRSs approved and issued by the Financial Supervisory Commission.

B. Basis of preparation

Except for financial instruments measured at fair value and net defined benefit liability recognized at fair value less plan assets, the consolidated financial statements are prepared on a historical cost basis.

Fair value measurement is categorized into Level 1, Level 2, and Level 3 based on the degree of observability and significance of the inputs as follows:

(1) Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in an active market on the measurement date.

(2) Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(3) Level 3 inputs: Unobservable inputs for the asset or liability.

C. Classification of current and non current assets and liabilities

Current assets include:

(1) Assets held primarily for the purpose of trading;
(2) Assets expected to be realized within 12 months after the reporting period; and
(3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

(1) Liabilities held primarily for the purpose of trading;
(2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
(3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non current.

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction related assets and liabilities.

D. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

The consolidated financial statements comprise the Company and subsidiaries. The consolidated comprehensive income statement incorporates the operating income and losses of acquired or disposed subsidiaries from the date on which control commences until the date on which control ceases. The financial statements of the subsidiaries have been appropriately adjusted to align their accounting policies with those of the consolidated entity. In preparing the consolidated financial statements, transactions, account balances, revenues, and expenses between the entities have been fully eliminated. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and to non controlling interests, with non controlling interests possibly resulting in a deficit balance.

When changes in the ownership interests in subsidiaries do not result in a loss of control, they are treated as equity transactions. The carrying amounts of the consolidated entity and the non controlling interests are adjusted to reflect the change in their relative interests in the subsidiaries. The difference between the adjustment amount for non controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the owners of the Company.

When the consolidated entity loses control of its subsidiary, the disposal gain or loss is the difference between (1) the fair value of the consideration received and the fair value of any remaining investment in the former subsidiary at the date control is lost, and (2) the aggregate of the carrying amount of the former subsidiary's assets (including goodwill), liabilities, and non controlling interests at the date control is lost. The accounting treatment for all amounts recognized in other comprehensive income related to the subsidiary is consistent with the basis followed for direct disposal of related assets or liabilities.

For details on the subsidiaries, shareholding ratios, and business operations, refer to Note 11, Table 4, and Table 5.

E. Foreign currency

When preparing financial statements, transactions denominated in currencies other than the functional currency of each entity are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated into the functional currency at the closing exchange rates on each balance sheet date.

Non monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates on the dates when the fair values were determined, and any resulting exchange differences are recognized in profit or loss or in other comprehensive income, depending on the nature of the item. Non monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates on the transaction dates and are not re measured subsequently.

When preparing consolidated financial statements, assets and liabilities of foreign operations (including subsidiaries, associates, joint ventures, or branches whose operations are conducted in countries or currencies different from those of ChenFull International) are translated into New Taiwan dollars at the exchange rates prevailing on each balance sheet date. Revenues and expenses are translated at the average exchange rates for the period, and any resulting exchange differences are recognized in other comprehensive income.

F. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted average cost on the balance sheet date.

G. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment

Property, plant, and equipment are depreciated over their useful lives on a straight-line basis, with depreciation recognized separately for each significant part.

The consolidated entity reviews the estimated useful lives, residual values, and depreciation methods at least at the end of each year, and defers the effect of changes in accounting estimates.

When property, plant, and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

H. Investment property

Investment properties are held for earning rental income or capital appreciation or both.

Investment properties owned by the Group are initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Straight line depreciation is used for the Group’s investment properties.

Property, plant and equipment that are transferred to investment properties are measured at their carrying amounts at the date of reclassification.

When investment properties are disposed of, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

I. Intangible Assets

(1) Acquired Separately

Intangible assets with a limited useful life acquired separately are initially measured at cost, including transaction costs, and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight line method over their useful lives. At least annually, the estimated useful lives, residual values and amortization method are reviewed, with changes in accounting estimates deferred. Intangible assets with indefinite useful lives are measured at cost less accumulated impairment losses.

(2) Disposal

When intangible assets are disposed of, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement.

J. Impairment of Property, Plant and Equipment, Right of use Assets, Investment Properties, Intangible Assets (excluding Goodwill) and Contract Costs

At each balance sheet date, the Group assesses whether there are any indications that Property, Plant and Equipment, Right of use Assets, Investment Properties, and Intangible Assets (excluding Goodwill) may be impaired. If any impairment indicators exist, the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Shared assets are allocated to individual cash generating units on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. When the recoverable amount of an individual asset or a cash generating unit is lower than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount, and the impairment loss is recognized in the income statement.

When an impairment loss reverses in a subsequent period, the carrying amount of the asset, cash generating unit, or contract costs related asset is increased to the revised recoverable amount, but not exceeding the carrying amount that would have been determined had no impairment loss been recognized in prior years (after deducting depreciation or amortization). The reversal of the impairment loss is recognized in the income statement.

K. Financial instruments

Financial assets and liabilities shall be recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a the basis of Settlement date accounting.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) 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.

Financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable measured at amortized cost, other receivables, other financial assets, and refundable deposits) are measured at amortized cost after initial recognition, which is the gross carrying amount determined using the effective interest method less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

(i) Purchased or originated credit--impaired financial asset, for which interest income is calculated by applying the credit--adjusted effective interest rate to the amortized cost of the financial asset; and

(ii) Financial asset that has subsequently become credit--impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

Cash equivalents include time deposits and repurchase agreements collateralized by commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short--term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial and contract assets

The Group evaluates the impairment losses of financial assets measured at amortized cost (including accounts receivables), investments in equity instruments at FVTOCI, and contract assets according to expected credit loss on each balance sheet date.

The Group always recognizes a loss allowance for lifetime expected credit loss (i.e. ECL) for accounts receivables and contract assets. Other financial assets are first evaluated by their credit risks as of initial recognitions. When credit risks do not increase significantly, loss allowance is recognized for 12 month ECL. When credit risks increase significantly, loss allowance is recognized for lifetime ECL.

Expected credit losses reflect the weighted average of credit losses with the risks of default as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The carrying amounts of impairment losses of all financial assets are reduced by the allowance account, but, since loss allowance of investments in debt instruments at FVTOCI are recognized in other comprehensive income, their carrying amounts are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

(2) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non--cash assets transferred or liabilities assumed, is recognized in profit or loss.

L. Revenue recognition

(1) Sales of goods

Revenue from the sale of goods and trade receivables are recognized when goods are delivered to locations designated by clients because clients have the rights of pricing and using the goods, and they are held liable for resale and the risks of obsolescence by that point in time.

(2) Service Revenue

Service Revenue is derived from the operation of the business centre.

(3) Construction Revenue

For construction contracts where the property is under the control of the customer during the construction process, the Group recognizes revenue over time. Since the costs incurred in construction are directly related to the degree of completion of the performance obligations, the Group measures the progress towards completion based on the proportion of actual costs incurred to the estimated total costs. The Group recognizes contract assets progressively during the construction process and reclassifies them as receivables upon billing. If the payments received from the work exceed the amount of revenue recognized, the difference is recognized as a contract liability. Retentions held by the customer under the contract terms are intended to ensure the Group fulfills all contract obligations and are recognized as contract assets until the performance obligations are completed.

If the outcome of the performance obligations cannot be measured reliably, revenue from the construction is recognized only to the extent that it is probable that the incurred costs will be recoverable.

M. Government grants

Government grants are recognized only when it is reasonably certain that the Group will comply with the conditions attached to the government grant and that the grant will be received. Government grants are recognized in profit or loss on a systematic basis during the period in which the related costs that they intend to compensate are recognized as expenses by the Group. Government subsidies on the condition that the Group should purchase, construct, or otherwise obtain non-current assets are recognized as deferred income and are transferred to profit or loss

on the reasonable and systematic basis over the useful life of the relevant assets.
If the government subsidy is used to compensate for the expenses or losses that have occurred, or for the purpose of giving immediate financial support to the Group and has no future related costs, it is recognized in profit or loss during the period it can be received.

N. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

(1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The current lease contract of the Group are all operating leases.
Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight line basis over the terms of the relevant leases.
Initial direct costs incurred from operating lease payments are calculated with the carrying amounts of the target assets, and are recognized as expenses on a straight line basis over the terms of the relevant leases.

(2) The Group as lessee

The Group recognizes right of use assets and lease liabilities for all leases at the commencement date of a lease, except for short term leases and low value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight line basis over the lease terms.
Right of use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments less lease incentives received at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.
Right of use assets are presented on a separate line in the consolidated balance sheets. Right of use assets are depreciated using the straight line method from the commencement dates to the earlier of the end of the useful lives of the right of use assets or the end of the lease terms.
Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in substance fixed payments, variable lease payments which depend on an index or a rate, lessee’s expected payment with guaranteed residual value, exercise prices of prospective option purchases with reasonable assurance, and penalties of termination of leases incurred during the lease terms less lease incentives received. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.
Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right of use assets.
However, if the carrying amount of the right of use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.
Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

O. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are included in the cost of the asset until the asset is in the condition for its intended use or sale, with nearly all necessary activities completed.

Investment income earned from temporary investments of specific borrowings made before the qualifying capital expenditures occur is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

P. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined contribution retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, and net interest on the net defined benefit liability (asset)) are recognized as employee benefit expenses in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and other equity and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Group determines its current income (loss) according to laws enforced in its tax declaration jurisdictions and calculates its payable (recoverable) income tax.

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all [deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures] to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. Critical accounting judgements and key sources of estimation uncertainty

When adopting accounting policies, the management of the consolidated company must make judgments, estimates, and assumptions based on historical experience and other relevant factors when information is not readily available from other sources. Actual results may differ from these estimates.

After evaluation by the Company’s management, the accounting policies, estimates, and underlying assumptions adopted by the consolidated company do not involve significant accounting judgments, estimates, or uncertainties in assumptions.

Management will continue to review the estimates and underlying assumptions. If a revision to an estimate affects only the current period, it is recognized in that period. If the revision affects both the current and future periods, it is recognized in both the period of the revision and the future periods.

6. Cash and Cash Equivalents

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash on hand and petty cash | $ 682 | $ 661 |
| Checking accounts and demand deposits | 270,433 | 385,961 |
| Cash equivalents (investments with original maturities of less than 3 months) | | |
| Time deposits | 98,339 | 120,814 |
| RP | - | 383,812 |
| Fully entrusted investment accounts | | |
| Current account deposits | 83,368 | 89,739 |
| | $ 452,822 | $ 980,987 |

The consolidated company entered into a discretionary asset management agreement with Time Securities Investment Consulting Co., Ltd. As of December 31, 2024 and December 31, 2023, the bank deposits held in the discretionary accounts were NT$83,368 thousand and NT$89,739 thousand, respectively.

The interest rate range for bank deposits, time deposits, and repurchase bonds as of the balance sheet date is as follows：

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Bank balance | 0.65%～4.30% | 0.51%～1.45% |
| Time deposits | 1.69%～4.35% | 2.10%～4.60% |
| RP | - | 5.50% |

7. Financial Instruments Measured at Fair Value Through Profit or Loss

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Financial assets at FVTPL - current | | |
| Financial assets mandatorily classified as at FVTPL | | |
| Non-derivative financial assets | | |
| Domestic listed shares investments | $ 58,188 | $ 35,696 |
| Mutual funds | 73,326 | 93,355 |
| | $ 131,514 | $ 129,051 |

8. Financial Assets Measured at Fair Value Through Other Comprehensive Income
Equity Instrument Investments

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Non-current | | |
| Domestic investments | | |
| Emerging stocks | | |
| Ordinary shares | $ 1,726 | $ 1,062 |
| Unlisted stocks | | |
| Ordinary shares | 150,722 | 30,084 |
| | $ 152,448 | $ 31,146 |

The consolidated company invests in emerging and unlisted stocks for medium- to long-term strategic purposes and expects to profit from long-term investments. Management believes that recognizing short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment plan. Therefore, the company has elected to designate these investments as measured at fair value through other comprehensive income.

9. Notes Receivable, Accounts Receivable, Other Receivables, and Receivables Under Collection

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Notes receivable | | |
| At amortized cost | | |
| Gross carrying amount | $ 14,992 | $ 14,322 |
| Less: Allowance for impairment loss | ( 271) | ( 271) |
| | $ 14,721 | $ 14,051 |
| | | |
| Trade receivable | | |
| At amortized cost | | |
| Gross carrying amount | $ 574,679 | $ 343,364 |
| Less: Allowance for impairment loss | ( 21,197) | ( 6,442) |
| | $ 553,482 | $ 336,922 |
| | | |
| Other receivables | | |
| Others | $ 10,787 | $ 13,370 |

Overdue receivables

At amortized cost

| | | |
|---|---|---|
| Gross carrying amount | $ 4,225 | $ 12,726 |
| Less: Allowance for impairment loss | ( 4,225 ) | ( 12,726 ) |
| | $ - | $ - |

A. Notes Receivable

December 31, 2024

| | Non-overdue | Overdue 1-90 days | Total |
|---|---|---|---|
| ECL rate | 1.81% | - | |
| Gross carrying amount | $ 14,992 | $ - | $ 14,992 |
| Loss allowance (lifetime ECL) | ( 271 ) | - | ( 271 ) |
| Amortized cost | $ 14,721 | $ - | $ 14,721 |

December 31, 2023

| | Non-overdue | Overdue 1-90 days | Total |
|---|---|---|---|
| ECL rate | 1.89% | - | |
| Gross carrying amount | $ 14,322 | $ - | $ 14,322 |
| Loss allowance (lifetime ECL) | ( 271 ) | - | ( 271 ) |
| Amortized cost | $ 14,051 | $ - | $ 14,051 |

The changes in allowance for doubtful accounts for notes receivable are as follows：

| | 2024 | 2023 |
|---|---|---|
| Balance on January 1 | $ 271 | $ 281 |
| Less: Reversal of impairment loss of the year | - | ( 10 ) |
| Balance on December 31 | $ 271 | $ 271 |

B. Accounts Receivable

Accounts Receivable Measured at Amortized Cost

The consolidated company grants an average credit period of 60 days from the end of the invoicing month for sales of goods. When determining the recoverability of accounts receivable, the consolidated company considers any changes in the credit quality of the receivables from the original credit grant date to the balance sheet date.

To mitigate credit risk, the consolidated company's management assigns a dedicated team responsible for determining credit limits, approving credit, and implementing other monitoring procedures to ensure that appropriate actions are taken for overdue receivables. Additionally, as of the balance sheet date, the consolidated company individually reviews the recoverability of receivables to ensure that irrecoverable accounts have been appropriately impaired. Accordingly, the management believes that the consolidated company’s credit risk has been significantly reduced.

The consolidated company recognizes the allowance for doubtful accounts for accounts receivable based on expected credit losses over their lifetime. Expected credit losses are

calculated using a provisioning matrix, which considers customers' historical default records, current financial conditions, and industry economic trends. Since historical credit loss experience shows no significant differences in loss patterns among different customer groups, the provisioning matrix does not further differentiate customer categories but determines expected credit loss rates based solely on the aging of accounts receivable.
If there is evidence that a counterparty is experiencing severe financial difficulties and the consolidated company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation, the consolidated company directly writes off the related accounts receivable. However, collection efforts will continue, and any recovered amounts will be recognized in profit or loss.

The allowance for doubtful accounts for accounts receivable is measured by the consolidated company based on the provisioning matrix as follows：

December 31, 2024

| | Not Overdue | Overdue 1－90 Days | Overdue 91－180 Days | Overdue 181－270 Days | Overdue More Than 270 Days | Total |
|---|---|---|---|---|---|---|
| ECL rate | 0.43%～0.8% | 0.43%～5% | 9.5%～57.97% | 50%～89.78% | 100% | |
| Gross carrying amount | $ 540,329 | $ 13,195 | $ 7,900 | $ 12,599 | $ 656 | $ 574,679 |
| Loss allowance (lifetime ECL) | ( 4,303 ) | ( 400 ) | ( 4,571 ) | ( 11,267 ) | ( 656 ) | ( 21,197 ) |
| Amortized cost | $ 536,026 | $ 12,795 | $ 3,329 | $ 1,332 | $ - | $ 553,482 |

December 31, 2023

| | Not Overdue | Overdue 1－90 Days | Overdue 91－180 Days | Overdue 181－270 Days | Overdue More Than 270 Days | Total |
|---|---|---|---|---|---|---|
| ECL rate | 0%～1% | 0.34%～5% | 1%～62.61% | 100% | 100% | |
| Gross carrying amount | $ 327,417 | $ 8,151 | $ 4,978 | $ 1,901 | $ 917 | $ 343,364 |
| Loss allowance (lifetime ECL) | ( 3,276 ) | ( 28 ) | ( 320 ) | ( 1,901 ) | ( 917 ) | ( 6,442 ) |
| Amortized cost | $ 324,141 | $ 8,123 | $ 4,658 | $ - | $ - | $ 336,922 |

The changes in allowance for doubtful accounts for accounts receivable are as follows：

| | 2024 | 2023 |
|---|---|---|
| Balance on January 1 | $ 6,442 | $ 6,313 |
| Plus: Recognized impairment loss of the year | 22,879 | 2,045 |
| Less: Reclassification of the year | ( 8,162) | ( 1,916) |
| Balance on December 31 | 38 | - |
| Balance on January 1 | $ 21,197 | $ 6,442 |

Changes in loss allowance for overdue receivables：

| | 2024 | 2023 |
|---|---|---|
| Balance on January 1 | $ 12,726 | $ 10,810 |
| Plus: Reclassification of the year | 8,162 | 1,916 |
| Less: Reversal of Impairment Loss for the Year | ( 16,663) | - |
| Balance on December 31 | $ 4,225 | $ 12,726 |

10.INVENTORIES

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Raw materials | $ 166,908 | $ 217,700 |
| Work-in-process | 385,104 | 298,181 |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Finished goods | 112,898 | 94,682 |
| Inventory goods | 153 | 4,338 |
| | $ 665,063 | $ 614,901 |

Detailed costs of goods sold:

| | 2024 | 2023 |
|---|---|---|
| Costs of sold inventories | $ 1,277,916 | $ 1,296,236 |
| Loss (gain) of write-downs of inventories | ( 2,205) | ( 8,094) |
| Others | ( 14,608) | ( 22,929) |
| | $ 1,261,103 | $ 1,265,213 |

The recovery of net realizable value of inventory is due to the increase in the selling price of certain inventories.

11. Subsidiaries

A. Subsidiaries included in the consolidated financial statements

The entities included in the preparation of these consolidated

| Investment Company | Subsidiary | Percentage of equity held Decmber 31, 2023 | Percentage of equity held Decmber 31, 2022 | Note |
|---|---|---|---|---|
| CHENFULL INTERNATIONAL CO., LTD. | CHENFENG MACHINERY & ENTERPRICE CO., LTD. | 100% | 100% | - |
| | CHENFULL PRECISION CO., LTD | 63% | 63% | - |
| | CHEN FULL HOLDING CO., LTD. | 100% | 100% | - |

| Investor company name | Subsidiary company name | Percentage of equity held Decmber 31, 2023 | Percentage of equity held Decmber 31, 2022 | Note |
|---|---|---|---|---|
| CHENFENG MACHINERY & ENTERPRICE CO., LTD. | CHENFULL Precision Co., Ltd. | - | - | 註 |
| CHEN FULL HOLDING CO., LTD. | NEW OPPORTUNITY LIMITED | 100% | 100% | - |
| NEW OPPORTUNITY LIMITED | CHENFENG MACHINERY (DONGGUAN) CO., LTD. | 100% | 100% | - |

Note: The subsidiary, CHENFULL Precision Co., Ltd., was disposed of in full by the subsidiary Quanfeng Co., Ltd. between April and May of 2023. Since the transaction did not result in the loss of control over the subsidiary by the consolidated company, it is regarded as an equity transaction. Please refer to Note 27.

B. Information on subsidiaries with significant non-controlling interests

| Subsidiary Name | Percentage of equity held as non-controlling interests and voting rights December 31, 2023 | Percentage of equity held as non-controlling interests and voting rights December 31, 2023 |
|---|---|---|
| CHENFULL Precision Co., Ltd. | 37% | 37% |

For information regarding the main business locations and the country of registration of the company, please refer to Schedule 4.

| Subsidiary Name | Profit and loss assigned to non-controlling interests | |
|---|---|---|
| | December 31, 2023 | December 31, 2023 |
| CHENFULL Precision Co., Ltd. | $ 123,989 | $ 76,670 |

| Subsidiary Name | non-controlling Entity | |
|---|---|---|
| | December 31, 2024 | December 31, 2023 |
| CHENFULL Precision Co., Ltd. | $ 740,831 | $ 682,543 |

The following summarized financial information of CHENFULL Precision Co., Ltd. is prepared based on amounts before intercompany transactions are eliminated：

CHENFULL Precision Co., Ltd.

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current Assets | $ 1,105,519 | $ 1,179,087 |
| Non-Current Assets | 1,593,340 | 1,101,636 |
| Current Liabilities | ( 582,822) | ( 312,151) |
| Non-Current Liabilities | ( 113,653) | ( 123,735) |
| Equity | $ 2,002,384 | $ 1,844,837 |
| | | |
| Equity Attributable to: | | |
| Owners of the Company | $ 1,261,553 | $ 1,162,294 |
| Non-controlling Interests of CHENFULL Precision Co., Ltd. | 740,831 | 682,543 |
| | $ 2,002,384 | $ 1,844,837 |

| | 2024 | 2023 |
|---|---|---|
| Operating Revenue | $ 1,519,633 | $ 1,350,162 |
| | | |
| Net Profit for the Year | $ 335,132 | $ 207,690 |
| Other Comprehensive Income | ( 78) | ( 404) |
| Total Comprehensive Income | $ 335,054 | $ 207,286 |
| | | |
| Net Profit Attributable to: | | |
| Owners of the Company | $ 211,143 | $ 131,020 |
| Non-controlling Interests of CHENFULL Precision Co., Ltd. | 123,989 | 76,670 |
| | $ 335,132 | $ 207,690 |
| | | |
| Total Comprehensive Income Attributable to: | | |
| Owners of the Company | $ 211,093 | $ 130,766 |
| Non-controlling Interests of CHENFULL Precision Co., Ltd. | 123,961 | 76,520 |

| | | |
|---|---|---|
| | $ 335,054 | $ 207,286 |
| Cash Flow | | |
| Operating Activities | $ 309,808 | $ 156,437 |
| Investing Activities | ( 619,179 ) | ( 112,833 ) |
| Financing Activities | ( 13,526 ) | ( 326,431 ) |
| Net Cash Outflow | ($ 322,897 ) | ($ 282,827 ) |

12. Real Estate, Factory Buildings, and Equipment

| | Freehold land | Buildings | Machinery equipment | Other equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Balance as of January 1, 2024 | $ 531,576 | $ 1,104,140 | $ 1,099,251 | $ 338,148 | $ 890 | $ 3,074,005 |
| Additions | 466,387 | 1,854 | 5,014 | 5,937 | 102,959 | 582,151 |
| Disposals | - | - | ( 22,738 ) | ( 3,911 ) | - | ( 26,649 ) |
| Reclassification | 115,141 | - | 3,150 | - | - | 118,291 |
| Net Exchange Difference | - | - | 31 | 42 | - | 73 |
| Balance as of December 31, 2024 | $ 1,113,104 | $ 1,105,994 | $ 1,084,708 | $ 340,216 | $ 103,849 | $ 3,747,871 |
| Accumulated Depreciation and Impairment | | | | | | |
| Balance as of January 1, 2024 | $ - | $ 426,167 | $ 820,750 | $ 263,884 | $ - | $ 1,510,801 |
| Disposals | - | - | ( 22,423 ) | ( 3,911 ) | - | ( 26,334 ) |
| Depreciation Expense | - | 40,894 | 64,255 | 25,033 | - | 130,182 |
| Net Exchange Difference | - | - | 27 | 31 | - | 58 |
| Balance as of December 31, 2024 | $ - | $ 467,061 | $ 862,609 | $ 285,037 | $ - | $ 1,614,707 |
| Net Book Value as of December 31, 2024 | $ 1,113,104 | $ 638,933 | $ 222,099 | $ 55,179 | $ 103,849 | $ 2,133,164 |
| Cost | | | | | | |
| Balance as of January 1, 2023 | $ 387,479 | $ 1,094,030 | $ 992,250 | $ 343,541 | $ 2,604 | $ 2,819,904 |
| Additions | 166,411 | 34,124 | 67,240 | 2,348 | - | 270,123 |
| Disposals | - | ( 2,250 ) | ( 8,867 ) | ( 1,800 ) | - | ( 12,917 ) |
| Reclassification | 68,288 | 1,659 | 48,637 | ( 5,923 ) | ( 1,714 ) | 110,947 |
| Reclassified as Investment Property | ( 90,602 ) | ( 23,423 ) | - | - | - | ( 114,025 ) |
| Net Exchange Difference | - | - | ( 9 ) | ( 18 ) | - | ( 27 ) |
| Balance as of December 31, 2023 | $ 531,576 | $ 1,104,140 | $ 1,099,251 | $ 338,148 | $ 890 | $ 3,074,005 |
| Accumulated Depreciation and Impairment | | | | | | |
| Balance as of January 1, 2023 | $ - | $ 392,032 | $ 757,808 | $ 243,369 | $ - | $ 1,393,209 |
| Disposals | - | ( 2,250 ) | ( 8,850 ) | ( 1,800 ) | | ( 12,900 ) |
| Depreciation Expense | - | 41,874 | 65,878 | 28,247 | - | 135,999 |
| Reclassification | - | - | 5,923 | ( 5,923 ) | - | - |
| Reclassified as Investment Property | - | ( 5,489 ) | | - | - | ( 5,489 ) |
| Net Exchange Difference | - | - | ( 9 ) | ( 9 ) | - | ( 18 ) |
| Balance as of December 31, 2023 | $ - | $ 426,167 | $ 820,750 | $ 263,884 | $ - | $ 1,510,801 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Net Book Value as of December 31, 2023 | $ 531,576 | $ 677,973 | $ 278,501 | $ 74,264 | $ 890 | $ 1,563,204 |

The consolidated company, the Company, purchased agricultural land in the Dayuan District of Taoyuan City, covering an area of 5,639.26㎡, under land numbers 0497, 0499, and 0500, for expansion and operational needs, with a cost of NT$234,699 thousand. Due to legal restrictions, the Company is not yet allowed to register the ownership of agricultural land. Therefore, the Company entered into a name-lending agreement with an employee who holds self-cultivation status to purchase the land on its behalf. The contract specifies that the ownership of the land will be held by the Company. Additionally, the pre-registration of the land's ownership is under the Company, and the employee is prohibited from any disposition of the land without the Company’s consent.

The consolidated company’s subsidiary, CHENFULL Precision Co., Ltd., for expansion and operational needs, purchased land located at 0035-0008, Xinzhang Xiaoduan, Puzih City, with a cost of NT$581,528 thousand. Additionally, the pre-registration of the land's ownership was processed with the Chiayi County Government.

Depreciation expense is calculated using the straight-line method based on the following useful lives ：

| | |
|---|---|
| Buildings | |
| Main Factory Buildings | 5 to 56 years |
| Electrical Engineering | 20 to 21 years |
| Plumbing and Drainage Equipment | 10 to 11 years |
| Air Conditioning Equipment | 7 to 9 years |
| Other | 2 to 21 years |
| Machinery and Equipment | 2 to 11 years |
| Other Equipment | 2 to 11 years |

The consolidated company did not recognize or reverse impairment losses for the years 113 and 112.

13. Lease Agreements

A. Right-of-Use Assets

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Carrying Amount of Right-of-Use Assets | | |
| Land | $ 107,158 | $ 120,234 |

| | 2024 | 2023 |
|---|---|---|
| Depreciation Expense of Right-of-Use Assets | | |
| Land | $ 6,710 | $ 7,279 |

B. Lease liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Lease Liabilities - Book Value | | |
| Current | $ 5,651 | $ 6,328 |
| Non-Current | $ 109,798 | $ 120,964 |

The discount rate range for lease liabilities is as follows: ：

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Land | 3.126% | 2.043% |

C. Important Leasing Activities and Terms

The consolidated company leases land for use as a factory, with the lease period running from October 109 to December 117. The lease agreement was adjusted and increased starting from January 113. The new lease agreement extends the lease period from January 113 to December 129. The lessor of the land lease located in the Republic of China may adjust the lease payment according to legal provisions.

D. Other lease information

| | 2024 | 2023 |
|---|---|---|
| Short-term Lease Expenses | $ 10,214 | $ 17,725 |
| Low-value Asset Lease Expenses | $ 1,692 | $ 1,462 |
| Total Cash Outflows from Leases | ($ 21,085) | ($ 28,033) |

The consolidated company has chosen to apply the recognition exemption for leases that meet the criteria of short-term leases and leases of low-value assets, and therefore does not recognize right-of-use assets and lease liabilities for such leases.

14. Investment Property

| | Completed investment property |
|---|---|
| Cost | |
| Balance as of January 1, 2024 | $ 335,715 |
| Balance as of December 31, 2024 | $ 335,715 |
| | |
| Accumulated Depreciation and Impairment | |
| Balance as of January 1, 2024 | $ 19,891 |
| Depreciation Expense | 3,648 |
| Balance as of December 31, 2024 | $ 23,539 |
| | |
| Net Balance as of December 31, 2024 | $ 312,176 |
| | |
| Cost | |
| Balance as of January 1, 2023 | $ 221,690 |
| From Property, Plant, and Equipment | 114,025 |
| Balance as of December 31, 2023 | $ 335,715 |
| | |
| Accumulated Depreciation and Impairment | |
| Balance as of January 1, 2023 | $ 10,796 |
| Depreciation Expense | 3,606 |

| | Completed investment property |
|---|---|
| From Property, Plant, and Equipment | 5,489 |
| Balance as of December 31, 2023 | $ 19,891 |
| | |
| Net Balance as of December 31, 2023 | $ 315,824 |

The lease term for investment properties is 1 to 2 years. Tenants do not have the option to purchase the investment property at a preferential price at the end of the lease.

The consolidated company expanded the scope of investment property leases in 2022, resulting in significant changes in the cost and accumulated depreciation of investment properties for that year.

The total amount of lease payments to be received in the future for operating lease rental of investment properties is as follows：

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Year 1 | $ 3,028 | $ 2,732 |
| Year 2 | - | 58 |
| | $ 3,028 | $ 2,790 |

Depreciation expense is calculated on a straight-line basis over the following useful lives：

| | |
|---|---|
| Main Building | 20years |

The fair value of investment property as of December 31, 2024 was NT$370,105 thousand. This fair value was not appraised by an independent appraiser but was assessed by the management of the consolidated company based on the market prices of similar properties in nearby areas.

15. Other Intangible Assets

| | Cost of computer software |
|---|---|
| **Cost** | |
| Balance as of January 1, 2024 | $ 39,176 |
| Additions | 3,063 |
| Disposal | ( 1,185 ) |
| Balance as of December 31, 2024 | $ 41,054 |
| | |
| **Cumulative Amortization and Impairment** | |
| Balance as of January 1, 2024 | $ 17,730 |
| Amortization Expense | 8,622 |
| Disposal | ( 1,185 ) |
| Balance as of December 31, 2024 | $ 25,167 |
| | |
| Net Balance as of December 31, 2024 | $ 15,887 |
| | |
| **Cost** | |

| | |
|---|---|
| Balance as of January 1, 2023 | $ 39,712 |
| Additions | 8,441 |
| Disposal | ( 9,347) |
| Reclassification | 370 |
| Balance as of December 31, 2023 | $ 39,176 |
| | |
| **Cumulative Amortization and Impairment** | |
| Balance as of January 1, 2023 | $ 18,410 |
| Amortization Expense | 8,667 |
| Disposal | ( 9,347) |
| Balance as of December 31, 2023 | $ 17,730 |
| | |
| Net Balance as of December 31, 2023 | $ 21,446 |

In addition to recognizing amortization expenses, the consolidated company did not experience significant disposals or impairments of intangible assets in 2024 and 2023 years.

Amortization expenses are calculated on a straight-line basis over the following useful lives：

| | |
|---|---|
| Computer Software Costs | 1 to 5 years |

Amortization expenses summarized by function：

| | 2024 | 2023 |
|---|---|---|
| Operating Costs | $ 2,442 | $ 2,260 |
| Operating Expenses | 6,180 | 6,407 |
| | $ 8,622 | $ 8,667 |

16. Other Assets

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| **Current** | | |
| Prepayments | | |
| Prepaid Goods | $ 24,514 | $ 9,996 |
| Others | 4,298 | 3,856 |
| | $ 28,812 | $ 13,852 |
| | | |
| **Other Financial Assets – Current** | | |
| Time Deposits with Original Maturity Over 3 Months (1) | $ 18,262 | $ 16,987 |
| Pledged Time Deposits (1) | 9,046 | 9,043 |
| | $ 27,308 | $ 26,030 |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| **Other Current Assets** | | |
| Temporary Payments | $ 6,532 | $ 6,661 |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Advance Payments | 4,025 | - |
| Employee Advances | 98 | 22 |
| | $ 10,655 | $ 6,683 |

| | | |
|---|---|---|
| **Non-Current Assets** | | |
| **Other Financial Assets – Non-Current** | | |
| Pledged Time Deposits (1) (Note 31) | $ 34,543 | $ - |

| | | |
|---|---|---|
| **Other Non-Current Assets** | | |
| Other Receivables (2) | $ 73,948 | $ 73,948 |
| Other Receivables | ( 73,948) | ( 73,948) |
| Less: Allowance for Doubtful Accounts | 89,931 | 203,005 |
| Prepaid Equipment Payments | 1,114 | 1,114 |
| Land Pending Transfer (3) | 3,064 | 7,378 |
| | $ 94,109 | $ 211,497 |

A. As of December 31, 2024 and 2023, the interest rate range for time deposits and pledged time deposits with an original maturity of over 3 months was 0.54% to 3.85% and 0.42% to 3.80% per annum, respectively.

B. Other Receivables - Non-Current

The Company in the consolidated group undertook a project subcontracted by Haohan Zhongxiao Engineering Co., Ltd. (hereinafter referred to as Haohan Company). Due to disputes between both parties regarding contract interpretation, payment amounts, and deductions, the Company filed a lawsuit against Haohan Company for construction payments totaling NT$110,821 thousand. Subsequently, on September 30, 2011, except for NT$7,368 thousand, the remaining balance was settled, and Haohan Company paid the Company NT$92,499 thousand (including NT$84,851 thousand for receivables from the construction project, performance bond, and NT$7,648 thousand for litigation costs), with the settlement formalized through a notarized agreement. The lawsuit was ruled on by the High Court on March 25, 2014, which ordered Haohan Company to pay the Company NT$9,383 thousand plus interest, and the court issued a certificate of claim on July 25, 2014. As Haohan Company did not comply with the settlement terms, the Company applied for enforcement with the court. The former responsible person of Haohan Company, Mr. Chen Shuitu, was sued for NT$92,499 thousand under endorsement liability, and the lawsuit resulted in a favorable ruling. The court issued a certificate of claim, and enforcement actions have since recovered NT$10,903 thousand. The Company has fully provided for the remaining receivable of NT$73,948 thousand from Haohan Company as a 100% allowance for doubtful accounts.

C. Land Pending Transfer

For expansion purposes, the consolidated company acquired agricultural land at No. 1065-0086 and No. 0015, located in Dayuan Township, Taoyuan County, with a total area of 6,454 m², at a cost of NT$25,120 thousand. Due to legal restrictions, the Company has not yet been able to register the land ownership. Therefore, the Company (referred to as Party A) entered into an agreement on October 21, 2002, with the former Chairman of the Company, Mr. Xu Zhihong (referred to as Party B), who held self-cultivating farmer status, for Party B to act on behalf of Party A in acquiring the land. The transfer procedure was completed on November 5, 2002. The contract stipulated that Party B would waive any claims on the land ownership and, when laws allowing the transfer of agricultural land or urban planning changes occur, Party B would unconditionally provide the necessary transfer documents without causing any obstruction or requiring a price increase. In 2009, the Company obtained approval from the competent authority for a partial land use change and completed the transfer procedure. By the end of 2011, the new factory in Dayuan was completed, serving as the production base for factory engineering and pipe manufacturing.

As of December 31, 2024, there remains a portion of land, 281.98 m², subdivided from No. 1065-0015, still classified as agricultural and livestock land, reserved for government waterway management projects. This land is recorded as other non-current assets under "Other" with a value of NT$1,114 thousand.

17. Loans

A. Short-Term Loans

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured Loans | | |
| Credit Line Loans | $ 330,000 | $ 20,000 |

The interest rates for the bank's revolving loans as of December 31, 2024, and 2023 are 1.80% to 1.95% and 1.75%, respectively.

B. Long-Term Loans

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Secured Loans | | |
| Bank Loans | $ 69,458 | $ - |
| Less: Current Portion of Loans | - | - |
| Long-Term Loans | $ 69,458 | $ - |

The bank loan period is from November 28, 2024, to November 28, 2027, with a grace period. During this period, interest is paid monthly based on the loan amount. Starting from November 28, 2027, the loan will be repaid in 84 equal monthly installments, with both principal and interest. The loan maturity date is November 15, 2034. As of December 31, 2024, the effective annual interest rate is 1.35%.

This bank loan is secured by the consolidated company's own land and buildings. According to the loan agreement, once the factory construction is completed and the ownership is registered, the preliminary registration of the land for the factory located at the Chiayi plant must be canceled, and a mortgage right will be established jointly with the land.

18. Accounts Payable

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Accounts Payable Arising from Operations | $ 373,509 | $ 256,921 |

The average credit period for the purchase of certain goods is 1 to 4 months, and no interest is charged on accounts payable. The consolidated company has established financial risk management policies to ensure that all payables are settled within the pre-agreed credit terms.

19. Other Liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current Liabilities | | |
| Other Payables | | |
| Payables for Equipment | $ 4,128 | $ 7,270 |
| Payables for Salaries and Bonuses | 98,596 | 88,727 |
| Payables for Employee Benefits | 68,920 | 48,089 |
| Payables for Director's Remuneration | 8,520 | 7,820 |
| Payables for Vacation Benefits | 13,670 | 12,075 |
| Other | 81,721 | 62,874 |
| | $ 275,555 | $ 226,855 |

| | | |
|---|---|---|
| Other Current Liabilities | | |
| Advances Received | $ 774 | $ 766 |
| Amounts Collected on Behalf of Others | 2,535 | 2,528 |
| Deferred Income - Current (Note 24) | 49 | 49 |
| | $ 3,358 | $ 3,343 |
| Non-Current Liabilities | | |
| Deferred Income | | |
| Government Grants (Note 24) | $ 89 | $ 138 |
| Deposits Received | 1,118 | 1,174 |
| | $ 1,207 | $ 1,312 |

20. Retirement Benefit Plans

A. Defined Contribution Plans

The Dongguan Quanfeng Company, NEW OPPORTUNITY LIMITED, and CHEN FULL HOLDING CO., LTD. in the consolidated group do not have employee retirement plans in place, and the local government does not have any mandatory employee retirement regulations. Therefore, the International Accounting Standard No. 19 does not apply to these entities.

The Company, Qianfu Precision Company, and Quanfeng Company in the consolidated group apply the "Labor Pension Act" retirement system, which is a government-managed defined contribution retirement plan. According to this system, 6% of the employee's monthly salary is contributed to their individual account in the Labor Insurance Bureau.

B. Defined Benefit Plans

The Company and Qianfu Precision Company in the consolidated group have a retirement system under the "Labor Standards Act" that is a government-managed defined benefit retirement plan. The pension payments to employees are calculated based on the length of service and the average wage of the last 6 months prior to retirement. The Company contributes 2% of the employee's monthly salary to the retirement fund, which is deposited into a special account at Taiwan Bank under the name of the Labor Retirement Fund Supervisory Committee. If the estimated balance in the special account is insufficient to cover pensions for workers who meet retirement conditions in the following year, the shortfall will be made up by an additional contribution before the end of March in the next year. The special account is managed by the Labor Fund Management Bureau of the Ministry of Labor, and the consolidated company has no rights to influence investment management strategies.

The amounts related to the defined benefit plan included in the consolidated balance sheet are as follows：

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Present Value of Defined Benefit Obligation | $ 26,933 | $ 28,811 |
| Fair Value of Plan Assets | ( 5,150) | ( 1,580) |
| Net Defined Benefit Liability | $ 21,783 | $ 27,231 |

The changes in the net defined benefit liability are as follows：

| | Present Value of Defined Benefit Obligation | Fair Value of Plan Assets | Net Defined Benefit Liability |
|---|---|---|---|
| January 1, 2024 | $ 28,811 | ($ 1,580) | $ 27,231 |
| Interest Expense (Income) | 353 | ( 23) | 330 |
| Recognized in Profit or Loss | 353 | ( 23) | 330 |
| Remeasurements | | | |
| Return on Plan Assets (excluding amounts included in net interest) | - | ( 613) | ( 613) |
| Actuarial Gains - Changes in Financial Assumptions | ( 1,159) | - | ( 1,159) |
| Actuarial Gains - Experience Adjustments | ( 370) | - | ( 370) |
| Recognized in Other Comprehensive Income | ( 1,529) | ( 613) | ( 2,142) |
| Employer Contributions | - | ( 3,636) | ( 3,636) |
| Benefit Payments | ( 702) | 702 | - |
| December 31, 2024 | $ 26,933 | ($ 5,150) | $ 21,783 |
| | | | |
| January 1, 2023 | $ 38,930 | ($ 11,764) | $ 27,166 |
| Interest Expense (Income) | 659 | ( 206) | 453 |
| Recognized in Profit or Loss | 659 | ( 206) | 453 |
| Remeasurements | | | |
| Return on Plan Assets (excluding amounts included in net interest) | - | ( 17) | ( 17) |
| Actuarial Losses - Changes in Financial Assumptions | 2,237 | - | 2,237 |
| Actuarial Gains - Experience Adjustments | ( 1,338) | - | ( 1,338) |
| Recognized in Other Comprehensive Income | 899 | ( 17) | 882 |
| Employer Contributions | - | ( 528) | ( 528) |
| Benefit Payments | ( 11,677) | 10,935 | ( 742) |
| December 31, 2023 | $ 28,811 | ($ 1,580) | $ 27,231 |

The amounts recognized in profit or loss for the defined benefit plan are summarized by function as follows：

| | 2024 | 2023 |
|---|---|---|
| Cost of Goods Sold (COGS) | $ 66 | $ 118 |
| Selling Expenses | 31 | 33 |
| Administrative Expenses | 186 | 253 |

| | 2024 | 2023 |
|---|---|---|
| Research and Development Expenses (R&D) | 47 | 49 |
| | $ 330 | $ 453 |

The consolidated company is exposed to the following risks under the retirement pension system of the "Labor Standards Act":

(1) Investment Risk: The Ministry of Labor's Labor Fund Management Bureau invests the labor retirement fund in domestic (and foreign) equity securities, debt securities, and bank deposits through self-management and entrusted management. However, the amount allocated to the company's plan assets is based on the returns calculated at no less than the local bank's 2-year fixed deposit interest rate.

(2) Interest Rate Risk: A decrease in government bond interest rates will increase the present value of defined benefit obligations, but the return on debt investments in the plan assets will also increase accordingly, which partially offsets the impact on the net defined benefit liability.

(3) Salary Risk: The present value of defined benefit obligations is calculated based on the future salaries of plan members. Therefore, an increase in the salaries of plan members will increase the present value of the defined benefit obligations.

The present value of the consolidated company's defined benefit obligations is actuarially calculated by a qualified actuary, with the significant assumptions for the measurement date as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount Rate | 1.5083%~1.5022% | 1.222%~1.249% |
| Expected Salary Increase Rate | 2.5000% | 2.000%~3.000% |

The mortality rate is based on the 2021 Taiwan Life Insurance Industry's 6th Experience Life Table.

The disability rate is based on 10% of the expected mortality rate.

The turnover rate is based on data from past employee turnover experiences provided by the Company and Qianfu Precision Company, as well as consideration of future trends, and is adopted after smoothing.

If significant actuarial assumptions undergo reasonable possible changes while keeping all other assumptions unchanged, the following amounts will cause an increase (decrease) in the present value of the defined benefit obligations:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount Rate | | |
| Increase by 0.5% | ($ 879) | ($ 1,013) |
| Decrease by 0.5% | $ 933 | $ 1,079 |
| Expected Salary Increase Rate | | |
| Increase by 0.5% | $ 996 | $ 1,132 |
| Decrease by 0.5% | ($ 945) | ($ 1,071) |

Due to the potential correlation between actuarial assumptions, the likelihood of a change in a single assumption is low. Therefore, the above sensitivity analysis may not reflect the actual changes in the present value of defined benefit obligations.

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Expected Contributions within 1 Year | $ 459 | $ 543 |
| Average Duration of Defined Benefit Obligation | 6.98~12years | 7.51~13years |

21. Equity

A. Share Capital

Common Stock

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Authorized Shares (in Thousand Shares) | 150,000 | 150,000 |
| Authorized Capital | $ 1,500,000 | $ 1,500,000 |
| Issued Shares with Paid-in Capital (in Thousand Shares) | 113,761 | 113,761 |
| Issued Capital | $ 1,137,605 | $ 1,137,605 |

The issued common stock has a par value of NT$10 per share, with each share entitled to one vote and the right to receive dividends.

B. Capital Reserve

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Available for Loss Offset, Cash Distribution, or Capital Increase (Note 1) | | |
| Premium on Stock Issuance | $ 258,010 | $ 258,010 |
| Premium on Convertible Bonds | 207,018 | 207,018 |
| Treasury Stock Transactions | 1,863 | 1,440 |
| Difference Between Actual Acquisition/Disposition of Subsidiary's Equity and Book Value | 544,174 | 544,174 |
| Merger Premium | 10,618 | 10,618 |
| Available Only for Loss Offset | | |
| Recognition of Changes in Ownership Interests in Subsidiaries (Note 2) | 211,006 | 211,006 |
| | $ 1,232,689 | $ 1,232,266 |

Note 1: This type of capital reserve can be used to cover losses, and can also be used to distribute cash or increase capital when the company has no losses. However, when increasing capital, it is limited to a certain percentage of the paid-in capital per year.

Note 2: This type of capital reserve refers to the equity transaction effects recognized due to changes in the equity of subsidiaries when the company has not actually acquired or disposed of subsidiary shares, or adjustments to the company's capital reserve recognized under the equity method for subsidiaries.

C. Retained Earnings and Dividend Policy

According to the Articles of Incorporation of the Company, if there is profit at the end of the fiscal year, the Company shall pay taxes in accordance with the law and make up for any previous years' losses, allocate 10% to statutory surplus reserve, but if the accumulated statutory surplus reserve reaches the total capital of the Company, this requirement does not apply. Furthermore, according to the law, the Company shall allocate or reverse special surplus reserves or retained earnings, and if there is still remaining profit, along with any accumulated undistributed earnings, the Board of Directors will prepare a dividend distribution proposal based on the Company's dividend policy, which will be submitted to the shareholders' meeting for approval, and the distribution will be made proportionally based on the total number of shares. For the employee and director remuneration distribution policy, please refer to Note 23 (7) "Employee Remuneration and Director Remuneration."

The Company's dividend policy takes into consideration the overall operating environment and industry characteristics, as well as the Company's future financial structure and capital budget. A comprehensive assessment of profitability, undistributed earnings, and capital reserves will be conducted to propose an appropriate dividend distribution plan, with a principle of not less than 50% of the annual distributable earnings to ensure stable development and maximize shareholder interests. The cash dividend portion shall not be less than 10% of the total dividend for the year.

The statutory surplus reserve must be allocated until it reaches the total paid-in capital of the Company. The statutory surplus reserve may be used to cover losses. If the Company has no losses, the portion of the statutory surplus reserve exceeding 25% of the paid-in capital may be used to either increase capital or be distributed in cash.

The Company held the shareholders' meetings on May 30, 2024, and May 31, 2023, respectively, to resolve the profit distribution proposals for the years 112 and 111 as follows:

| | Appropriation of earnings | |
|---|---|---|
| | For the year ended December 31, 2023 | For the year ended December 31, 2022 |
| Legal Reserve | $ 16,720 | $ 28,012 |
| Special Reserve | $ 2,385 | ($ 5,033) |
| Cash Dividend | $ 169,636 | $ 282,726 |
| Cash Dividend Per Share (in NTD) | $ 1.5 | $ 2.5 |

The Company's Board of Directors proposed the profit distribution plan for the year 2024 on March 3, 2025, as follows：

| | Appropriation of earnings |
|---|---|
| Legal Reserve | $ 39,616 |
| Special Reserve | ($ 15,490) |
| Cash Dividend | $ 282,726 |
| Cash Dividend Per Share (in NTD) | $ 2.5 |

The 113th-year profit distribution plan is pending approval at the shareholders' meeting scheduled for May 26, 2024.

D. Other equity items

(1) Exchange differences from the translation of foreign operations' financial statements.

| | 2024 | 2023 |
|---|---|---|
| Beginning Balance | ($ 18,647) | ($ 16,964) |
| Generated in the Current Year | | |
| Exchange Differences Arising from the Translation of Foreign Operations' Net Assets | 3,387 | ( 1,683) |
| Other Comprehensive Income for the Year | 3,387 | ( 1,683) |
| Ending Balance | ($ 15,260) | ($ 18,647) |

(2) Unrealized gains and losses on financial assets measured at fair value through other comprehensive income

| | 2024 | 2023 |
|---|---|---|
| Beginning Balance | $ 3,156 | $ 3,858 |
| Generated in the Current Year | | |
| Unrealized Gains and Losses | | |
| Equity Instruments | 41,096 | ( 702) |
| Other Comprehensive Income for the Year | 41,096 | ( 702) |
| Ending Balance | $ 44,252 | $ 3,156 |

E. Treasury stock

| Purpose of buyback | Shares dividend (in thousands of shares) | Shares transferred to employees (in thousands of shares) | Buyback for retirement (in thousands of shares) | Shares held by subsidiaries (in thousands of shares) | Total (in thousands of shares) |
|---|---|---|---|---|---|
| Number of Shares on January 1, 2024 | 63 | 670 | - | 219 | 952 |
| Number of Shares on December 31, 2024 | 63 | 670 | - | 219 | 952 |
| Number of Shares on January 1, 2023 | 63 | 670 | - | 219 | 952 |
| Number of Shares on December 31, 2023 | 63 | 670 | - | 219 | 952 |

The relevant information regarding the subsidiary's holding of the Company’s stock as of the balance sheet date is as follows：

| Name of subsidiary | Number of shares held (in thousands of shares) | Carrying amount | Market price |
|---|---|---|---|
| December 31, 2024 | | | |
| Chenfeng Machinery & Enterprise Co., Ltd. | 282 | $ 12,792 | $ 12,792 |
| December 31, 2023 | | | |
| Chenfeng Machinery & Enterprise Co., Ltd. | 282 | $ 10,735 | $ 10,735 |

The subsidiary holding shares of Qianfu Company is treated as treasury stock, with the exception of being unable to participate in Qianfu Company's cash capital increase and having no voting rights, while all other rights are the same as those of general shareholders.

F. Non-controlling interests

| | 2024 | 2023 |
|---|---|---|
| Beginning Balance | $ 682,543 | $ 716,029 |
| Net Income for the Year | 123,989 | 76,670 |
| Other Comprehensive Income for the Year | | |
| Remeasurement of Defined Benefit Plans | ( 28) | ( 150) |
| Cash Dividends to Shareholders of ChenFull Precision Subsidiary | ( 65,673) | ( 118,211) |
| Disposal of Shares in ChenFull Precision Co., Ltd. by Chenfeng Company (Note 27) | - | 8,205 |
| Ending Balance | $ 740,831 | $ 682,543 |

22. Revenue

| | 2024 | 2023 |
|---|---|---|
| Revenue from Contracts with Customers | | |
| Sales Revenue | $ 1,876,351 | $ 1,767,328 |
| Construction Revenue | 1,083,893 | 854,245 |
| Service Revenue | 7,272 | 6,858 |
| | $ 2,967,516 | $ 2,628,431 |

A. Customer Contracts Description

(1) Sales Revenue

Since the customer has the right to determine the price and use the goods, and bears the primary responsibility for resale and the risk of obsolescence upon arrival at the customer's designated location, the company recognizes revenue and accounts receivable at that point in time.

(2) Construction Revenue

For real estate construction contracts where the property is under the customer's control during the construction process, the company recognizes revenue progressively over time.

(3) Service Revenue

Service revenue is derived from the operation services of the business center.

B. Contract Balances

| | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| Trade receivables (Note 9) | $ 553,482 | $ 336,922 | $ 510,727 |
| Contract Assets - Current | | | |
| Construction Contracts | $ 1,064,373 | $ 534,092 | $ 973,050 |
| Contract Liabilities - Current | | | |
| Goods Sales | $ 31,127 | $ 40,875 | $ 49,820 |
| Construction Contracts | 114,135 | 151,529 | 125,418 |
| | $ 145,262 | $ 192,404 | $ 175,238 |

23. Net Income from Continuing Operations

A. Interest Income

| | 2024 | 2023 |
|---|---|---|
| Bank Deposits | $ 12,327 | $ 6,610 |
| Reverse Repurchase Agreements | 18,033 | 9,023 |
| Financial Assets Measured at Fair Value Through Profit or Loss | 1,455 | 666 |
| Others | 66 | 90 |
| | $ 31,881 | $ 16,389 |

B. Other Income

| | 2024 | 2023 |
|---|---|---|
| Rental Income | $ 1,273 | $ 1,329 |
| Dividend Income | 8,797 | 9,277 |
| Government Grant Income (Note 24) | 10,602 | - |
| Other Income | 5,642 | 4,759 |
| | $ 26,314 | $ 15,365 |

C. Other Gains and Losses

| | 2024 | 2023 |
|---|---|---|
| Gain on Disposal of Property, Plant, and Equipment | $ 4,484 | $ 470 |
| Gain on Disposal of Financial Assets | | |
| Financial Assets Measured at Fair Value Through Profit or Loss | 6,138 | 22,645 |
| Gain on Financial Assets | | |
| Financial Assets Measured at Fair Value Through Profit or Loss | 12,725 | 4,210 |
| Net Foreign Exchange Gain (Loss) | 48,368 | ( 13,975) |
| Other Losses | ( 13,044) | ( 736) |
| | $ 58,671 | $ 12,614 |

D. Financial Costs

| | 2024 | 2023 |
|---|---|---|

| | 2024 | 2023 |
|---|---|---|
| Interest on Bank Loans | $ 9,362 | $ 1,197 |
| Interest on Short-term Notes | 37 | - |
| Interest on Lease Liabilities | 3,702 | 2,248 |
| Other Interest Expenses | 29 | - |
| Less: Amount Included in the Cost of Qualifying Assets | ( 64 ) | - |
| | $ 13,066 | $ 3,445 |

The relevant information on interest capitalization is as follows：

| | 2024 | 2023 |
|---|---|---|
| Interest Capitalization Amount | $ 64 | $ - |
| Interest Capitalization Rate | 1.35% | - |

E. Depreciation and Amortization

| | 2024 | 2023 |
|---|---|---|
| Property, Plant and Equipment | $ 130,182 | $ 135,999 |
| Investment Property | 3,648 | 3,606 |
| Right-of-Use Assets | 6,710 | 7,279 |
| Intangible Assets | 8,622 | 8,667 |
| | $ 149,162 | $ 155,551 |
| Depreciation Expense Summarized by Function | | |
| Cost of Sales | $ 126,143 | $ 127,778 |
| Operating Expenses | 14,397 | 19,106 |
| | $ 140,540 | $ 146,884 |

| | 2024 | 2023 |
|---|---|---|
| Amortization Expense Summarized by Function | | |
| Cost of Sales | $ 2,442 | $ 2,260 |
| Operating Expenses | 6,180 | 6,407 |
| | $ 8,622 | $ 8,667 |

F. Employee Welfare Expenses

| | 2024 | 2023 |
|---|---|---|
| Post-employment Benefits (Note 20) | | |
| Defined Contribution Plan | $ 23,735 | $ 25,196 |
| Defined Benefit Plan | 330 | 453 |
| | 24,065 | 25,649 |
| Other Employee Benefits | 663,617 | 657,831 |
| Total Employee Benefit Expenses | $ 687,682 | $ 683,480 |
| | | |
| Summarized by Function | | |
| Cost of Sales | $ 428,815 | $ 448,570 |
| Operating Expenses | 258,867 | 234,910 |

| | 2024 | 2023 |
|---|---|---|
| | $ 687,682 | $ 683,480 |

G. Employee Compensation and Director Remuneration

The Company allocates employee compensation and director remuneration based on the pre-tax profits of the current year, with employee compensation allocated at no less than 2% and director remuneration at no more than 2%. The employee compensation and director remuneration for the years 2024 and 2023 were approved by the board of directors on March 3, 2025, and February 22, 2024, respectively, as follows:

Accrual rate

| | 2024 | 2023 |
|---|---|---|
| Employee Compensation | 5.18% | 5.27% |
| Director Compensation | 0.98% | 1.99% |

Amount

| | 2024 | 2023 |
|---|---|---|
| | Cash | Cash |
| Employee Compensation | $ 23,865 | $ 10,090 |
| Director Compensation | 4,500 | 3,800 |

After the annual consolidated financial report is approved for release, if there are any changes in amounts, they will be processed according to accounting estimates and adjusted in the next year's entries.

The actual distribution amounts of employee compensation and director remuneration approved by the board of directors for the years 2023 and 2022 are consistent with the amounts recognized in the consolidated financial reports for those years.

For information regarding employee compensation and director remuneration decided by the board of directors of the Company, please refer to the "Public Information Observation Station" of the Taiwan Stock Exchange.

24. Government Grants

The consolidated company received a government grant of 390 thousand yuan in November 108 for power and public utility equipment. This amount has been recognized as deferred income and is transferred to profit or loss over the useful life of the related assets.

The consolidated company recognized income of 49 thousand yuan in both 2024 and 2023 years.

In December 2024, the consolidated company received a transformation subsidy of 10,561 thousand yuan from the Ministry of Economic Affairs based on the "Post-Pandemic Strengthening of Economic and Social Resilience and Shared Economic Benefits Special Act" and the "Measures for Promoting Industrial and SME Upgrading and Transformation by the Ministry of Economic Affairs," as well as an exhibition subsidy of 41 thousand yuan from the Mechanical Industry Association, which was recorded under other income.

25. Income tax of continuing operations

A. The main components of income tax expense recognized in profit or loss are as follows:

| | 2024 | 2023 |
|---|---|---|
| Current Income Tax | | |
| Current Year Generated | $ 113,259 | $ 56,483 |

| | 2024 | 2023 |
|---|---|---|
| Adjustments from Prior Years | ( 2,047 ) | 427 |
| Repatriation of Offshore Funds | - | 8,871 |
| | 111,212 | 65,781 |
| Deferred Income Tax | | |
| Current Year Generated | 8,218 | ( 8,151 ) |
| Adjustments from Prior Years | ( 480 ) | 690 |
| | 7,738 | ( 7,461 ) |
| Income Tax Expense Recognized in Profit or Loss | $ 118,950 | $ 58,320 |

The reconciliation between accounting income and the current income tax expense is as follows：

| | 2024 | 2023 |
|---|---|---|
| Pre-tax Profit from Continuing Operations | $ 637,361 | $ 302,745 |
| | | |
| Income Tax Expense Calculated on Pre-tax Profit at Statutory Tax Rate (20%) | $ 127,472 | $ 60,549 |
| Non-deductible Expenses for Tax Purposes | 45 | 1,881 |
| Basic Tax Differential | 760 | 2,070 |
| Tax-exempt Income | ( 3,036 ) | ( 8,337 ) |
| Repatriation of Offshore Funds | - | 8,871 |
| Current Period Investment Tax Credit | ( 3,847 ) | ( 7,991 ) |
| Subsidiaries Operating in Other Jurisdictions | 83 | 160 |
| Impact of Different Tax Rates | ( 2,047 ) | 427 |
| Adjustments of Current Income Tax Expense from Prior Years in Current Year | ( 480 ) | 690 |
| Adjustments of Deferred Income Tax Expense from Prior Years in Current Period | $ 118,950 | $ 58,320 |

The tax rate applicable to the individual entities under the Income Tax Act of the Republic of China is 20%. Additionally, the tax rate for subsidiaries in mainland China is 25%, and the tax amounts for other jurisdictions are calculated based on the applicable tax rates of those respective jurisdictions.

B. Income Tax Recognized in Other Comprehensive Income

| | 2024 | 2023 |
|---|---|---|
| Deferred Tax | | |
| Current Year Generated | | |
| Foreign Operations Translation | ($ 847 ) | $ 419 |
| Remeasurement of Defined Benefit Plans | ( 428 ) | 176 |
| Income Tax Recognized in Other Comprehensive Income | ($ 1,275 ) | $ 595 |

C. Current Period Income Tax Assets and Liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current Tax Assets | | |
| Tax Refund Receivables | $ 94 | $ 84 |
| Current Tax Liabilities | | |
| Income Taxes Payable | $ 74,695 | $ 17,911 |

D. Deferred Tax Assets and Liabilities

The changes in deferred tax assets and liabilities are as follows:

2024

| | Opening balance | Recognized in profit or loss | Recognized in other comprehensive income | Closing balance |
|---|---|---|---|---|
| Deferred Tax Assets | | | | |
| Temporary Differences | | | | |
| Unrealized Cost of Goods Sold | $ 5,349 | ($ 1,496) | $ - | $ 3,853 |
| Accrued Vacation Pay | 1,179 | 319 | - | 1,498 |
| Unrealized Foreign Exchange Gains or Losses | 4,806 | ( 4,806) | - | - |
| Unrealized Inventory Impairment and Obsolescence Losses | 13,097 | ( 623) | - | 12,474 |
| Allowance for Doubtful Accounts Over Limit | 17,755 | 568 | - | 18,323 |
| Defined Benefit Retirement Plans | 6,403 | ( 661) | ( 428) | 5,314 |
| Foreign Operations Translation Differences | 2,995 | - | ( 847) | 2,148 |
| Financial Assets Measured at Fair Value Through Profit or Loss | 1,528 | ( 1,308) | - | 220 |
| | 53,112 | ( 8,007) | ( 1,275) | 43,830 |
| Loss Carryforwards | ( 480) | 1,458 | - | 978 |
| | $ 52,632 | ($ 6,549) | ($ 1,275) | $ 44,808 |
| Deferred Tax Liabilities | | | | |
| Temporary Differences | | | | |
| Overseas Investments | ($ 13,473) | $ 1,497 | $ - | ($ 11,976) |
| Unrealized Inventory Impairment and Obsolescence Recovery Gains | ( 180) | 180 | - | - |
| Unrealized Foreign Exchange Gains or Losses | - | ( 1,562) | - | ( 1,562) |
| Allowance for Doubtful Accounts Over Limit | ( 294) | ( 68) | - | ( 362) |
| Financial Assets Measured at Fair Value Through Profit or Loss | - | ( 1,236) | - | ( 1,236) |
| | ($ 13,947) | ($ 1,189) | $ - | ($ 15,136) |

2023

| | Opening balance | Recognized in profit or | Recognized in other | Closing balance |
|---|---|---|---|---|

| | | loss | comprehensive income | |
|---|---|---|---|---|
| Deferred Tax Assets | | | | |
| Temporary Differences | | | | |
| Unrealized Cost of Goods Sold | $ 1,705 | $ 3,644 | $ - | $ 5,349 |
| Accrued Vacation Pay | 1,268 | ( 89 ) | - | 1,179 |
| Unrealized Foreign Exchange Gains or Losses | 76 | 4,730 | - | 4,806 |
| Unrealized Inventory Impairment and Obsolescence Losses | 14,535 | ( 1,438 ) | - | 13,097 |
| Allowance for Doubtful Accounts Over Limit | 17,016 | 739 | - | 17,755 |
| Defined Benefit Retirement Plans | 6,393 | ( 166 ) | 176 | 6,403 |

| | Opening balance | Recognized in profit or loss | Recognized in other comprehensive income | Closing balance |
|---|---|---|---|---|
| Foreign Operations Translation Differences | $ 2,576 | $ - | $ 419 | $ 2,995 |
| Financial Assets Measured at Fair Value Through Profit or Loss | 2,371 | ( 843 ) | - | 1,528 |
| | 45,940 | 6,577 | 595 | 53,112 |
| Loss Carryforwards | 772 | ( 1,252 ) | - | ( 480 ) |
| | $ 46,712 | $ 5,325 | $ 595 | $ 52,632 |
| Deferred Tax Liabilities | | | | |
| Temporary Differences | | | | |
| Overseas Investments | ( $ 13,551 ) | $ 78 | $ - | ( $ 13,473 ) |
| Unrealized Inventory Impairment and Obsolescence Recovery Gains | - | ( 180 ) | - | ( 180 ) |
| Unrealized Foreign Exchange Gains or Losses | ( 2,263 ) | 2,263 | - | - |
| Allowance for Doubtful Accounts Over Limit | ( 269 ) | ( 25 ) | - | ( 294 ) |
| | ( $ 16,083 ) | $ 2,136 | $ - | ( $ 13,947 ) |

E. Income Tax Assessment

The income tax filings for Qianfu Company, Qianfu Precision Company, and Quanfeng Company have been assessed and approved by the tax authority up to the year2022.

26. Earnings per Share

The earnings and weighted average number of common shares used to calculate earnings per share are as follows:

| Net profit for the period | For the year ended December 31, 2024 | For the year ended December 31, 2023 |
|---|---|---|
| Net Income Used to Calculate Basic Earnings Per Share | $ 394,422 | $ 167,755 |

Net profit for the period

| | For the year ended December 31, 2024 | For the year ended December 31, 2023 |
|---|---|---|
| Net Income Used to Calculate Diluted Earnings Per Share | $ 394,422 | $ 167,755 |

Number of ordinary shares (in thousands of shares)

| | 2024 | 2023 |
|---|---|---|
| Weighted Average Shares of Common Stock Used to Calculate Basic Earnings Per Share | 112,809 | 112,809 |
| Effect of Potential Dilutive Common Shares | | |
| Employee Compensation | 563 | 334 |
| Weighted Average Shares of Common Stock Used to Calculate Diluted Earnings Per Share | 113,372 | 113,143 |

If the consolidated company has the option to issue stock or cash as employee compensation, when calculating diluted earnings per share, it is assumed that employee compensation will be issued in the form of stock. The weighted average number of shares outstanding will include these potential common shares with a dilutive effect in the calculation of diluted earnings per share. Even before the decision on the number of shares to be issued for employee compensation in the next year, the dilutive effect of these potential common shares will continue to be considered when calculating diluted earnings per share.

27. Equity transactions with non-controlling interests

The consolidated company's subsidiary, CHENFULL Precision Co., Ltd., disposed of all the shares of Chien Fu Precision Company between April and May of 2023, resulting in a decrease in its ownership percentage from 0.41% to 0%.

| | (April to May 2023) CHENFULL Precision Co., Ltd. |
|---|---|
| Cash Consideration Received | $ 32,673 |
| Amount Transferred to Non-controlling Interests Based on Changes in Proportionate Share of Subsidiary's Net Assets | ( 8,205) |
| Amount of Income Tax Impact from Equity Transactions Transferred to Capital Surplus | ( 1,468) |
| Equity Transaction Difference | $ 23,000 |
| | |
| Adjustment Account for Equity Transaction Difference | |
| Capital Surplus - Difference Between Actual Purchase or Sale Price of Subsidiary's Equity and its Book Value | $ 23,000 |

Since the aforementioned transactions did not change the consolidated company's control over these subsidiaries, the consolidated company treats them as equity transactions.

28. Capital Risk Management

The consolidated company manages its capital to ensure that the enterprises within the group can continue as going concerns, optimizing the balance between debt and equity to maximize shareholder returns.

The capital structure of the consolidated company consists of the net debt (i.e., borrowings minus cash and cash equivalents) and the equity attributable to the company's shareholders (i.e., share capital, capital surplus, retained earnings, and other equity items).

The consolidated company is not subject to any external capital requirements.

The senior management of the consolidated company reviews the group's capital structure annually, considering the costs of different types of capital and the associated risks. Based on the recommendations of senior management, the consolidated company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, issuing new debt, or repaying existing debt.

29. Financial Instruments

A. Fair Value Information – Financial Instruments Not Measured at Fair Value

The management of the consolidated company believes that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values.

B. Value Information – Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial Assets Measured at Fair Value Through Profit or Loss | | | | |
| Domestic Listed (OTC) Stocks | $ 58,188 | $ - | $ - | $ 58,188 |
| Fund Beneficiary Certificates | 73,326 | - | - | 73,326 |
| | $ 131,514 | $ - | $ - | $ 131,514 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income | | | | |
| Equity Instruments Investments | | | | |
| - Domestic Emerging OTC Stocks | $ - | $ - | $ 1,726 | $ 1,726 |
| - Domestic Unlisted (OTC) Stocks | - | - | 150,722 | 150,722 |
| | $ - | $ - | $ 152,448 | $ 152,448 |

December 31, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial Assets Measured at Fair Value Through Profit or Loss | | | | |
| Domestic Listed (OTC) Stocks | $ 35,696 | $ - | $ - | $ 35,696 |
| Fund Beneficiary Certificates | 93,355 | - | - | 93,355 |
| | $ 129,051 | $ - | $ - | $ 129,051 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income | | | | |
| Equity Instruments Investments | | | | |
| - Domestic Emerging OTC Stocks | $ - | $ - | $ 1,062 | $ 1,062 |
| - Domestic Unlisted (OTC) Stocks | - | - | 30,084 | 30,084 |
| | $ - | $ - | $ 31,146 | $ 31,146 |

For the years 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

2. Adjustments for Financial Instruments Measured at Level 3 Fair Value

2024

| Financial Assets | Financial Assets Measured at Fair Value Through Other Comprehensive Income Equity Instruments |
|---|---|
| Beginning Balance | $ 31,146 |
| Purchases | 80,206 |
| Recognized in Other Comprehensive Income (Unrealized Valuation Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income) | 41,096 |
| Ending Balance | $ 152,448 |

2023

| Financial Assets | Financial Assets Measured at Fair Value Through Other Comprehensive Income Equity Instruments |
|---|---|
| Beginning Balance | $ 31,848 |
| Recognized in Other Comprehensive Income (Unrealized Valuation Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income) | ( 702) |
| Ending Balance | $ 31,146 |

3. Valuation Techniques and Assumptions Used in Measuring Fair Value

Fair value of financial assets and liabilities is determined as follows:

Financial assets and liabilities with standard terms and conditions that are actively traded in the market have their fair values determined based on market quotations. If no market price is available, an appraisal method is used. The estimates and assumptions employed in the appraisal method by the consolidated company are consistent with those used by market participants when pricing financial instruments.

**Stocks Without a Public Quotation**

The consolidated financial statements include stocks measured at fair value that do not have a public quotation. The fair value is determined using market-based appraisal methods—specifically, the price-earnings ratio and the price-to-book ratio methods—to assess a reasonable fair value.

C. Types of Financial Instruments

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Financial Assets | | |
| Measured at Fair Value Through Profit or Loss | | |
| Mandatorily Measured at Fair Value Through Profit or Loss | $ 131,514 | $ 129,051 |
| Financial Assets Measured at Amortized Cost (Note 1) | 1,093,663 | 1,371,360 |
| Pledged Deposits | 3,064 | 7,378 |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income | | |
| Equity Instruments Investments | 152,448 | 31,146 |
| Financial Liabilities | | |
| Measured at Amortized Cost (Note 2) | 852,721 | 341,026 |
| Deposits Received | 1,118 | 1,174 |

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, and other financial assets.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, accounts payable, other payables (excluding employee benefits payables), and long-term borrowings.

D. Financial Risk Management Objectives and Policies

The consolidated company's risk management objectives primarily focus on managing market risk, credit risk, and liquidity risk related to operational activities. The company identifies, measures, and manages these risks in accordance with the group's policies and risk preferences.

The consolidated company has established appropriate policies, procedures, and internal controls for managing the aforementioned financial risks in compliance with relevant regulations. Significant financial activities are subject to review by the Board of Directors according to applicable regulations and internal control systems. During the financial management activities, the consolidated company must strictly adhere to the established financial risk management regulations.

(1) Market Risk

The main financial risks undertaken by the consolidated company due to its operations are the risks associated with foreign currency exchange rate fluctuations (refer to (1) below) and interest rate fluctuations (refer to (2) below).

a. Exchange Rate Risk

As of the balance sheet date, the carrying amounts of monetary assets and liabilities denominated in non-functional currencies (including non-functional currency-denominated monetary items eliminated in the consolidated financial statements) are as disclosed in Note 33.

**Sensitivity Analysis**

The consolidated company is mainly affected by fluctuations in the US dollar exchange rate.

The table below details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan Dollar (functional currency) against relevant foreign currencies increases or decreases by 1%. The 1% sensitivity ratio is used internally within the group for reporting exchange rate risks to the management and represents the management's assessment of the reasonable potential fluctuations in foreign exchange rates. Positive numbers in the table indicate the amount by which pre-tax net income or equity will increase if the New Taiwan Dollar depreciates by 1% against the respective foreign currencies. If the New Taiwan Dollar appreciates by 1% against the respective foreign currencies, the impact on pre-tax net income or equity will be the same amount, but with a negative sign.

| | Impact of US Dollar | |
|---|---|---|
| | 2024 | 2023 |
| Profit or Loss | $ 5,717 | $ 6,858 |

b. Interest Rate Risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates.

As of the balance sheet date, the carrying amounts of the financial assets and liabilities of the consolidated company exposed to interest rate risk are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Fair Value Interest Rate Risk | | |
| Financial Assets | $ 160,128 | $ 530,595 |
| Financial Liabilities | 514,906 | 147,292 |
| Cash Flow Interest Rate Risk | | |
| Financial Assets | 353,863 | 475,761 |

**Sensitivity Analysis**

The fixed-rate financial assets and liabilities held by the consolidated company are measured at amortized cost and therefore are not included in the analysis. The sensitivity analysis for interest rate risk is calculated based on the financial assets as of the balance sheet date. The consolidated company uses a 0.25% increase/decrease in market interest rates as a reasonable risk assessment to report interest rate changes to management. Assuming all other variables remain unchanged, a 0.25% increase/decrease in market interest rates would result in a pre-tax net profit increase/decrease of NT$885 thousand and NT$1,189 thousand for the years 113 and 112, respectively, from January 1 to December 31.

c. Other Price Risk

The consolidated company faces equity price exposure from investments in equity securities and fund income certificates.

**Sensitivity Analysis**

The following sensitivity analysis is conducted based on equity price exposure as of the balance sheet date.

If equity prices rise/fall by 5%, pre-tax profit for the periods from January 1 to December 31 in both 113 and 112 would increase/decrease by NT$6,576 thousand and NT$6,453 thousand, respectively, due to the change in fair value of financial assets measured at fair value through profit or loss. Pre-tax other comprehensive income for the same periods would increase/decrease by NT$7,622 thousand and NT$1,557 thousand, respectively, due to the change in the fair value of financial assets measured at fair value through other comprehensive income.

The sensitivity of the consolidated company’s equity securities investment has not significantly changed compared to the previous year.

(2) Credit Management

Credit risk refers to the risk of financial loss to the group arising from a counterparty's failure to meet its contractual obligations. As of the balance sheet date, the maximum credit risk exposure, resulting from counterparties not fulfilling their obligations, primarily originates from the carrying amounts of financial assets recognized on the consolidated balance sheet.

The consolidated company’s policy is to transact only with reputable counterparties and, when necessary, obtain sufficient collateral to mitigate the risk of financial loss due to defaults. To reduce credit risk, management has established control procedures for determining and approving credit limits to ensure the collection of overdue receivables. In addition, on the balance sheet date, the company reviews each receivable to ensure that any uncollectible amounts have been appropriately impaired. Based on this, management believes that the credit risk of the consolidated company has been significantly reduced and is considered limited.

The credit risk of the consolidated company is primarily concentrated in its top five customers. As of December 31, 2024 and 2023, the accounts receivable from the top five customers accounted for 61% and 66% of the total receivables, respectively, while the credit concentration risk of other receivables is relatively insignificant.

(3) Liquidity Risk

The consolidated company manages and maintains adequate cash and cash equivalents to support the group’s operations and mitigate the impact of cash flow fluctuations. Management monitors the usage of bank credit facilities and ensures compliance with the terms of borrowing contracts. Bank borrowings serve as an important source of liquidity for the consolidated company. As of December 31, 2024 and 2023, the unused credit limits of the consolidated company are disclosed in the explanation of (2) Financing Limits below.

a. Liquidity and Interest Rate Risk Table for Non-Derivative Financial Liabilities

The maturity analysis of non-derivative financial liabilities is prepared based on the earliest possible repayment date, using undiscounted cash flows (including principal and estimated interest) for the financial liabilities. Other non-derivative financial liabilities are analyzed based on their agreed repayment dates.

**December 31, 2024**

| | Less than 1 year | 1-2 years | 2-3 years | 3+ years | Total |
|---|---|---|---|---|---|
| Non-Derivative Financial Liabilities | | | | | |
| Accounts Payable | $ 373,509 | $ - | $ - | $ - | $ 373,509 |
| Lease Liabilities | 9,179 | 9,179 | 9,179 | 119,327 | 146,864 |
| Other Payables | 79,579 | - | - | - | 79,579 |
| Borrowings | 399,633 | - | - | - | 399,633 |
| | $ 861,900 | $ 9,179 | $ 9,179 | $ 119,327 | $ 999,585 |

Further information on the maturity analysis of lease liabilities is as follows：

| | Less than 1 year | 1-2 years | 2-3 years | 3+ years | Total |
|---|---|---|---|---|---|
| Lease Liabilities | $ 9,179 | $ 18,358 | $ 27,537 | $ 91,790 | $ 146,864 |

**December 31, 2023**

| | Less than 1 year | 1-2 years | 2-3 years | 3+ years | Total |
|---|---|---|---|---|---|
| Non-Derivative Financial Liabilities | | | | | |
| Accounts Payable | $ 256,921 | $ - | $ - | $ - | $ 256,921 |
| Lease Liabilities | 8,869 | 8,869 | 8,869 | 124,171 | 150,778 |
| Other Payables | 64,093 | - | - | - | 64,093 |
| Borrowings | 20,012 | - | - | - | 20,012 |
| | $ 349,895 | $ 8,869 | $ 8,869 | $ 124,171 | $ 491,804 |

Further information on the maturity analysis of lease liabilities is as follows：

| | Less than 1 year | 1-2 years | 2-3 years | 3+ years | Total |
|---|---|---|---|---|---|
| Lease Liabilities | $ 8,869 | $ 17,738 | $ 26,608 | $ 97,563 | $ 150,778 |

b. Financing Limits

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured Bank Credit Limit and Commercial Paper Issuance Limit (Reviewed Annually) | | |
| Amount Used | $ 343,977 | $ 29,846 |
| Amount Unused | 2,486,023 | 1,700,154 |
| | $ 2,830,000 | $ 1,730,000 |
| Secured Bank Credit Limit and Commercial Paper Issuance Limit (Reviewed Annually) | | |
| Amount Used | $ 69,458 | $ - |
| Amount Unused | 1,530,542 | - |
| Unsecured Bank Credit Limit and Commercial Paper Issuance Limit (Reviewed Annually) | $ 1,600,000 | $ - |

30. Related Party Transactions

Transactions, account balances, income, and expenses between the parent company and subsidiaries (which are related parties of the parent company) are fully eliminated during consolidation; therefore, they are not disclosed in this note. Except for those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows:

**Key Management Personnel Compensation**

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Short-term Employee Benefits | $ 26,814 | $ 25,458 |
| Post-employment Benefits | 522 | 595 |
| | $ 27,336 | $ 26,053 |

The compensation of the board of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

31. Pledged Assets

The following assets of the consolidated company are pledged as performance guarantees required for land development and business operations：

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Other Financial Assets - Current | | |
| Pledged Time Deposit Certificates | $ 9,046 | $ 9,043 |
| Other Financial Assets - Non-Current | | |
| Pledged Time Deposit Certificates | $ 34,543 | $ - |

32. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to the other notes mentioned, the consolidated company has the following significant commitments and contingent matters:

A. As of December 31, 2024, the subsidiary of the consolidated company has issued performance guarantee notes totaling NT$1,141,000 thousand for credit limits, business performance, and engineering warranty.
B. As of December 31, 2024, the subsidiary of the consolidated company (Precision Company) has issued performance guarantee notes totaling NT$2,731,977 thousand for credit limits and business performance.
C. As of December 31, 2024, the subsidiary of the consolidated company has received guarantee notes from suppliers totaling NT$39,467 thousand for performance or warranty guarantees.
D. As of December 31, 2024, the subsidiary of the consolidated company (Precision Company) has received guarantee notes from suppliers totaling NT$127,996 thousand for performance or warranty guarantees.
E. The consolidated company has contractual commitments with various suppliers for the purchase of equipment and plant renovations, with a total contract value of NT$1,164,458 thousand. As of December 31, 2024, NT$193,780 thousand has been paid (recorded as advance payments for equipment and real estate under construction).

33. Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented in summary for foreign currencies other than the functional currencies of the consolidated company’s individual entities. The disclosed exchange rates refer to the rates used to convert these foreign currencies to the functional currencies. The foreign currency assets and liabilities with significant impact are as follows:

**December 31, 2024**

| | Foreign currency | Exchange rate | Carrying amount |
|---|---|---|---|
| **Foreign Currency Assets** | | | |
| Monetary Items | | | |
| USD | $ 18,020 | 32.785 (USD:NTD) | $ 590,780 |
| CNY | 1 | 4.478 (CNY:NTD) | 4 |
| EUR | 179 | 34.14 (EUR:NTD) | 6,098 |
| JPY | 17,551 | 0.21 (JPY:NTD) | 3,684 |
| | | | $ 600,566 |
| **Foreign Currency Liabilities** | | | |
| Monetary Items | | | |
| USD | 582 | 32.785 (USD:NTD) | $ 19,094 |
| CNY | 8,295 | 4.478 (CNY:NTD) | 37,146 |
| EUR | 3 | 34.14 (EUR:NTD) | 112 |
| | | | $ 56,352 |

**December 31, 2023**

| | Foreign currency | Exchange rate | Carrying amount |
|---|---|---|---|
| **Foreign Currency Assets** | | | |
| Monetary Items | | | |
| USD | $ 22,397 | 30.705 (USD:NTD) | $ 687,711 |
| CNY | 6,073 | 4.327 (CNY:NTD) | 26,277 |
| EUR | 73 | 33.98 (EUR:NTD) | 2,472 |
| JPY | 18,705 | 0.217 (JPY:NTD) | 4,063 |
| | | | $ 720,523 |
| **Foreign Currency Liabilities** | | | |
| Monetary Items | | | |
| USD | 64 | 30.705 (USD:NTD) | $ 1,956 |
| CNY | 119 | 4.327 (CNY:NTD) | 514 |
| | | | $ 2,470 |

The consolidated company's foreign exchange gains and losses (including realized and unrealized) for the years 113 and 112 were a gain of NT$48,368 thousand and a loss of NT$13,975 thousand, respectively. Due to the variety of functional currencies used by foreign currency transactions and the group entities, it is not possible to disclose the foreign exchange gains and losses by each major impacting foreign currency.

34. Disclosure Notes:

A. Significant Transaction Matters

B. Information on Subsidiary Investments:

| No. | Item | Note |
|---|---|---|
| 1 | Loans to Others. | N.A. |
| 2 | Endorsements and Guarantees for Others. | Table 1 |
| 3 | Status of Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Affiliates, and Jointly Controlled Entities). | Table 2 |
| 4 | Accumulated Purchases or Sales of the Same Marketable Security Amounting to NT$300 Million or 20% of Paid-in Capital. | N.A. |
| 5 | Acquisition of Real Estate Amounting to NT$300 Million or 20% of Paid-in Capital. | Table 3 |
| 6 | Disposal of Real Estate Amounting to NT$300 Million or 20% of Paid-in Capital. | N.A. |
| 7 | Purchases or Sales with Related Parties Amounting to NT$100 Million or 20% of Paid-in Capital. | N.A. |
| 8 | Accounts Receivable from Related Parties Amounting to NT$100 Million or 20% of Paid-in Capital. | N.A. |
| 9 | Engagement in Derivative Transactions. | N.A. |
| 10 | Others: Business Relationships and Significant Transactions Between Parent and Subsidiaries, as well as Among Subsidiaries. | Table 6 |
| 11 | Information on Invested Companies. | Table 4 |

C. Mainland China Investment Information：

| No. | Item | Note |
|---|---|---|
| 1 | Name of Invested Mainland Company, Main Business Activities, Paid-in Capital, Investment Method, Fund Inflow and Outflow, Shareholding Ratio, Investment Gains and Losses, Ending Book Value of Investment, Repatriated Investment Gains, and Investment Limit for Mainland China. | Table 5 |
| 2 | Major Transactions with Invested Mainland Companies Conducted Directly or Indirectly Through a Third Region, Including Prices, Payment Terms, and Unrealized Gains and Losses: | |
| | (1) Purchase Amount and Percentage, and Ending Balance and Percentage of Related Payables. | Table 7 |
| | (2) Sales Amount and Percentage, and Ending Balance and Percentage of Related Receivables. | Table 7 |
| | (3) Property Transaction Amount and Resulting Gains and Losses. | N.A. |

| No. | Item | Note |
| --- | --- | --- |
| | (4) Ending Balance and Purpose of Endorsed Notes, Guarantees, or Collateral Provided. | N.A. |
| | (5) Maximum Balance, Ending Balance, Interest Rate Range, and Total Interest for the Period of Fund Lending. | N.A. |
| | (6) Other Transactions with Significant Impact on Current Profits and Losses or Financial Position, such as the Provision or Receipt of Services. | N.A. |

D. Major Shareholder Information: The names, number of shares, and ownership percentages of shareholders with a stake of 5% or more. (See Appendix 8)

35. Department Information

Information provided to the chief operating decision-maker for resource allocation and performance evaluation of departments, focusing on the types of products or services delivered or provided. The reporting departments of the consolidated company are as follows:
Engineering and Machinery Business– Factory operations, system integration, and shoe machinery.
Precision Business – Precision processing.

A. Department Revenue and Operating Results

The revenue and operating results of the continuing business units of the consolidated company are analyzed by the reporting departments as follows:

| | Engineering and Machinery Business | Precision Business | Common | Adjustments and Eliminations | Total |
| --- | --- | --- | --- | --- | --- |
| 2024 | | | | | |
| Revenue | | | | | |
| Revenue from External Customers | $ 1,447,883 | $ 1,519,633 | $ - | $ - | $ 2,967,516 |
| Interdepartmental Revenue | 65,326 | - | - | ( 65,326) | - |
| Interest Income | - | - | 31,881 | - | 31,881 |
| Total Revenue | $ 1,513,209 | $ 1,519,633 | $ 31,881 | ($ 65,326) | $ 2,999,397 |
| Interest Expense | $ - | $ - | $ 13,066 | $ - | $ 13,066 |
| Depreciation and Amortization | $ 19,153 | $ 115,642 | $ 14,367 | $ - | $ 149,162 |
| Pre-Tax Profit from Continuing Operations | $ 250,496 | $ 415,147 | ($ 28,282) | $ - | $ 637,361 |
| 2023 | | | | | |
| Revenue | | | | | |
| Revenue from External Customers | $ 1,278,269 | $ 1,350,162 | $ - | $ - | $ 2,628,431 |
| Interdepartmental Revenue | 13,923 | - | - | ( 13,923) | - |
| Interest Income | - | - | 16,389 | - | 16,389 |
| Total Revenue | $ 1,292,192 | $ 1,350,162 | $ 16,389 | ($ 13,923) | $ 2,644,820 |
| Interest Expense | $ - | $ - | $ 3,445 | $ - | $ 3,445 |
| Depreciation and Amortization | $ 20,021 | $ 120,142 | $ 15,388 | $ - | $ 155,551 |
| Pre-Tax Profit from Continuing Operations | $ 67,727 | $ 252,644 | ($ 17,626) | $ - | $ 302,745 |

Interdepartmental sales are priced at market value.

Department profit refers to the profit earned by each department, excluding allocated headquarters management costs, director compensation, equity-method investee profit and loss shares, gains or losses from disposal of equity-method long-term investments, rental income, interest income, gains or losses from disposal of fixed assets, gains or losses from disposal of investments, exchange gains or losses, financial instrument revaluation gains or losses, interest expenses, and income tax expenses. This measurement amount is provided to the chief operating decision-maker for resource allocation to departments and performance evaluation.

B. Department Assets and Liabilities

| | Engineering and Machinery Division | Precision Division | Common | Reconciliations and eliminations | Total |
|---|---|---|---|---|---|
| December 31, 2024 | | | | | |
| Assets | | | | | |
| Capital Expenditures on Non-Current Assets | $ 2,146 | $ 583,068 | $ - | $ - | $ 585,214 |
| Departmental Assets | $ 2,012,901 | $ 2,698,859 | $ 1,142,164 | $ - | $ 5,853,924 |
| Departmental Liabilities | $ 441,017 | $ 696,475 | $ 287,920 | $ - | $ 1,425,412 |
| December 31, 2023 | | | | | |
| Assets | | | | | |
| Capital Expenditures on Non-Current Assets | $ 125,570 | $ 102,314 | $ 50,678 | $ - | $ 278,562 |
| Departmental Assets | $ 1,491,434 | $ 2,280,261 | $ 1,214,311 | $ - | $ 4,986,006 |
| Departmental Liabilities | $ 384,827 | $ 435,423 | $ 66,966 | $ - | $ 887,216 |

ChenFull International Co., Ltd. and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 1

| Serial Number (Note 1) | Endorser Company Name | Endorsement Guarantee Object | | Endorsement Guarantee Limit for a Single Enterprise (Note 3: (1), (2)) | Maximum Endorsement Guarantee Balance for the Period | Endorsement Guarantee Balance at Period End | Actual Drawn Amount | Endorsement Guarantee Amount Secured by Assets | Cumulative Endorsement Guarantee Amount as a Percentage of the Most Recent Financial Statement Net Worth | Maximum Endorsement Guarantee Limit | Endorsement Guarantee from Parent Company to Subsidiary | Endorsement Guarantee from Subsidiary to Parent Company | Endorsement Guarantee for the Mainland China Region |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company Name | Relationship (Note 2) | | | | | | | | | | |
| 0 | CHENFULL INTERNATIONAL CO., LTD. | CHENFULL Precision Co., Ltd. | (2) | $ 737,536 | $ 38,487 | $ 38,487 | $ 38,487 | $ - | 1.04% | $ 737,536 | Y | N | N |

Note 1: The explanation for the numbering column is as follows:

(1) The issuer fills in 0.

(2) The invested companies are numbered sequentially starting from 1, based on the company.

Note 2: The relationship between the endorser and the endorsed party is as follows:

(1) Companies with business transactions.

(2) Companies directly or indirectly holding more than 50% of voting shares.

(3) Companies that directly or indirectly hold more than 50% of voting shares in the company.

(4) Companies with direct or indirect holding of more than 90% of voting shares between them.

(5) Companies providing mutual guarantees under contract due to engineering projects in the same industry or co-contractors.

(6) Companies where all shareholders provide guarantees in proportion to their shareholding for a joint investment.

(7) Companies in the same industry providing performance guarantees for pre-sale housing sales contracts in accordance with consumer protection regulations.

Note 3: The calculation method and amount for the endorsement guarantee limit.

(1) Endorsement guarantee limit for a single enterprise:

1. The endorsement guarantee limit for a single enterprise by the company is governed by the company's endorsement guarantee procedures, with a limit of no more than 10% of the company's net worth as of 113.12.31.

2. The endorsement guarantee limit for a single affiliated company by the company is governed by the company's endorsement guarantee procedures, with a limit of no more than 20% of the company's net worth as of 113.12.31.

(2) Maximum endorsement guarantee limit:

1. The cumulative endorsement guarantee limit for external parties by the company is governed by the company's endorsement guarantee procedures, with a limit of no more than 20% of the company's net worth as of 113.12.31.

ChenFull International Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 2

| Company held | Securities Type and Name (Note 1) Stock - Non-Public | Relationship with the issuer of securities | Account Classification | End of period | | | | Remarks |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of Shares/Units | Book Value | Percentage of Ownership | Fair Value | |
| CHENFULL INTERNATIONAL CO., LTD. | Stocks - Non-listed/Over-the-Counter | | | | | | | |
| | Mingchao Enterprise Co., Ltd. | None | Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current | 3,104,110 | $ 73,127 | 9.24 | $ 73,127 | |
| | Stocks - Non-public | | | | | | | |
| | Taiwan SME Development Co., Ltd. | None | Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current | 854,360 | $ 8,584 | 1.21 | $ 8,584 | |
| | Natech Materials Co., Ltd. | 〃 | | 1,200,000 | 55,211 | 1.74 | 55,211 | |
| | | | | | $ 63,795 | | $ 63,795 | |
| | Beneficiary Certificates - Domestic | | | | | | | |
| | Yuanta 2-10 Year Investment Grade Corporate Bond Fund | None | Financial Assets Measured at Fair Value Through Profit or Loss - Current | 3,000,000 | $ 30,942 | 4.12 | $ 30,942 | |
| | Cathay FTSE China A50 Fund | 〃 | | 462,000 | 10,852 | 0.23 | 10,852 | |
| | | | | | $ 41,794 | | $ 41,794 | |
| | Stocks - Listed/Over-the-Counter | | | | | | | |
| | Fubon Gold Special | None | Financial Assets Measured at Fair Value Through Profit or Loss - Current | 155,000 | $ 8,246 | 0.05 | $ 8,246 | |
| Chenfeng Machinery & Enterprise Co., Ltd. | Stocks - Listed/Over-the-Counter | | | | | | | |
| | Chien-Fu Industrial Co., Ltd. | Parent Company | Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current | 281,759 | $ 12,792 | 0.25 | $ 12,792 | |
| | Stocks - Emerging Market | | | | | | | |
| | Meiqiang Optical Co., Ltd. | N.A. | Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current | 66,000 | $ 1,726 | 0.19 | $ 1,726 | |
| | Huanmeng International Enterprise Co., Ltd. | None | Financial assets measured at fair value through other comprehensive income - Non-current | 46,750 | $ - | 0.19 | $ - | |
| | Nait Technology Materials Co., Ltd. | 〃 | 〃 | 35,000 | - | 0.25 | - | |
| | | 〃 | 〃 | 300,000 | 13,800 | 0.44 | 13,800 | |
| | | | | | $ 13,800 | | $ 13,800 | |
| | Fund Beneficiary Certificates - Domestic | | | | | | | |
| | Cathay FTSE China A50 Fund | | | | | | | |
| | Yuanta Japan Leading Enterprises Fund A | None | Financial assets measured at fair value through profit or | 490,000 | $ 11,510 | 0.24 | $ 11,510 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | loss - Current | | | | | |
| | Uni Taiwan High-Yield Momentum ETF Securities Trust Investment Fund | 〃 | 〃 | 1,002,004 | 10,611 | 0.05 | 10,611 | |
| | | 〃 | 〃 | 666,000 | 9,411 | 0.02 | 9,411 | |
| | | | | | $ 31,532 | | $ 31,532 | |
| | Stock - Listed/Over-the-Counter | | | | | | | |
| | Fengtai Enterprise Co., Ltd. | None | Financial assets measured at fair value through profit or loss - Current | 24,640 | $ 3,277 | - | $ 3,277 | |
| | Fubon Financial B Special | 〃 | 〃 | 155,000 | 8,246 | 0.05 | 8,246 | |
| | KGI Financial Holding Co., Ltd. | 〃 | 〃 | 160,000 | 2,752 | - | 2,752 | |
| | Discretionary Investment Account (Note 2) | | | | | | | |
| | Taiguang Electronics Materials Co., Ltd. | 〃 | 〃 | 14,000 | 8,652 | - | 8,652 | |
| | Qihong Technology Co., Ltd. | 〃 | 〃 | 8,000 | 4,984 | - | 4,984 | |
| | Xianxiang Electronics Co., Ltd. | 〃 | 〃 | 8,000 | 7,792 | - | 7,792 | |
| | Jingding Precision Technology Co., Ltd. | 〃 | 〃 | 20,000 | 6,080 | 0.02 | 6,080 | |
| | Shuotian Technology Co., Ltd. | 〃 | 〃 | 21,000 | 8,159 | 0.02 | 8,159 | |
| | | | | | $ 49,942 | | $ 49,942 | |

Note 1: The marketable securities in this table refer to marketable securities derived from financial instruments within the scope of IFRS 9, including shares, bonds, funds, and the above-mentioned items.

Note 2: This refers to having the trustee make discretionary transactions at the centralized market by signing a fully fiduciary asset management contract with an investment consulting Company.

Note 3: For information of interests in investment in subsidiaries, please refer to Tables 4 and 5.

ChenFull International Co., Ltd. and Subsidiaries

AMOUNT OF PROPERTY ACQUIRED EXCEEDING NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 3

| Company Acquiring Real Estate | Property Name | Date of Occurrence | Transaction Amount | Payment Status | Transaction Counterparty | Relationship Non-Related Party | Previous Transfer Information for Transactions with Related Parties | | | | Basis for Price Determination | Purpose and Usage | Other Agreed Terms |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Owner | Relationship with Issuer | Transfer Date | Amount | | | |
| CHENFULL Precision Co., Ltd. | Owned Land | 2022/08/10 (Board Resolution Date) 2024/03/26 (Ownership Transfer Registration Date) | $575,711 | Fully Paid According to Contract Price | Transaction Counterparty | Chiayi County Government | – | – | – | – | Reserve Price for Public Auction | For Operational Use | None |

Note 1: If the acquired property is required to be valued, the result shall be specified in the “Price reference” column.

Note 2: Paid-in capital refers to the Company’s paid-in capital. If the shares of an issuer have no carrying amount or the amount is not NT$10, for the requirement regarding the transaction amount exceeding 20% of the paid-in capital, the amount is calculated with equity attributable to the parent Company.

Note 3: The date of occurrence refers to the date of signing contract, payment date, transaction date, transfer date, date of board of directors’ resolution, or other dates on which the counterparties and amounts are confirmed, whichever comes earlier

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ChenFull International Co., Ltd. and Subsidiaries

INVESTEES’ NAMES, LOCATIONS, AND OTHER INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 4

| Investor Company Name | Investee Company Name | Location | Main Business Activities | Original Investment Amount | | Holdings at End of Period | | | Profit (Loss) of the Investee Company in the Period | Investment (Loss) Income Recognized in the Period | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | End of This Period | End of Last Period | Number of Shares | Percentage (%) | Book Value | | | |
| CHENFULL INTERNATIONAL CO., LTD. | Chenfeng Machinery & Enterprise Co., Ltd. | 12F, No. 107, Section 4, Zhongxiao East Road, Da’ an District, Taipei City | Business Center Operations and Sales of Shoe-Making Equipment | $ 132,880 | $ 132,880 | 15,280,000 | 100 | $ 192,160 | $ 14,327 | $ 14,327 | Subsidiary |
| | CHEN FULL HOLDING CO., LTD. | Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa | Engaged in Holding Business | 60,448 ( USD 2,000 ) | 60,448 ( USD 2,000 ) | - | 100 | 74,858 | ( 7,491 ) | ( 7,491 ) | Subsidiary |
| | CHENFULL Precision Co., Ltd. | No. 28, Houke South Road, Houli District, Taichung City | Manufacturing and Processing of Precision Components and Aircraft Materials | 372,780 | 372,780 | 37,278,000 | 63 | 1,261,554 | 335,132 | 211,143 | Subsidiary |
| CHEN FULL HOLDING CO., LTD. | NEW OPPORTUNITY LIMITED | Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa | Engaged in Holding Business | 60,448 ( USD 2,000 ) | 60,448 ( USD 2,000 ) | - | 100 | 54,817 ( USD 1,672 ) | ( 8,189 ) ( USD -255 ) | ( 8,189 ) ( USD -255 ) | Subsidiary |
| NEW OPPORTUNITY LIMITED | Chenfeng Machinery (Dongguan) Co., Ltd. （註 1） | No. 23, Yanhe Road, Houjie Town, Dongguan City, Guangdong Province | Sales and Contracting of Precision Machinery Equipment, Shoe-Making Equipment, Ventilation Equipment, and Their Parts | 60,448 ( USD 2,000 ) | 60,448 ( USD 2,000 ) | - | 100 | 54,817 ( USD 1,672 ) | ( 8,189 ) ( USD -255 ) | ( 8,189 ) ( USD -255 ) | Subsidiary |

Note 1: For information related to the invested companies in Mainland China, please refer to Table 5.

ChenFull International Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 5

| **Investee Company Name** | **Main Business Activities** | **Paid-in Capital** | **Investment Method (Note 1)** | **Cumulative Investment Amount Remitted from Taiwan at the Beginning of the Period** | Investment Amount Remitted or Recovered in the Period | | Cumulative Investment Amount Remitted from Taiwan at the End of the Period | Profit or Loss of the Investee Company in the Period | Direct or Indirect Shareholding Percentage of the Company's Investment (%) | Investment (Loss) Income Recognized in the Period (Note 2) | Ending Book Value of Investment | Investment Income Repatriated to Taiwan as of This Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Remitted | Recovered | | | | | | |
| Chenfeng Machinery (Dongguan) Co., Ltd. | Sales and Contracting of Precision Machinery Equipment, Shoe-Making Equipment, Ventilation Equipment, and Their Parts | $ 60,448 (USD 2,000) | (二) | $ 60,448 (USD 2,000) | $ - | $ - | $ 60,448 (USD 2,000) | ($ 8,189) (USD -255) | 100 | ($ 8,189) (USD -255) (二)-2 | $ 54,817 (USD 1,672) | $ 44,358 (USD 1,440) |

| Cumulative Investment Amount Remitted from Taiwan to Mainland China at the End of the Period | Investment Amount Approved by the Ministry of Economic Affairs Investment Commission | Investment Limit to Mainland China Based on the Regulations of the Ministry of Economic Affairs Investment Commission |
|---|---|---|
| NTD 60,448 ( USD 2,000 ) | NTD 60,448 ( USD 2,000 ) | NTD 2,212,609 ( USD 67,488 ) |

Note 1: The investment methods are divided into the following three types, and the type should be indicated:

1. Direct investment in Mainland China.
2. Investment in Mainland China through a third-party investment company.
3. Other methods.

Note 2: In the current period’s recognized investment profit and loss column:

1. If the investment is still under preparation and there is no recognized investment profit or loss, it should be noted.
2. The basis for recognizing investment profit and loss is divided into the following three types, and the basis should be noted:
   (1) Financial statements audited and certified by an international accounting firm with a cooperative relationship with a Taiwanese CPA firm.
   (2) Financial statements audited and certified by the Taiwan parent company’s CPA.
   (3) Other.

Note 3: The relevant amounts in this table are presented in New Taiwan Dollars. For foreign currencies, the amounts should be converted to New Taiwan Dollars using the spot exchange rate on the financial reporting date. (The spot exchange rate for USD on 113.12.31 was 32.785).

ChenFull International Co., Ltd. and Subsidiaries

INTERGROUP RELATIONSHIPS AND SIGNIFICANT INTERGROUP TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 6

| Serial Number | Trader Name | Counterparty | Relationship with Trader | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Account | Amount (Note 4) | Transaction Conditions | Percentage of Consolidated Total Revenue or Total Assets |
| 0 | the Company | Chenfeng Machinery | 1 | Other Receivables | $ 4,532 | Comparable to General Customers | 0.08% |
| 0 | the Company | Chenfeng Machinery | 1 | Rental Income | 1,098 | 〃 | 0.04% |
| 0 | the Company | Chenfeng Machinery | 1 | Other Income | 3,417 | 〃 | 0.12% |
| 0 | the Company | Chenfeng Machinery (Dongguan) Co., Ltd. | 1 | Purchases | 62,882 | 〃 | 2.12% |
| 0 | the Company | Chenfeng Machinery (Dongguan) Co., Ltd. | 1 | Sales Revenue | 2,389 | 〃 | 0.08% |
| 0 | the Company | Chenfeng Machinery (Dongguan) Co., Ltd. | 1 | Other Income | 2 | 〃 | - |
| 0 | the Company | Chenfeng Machinery (Dongguan) Co., Ltd. | 1 | Contract Liabilities | 6,766 | 〃 | 0.12% |
| 0 | the Company | Chenfeng Machinery (Dongguan) Co., Ltd. | 1 | Accounts Payable | 36,127 | 〃 | 0.62% |
| 0 | the Company | ChenFull Precision Co., Ltd. | 1 | Sales Revenue | 112 | 〃 | - |
| 0 | the Company | ChenFull Precision Co., Ltd. | 1 | Rental Income | 4,920 | 〃 | 0.17% |
| 0 | the Company | ChenFull Precision Co., Ltd. | 1 | Other Income | 890 | 〃 | 0.03% |
| 0 | the Company | ChenFull Precision Co., Ltd. | 1 | Rental Expense | 96 | 〃 | - |
| 0 | the Company | ChenFull Precision Co., Ltd. | 1 | Manufacturing Costs | 15 | 〃 | - |
| 0 | the Company | ChenFull Precision Co., Ltd. | 1 | Other Receivables | 17 | 〃 | - |
| 1 | ChenFull Precision Co., Ltd. | Chenfeng Machinery (Dongguan) Co., Ltd. | 3 | Purchases | 168 | 〃 | 0.01% |
| 1 | ChenFull Precision Co., Ltd. | Chenfeng Machinery (Dongguan) Co., Ltd. | 3 | Accounts Payable | 168 | 〃 | - |

Note 1: Information of business accounts between the parent company and subsidiaries shall be labelled with numbers in the “NO.” column. The numbers are explained below:

(1) Parent company is numbered 0.
(2) Subsidiaries are numbered from 1 to onwards.

Note 2: There are three types of relationships. Only the types shall be labelled:

(1) From parent company to subsidiary

(2) From subsidiary to parent company
(3) From subsidiary to subsidiary

Note 3: The calculation of the percentage of the amount to the consolidated total revenue or assets is as follows: if the transaction is classified in asset liabilities, the percentage of the period-end balance to the consolidated total assets shall be calculated; if the transaction is classified in profit or loss, the percentage of mid-period accumulated amounts to the consolidated total revenue shall be calculated.

Note 4: Only one-way transactions are disclosed in this Table. The transactions above have been offset when preparing the consolidated financial statement.

CHENFULL INTERNATIONAL CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, UNREALIZED GAINS OR LOSSES, AND OTHER INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Tawian Dollars, Unless Stated Otherwise)

Table 7

| Investee Company Name in Mainland China | Transaction Type | Purchases and Sales | | Price | Transaction Conditions | | Receivables (Payables) Notes and Accounts | | Unrealized Gains/Losses | Note |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Amount | Percentage | | Payment Terms | Comparison with General Transactions | Amount | Percentag e | | |
| Chenfeng Machinery (Dongguan) Co., Ltd. | Sales | $2,389 | 0.08% | Same as general customers | Same as general customers | Same as general customers | $ - | - | $ - | |
| | Purchases | 62,882 | 2.12% | Same as general customers | Same as general customers | Same as general customers | ( 36,127 ) | ( 0.62% ) | - | |

CHENFULL INTERNATIONAL CO., LTD.

INFORMATION OF KEY SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2024

Table 8

| Major Shareholder Name | Shares | |
|---|---|---|
| | Shares Held | Ownership Percentage |
| FullTen Investment Co., Ltd. | 9,004,180 | 7.91% |

Note 1: The information of key shareholders in this Table is data of shareholders with more than 5% of the Company’s dematerialized registered/delivered ordinary and special shares (including treasury shares) calculated by Taiwan Depository & Clearing Corporation on the last operating date of the current quarter. The share capital and dematerialized shares registered/delivered in this consolidated financial statement might be different due to difference in the bases of calculation during preparation.

Note 2: The above information, if shares are delivered to a trust by the shareholders, is disclosed separately by the trustee in the individual trust account. As for shareholders who, pursuant to the Securities and Exchange Act, hold shares exceeding 10% and are required to report insiders’ shareholding, their holdings include both their own shares and those held in trust, with decision-making rights over trust assets. For information regarding insiders’ shareholding reporting, please refer to the Market Observation Post System.