

STOCK CODE: 8383

CHENFULL International Co., Ltd.

**2024 Financial Statements
(Parent Company Only 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

Independent Auditors' Report

To the Board of Directors and Shareholders

ChenFull International Company Limited

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified 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 matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

Assessment of the Authenticity of Revenue from Specific Customers

Regarding the accounting policy for revenue recognition, please refer to Note 4(12) of the financial statements.

The sales revenue of CHENFULL International Co., Ltd. comes from the manufacturing and selling of various shoe machinery equipment, components, and materials for factory engineering pipelines. We analyzed the sales revenue data of each customer and screened customers that meet specific criteria. After evaluating that sales revenue from these customers with specific criteria has a higher risk, the authenticity of revenue recognition for such sales revenue is identified as a key audit matter.

We performed the following main response procedures for the above-mentioned key audit matter:

1. Understand, evaluate, and test the internal control system for revenue recognition, which is reasonable and effectively implemented.
2. Select a sample of specific customer sales revenue details, verify whether the relevant documents for revenue recognition are consistent, and confirm the authenticity of the sales revenue.
3. Obtain the details of sales returns after the period, randomly select and examine the relevant vouchers, and examine the reasonableness of the returns.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error. In preparing the parent company only 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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2023 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.
PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 4、6 & 27)	\$ 74,757	2	\$ 247,853	7
Financial assets at fair value through profit or loss – current (Note 4, 7, & 27)	50,040	1	69,123	2
Contract assets – current (Note 4 & 22)	1,064,373	24	534,092	14
Notes receivable (Note 9 & 27)	14,368	-	14,051	-
Trade receivables (Note 4, 9, & 27)	159,018	4	68,396	2
Other receivables (Note 9 & 27)	202	-	1,855	-
Other receivables - related parties (Note 9, 27, & 28)	4,549	-	746	-
Inventories (Note 4 & 10)	256,824	6	295,675	8
Prepayments (Note 16)	6,318	-	11,712	-
Other financial assets – current (Note 16, 27, & 29)	104	-	101	-
Other current assets (Note 16)	6,627	-	6,667	-
Total current assets	<u>1,637,180</u>	<u>37</u>	<u>1,250,271</u>	<u>33</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income – non-current (Note 4, 8, & 27)	136,922	3	30,084	1
Investments accounted for using equity method (Note 4 & 11)	1,528,572	35	1,417,157	37
Property, plant and equipment (Note 4 & 12)	659,361	15	681,834	18
Net investment property (Note 4 & 14)	358,048	8	362,968	9
Other intangible assets (Note 4 & 15)	2,928	-	6,692	-
Deferred tax assets (Note 4 & 24)	38,464	1	43,024	1
Other non-current assets (Note 16 & 27)	46,329	1	45,553	1
Total non-current assets	<u>2,770,624</u>	<u>63</u>	<u>2,587,312</u>	<u>67</u>
TOTAL	<u>\$ 4,407,804</u>	<u>100</u>	<u>\$ 3,837,583</u>	<u>100</u>
	LIABILITIES AND EQUITY			
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17, and 27)	\$ 200,000	4	\$ -	-
Current contract liabilities (Note 4, 22, & 28)	127,851	3	155,833	4
Accounts payables (Note 18 & 27)	189,913	4	132,084	4
Accounts payables - related parties (Note 18, 27, & 28)	36,127	1	731	-
Other payables (Note 19 & 27)	101,370	2	86,523	2
Current tax liabilities (Note 4 & 24)	31,027	1	5,941	-
Other current liabilities (Note 19)	1,906	-	1,666	-
Total current liabilities	<u>688,194</u>	<u>15</u>	<u>382,778</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 4 & 24)	12,158	-	13,474	-
Net defined benefit liabilities – non-current (Note 4 & 20)	19,759	1	25,072	1
Other non-current liabilities (Note 19)	12	-	12	-
Total non-current liabilities	<u>31,929</u>	<u>1</u>	<u>38,558</u>	<u>1</u>
Total liabilities	<u>720,123</u>	<u>16</u>	<u>421,336</u>	<u>11</u>
EQUITY (Note 21)				
Share capital				
Common Stock	<u>1,137,605</u>	<u>26</u>	<u>1,137,605</u>	<u>30</u>
Capital surplus				
Capital surplus – additional paid-in capital arising from ordinary share	258,010	6	258,010	7
Capital surplus – additional paid-in capital arising from bond conversion	207,018	5	207,018	5
Capital surplus – treasury stocks	1,863	-	1,440	-
Capital surplus – difference between consideration and carrying amount of subsidiaries acquired or disposed	544,174	12	544,174	14
Capital surplus – changes in ownership interests in subsidiaries	211,006	5	211,006	6
Capital surplus – consolidated additional paid-in capital	10,618	-	10,618	-
Total capital surplus	<u>1,232,689</u>	<u>28</u>	<u>1,232,266</u>	<u>32</u>
Retained earnings				
Legal reserve	510,355	12	493,635	13
Special reserve	15,491	-	13,106	-
Unappropriated earnings	794,266	18	586,843	15
Total retained earnings	<u>1,320,112</u>	<u>30</u>	<u>1,093,584</u>	<u>28</u>
Other equity				
Exchange differences arising from the translation of a foreign operation	(15,260)	-	(18,647)	-
Unrealized gains (losses) of financial instruments at fair value through other comprehensive income	44,252	1	3,156	-
Total other equity	<u>28,992</u>	<u>1</u>	<u>(15,491)</u>	<u>-</u>
Treasury shares	(31,717)	(1)	(31,717)	(1)
Total equity	<u>3,687,681</u>	<u>84</u>	<u>3,416,247</u>	<u>89</u>
TOTAL	<u>\$ 4,407,804</u>	<u>100</u>	<u>\$ 3,837,583</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 3, 2025)

CHENFULL INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4, 22 & 28)				
Sales	\$ 326,639	23	\$ 393,866	32
Construction revenue	<u>1,083,893</u>	<u>77</u>	<u>855,278</u>	<u>68</u>
Total operating revenue	<u>1,410,532</u>	<u>100</u>	<u>1,249,144</u>	<u>100</u>
OPERATING COSTS (Note 10,20,23 & 28)				
Cost of goods sold	259,575	18	316,195	25
Construction costs	<u>771,452</u>	<u>55</u>	<u>731,581</u>	<u>59</u>
Total operating costs	<u>1,031,027</u>	<u>73</u>	<u>1,047,776</u>	<u>84</u>
GROSS PROFIT/(LOSS)	<u>379,505</u>	<u>27</u>	<u>201,368</u>	<u>16</u>
OPERATING EXPENSES (Note 19, 23 & 28)				
Selling and marketing expenses	29,202	2	55,464	4
General and administrative expenses	148,142	11	137,452	11
Research and development expenses	14,813	1	23,396	2
Expected credit loss	<u>3,781</u>	-	<u>2,045</u>	-
Total operating expenses	<u>195,938</u>	<u>14</u>	<u>218,357</u>	<u>17</u>
NET PROFIT/(LOSS) FROM OPERATIONS	<u>183,567</u>	<u>13</u>	(<u>16,989</u>)	(<u>1</u>)
NON-OPERATING INCOME AND EXPENSES (Note 23 & 28)				
Interest income	3,028	-	1,985	-
Other income	18,737	1	33,798	3
Other gains and losses	10,043	1	4,045	-
Financial costs	(1,207)	-	(1,181)	-
Share of profit or loss of subsidiaries accounted for using equity method (Note 11)	<u>217,979</u>	<u>16</u>	<u>155,901</u>	<u>12</u>
Total non-operating income and expenses	<u>248,580</u>	<u>18</u>	<u>194,548</u>	<u>15</u>
PROFIT/(LOSS) BEFORE INCOME TAX	\$ 432,147	31	\$ 177,559	14
INCOME TAX EXPENSE/(BENEFIT) (Note 4 & 24)	(<u>37,725</u>)	(<u>3</u>)	(<u>9,804</u>)	(<u>1</u>)
NET PROFIT/(LOSS) FOR THE PERIOD	<u>394,422</u>	<u>28</u>	<u>167,755</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME/(LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,792	-	(302)	-

Unrealized (gain)/loss on fair value through other comprehensive income	40,433	3	80	-
Share of profit of subsidiaries accounted for using equity method	613	-	(1,036)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	<u>3,387</u>	<u>-</u>	(<u>1,683</u>)	<u>-</u>
Other comprehensive income/(loss) for the period	<u>46,225</u>	<u>3</u>	(<u>2,941</u>)	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>\$ 440,647</u>	<u>31</u>	<u>\$ 164,814</u>	<u>13</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 3.50</u>		<u>\$ 1.49</u>	
Diluted	<u>\$ 3.48</u>		<u>\$ 1.48</u>	

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

(With Deloitte & Touche audit report dated March 3, 2025)

CHENFULL INTERNATIONAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	<u>Share Capital</u>		<u>Capital Surplus</u>	<u>Retained Earnings</u>			<u>Other Equity</u>		<u>Treasury Shares</u>	<u>Total Equity</u>
	<u>Number of Shares (Thousand Shares)</u>	<u>Amount</u>		<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings</u>	<u>Exchange Differences on Translation of Foreign Financial Statements</u>	<u>Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income</u>		
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
Appropriations and distributions of earnings for the year ended December 31, 2022										
Legal reserve	-	-	-	28,012	-	(28,012)	-	-	-	-
Reversal of special reserve	-	-	-	-	(5,033)	5,033	-	-	-	-
Cash dividends for shareholders	-	-	-	-	-	(282,726)	-	-	-	(282,726)
Issued to subsidiary dividend adjustment capital reserve	-	-	704	-	-	-	-	-	-	704
Disposal of Partial Equity Interest in ChenFull Precision Subsidiary	-	-	23,000	-	-	-	-	-	-	23,000
Net profit/(loss) for the year ended December 31, 2023	-	-	-	-	-	167,755	-	-	-	167,755
Other comprehensive income/(loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(556)	(1,683)	(702)	-	(2,941)
Total comprehensive income/(loss) for the year ended December 31, 2023	-	-	-	-	-	167,199	(1,683)	(702)	-	164,814
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
Appropriations and distributions of earnings for the year ended December 31, 2023:										
Legal reserve	-	-	-	16,720	-	(16,720)	-	-	-	-
Reversal of special reserve	-	-	-	-	2,385	(2,385)	-	-	-	-
Cash dividends for shareholders	-	-	-	-	-	(169,636)	-	-	-	(169,636)
Issued to subsidiary dividend adjustment capital reserve	-	-	423	-	-	-	-	-	-	423
Net profit/(loss) for the year ended December 31, 2024	-	-	-	-	-	394,422	-	-	-	394,422
Other comprehensive income/(loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	1,742	3,387	41,096	-	46,225
Total comprehensive income/(loss) for the year ended December 31, 2024	-	-	-	-	-	396,164	3,387	41,096	-	440,647
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

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

(With Deloitte & Touche audit report dated March 3, 2025)

CHENFULL INTERNATIONAL CO., LTD.**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS****(In Thousands of New Taiwan Dollars)**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 432,147	\$ 177,559
Adjustments for:		
Depreciation expenses	29,278	30,456
Amortization expense	3,802	4,814
Expected credit loss recognized/(reversed) on trade receivables	3,781	2,045
Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss	(2,930)	(3,479)
Finance costs	1,207	1,181
Interest income	(3,028)	(1,985)
Dividend income	(4,847)	(6,834)
Share of profit or loss of subsidiaries accounted for using equity method	(217,979)	(155,901)
(Gain)/loss on disposal of property, plant and equipment	(3,131)	(470)
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	796	-
Gains on Inventory Value Recoveries	(7,048)	(7,142)
Changes in operating assets and liabilities		
(Increase)/decrease in contract assets	(530,281)	422,553
(Increase)/decrease in notes receivable	(317)	(4,659)
(Increase)/decrease in accounts receivables	(94,403)	169,860
(Increase)/decrease in inventories	45,899	112,843
(Increase)/decrease in prepayments	5,394	906
(Increase)/decrease in other current assets	(2,110)	31
(Increase)/decrease in contract liabilities	(27,982)	37,200
Increase/(decrease) in accounts payables	93,225	(360,899)
Increase/(decrease) in other payables	15,105	(34,321)
Increase/(decrease) in other current liabilities	240	319
Increase/(decrease) in net defined benefit liability	(3,073)	12
Cash generated from/(used in) operations	(266,255)	384,089
Interest received	3,028	1,985
Interest paid	(1,144)	(1,181)
Income tax paid	(10,690)	(7,685)
Net cash flows from operating activities	<u>(275,061)</u>	<u>377,208</u>

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(\$ 66,405)	\$ -
Disposal of financial assets at fair value through other comprehensive income	21,217	-
Payments for property, plant and equipment	(2,429)	(178,360)
Proceeds from disposal of property, plant, and equipment	3,354	487
Increase in refundable deposits	(249)	-
Decrease in refundable deposits	-	2,451
Purchase of intangible assets	(38)	(636)
Decrease in other financial assets	(3)	-
Increase in other non-current assets	(527)	(41,860)
Dividend received	<u>116,681</u>	<u>252,492</u>
Net cash flows from investing activities	<u>71,601</u>	<u>34,574</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	530,000	640,000
Decrease in short-term borrowings	(330,000)	(640,000)
Cash dividends paid	(169,636)	(282,726)
Net cash flows from financing activities	<u>30,364</u>	<u>(282,726)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(173,096)	129,056
CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE YEAR	<u>247,853</u>	<u>118,797</u>
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE YEAR	<u>\$ 74,757</u>	<u>\$ 247,853</u>

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

(With Deloitte & Touche audit report dated March 3, 2025)

CHENFULL INTERNATIONAL CO., LTD.
NOTES TO PARENT ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2024, and 2023.
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history:

ChenFull International Co., Ltd. (the “Company”) was established in April, 1982. ChenFull International’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 package plant machinery and equipment and the manufacturing, processing, and trading of related material products; as well as the manufacturing and trading of various aircraft equipment.

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

This parent only financial report is expressed in functional New Taiwan dollars of ChenFull International.

2. Approval date and procedures of financial statements:

The parent only financial statements were authorized for issuance by the Board of Directors on March 3, 2024.

3. New standards, amendments and interpretations adopted:

A. 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 Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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 the Company’s accounting policies:

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

<u>New standards, amendments and interpretations adopted</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS 21: "Lack of Exchangeability"	January 1, 2025 (Note 1)

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.

1) 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 Company 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 the Company 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 financial statements are authorized for issuance, the Company 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 parent only 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 parent only 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.

When preparing the individual financial statements, the Company accounts for investments in subsidiaries, associates, or joint ventures using the equity method. To ensure that the current year's profit or loss, other comprehensive income, and equity in the individual financial statements are consistent with those attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the individual and consolidated bases are adjusted in "Investments accounted for using the equity method," "Share of profit or loss of subsidiaries accounted for using the equity method," and related equity items.

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 Company 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 Company 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 Company's construction related assets and liabilities.

D. 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 parent only financial statements are under preparation, 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 the Company) 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.

E. 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.

F. Investments in subsidiaries

The Company accounts for its investments in subsidiaries using equity method.

Subsidiaries are entities (including structural entities) controlled by the Company.

Under equity method, investments are initially recognized according to the costs. Carrying amounts acquired subsequently will increase or decrease according to the Company's share in subsidiaries' profit or loss and other comprehensive income, and interest distribution. In addition, subsidiaries' changes in equity are recognized according to the Company's shareholding.

If changes in The Company's ownership interests in subsidiaries do not lead to loss of control, the changes are accounted for as equity transaction. The differences between the carrying amount of investment and the fair value of considerations paid or received are recognized directly in equity.

When the Company's loss in share in a subsidiary equals or exceeds its equity in that subsidiary (equity includes the carrying amount of the subsidiary and other long term equity in The Company's net investment in that subsidiary), the loss is recognized according to the shareholding.

The Company assesses impairment by considering cash generating units with the entire financial reports and comparing the recoverable and carrying amounts. If the recoverable amount of an asset increases, the reversal of the impairment loss is recognized as interest, given that the carrying amount after the reversal does not exceed the carrying amount of the asset without recognizing impairment loss less necessary amortization. Impairment losses attributable to goodwill shall not be reversed in subsequent periods.

When losing control of a subsidiary, The Company evaluates its remaining investments in that subsidiary at fair value prevailing on the date of loss of control. The difference between fair value of the remaining investments and any disposal proceeds, and the carrying amount of the investments on the date of loss of control, is recognized in current profit or loss. In addition, the basis of accounting for all amounts related to the subsidiary

9

recognized in other comprehensive income shall be the same as the basis on which the Company directly disposes of relevant assets or liabilities.

The unrealized profits or losses of the Company's downstream transactions with subsidiaries are eliminated in parent only financial statements. Profits or losses arising from the Company's upstream and sidestream transactions, if irrelevant to the Company's equity in subsidiaries, are recognized in parent only financial statements.

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 Company 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 Company 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 Company'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 Company 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 Company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of an individual asset, the Company 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 Company 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 27.

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.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and accounts receivable at amortized cost, are measured at amortized cost,

which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences 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 Company 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 Company'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 Company 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 Company 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 Company 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) Sale of goods sold

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) Construction Revenue

For construction contracts where the property is under the control of the customer during the

construction process, the Company recognizes revenue over time. Since the costs incurred in construction are directly related to the degree of completion of the performance obligations, the Company measures the progress towards completion based on the proportion of actual costs incurred to the estimated total costs. The Company 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 Company 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. Leasing

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

The Company 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 Company 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.

The Company as lessee

The Company 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 Company 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 Company 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 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.

N. 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.

O. 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 rereasurement) 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. Rereasurement, 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. Rereasurement 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 Company'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.

P. Taxation

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

1) Current tax

Income tax imposed on unappropriated earnings according to the Income Tax Act of the Republic of China is recognized in the years of the resolutions of shareholders' meetings.

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

2) Deferred tax

Deferred tax is calculated according to the 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 when there are probable taxable profits for offsetting tax arising from deductible temporary differences, loss carryforwards, and research and development expenditures.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except when the Company is able to control the point in time when the reversal of the temporary difference occurs 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 when it is probable that there will be sufficient taxable profits for realizing the benefits from the temporary differences and that the temporary differences 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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period. Its carrying amount is increased when it is probable to generate a sufficient taxable profit for it to recover all or part of the asset.

Deferred tax liabilities and assets are measured at the tax rates of the period in which the liability is expected 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 in a manner in which a Company expects to recover or settle the carrying amounts of its assets and liabilities at the end of the reporting period.

3) Current and deferred taxes for the period

Current and deferred taxes are recognized in profit or loss, except when they are related 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 Company's management 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 Company do not involve significant accounting judgments, estimates, or uncertainties in assumptions.

6. 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.

CASH AND CASH EQUIVALENTS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and and petty cash	\$ 515	\$ 551
Checking accounts and demand deposits	<u>74,242</u>	<u>247,302</u>
	<u>\$ 74,757</u>	<u>\$ 247,853</u>

The interest rate ranges for bank deposits and time deposits on the balance sheet dates are as follows :

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank deposits	0.30% ~ 0.89%	0.51% ~ 1.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares investments	\$ 8,246	\$ 8,525
Mutual funds	<u>41,794</u>	<u>60,598</u>
	<u>\$ 50,040</u>	<u>\$ 69,123</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non current		
Domestic investment		
Unlisted stocks		
Ordinary shares	<u>\$ 136,922</u>	<u>\$ 30,084</u>

The Company invests in unlisted stocks for its medium to long-term strategic objectives and expects to earn profits through long-term investments. The management believes that if the short-term fair value fluctuations of these investments are recognized in the income statement, it would not align with the aforementioned long-term investment plan. Therefore, the Company chooses to designate these investments as measured at fair value through other comprehensive income.

9. NOTES RECEIVABLE, TRADE RECEIVABLE, OTHER RECEIVABLES AND OVERDUE RECEIVABLES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable		
At amortized cost		
Gross carrying amount	\$ 14,639	\$ 14,322
Less: Loss allowance	<u>(271)</u>	<u>(271)</u>
	<u>\$ 14,368</u>	<u>\$ 14,051</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Trade receivable – non-related parties		
At amortized cost		

Gross carrying amount	\$ 176,110	\$ 71,961
Less: Loss allowance	(17,092)	(3,565)
	<u>\$ 159,018</u>	<u>\$ 68,396</u>
Other receivables		
Others	<u>\$ 202</u>	<u>\$ 1,855</u>
Other receivables – related parties		
Others	<u>\$ 4,549</u>	<u>\$ 746</u>
Overdue receivables		
At amortized cost		
Gross carrying amount	\$ 2,980	\$ 12,726
Less: Loss allowance	(2,980)	(12,726)
	<u>\$ -</u>	<u>\$ -</u>

A. Notes receivable

December 31, 2024

	Non-overdue	Overdue 1~90 days	Total
ECL rate	1.85%	-	-
Gross carrying amount	\$ 14,639	\$ -	\$ 14,639
Loss allowance (lifetime ECL)	(271)	-	(271)
Amortized cost	<u>\$ 14,368</u>	<u>\$ -</u>	<u>\$ 14,368</u>

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	<u>\$ 14,051</u>	<u>\$ -</u>	<u>\$ 14,051</u>

There is no change in loss allowance for notes receivables for the years ended December 31, 2023 and 2024.

B. Trade receivable

Trade receivable measured at amortized cost

The Company's average credit period of goods sale is net 60 days end of month, from the date of invoice. When determining the recoverability of trade receivables, the Company shall consider all the changes in credit quality from the initial date of the credit period to the balance sheet date.

To mitigate credit risks, the management assigns a task force responsible for credit limit determination, credit granting, and other monitoring procedures to ensure proper actions be taken to recover overdue trade receivables. In addition, the Company shall review the recoverable amount of each trade receivable on the balance sheet date to ensure the irrecoverable trade receivables are recognized as proper impairment loss. Regarding this, the management believes that the Company's credit risks have significantly decreased.

The Company adopts a simplified approach of IFRS 9 and recognizes the loss allowance for trade receivables for lifetime ECLs. Lifetime ECLs are calculated with provision matrix, which considers clients' default records, present financial situations, and the economic situations in their industries. the Company's experience of credit loss suggests no difference among the losses of different clients. Hence, the provision matrix calculates the ECL rate with solely the overdue days of trade receivables instead of client types.

If evidence shows the counterparty is in serious financial difficulties and the Company cannot reasonably expect the recoverable amounts, such as the counterparty is under liquidation, the Company shall write off relevant trade receivables and continue the recourse activities. The recoured amounts are recognized in profit and loss.

The Company's loss allowance for trade receivables measured with provision matrix:

December 31, 2024

	<u>Non overdue</u>	<u>Overdue 1-90 days</u>	<u>Overdue 91-180 days</u>	<u>Overdue 181-270 days</u>	<u>Overdue more than 270 days</u>	<u>Total</u>
ECL rate	0.43%	0.43%	57.97%	89.78%	100%	
Gross carrying amount	\$ 150,033	\$ 5,065	\$ 7,884	\$ 12,487	\$ 641	\$ 176,110
Loss allowance (lifetime ECL)	(648)	(22)	(4,570)	(11,211)	(641)	(17,092)
Amortized cost	<u>\$ 149,385</u>	<u>\$ 5,043</u>	<u>\$ 3,314</u>	<u>\$ 1,276</u>	<u>\$ -</u>	<u>\$ 159,018</u>

December 31, 2023

	<u>Non overdue</u>	<u>Overdue 1-90 days</u>	<u>Overdue 91-180 days</u>	<u>Overdue 181-270 days</u>	<u>Overdue more than 270 days</u>	<u>Total</u>
ECL rate	0.62%	0.62%	62.61%	100%	100%	
Gross carrying amount	\$ 66,843	\$ 1,789	\$ 511	\$ 1,901	\$ 917	\$ 71,961
Loss allowance (lifetime ECL)	(416)	(11)	(320)	(1,901)	(917)	(3,565)
Amortized cost	<u>\$ 66,427</u>	<u>\$ 1,778</u>	<u>\$ 191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,396</u>

Changes in loss allowance for trade receivables :

	<u>2024</u>	<u>2023</u>
Balance on January 1	\$ 3,565	\$ 3,436
Plus: Recognized impairment loss of the year	20,443	2,045
Less: Reclassification of the year	(6,916)	(1,916)
Balance on December 31	<u>\$ 17,092</u>	<u>\$ 3,565</u>

Changes in loss allowance for overdue receivables :

	<u>2024</u>	<u>2023</u>
Balance on January 1	\$ 12,726	\$ 10,810
Plus: Reclassification of the year	6,916	1,916
Less: Reversal of impairment loss for the year	(16,662)	-
Balance on December 31	<u>\$ 2,980</u>	<u>\$ 12,726</u>

10. INVENTORIES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Raw materials	\$ 129,308	\$ 149,755
Work in process	85,190	101,074
Finished goods	42,173	44,631
Inventory goods	153	215
	<u>\$ 256,824</u>	<u>\$ 295,675</u>

Detailed costs of goods sold :

	<u>2024</u>	<u>2023</u>
Costs of sold inventories	\$ 249,112	\$ 320,892
Loss (gain) of write-downs of inventories	(7,048)	(7,142)
Others	<u>17,511</u>	<u>2,445</u>
	<u>\$ 259,575</u>	<u>\$ 316,195</u>

Recovery on net realizable values of inventories is due to partial inventory price increase.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in subsidiaries

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non listed companies		
Chenfeng Machinery & Enterprise Co., Ltd.	\$ 192,160	\$ 176,747
CHEN FULL HOLDING CO., LTD.	74,858	78,115
ChenFull Precision Co., Ltd	<u>1,261,554</u>	<u>1,162,295</u>
	<u>\$ 1,528,572</u>	<u>\$ 1,417,157</u>

<u>Subsidiary</u>	<u>Percentage of ownership interests and voting rights</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Chenfeng Machinery & Enterprise Co., Ltd.	100%	100%
CHEN FULL HOLDING CO., LTD.	100%	100%
ChenFull Precision Co., Ltd	63%	63%

<u>Subsidiary</u>	<u>The Company's share</u>	
	<u>2024</u>	<u>2023</u>
Chenfeng Machinery & Enterprise Co., Ltd.	\$ 14,327	\$ 25,436
CHEN FULL HOLDING CO., LTD.	(7,491)	(385)
ChenFull Precision Co., Ltd	<u>211,143</u>	<u>130,850</u>
	<u>\$ 217,979</u>	<u>\$ 155,901</u>

For details of the Company's indirect investments in subsidiaries, please refer to Table 4. The shares of subsidiaries' profit or loss and other comprehensive income accounted for using equity method for the years ended December 31, 2024 and 2023, are recognized according to each subsidiary's audited financial report for the same period.

12. PROPERTY, PLANT, AND EQUIPMENT

Freehold

<u>Cost</u>	<u>Freehold land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Balance at January 1,	\$ 503,574	\$ 326,823	\$ 87,727	\$ 53,849	\$ 890	\$ 972,863

2024						
Addition	-	1,244	166	698	-	2,108
Disposal	-	-	(11,134)	(2,542)	-	(13,676)
Balance at December 31, 2024	<u>\$ 503,574</u>	<u>\$ 328,067</u>	<u>\$ 76,759</u>	<u>\$ 52,005</u>	<u>\$ 890</u>	<u>\$ 961,295</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 175,683	\$ 69,527	\$ 45,819	\$ -	\$ 291,029
Disposal	-	-	(10,911)	(2,542)	-	(13,453)
Depreciation expense	-	13,684	7,531	3,143	-	24,358
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 189,367</u>	<u>\$ 66,147</u>	<u>\$ 46,420</u>	<u>\$ -</u>	<u>\$ 301,934</u>
Carrying amounts at December 31, 2024	<u>\$ 503,574</u>	<u>\$ 138,700</u>	<u>\$ 10,612</u>	<u>\$ 5,585</u>	<u>\$ 890</u>	<u>\$ 659,361</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 359,477	\$ 345,823	\$ 85,569	\$ 54,545	\$ 2,604	\$ 848,018
Addition	166,411	5,119	3,272	704	-	175,506
Disposal	-	(2,250)	(1,114)	(1,400)	-	(4,764)
Reclassification	68,288	1,659	-	-	(1,714)	68,233
Transfer to investment property	(90,602)	(23,528)	-	-	-	(114,130)
Balance at December 31, 2023	<u>\$ 503,574</u>	<u>\$ 326,823</u>	<u>\$ 87,727</u>	<u>\$ 53,849</u>	<u>\$ 890</u>	<u>\$ 972,863</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ -	\$ 169,780	\$ 62,455	\$ 43,497	\$ -	\$ 275,732
Disposal	-	(2,250)	(1,097)	(1,400)	-	(4,747)
Depreciation expense	-	13,642	8,169	3,722	-	25,533
Transfer to investment property	-	(5,489)	-	-	-	(5,489)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 175,683</u>	<u>\$ 69,527</u>	<u>\$ 45,819</u>	<u>\$ -</u>	<u>\$ 291,029</u>
Carrying amount at December 31, 2023	<u>\$ 503,574</u>	<u>\$ 151,140</u>	<u>\$ 18,200</u>	<u>\$ 8,030</u>	<u>\$ 890</u>	<u>\$ 681,834</u>

For the need of expansion and operation, the Group acquired 5,639.26 m² of farmlands in the Changfa section of Dayuan District, Taoyuan City, numbered 0497, 0499, and 0500, with a recognized freehold land cost of NT\$234,699 thousand. Due to legal restrictions, ChenFull International Co., Ltd. of the Group was not allowed to register ownership of farmlands. ChenFull International Co., Ltd. hence signed the Contract of Borrowing Other's Name for Real Estate Registration on March 3, 2023 with an employee with yeoman status, who acquired the farmlands for the Group, and stipulated the ownership of the farmlands. In addition, the caution of the land ownership is registered to ChenFull International Co., Ltd; the employee has no right of de facto disposal unless consented by ChenFull International Co., Ltd.

Depreciation expenses are accrued using the straight-line method over useful lives:

Building	
Main buildings	5 to 56 years
Electrical engineering	20 to 21 years
Water supply and drainage equipment	10 to 11 years
Air-conditioning equipment	7 to 9 years
Others	2 to 21 years
Machinery equipment	2 to 11 years
Other equipment	2 to 11 years

The Company did not recognize or reverse impairment losses for the years ended December 31, 2024 and 2023.

13.LEASE AGREEMENT

Other lease information

	<u>2024</u>	<u>2023</u>
Expense from short-term leases	\$ <u>7,450</u>	\$ <u>14,998</u>
Expense from leases of low-value assets	\$ <u>963</u>	\$ <u>956</u>
Gross cash (outflow) of leases	(\$ <u>8,413</u>)	(\$ <u>15,954</u>)

The Company applied exemption of recognition to leases qualified as short-term leases and leases of low-value assets. These leases are not recognized as relevant right-of-use assets and lease liabilities.

14.INVESTMENT PROPERTY

	<u>Completed investment property</u>
<u>Cost</u>	
Balance on January 1, 2024	\$ 408,014
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2024	\$ 45,046
Depreciation expense	4,920
Balance on December 31, 2024	<u>\$ 49,966</u>
Net amount on December 31, 2024	<u>\$ 358,048</u>
<u>Cost</u>	
Balance on January 1, 2023	\$ 293,884
From property, plant, and equipment	<u>114,130</u>
Balance on December 31, 2023	<u>\$ 408,014</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2023	\$ 34,634
Depreciation expense	5,489
From property, plant, and equipment	<u>4,923</u>
Balance on December 31, 2023	<u>\$ 45,046</u>
Net amount on December 31, 2023	<u>\$ 362,968</u>

Lease terms for investment properties are 1-2 years. Lessees do not have the bargain purchase price option of the investment properties when the lease terminates.

Future receivable lease payments from leasing investment properties through operating lease are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
First year	\$ 6,718	\$ 6,422
Second year	<u>-</u>	<u>58</u>
	<u>\$ 6,718</u>	<u>\$ 6,480</u>

Depreciation expenses are accrued using the straight-line method over useful lives:

Main building	20 years
---------------	----------

The fair value of the investment properties on December 31, 2024, was NT\$613,682 thousand. Such fair value was evaluated by the Group's management according to the market trend of transaction prices similar to those of real estate in its vicinity, instead of by an independent evaluator.

15. OTHER INTANGIBLE ASSETS

	<u>Cost of computer software</u>
<u>Cost</u>	
Balance at January 1, 2024	\$ 16,508
Addition	38
Disposal	(696)
Balance at December 31, 2024	<u>\$ 15,850</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2024	\$ 9,816
Amortization expense	3,802
Disposal	(696)
Balance at December 31, 2024	<u>\$ 12,922</u>
Carrying amount at December 31, 2024	\$ 2,928
<u>Cost</u>	
Balance at January 1, 2023	\$ 22,794
Addition	636
Disposal	(6,922)
Balance at December 31, 2023	\$ 16,508
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2023	\$ 11,924
Amortization expense	4,814
Disposal	(6,922)
Balance at December 31, 2023	<u>\$ 9,816</u>
Carrying amount at December 31, 2023	\$ 6,692

In addition to the recognition of amortization expense, no significant disposal and impairment of the Group's intangible assets occurred in 2024 and 2023.

Amortization expenses are accrued using the straight-line method over useful lives:

Cost of computer software 1 to 5 years

Aggregated amortization expenses according to functions:

	<u>2024</u>	<u>2023</u>
Operating cost	\$ 1,503	\$ 1,514
Operating expense	<u>2,299</u>	<u>3,300</u>
	<u>\$ 3,802</u>	<u>\$ 4,814</u>

16. OTHER ASSETS

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Prepayments	<u>\$ 6,318</u>	<u>\$ 11,712</u>
Other financial assets – current		
Time deposits pledged(a) (Note 33)	<u>\$ 104</u>	<u>\$ 101</u>
Other current assets		
Temporary payments	\$ 6,529	\$ 6,645
Advances to employees	<u>98</u>	<u>44</u>
<u>Non-Current</u>		
Other Non-Current Assets		
Other Receivables (II)		
Other Receivables	\$ 73,948	\$ 73,948
Less: Allowance for Doubtful Accounts	(73,948)	(73,948)
Prepaid Equipment Payments	42,883	42,356
Land Pending Transfer (III)	1,114	1,114
Deposits Paid	<u>2,332</u>	<u>2,083</u>
	<u>\$ 46,329</u>	<u>\$ 45,553</u>

A. As of December 31, 2024 to December 31, 2023, the annual interest rate range of time deposits pledged were 1.69% and 1.565%, respectively.

B. Other receivables – non-current

Our company undertook a subcontracted project from Hao Han Zhong Xiao Engineering Co., Ltd. (hereinafter referred to as "Hao Han Company"). Due to disputes between both parties regarding contract interpretation, payment, and deduction amounts, our company filed a lawsuit against Hao Han Company, claiming an outstanding project payment of NT\$110,821 thousand. Subsequently, on September 30, 2011, except for an amount of NT\$7,368 thousand that remained under litigation, the remaining dispute was settled through a notarized agreement, wherein Hao Han Company agreed to pay Qian Fu Company NT\$92,499 thousand. This amount included NT\$84,851 thousand in accounts receivable and performance guarantee deposits, as well as NT\$7,648 thousand in litigation-related expenses, which were recorded under other non-current assets.

On March 25, 2014, the High Court ruled that Hao Han Company must pay Qian Fu Company NT\$9,383 thousand in outstanding project payments plus interest. A debt certificate was issued by the court on July 25, 2014. Since Hao Han Company failed to comply with the settlement terms, our company applied for compulsory enforcement through the court.

Additionally, our company filed a claim of NT\$92,499 thousand against Hao Han Company's former responsible person, Chen Shui-Tu, based on his endorsement liability. A final favorable judgment was obtained, and a debt certificate was issued by the court. Through court enforcement, our company has gradually recovered NT\$10,903 thousand. For the remaining outstanding balance of NT\$73,948 thousand against Hao Han Company, our company has made a full (100%) provision for doubtful accounts..

C. Conveyancing land

For the purpose of expanding its operations, our company purchased agricultural land with a total area of 6,454 square meters, located at Lot Nos. 1065-0086 and 1065-0015 in Xucuo Port, Dayuan Township, Taoyuan County, at a recorded cost of NT\$25,120 thousand.

Due to legal restrictions preventing our company from registering ownership of farmland, our company (hereinafter referred to as "Party A") entered into an agreement on October 21, 2002, with Mr. Hsu Chih-Hung, the former chairman of the company (hereinafter referred to as "Party B"), who holds the status of a self-cultivating farmer. Under this agreement, Party B acted as an agent to purchase the farmland on behalf of Party A and completed the ownership transfer process on November 5, 2002. The contract explicitly stated that Party B unconditionally waived any rights to the land ownership. Furthermore, once legal restrictions on farmland transfers were lifted or urban planning adjustments allowed for the transfer, Party B would be obligated to provide all necessary transfer documents unconditionally, without obstruction or demands for additional compensation.

In August 2009, our company obtained approval from the competent authority for a partial land-use change and completed the ownership transfer process. By the end of 2011, the new Dayuan plant was completed and designated as the production base for factory engineering pipeline manufacturing.

As of December 31, 2024, a total of 281.98 square meters, subdivided from the original Lot No. 1065-0015 into Lot Nos. 0488-0000 and 0484-0000, remains classified as agricultural and pastoral land, reserved for government use in a waterway management project. This land is recorded under "Other Non-Current Assets – Others" at a value of NT\$1,114 thousand.

17.BORROWINGS

Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured borrowings</u>		
Line of credit borrowing	<u>\$ 200,000</u>	<u>\$ -</u>

The interest rate on bank revolving loans was 1.8% as of December 31, 2024.

18.PAYABLES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts Payable (Including Related Parties)		
Incurred from Operations	<u>\$ 226,040</u>	<u>\$ 132,815</u>

The average credit period for purchasing certain goods ranges from 1 to 4 months, and no interest is charged on accounts payable. Our company has established a financial risk management policy to ensure that all payables are settled within the pre-agreed credit terms.

19.OTHER LIABILITIES

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Liabilities		
Other Payables		
Payables for Equipment	\$ 216	\$ 537
Salaries and Bonuses Payable	34,809	34,773
Employee Compensation Payable	39,684	26,589
Directors' Compensation Payable	4,500	3,800
Vacation Payable	4,620	4,352
Others	<u>17,541</u>	<u>16,472</u>
	<u>\$ 101,370</u>	<u>\$ 86,523</u>
Other Current Liabilities		
Advance Receipts	\$ 773	\$ 520
Collections on Behalf	<u>1,133</u>	<u>1,146</u>
	<u>\$ 1,906</u>	<u>\$ 1,666</u>
Non-Current		
Other Non-Current Liabilities		
Deposits Received	<u>\$ 12</u>	<u>\$ 12</u>

20. RETIREMENT BENEFIT PLANS

A. Defined contribution plans

In the Company, Chenfeng Machinery Dongguan, NEW OPPORTUNITY LIMITED., and CHEN FULL HOLDING CO., LTD. have not yet established an employee retirement plan, and the local government has not mandated to establish a plan. The provisions of IFRS Bulletin No. 19 are not applicable.

In the Company, ChenFull International and Chenfeng Machinery adopted a pension plan applicable to the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Under the LPA, the companies make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

B. Defined benefit plans

The defined benefit plan adopted by ChenFull International and ChenFull Precision of the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes 2% of each employee's total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund deposits are managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts in respect of the defined benefit plans included in the consolidated balance sheet are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present Value of Defined Benefit Obligations	\$ 24,233	\$ 26,272

Fair Value of Plan Assets	(<u>4,474</u>)	(<u>1,200</u>)
Net Defined Benefit Liabilities	<u>\$ 19,759</u>	<u>\$ 25,072</u>

The changes in net defined benefit liabilities are as follows:

	Present Value of Defined Benefit Obligations	Fair Value of Plan A s s e t s	Net Defined Benefit Liabilities
1-Jan-24	\$ 26,272	(\$ 1,200)	\$ 25,072
Interest Expense (Income)	<u>321</u>	(<u>17</u>)	<u>304</u>
Recognized in Profit or Loss	<u>321</u>	(<u>17</u>)	<u>304</u>
Remeasurements			
Return on Plan Assets (excluding amounts included in net interest)	-	(582)	(582)
Actuarial Gains - Changes in Financial Assumptions	(1,274)	-	(1,274)
Actuarial Gains - Experience Adjustments	(<u>384</u>)	<u>-</u>	(<u>384</u>)
Recognized in Other Comprehensive Income	(<u>1,658</u>)	(<u>582</u>)	(<u>2,240</u>)
Employer Contributions	-	(3,377)	(3,377)
Benefit Payments	(<u>702</u>)	<u>702</u>	<u>-</u>
31-Dec-24	<u>\$ 24,233</u>	(<u>\$ 4,474</u>)	<u>\$ 19,759</u>
1-Jan-23	\$ 36,199	(\$ 11,516)	\$ 24,683
Interest Expense (Income)	<u>613</u>	(<u>200</u>)	<u>413</u>
Recognized in Profit or Loss	<u>613</u>	(<u>200</u>)	<u>413</u>
Remeasurements			
Return on Plan Assets (excluding amounts included in net interest)	-	(18)	(18)
Actuarial Losses - Changes in Financial Assumptions	1,881	-	1,881
Actuarial Gains - Experience Adjustments	(<u>1,486</u>)	<u>-</u>	(<u>1,486</u>)
Recognized in Other Comprehensive Income	<u>395</u>	(<u>18</u>)	<u>377</u>
Employer Contributions	-	(401)	(401)
Benefit Payments	(<u>10,935</u>)	<u>10,935</u>	<u>-</u>
31-Dec-23	<u>\$ 26,272</u>	(<u>\$ 1,200</u>)	<u>\$ 25,072</u>

The amount of defined benefit plan recognized in profit or loss is summarized by function as follows:

	Year 2024	Year 2023
Cost of Goods Sold	\$ 53	\$ 98
Selling Expenses	31	33
General and Administrative Expenses	186	253
Research and Development Expenses	<u>34</u>	<u>29</u>
	<u>\$ 304</u>	<u>\$ 413</u>

Our 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 plan assets' distribution amount is calculated based on the return at no less than the local bank's 2-year time deposit interest rate.
2. Interest Rate Risk: A decrease in government bond interest rates will increase the present value of defined benefit obligations. However, the return on debt investments of plan assets will also increase, which partially offsets the effect on net defined benefit liabilities.
3. Salary Risk: The calculation of the present value of defined benefit obligations is based on the future salaries of plan members. Therefore, an increase in the salaries of plan members will lead to an increase in the present value of defined benefit obligations.

The present value of the company's defined benefit obligations is actuarially assessed by a qualified actuary. The significant assumptions as of the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount Rate	1.5022%	1.2224%
Expected Salary Increase Rate	2.5000%	3.0000%

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 determined based on the company's historical employee turnover experience and future trend considerations, with adjustments made for smoothing.

If significant actuarial assumptions undergo reasonably possible changes while all other assumptions remain unchanged, the resulting increase (decrease) in the present value of defined benefit obligations would be as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount Rate		
Increase by 0.5%	(\$ <u>799</u>)	(\$ <u>932</u>)
Decrease by 0.5%	<u>\$ 850</u>	<u>\$ 996</u>
Salary Growth Rate		
Increase by 0.5%	<u>\$ 831</u>	<u>\$ 966</u>
Decrease by 0.5%	(\$ <u>790</u>)	(\$ <u>915</u>)

Since actuarial assumptions may be interrelated, it is unlikely that only a single assumption will change in isolation. Therefore, the sensitivity analysis above may not fully reflect the actual changes in the present value of defined benefit obligations.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected Contribution Within One Year	<u>\$ 330</u>	<u>\$ 413</u>
Average Maturity Period of Defined Benefit Obligation	6.98years	7.51years

21. EQUITY

A. Capital Stock

Common Stock	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized Shares (Thousands)	<u>150,000</u>	<u>150,000</u>
Authorized Capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Issued and Fully Paid Shares (Thousands)	<u>113,761</u>	<u>113,761</u>
Issued Capital	<u>\$ 1,137,605</u>	<u>\$ 1,137,605</u>

The issued common stock has a par value of 10 per share, with each share having one voting right and the right to receive dividends.

B. Capital Surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Can be used to offset losses, distribute cash, or increase capital stock (Note 1)		
Stock Issuance Premium	\$ 258,010	\$ 258,010
Convertible Bonds Premium	207,018	207,018
Treasury Stock Transactions	1,863	1,440
Difference between Actual Acquisition or Disposal Value of Subsidiary's Equity and Book Value	544,174	544,174
Merger Premium	10,618	10,618
Can only be used to offset losses Recognition of Ownership Interests in Subsidiaries	<u>211,006</u>	<u>211,006</u>
	<u>\$ 1,232,689</u>	<u>\$ 1,232,266</u>

Note 1: This type of capital surplus can be used to offset losses, and, when the company has no losses, can be used to distribute cash or increase capital stock. However, when increasing capital stock, the amount is limited to a certain percentage of the paid-in capital each year.

Note 2: This type of capital surplus is the impact on equity transactions recognized due to changes in subsidiary equity, when the company has not actually acquired or disposed of subsidiary shares. It also includes adjustments to the capital surplus of subsidiaries recognized under the equity method.

C. Retained Earnings and Dividend Policy

According to the company's articles of incorporation and its profit distribution policy, if the company has profits for the fiscal year, it shall first pay taxes as required by law and offset any losses from previous years. A 10% allocation will be made to the legal reserve, but this will no longer apply once the legal reserve has accumulated to the total capital of the company. Special reserves or retained earnings will be allocated or reversed in accordance with the law. If there are still profits, along with any accumulated undistributed earnings, the Board of Directors will prepare a proposal for the distribution of dividends, which will be submitted to the shareholders' meeting for approval, based on the proportion of total shares. The company's policies regarding employee and director compensation distribution can be found in Note 23 (7) on employee compensation and director remuneration.

The company's dividend policy aligns with the overall business environment and industry characteristics. Based on the company's future financial structure and capital budgeting, and considering profitability, undistributed earnings, and capital surplus, an appropriate dividend distribution plan is formulated. The policy aims to distribute no less than 50% of the available earnings for the year, ensuring stable development and maximizing shareholder interests. Cash dividends will account for no less than 10% of the total dividends for the year.

The legal reserve must be allocated until the balance reaches the company's total paid-in capital. The legal reserve can be used to offset losses. When there are no losses, any portion of the legal reserve exceeding 25% of the paid-in capital may be used to increase capital or distributed as cash.

The company held the annual shareholders' meetings on May 30, 2024, and May 31, 2023, where the profit distribution proposals for the 2023 and 2022 fiscal years were approved as follows:

	Profit Distribution Proposal	
	2023	2022
Legal Reserve	<u>\$ 16,720</u>	<u>\$ 28,012</u>
Special Reserve	<u>\$ 2,385</u>	<u>(\$ 5,033)</u>
Cash Dividend	<u>\$ 169,636</u>	<u>\$ 282,726</u>
Cash Dividend Per Share (NTD)	\$ 1.5	\$ 2.5

The Board of Directors of the subsidiary company proposed the following profit distribution plan for the fiscal year 2024 on March 3, 2025:

	Profit Distribution Proposal
Legal Reserve	<u>\$ 39,616</u>
Special Reserve	<u>(\$ 15,490)</u>
Cash Dividend	<u>\$ 282,726</u>
Cash Dividend Per Share (NTD)	\$ 2.5

The profit distribution plan for the fiscal year 2024 is pending and will be subject to approval at the annual shareholders' meeting scheduled to be held on May 26, 2025.

D. Other Equity Items

1. Exchange Differences from the Translation of Financial Statements of Foreign Operations

	2024	2023
Beginning Balance	(\$ 18,647)	(\$ 16,964)
Amount Generated During the Year		
Exchange Differences Arising from the Translation of Net Assets of Foreign Operations	<u>3,387</u>	<u>(1,683)</u>
Other Comprehensive Income for the Year	<u>3,387</u>	<u>(1,683)</u>
Ending Balance	<u>(\$ 15,260)</u>	<u>(\$ 18,647)</u>

2. Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 3,156	\$ 3,858
Amount Generated During the Year		
Unrealized Gains or Losses on Equity Instruments	40,433	80
Impact of Subsidiaries Recognized Using the Equity Method	<u>663</u>	<u>(782)</u>
Other Comprehensive Income for the Year	<u>41,096</u>	<u>(702)</u>
Ending Balance	<u>\$ 44,252</u>	<u>\$ 3,156</u>

E. Treasury Stock

Reason for Repurchase	Stock Dividend Issued by Parent Company (Thousands of Shares)	Transfer of Shares to Employees (Thousands of Shares)	Repurchased for Cancellation (Thousands of Shares)	Shares Held by Subsidiary in Parent Company Reclassification of Long-term Investments to Treasury Stock (Thousands of Shares)	Total (Thousands of Shares)
Number of Shares as of January 1, 2024	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares as of December 31, 2024	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares as of January 1, 2023					
Number of Shares as of December 31, 2023	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares as of January 1, 2024	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>

The information regarding the shares of the parent company held by the subsidiary as of the balance sheet date is as follows:

Subsidiary Name	Number of Shares Held (Thousands of Shares)	Book Value	Market Price
December 31, 2024			
Chenfeng Machinery Co., Ltd.	282	\$ <u>12,792</u>	\$ <u>12,792</u>
December 31, 2023			
Chenfeng Machinery Co., Ltd.	282	\$ <u>10,735</u>	\$ <u>10,735</u>

The shares of the parent company held by the subsidiary are treated as treasury stock. Except for not being allowed to participate in the parent company's cash capital increase and having no voting rights, all other rights are the same as those of general shareholders.

22. REVENUE

	<u>2024</u>	<u>2023</u>
Revenue from Customer Contracts		
Sales Revenue	\$ 326,639	\$ 393,866
Engineering Revenue	<u>1,083,893</u>	<u>855,278</u>
	<u>\$ 1,410,532</u>	<u>\$ 1,249,144</u>

A. Description of Customer Contracts:

1. Sales Revenue

Revenue is recognized and accounts receivable are recorded when the goods are delivered to the customer's specified location. At that point, the customer has the right to the agreed price and usage of the goods, and assumes the primary responsibility for resale and the risk of obsolescence.

2. Engineering Revenue

For real estate construction contracts where the property is under the control of the customer during the construction process, revenue is recognized over time.

B. Contract Balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Accounts Receivable (Note 9)	<u>\$ 159,018</u>	<u>\$ 68,396</u>	<u>\$ 240,301</u>
Contract Assets - Current Construction Contracts			
Contract Liabilities - Current	<u>\$ 1,064,373</u>	<u>\$ 534,092</u>	<u>\$ 956,645</u>
Sales of Goods Construction Contracts			
Accounts Receivable (Note 9)	\$ 13,716	\$ 4,303	\$ 8,542
Contract Assets - Current	<u>114,135</u>	<u>151,530</u>	<u>110,091</u>
	<u>\$ 127,851</u>	<u>\$ 155,833</u>	<u>\$ 118,633</u>

23. NET PROFIT FROM CONTINUING OPERATIONS

A. Interest Income

	<u>2024</u>	<u>2023</u>
Bank Deposits	\$ 945	\$ 1,266
Bonds with Repurchase Agreement	592	-
Financial Assets Measured at Fair Value through Profit or Loss	1,455	666
Others	<u>36</u>	<u>53</u>

\$ 3,028 \$ 1,985

B. Other Income

	2024	2023
Rental Income		
Investment Property (Note 14)	\$ 6,017	\$ 5,918
Operating Lease Rental Income		
- Other	337	354
Dividend Income	4,847	6,834
Other	<u>7,536</u>	<u>20,692</u>
	<u>\$ 18,737</u>	<u>\$ 33,798</u>

C. Other Gains and Losses

	2024	2023
Gain on Disposal of Property, Plant, and Equipment	\$ 3,131	\$ 470
Loss on Disposal of Financial Assets		
Financial Assets Measured at Fair Value Through Profit or Loss	(796)	-
Gain on Financial Assets		
Financial Assets Measured at Fair Value Through Profit or Loss	2,930	3,479
Net Foreign Exchange Gains	4,851	251
Other Losses	<u>(73)</u>	<u>(155)</u>
	<u>\$ 10,043</u>	<u>\$ 4,045</u>

D. Financial Costs

	2024	2023
Interest on Bank Loans	\$ 1,177	\$ 1,181
Other Interest Expenses	<u>30</u>	<u>-</u>
	<u>\$ 1,207</u>	<u>\$ 1,181</u>

E. Depreciation and Amortization

	2024	2023
Property, Plant, and Equipment	\$ 24,358	\$ 25,533
Investment Property	4,920	4,923
Intangible Assets	<u>3,802</u>	<u>4,814</u>
Depreciation Expense by Function	<u>\$ 33,080</u>	<u>\$ 35,270</u>
Cost of Goods Sold (COGS)		
Operating Expenses		
Property, Plant, and Equipment	\$ 17,115	\$ 17,780

Investment Property	<u>12,163</u>	<u>12,676</u>
	<u>\$ 29,278</u>	<u>\$ 30,456</u>
<hr/>		
Amortization Expense by Function		
Cost of Goods Sold (COGS)	\$ 1,503	\$ 1,514
Operating Expenses	<u>2,299</u>	<u>3,300</u>
	<u>\$ 3,802</u>	<u>\$ 4,814</u>

F. Employee Benefits Expenses

	<u>2024</u>	<u>2023</u>
Post-Employment Benefits (Note 20)		
Defined Contribution Plan	\$ 9,754	\$ 11,517
Defined Benefit Plan	<u>304</u>	<u>413</u>
Other Employee Benefits	<u>10,058</u>	<u>11,930</u>
Total Employee Benefits Expenses	<u>261,616</u>	<u>290,922</u>
Summarized by Function	<u>\$ 271,674</u>	<u>\$ 302,852</u>
Cost of Goods Sold (COGS)		
Operating Expenses		
Post-Employment Benefits (Note 20)	\$ 137,577	\$ 175,346
Defined Contribution Plan	<u>134,097</u>	<u>127,506</u>
	<u>\$ 271,674</u>	<u>\$ 302,852</u>

G. Employee Compensation and Director Remuneration

The company allocates employee compensation and director remuneration based on the pre-tax profit for the current year, before the distribution of employee and director compensation, at not less than 2% and not more than 2%, respectively. The employee compensation and director remuneration for the years 2024 and 2023 were respectively approved by the Board of Directors on March 3, 2025, and February 22, 2024, as follows:

Provision Ratio

	<u>2024</u>	<u>2023</u>
Employee Compensation	5.18%	5.27%
Director Remuneration	0.98%	1.99%

Amount

	<u>2024</u>	<u>2023</u>
	<u>Cash</u>	<u>Cash</u>
Employee Compensation	\$ 23,865	\$ 10,090
Director Remuneration	4,500	3,800

If there are changes in amounts after the approval and release of the annual individual financial report, such changes will be handled according to accounting estimates and adjusted in the following year. The actual distribution amounts of employee compensation

and director remuneration for the years 2023 and 2022, as decided by the Board of Directors, are consistent with the recognized amounts in the individual financial reports for the years 2023 and 2022.

For information on the employee compensation and director remuneration decided by the company's Board of Directors, please refer to the "Market Observation Post System" on the Taiwan Stock Exchange website.

24. INCOME TAX OF CONTINUING OPERATIONS

A. Major Components of Income Tax Expense Recognized in Profit or Loss

	<u>2024</u>	<u>2023</u>
Current Income Tax		
Current Income Tax Expense	\$ 37,129	\$ 1,661
Repatriation of Foreign Funds	-	8,871
Adjustments for Prior Years	(<u>1,353</u>)	(<u>593</u>)
Deferred Income Tax	<u>35,776</u>	<u>9,939</u>
Deferred Income Tax Expense		
Adjustments for Prior Years	1,949	(64)
Income Tax Expense		
Recognized in Profit or Loss	<u>-</u>	(<u>71</u>)
Current Income Tax	<u>1,949</u>	(<u>135</u>)
Current Income Tax Expense	<u>\$ 37,725</u>	<u>\$ 9,804</u>

The reconciliation of accounting income and income tax expense is as follows:

	<u>2024</u>	<u>2023</u>
Pre-tax Income from		
Continuing Operations	<u>\$ 432,147</u>	<u>\$ 177,559</u>
Income Tax Expense on Pre-tax		
Income at the Statutory Tax		
Rate (20%)		
Non-deductible Expenses for		
Tax Purposes	\$ 86,429	\$ 35,512
Repatriation of Foreign Funds	15	20
Tax-exempt Income	-	8,871
Investment Credits Offsetting		
in the Current Period	(45,905)	(32,554)
Adjustment of Deferred		
Income Tax Expense from		
Prior Years in the Current Year	(1,461)	(1,381)
Adjustment of Current Income		
Tax Expense from Prior Years		
in the Current Year	-	(71)
Income Tax Expense		
Recognized in Profit or Loss	(<u>1,353</u>)	(<u>593</u>)
Pre-tax Income from		
Continuing Operations	<u>\$ 37,725</u>	<u>\$ 9,804</u>

B. Income Tax Recognized in Other Comprehensive Income

<u>2024</u>	<u>2023</u>
-------------	-------------

Deferred Income Tax		
Current Year Deferred Income Tax		
Foreign Operations Translation	(\$ 847)	\$ 419
Remeasurement of Defined Benefit Plans	(448)	76
Income Tax Recognized in Other Comprehensive Income	(\$ 1,295)	\$ 495

C. Current Income Tax Liability

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Income Tax Liability		
Income Tax Payable	<u>\$ 31,027</u>	<u>\$ 5,941</u>

D. Deferred Income Tax Assets and Liabilities

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

2024

	<u>Beginning Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Recognized in Other Comprehensive Income</u>	<u>Ending Balance</u>
Deferred Income Tax Assets				
Temporary Differences				
Unrealized Cost of Goods Sold	\$ 1,936	(\$ 1,107)	\$ -	\$ 829
Accrued Vacation Benefits	993	54	-	1,047
Unrealized Exchange Gains and Losses	169	(169)	-	-
Unrealized Inventory Write-downs and Obsolete Losses	13,096	(1,410)	-	11,686
Allowance for Doubtful Accounts in Excess	17,755	567	-	18,322
Defined Benefit Retirement Plans	5,274	(614)	(448)	4,212
Foreign Operations Translation Differences	2,995	-	(847)	2,148
Financial Assets Measured at Fair Value Through Profit or Loss	<u>806</u>	<u>(586)</u>	<u>-</u>	<u>220</u>
Deferred Income Tax Liabilities	<u>\$ 43,024</u>	<u>(\$ 3,265)</u>	<u>(\$ 1,295)</u>	<u>\$ 38,464</u>
Temporary Differences Overseas Investments				
Unrealized Exchange Gains and Losses				
Deferred Income Tax Assets	(\$ 13,474)	\$ 1,498	\$ -	(\$ 11,976)

Temporary Differences	-	(182)	-	(182)
	<u>(\$ 13,474)</u>	<u>\$ 1,316</u>	<u>\$ -</u>	<u>(\$ 12,158)</u>

2023

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred Income Tax				
Assets				
Temporary Differences				
Unrealized Cost of				
Goods Sold	\$ 542	\$ 1,394	\$ -	\$ 1,936
Accrued Vacation				
Benefits	1,104	(111)	-	993
Unrealized Exchange				
Gains and Losses	6	163	-	169
Unrealized Inventory				
Write-downs and				
Obsolete Losses	14,524	(1,428)	-	13,096
Allowance for Doubtful				
Accounts in Excess	17,016	739	-	17,755
Defined Benefit				
Retirement Plans	5,201	(3)	76	5,274
Foreign Operations				
Translation Differences	2,576	-	419	2,995
Financial Assets				
Measured at Fair Value				
Through Profit or Loss	<u>1,502</u>	<u>(696)</u>	<u>-</u>	<u>806</u>
Deferred Income Tax				
Liabilities	<u>\$ 42,471</u>	<u>\$ 58</u>	<u>\$ 495</u>	<u>\$ 43,024</u>
Temporary Differences				
Overseas Investments				
Deferred Income Tax				
Assets				
Temporary Differences	<u>(\$ 13,551)</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>(\$ 13,474)</u>

E. Income Tax Assessment Status

The company's business income tax filings have been assessed and approved by the tax authorities up to the year 2022.

25. EARNINGS PER SHARE (EPS)

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

Net Profit for the Current Year

	<u>2024</u>	<u>2023</u>
Net Profit Used to Calculate Basic Earnings Per Share	<u>\$ 394,422</u>	<u>\$ 167,755</u>

Net Profit Used to Calculate Diluted Earnings Per Share		
Net Profit Used to Calculate Basic Earnings Per Share	<u>\$ 394,422</u>	<u>\$ 167,755</u>

<u>Number of Shares</u>	Unit: Thousand Shares	
	<u>2024</u>	<u>2023</u>
Weighted Average Number of Common Shares Used to Calculate Basic Earnings Per Share	112,809	112,809
Impact of Potential Common Shares with Dilutive Effect		
Employee Compensation		
Weighted Average Number of Common Shares Used to Calculate Diluted Earnings Per Share	<u>563</u>	<u>334</u>
Weighted Average Number of Common Shares Used to Calculate Basic Earnings Per Share	<u>113,372</u>	<u>113,143</u>

If the company has the option to issue employee compensation in the form of stock or cash, when calculating diluted earnings per share, it is assumed that employee compensation will be issued in stock. The weighted average number of shares outstanding will include the potential common shares with a dilutive effect to calculate diluted earnings per share. When calculating diluted earnings per share before the resolution of the number of shares to be issued for employee compensation in the following year, the dilutive effect of such potential common shares will also continue to be considered.

26. CAPITAL RISK MANAGEMENT

The company manages its capital to ensure that it can continue as a going concern, optimizing the balance between debt and equity to maximize shareholder returns.

The company's capital structure consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital reserves, retained earnings, and other equity items).

The company is not subject to any external capital requirements.

The company's senior management reviews its capital structure annually, considering the costs of various types of capital and associated risks. Based on the recommendations of senior management, the company balances its overall capital structure through methods such as paying dividends, issuing new shares, repurchasing shares, and issuing new debt or repaying existing debt.

27. FINANCIAL INSTRUMENTS

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

Management believes that the carrying amount of financial assets and liabilities not measured at fair value approximates their fair value.

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

1. Fair Value Hierarchy

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial Assets Measured at Fair Value Through				

Profit or Loss				
Domestic Listed (OTC)				
Stocks	\$ 8,246	\$ -	\$ -	\$ 8,246
Fund Beneficiary				
Certificates	<u>41,794</u>	<u>-</u>	<u>-</u>	<u>41,794</u>
Financial Assets Measured				
at Fair Value Through				
Other Comprehensive				
Income	<u>\$ 50,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,040</u>
Equity Instrument				
Investments				
Domestic Unlisted (OTC)				
Stocks				
Financial Assets Measured				
at Fair Value Through				
Profit or Loss				
Domestic Listed (OTC)				
Stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,922</u>	<u>\$ 136,922</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial Assets				
Measured at Fair				
Value Through Profit				
or Loss				
Domestic Listed (OTC)				
Stocks	\$ 8,525	\$ -	\$ -	\$ 8,525
Fund Beneficiary				
Certificates	<u>60,598</u>	<u>-</u>	<u>-</u>	<u>60,598</u>
Financial Assets				
Measured at Fair				
Value Through Other				
Comprehensive				
Income	<u>\$ 69,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,123</u>
Equity Instrument				
Investments				
Domestic Unlisted				
(OTC) Stocks				
Financial Assets				
Measured at Fair				
Value Through Profit				
or Loss				
Domestic Listed (OTC)				
Stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,084</u>	<u>\$ 30,084</u>

There were no transfers between Level 1 and Level 2 fair value measurements for the years 2024 and 2023.

2. Reconciliation of Financial Instruments Measured at Level 3 Fair Value

2024

Financial Assets

	Measured at Fair Value Through Other Comprehensive Income
Financial Assets	Equity Instruments
Beginning Balance	\$ 30,084
Purchases	66,405
Recognized in Other Comprehensive Income (Unrealized Valuation Gains and Losses of Financial Assets Measured at Fair Value Through Other Comprehensive Income)	<u>40,433</u>
Ending Balance	<u>\$ 136,922</u>

2023

	Financial Assets Measured at Fair Value Through Other Comprehensive Income
Financial Assets	Equity Instruments
Beginning Balance	\$ 30,004
Recognized in Other Comprehensive Income (Unrealized Valuation Gains and Losses of Financial Assets Measured at Fair Value Through Other Comprehensive Income)	<u>80</u>
Ending Balance	<u>\$ 30,084</u>

3. Valuation Techniques and Assumptions Used to Measure Fair Value

The fair value of financial assets and financial liabilities is determined as follows:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active markets is determined based on market quotes. If no market price is available for reference, valuation methods are used to estimate the fair value. The estimates and assumptions used in the valuation methods adopted by the company are consistent with the information that market participants would use when pricing the financial instruments.

Unquoted Stocks

The company's financial statements include unquoted stocks measured at fair value. The fair value is determined using market-based valuation methods—Price-to-Earnings (P/E) ratio and Price-to-Book (P/B) ratio— 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	\$ 50,040	\$ 69,123

Financial Assets Measured at Amortized Cost (Note 1)	252,998	333,002
Collateral Deposits	2,332	2,083
Financial Assets Measured at Fair Value Through Other Comprehensive Income		
Equity Instrument Investments	136,922	30,084
Financial Liabilities Measured at Amortized Cost (Note 2)		
Collateral Received	441,285	147,282
Financial Assets	12	12

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

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

D. Financial Risk Management Objectives and Policies

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

The company has established appropriate policies, procedures, and internal controls for managing the aforementioned financial risks in compliance with relevant regulations. Significant financial activities must be reviewed by the board of directors according to applicable regulations and the internal control system. During the financial management process, the company must strictly adhere to the established financial risk management regulations.

1. Market Risk

The main financial risks that the company undertakes from its operational activities are foreign currency exchange rate risk (refer to (1) below) and interest rate risk (refer to (2) below).

(1) Currency Exchange Rate Risk

As of the balance sheet date, the carrying amounts of monetary assets and liabilities denominated in currencies other than the functional currency are referred to in Note 31.

Sensitivity Analysis

The company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The table below provides a detailed sensitivity analysis of the company's financial performance 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 by the company for reporting exchange rate risks to the senior management and represents the management's assessment of a reasonable possible range of fluctuations in foreign exchange rates. A positive number in the table indicates that when the New Taiwan Dollar depreciates by 1% relative to the respective foreign currencies, the pre-tax net profit or equity will increase by the corresponding amount. Conversely, when the New Taiwan Dollar appreciates by 1% relative to the relevant foreign currencies, the impact on pre-tax net profit or equity will be the same amount, but with a negative sign.

	Impact of the U.S. Dollar	
	2024	2023
Profit and Loss	\$ 1,010	\$ 460

(2) Interest Rate Risk

Interest rate risk is 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 financial liabilities exposed to interest rate risk are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair Value Interest Rate Risk		
Financial Assets	\$ 104	\$ 101
Financial Liabilities	200,000	-
Cash Flow Interest Rate Risk		
Financial Assets	74,242	247,302
Financial Liabilities	-	-

Sensitivity Analysis

As the fixed-rate financial assets and financial liabilities held by the Company are measured at amortized cost, they are not included in the analysis. The sensitivity analysis of interest rate risk is calculated based on the financial assets as of the balance sheet date. The Company uses a 0.25% increase/decrease in market interest rates as a reasonable risk assessment for reporting interest rate fluctuations to management.

Assuming all other variables remain constant, a 0.25% increase/decrease in market interest rates would result in a pre-tax net profit increase/decrease of NT\$186 thousand and NT\$618 thousand for the years 2024 and 2023, respectively.

(3) Other Price Risks

The Company is exposed to equity price risk due to its investments in equity securities and fund beneficiary certificates.

Sensitivity Analysis

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

If equity prices increase/decrease by 5%, the pre-tax profit or loss for the years 2024 and 2023 would increase/decrease by NT\$2,502 thousand and NT\$3,456 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through profit or loss.

Additionally, the pre-tax other comprehensive income for the years 2024 and 2023 would increase/decrease by NT\$6,846 thousand and NT\$1,504 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

The Company's sensitivity to equity security investments has not significantly changed compared to the prior year.

2. Credit Risk

Credit risk refers to the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. As of the balance sheet date, the Company's maximum exposure to credit risk arises primarily from the carrying amounts of financial assets recognized in the individual balance sheet.

The Company adopts a policy of transacting only with reputable counterparties and, when necessary, obtains sufficient collateral to mitigate the risk of financial loss due to defaults. To further reduce credit risk, the Company's management has established control procedures for determining and approving credit limits to ensure the collection of overdue receivables. Additionally, as of the balance sheet date, the Company conducts a detailed review of receivables to ensure that appropriate impairment losses are recognized for uncollectible amounts. Based on these measures, management believes that the Company's credit risk has been significantly reduced and remains limited.

The Company's credit risk is primarily concentrated among its top five customers. As of December 31, 2024 and 2023, accounts receivable from the top five customers accounted for 69% and 88% of the Company's total accounts receivable, respectively. The credit concentration risk for other receivables is relatively insignificant.

3. Liquidity Risk

The Company manages and maintains an adequate level of cash and cash equivalents to support operations and mitigate the impact of cash flow fluctuations. The Company's management supervises the utilization of bank credit facilities and ensures compliance with loan agreement terms.

Bank borrowings serve as an important source of liquidity for the Company. As of December 31, 2024 and 2023, the Company's unused credit facilities are detailed in section (2) "Credit Facilities" below.

(1) Liquidity and Interest Rate Risk Table for Non-Derivative Financial Liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest possible repayment date required by the Company, using undiscounted cash flows (including principal and estimated interest). The maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates. ‘

December 31, 2024

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-Derivative Financial Liabilities					
Accounts Payable	\$ 226,040	\$ -	\$ -	\$ -	\$ 226,040
Other Payables	15,182	-	-	-	15,182
Short-Term Borrowings	<u>200,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,063</u>
	<u>\$ 441,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441,285</u>

December 31, 2023

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-Derivative Financial Liabilities					
Accounts Payable	\$ 132,815	\$ -	\$ -	\$ -	\$ 132,815
Other Payables	<u>14,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,467</u>
	<u>\$ 147,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,282</u>

(2) Credit Facilities

<u>December 31, 2024</u>	<u>December 31, 2023</u>
--------------------------	--------------------------

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured Bank Credit Facilities and Commercial Paper Issuance Limit (Reviewed Annually)		
Amount Utilized	\$ 202,000	\$ 2,000
Unutilized Amount	<u>1,198,000</u>	<u>998,000</u>
	<u>\$ 1,400,000</u>	<u>\$ 1,000,000</u>

28. RELATED PARTY TRANSACTIONS

Except as disclosed in other notes, the transactions between the Company and related parties are as follows:

A. Related Party Name and Relationship

<u>Related Party Name</u>	<u>Relationship with the Company</u>
Chenfeng Machinery (Dongguan) Co.,Ltd.	Subsidiary
Chenfeng Machinery & Enterprise Co., Ltd.	Subsidiary
ChenFull Precision Co., Ltd.	Subsidiary

B. Sales

<u>Account Items</u>	<u>Related Party Name</u>	<u>Year 2024</u>	<u>Year 2023</u>
Sales	Chenfeng Machinery (Dongguan) Co.,Ltd.	\$ 2,389	\$ 13,321
	ChenFull Precision Co., Ltd.	<u>112</u>	<u>-</u>
		<u>\$ 2,501</u>	<u>\$ 13,321</u>

The transaction prices and payment terms for sales to related parties are not materially different from those with general customers.

C. Purchases

<u>Related Party Name</u>	<u>Year 2024</u>	<u>Year 2023</u>
Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ 62,882</u>	<u>\$ 602</u>

The transaction prices and payment terms for purchases from related parties are not materially different from those with general suppliers.

D. Receivables from Related Parties

<u>Account Items</u>	<u>Related Party Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other Receivables	Chenfeng Machinery & Enterprise Co., Ltd.	\$ 4,532	\$ 343
	ChenFull Precision Co., Ltd.	<u>17</u>	<u>403</u>
		<u>\$ 4,549</u>	<u>\$ 746</u>

The receivables from related parties outstanding are not secured by guarantees. As of the years 2024 and 2023, no allowance for doubtful accounts has been provided for the receivables from related parties.

E. Payables to related parties

<u>Account Items</u>	<u>Related Party Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts Payable	Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ 36,127</u>	<u>\$ 731</u>

The outstanding balance of accounts payable to related parties is not secured by guarantees.

F. Lease Agreements

Lease Expenses

<u>Lessor</u>	<u>Leased Asset</u>	<u>Lease and Rent Payment Method</u>	<u>Year 2024</u>	<u>Year 2023</u>
ChenFull Precision Co., Ltd.	Machine Room	The monthly rent is NT\$8,000, payable on a monthly basis.	<u>\$ 96</u>	<u>\$ 96</u>

G. Lease Agreement

The total future lease payments to be received are summarized as follows:

<u>Related Party Type</u>	<u>Year 2024</u>	<u>Year 2023</u>
Subsidiary of the Company	<u>\$ 4,920</u>	<u>\$ 4,920</u>

The lease income is summarized as follows:

<u>Lessor</u>	<u>Leased Asset</u>	<u>Lease and Rent Payment Method</u>	<u>Year 2024</u>	<u>Year 2023</u>
ChenFull Precision Co., Ltd.	Office and Factory	The monthly rent is NT\$400,000, payable on a monthly basis.	<u>\$ 4,800</u>	<u>\$ 4,800</u>
ChenFull Precision Co., Ltd.	Office	The monthly rent is NT\$10,000, payable on a monthly basis.	<u>\$ 120</u>	<u>\$ 120</u>

H. Others

<u>Account Items</u>	<u>Related Party Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
----------------------	---------------------------	--------------------------	--------------------------

Advance Payments from Customers (Contract Liabilities)	Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ 6,766</u>	<u>\$ 2,360</u>
Other Advance Payments	ChenFull Precision Co., Ltd.	<u>\$ -</u>	<u>\$ 59</u>
Account Items	Related Party Name	December 31, 2024	December 31, 2023
Service Revenue (Listed under Other Income)	Chenfeng Machinery & Enterprise Co., Ltd.	<u>\$ 3,417</u>	<u>\$ 3,086</u>
Rental Income (Listed under Other Income)	Chenfeng Machinery & Enterprise Co., Ltd.	<u>\$ 1,098</u>	<u>\$ 998</u>
Maintenance Service Revenue (Listed under Other Income)	ChenFull Precision Co., Ltd.	<u>\$ 890</u>	<u>\$ 14,787</u>
Freight Income (Listed under Other Income)	Chenfeng Machinery (Dongguan) Co.,Ltd	<u>\$ 2</u>	<u>\$ 19</u>
Freight Expenses (Listed under Manufacturing Costs)	ChenFull Precision Co., Ltd.	<u>\$ 15</u>	<u>\$ 33</u>

I. Key Management Personnel Compensation

	Year 2024	Year 2023
Short-term Employee Benefits	<u>\$ 18,238</u>	<u>\$ 17,514</u>
Post-employment Benefits	<u>414</u>	<u>487</u>
	<u>\$ 18,652</u>	<u>\$ 18,001</u>

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

29. PLEDGED ASSETS

The following assets of the Company are pledged as performance guarantees required for business operations:

	December 31, 2024	December 31, 2023
Other Financial Assets – Current Pledged Time Deposits	<u>\$ 104</u>	<u>\$ 101</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Except as stated in other notes, the Company has the following significant commitments and contingent matters:

- As of December 31, 2024, the Company has issued guarantee notes totaling NT\$1,141,000 thousand for credit facilities, business performance guarantees, and project warranties.
- As of December 31, 2024, the Company has received guarantee notes totaling NT\$39,467 thousand from vendors for performance or warranty guarantees.

3. The Company has contractual commitments with various vendors for the purchase of land, equipment, and factory renovations, with a total contract value of NT\$51,165 thousand. As of December 31, 2024, NT\$43,773 thousand has been paid (recorded as advance payments for equipment and real estate under construction), and the remaining NT\$7,392 thousand is yet to be paid.

31. INFORMATION ON FOREIGN CURRENCY ASSETS AND LIABILITIES WITH SIGNIFICANT IMPACT

The following information is presented in foreign currencies other than the Company's functional currency, with the disclosed exchange rates referring to the rates used to convert these foreign currencies into the functional currency. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2024

	foreign currency	Exchange Rate	Book value
Financial Assets			
Monetary Items			
US Dollar (USD)	\$ 3,589	32.785 USD to TWD	\$ 117,662
Chinese Yuan (CNY)	1	4.478 CNY to TWD	4
Euro (EUR)	168	34.14 EUR to TWD	5,722
Japanese Yen (JPY)	17,551	0.21 JPY to TWD	<u>3,684</u>
Non-Monetary Items			<u>\$ 127,072</u>
Subsidiaries accounted for using the equity method			
US Dollar (USD)			
Financial Liabilities	2,283	32.785 USD to TWD	<u>\$ 74,858</u>
Monetary Items			
US Dollar (USD)			
Chinese Yuan (CNY)			
Financial Assets	507	32.785 USD to TWD	\$ 16,636
Monetary Items	8,295	4.478 CNY to TWD	<u>37,146</u>
			<u>\$ 53,782</u>

December 31, 2023

	foreign currency	Exchange Rate	Book value
Financial Assets			
Monetary Items			
US Dollar (USD)	\$ 1,502	30.705 USD to TWD	\$ 46,135
Chinese Yuan (CNY)	6,073	4.327 CNY to TWD	26,277
Euro (EUR)	72	33.98 EUR to TWD	2,439
Japanese Yen (JPY)	18,705	0.217 JPY to TWD	<u>4,063</u>
Non-Monetary Items			<u>\$ 78,914</u>
Subsidiaries using the equity method			
US Dollar (USD)			
Financial Liabilities	2,544	30.705 USD to TWD	<u>\$ 78,115</u>
Monetary Items			
US Dollar (USD)			
Chinese Yuan (CNY)			
Financial Assets	5	30.705 USD to TWD	\$ 151
Monetary Items	119	4.327 CNY to TWD	<u>514</u>

\$ 665

The company's foreign currency exchange gains and losses (including both realized and unrealized) for the fiscal years 2024 and 2023 were a gain of NT\$4,851 thousand and a gain of NT\$251 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the exchange gains and losses by each foreign currency that has a significant impact."

32. DISCLOSURE ITEMS IN THE NOTES

A. Significant Transaction Matters

B. Information Related to Investee Companies

No.	Content	Description
1	Lending funds to others	None
2	Endorsement and guarantees for others	Table 1
3	Situation of held securities at year-end (excluding investments in subsidiaries, affiliates, and joint ventures)	Table 2
4	Cumulative amount of purchase or sale of the same securities reaches NT\$300 million or 20% of paid-in capital	None
5	Amount of real estate acquisition reaches NT\$300 million or 20% of paid-in capital	Table 3
6	Amount of real estate disposal reaches NT\$300 million or 20% of paid-in capital	None
7	Sales or purchases with related parties reach NT\$100 million or 20% of paid-in capital	None
8	Receivables from related parties reach NT\$100 million or 20% of paid-in capital	None
9	Engaging in derivative transactions	None
10	Information of investee companies	Table 4

C. Information of investments in mainland China:

No.	Item	Description
1	Name of the investee company in Mainland China 、 Main business activities 、 Paid-in capital 、 Investment method 、 Situation of fund remittance and receipt 、 Shareholding percentage 、 Investment gains and losses 、 Year-end book value of investment 、 Realized investment gains and losses Investment limit in Mainland China	Table 5
2	Significant transactions directly or indirectly with the investee company in Mainland China via third regions, including price, payment terms, and unrealized gains and losses	
	(1) Purchase amount and percentage, and the corresponding accounts payable at year-end and its percentage	Table 6
	(2) Sales amount and percentage, and the corresponding accounts receivable at year-end and its percentage	Table 6
	(3) Property transaction amount and the resulting gains or losses	None
	(4) End-of-year balance of note endorsement guarantees or collateral provided and their purposes	None
	(5) Highest balance, year-end balance, interest rate range, and total interest for the period of fund financing	None
	(6) Other significant transactions affecting the current period's profit and loss or financial position, such as the provision or receipt of services	None

D. Major Shareholder Information: Names, shareholding amounts, and percentages of shareholders whose ownership ratio reaches 5% or more. Please refer to Table 7.

CHENFULL INTERNATIONAL CO., LTD.
Endorsement And Guarantee For Others
For the year ended December 31, 2024

Table 1

Unit: Unless otherwise specified, amounts are in thousands of
New Taiwan Dollars (TWD) and foreign currencies.

No (Note1)	Guarantor Company Name	Endorsement/Guarantee Recipient		Endorsement/ Guarantee Limit for a Single Enterprise (Note 3: 1, (2))	Highest Endorsement/ Guarantee Balance for the Period	Year-end Endorsement/ Guarantee Balance	Actual Utilized Amount	Endorsement/ Guarantee Amount Secured by Property	Cumulative Endorsement /Guarantee Amount as a Percentage of Latest Net Worth in Financial Statements	Maximum Endorsement/ Guarantee Limit (Note 3)	Endorse ment/Gu arantee from Parent Compan y to Subsidiar y	Endorse ment/Gu arantee from Subsidiar y to Parent Compan y	Endorse ment/Gu arantee to Mainlan d China
		Company Name	Relationship (Note 2)										
0	CHENFULL INTERNATIO AL CO., LTD	ChenFull Precision Co., Ltd.	(2)	\$ 737,536	\$ 38,487	\$ 38,487	\$ 38,487	\$ -	1.04%	\$ 737,536	Y	N	N

Note 1: Explanation of the number column is as follows:

- (1) Issuer is numbered 0.
- (2) Investees are numbered from 1 to onwards.

Note 2: The relationships between endorser/guarantor and endorsee/guarantee are as follows:

- (1) Companies with business accounts
- (2) Subsidiaries holding more than 50% of ordinary equity of the Company
- (3) Investee companies of which more than 50% of ordinary equity is held by the parent and subsidiaries combined
- (4) Parent companies holding more than 50% of ordinary equity directly or indirectly through subsidiaries
- (5) Mutually endorsed/guaranteed companies based on contracts due to the need of contracting constructions
- (6) Companies endorsed/guaranteed by all the contributing shareholders according to their shareholding due to joint investments.

Note 3: Calculation and amount of limit on endorsement/guarantee

a. Limit on endorsement/guarantee given on behalf of a single party:

- (1) The Company's limit on endorsement/guarantee given on behalf of a single party is determined according to the Company's endorsement/guarantee procedure. The limit shall not exceed 10% of the Company's net value of the current period (2024.12.31).
- (2) The Company's limit on endorsement/guarantee given on behalf of a single affiliated Company is determined according to the Company's endorsement/guarantee procedure. The limit shall not exceed 20% of the Company's net value of the current period (2024.12.31).

b. Aggregate endorsed/guaranteed limit:

The Company's accumulated external endorsed/guaranteed limit is determined according to the Company's endorsement/guarantee procedure. The limit shall not exceed 20% of the Company's net value of the current period (2024.12.31).

CHENFULL INTERNATIONAL CO., LTD.
Situation of Held Securities at Year-End
December 31, 2024

Table 2

Unit: Unless otherwise specified, amounts are in thousands of
New Taiwan Dollars (TWD) and foreign currencies.

Held Company	Types and Names of Securities (Note 1) Stock - Unlisted and Over-the-Counter (OTC)	Relationship with the Issuer of Securities	Account Item	Year-End				Note
				Number of Shares / Units	Book Value	Percentage of Shares Held (%)	Fair Value	
CHENFULL INTERNATIOAL CO., LTD	Ming Chao Enterprises Co., Ltd.	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	3,104,110	<u>\$ 73,127</u>	9.24	<u>\$ 73,127</u>	
	Stock - Private Company							
	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	
	Nite Technology Materials Co., Ltd.							
	Fund Beneficiary Certificates - Domestic	"	Financial Assets Measured at Fair Value Through Profit or Loss - Current	1,200,000	<u>55,211</u>	1.74	<u>55,211</u>	
	Yuanta 2-10 Year Investment-Grade Corporate Bond Fund		Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current		<u>\$ 63,795</u>		<u>\$ 63,795</u>	
	Cathay FTSE China A50 Fund	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	3,000,000	\$ 30,942	4.12	\$ 30,942	
	Stock - Listed and Over-the-Counter (OTC)							
Fubon Financial Pingte	"	Financial Assets	462,000	<u>10,852</u>	0.23	<u>10,852</u>		

Chenfeng Machinery & Enterprise Co., Ltd.	Stock - Listed and Over-the-Counter (OTC)		Measured at Fair Value Through Other Comprehensive Income - Non-Current Financial Assets		<u>\$ 41,794</u>		<u>\$ 41,794</u>	
	Qianfu Industrial Co., Ltd.	None	Measured at Fair Value Through Profit or Loss - Current Financial Assets	155,000	<u>\$ 8,246</u>	0.05	<u>\$ 8,246</u>	
	Stock - Emerging Stock Market		Measured at Fair Value Through Other Comprehensive Income - Non-Current Financial Assets					
	Meiqiang Optoelectronics Co., Ltd.		Measured at Fair Value Through Other Comprehensive Income - Non-Current Financial Assets					
	Types and Names of Securities (Note 1)	Parent Company	Measured at Fair Value Through Other Comprehensive Income - Non-Current Financial Assets	281,759	<u>\$ 12,792</u>	0.25	<u>\$ 12,792</u>	
	Stock - Unlisted and Over-the-Counter (OTC)		Measured at Fair Value Through Other Comprehensive Income - Non-Current Financial Assets					
	Ming Chao Enterprises Co., Ltd.	None	Measured at Fair Value Through Profit or Loss - Current Financial Assets	66,000	<u>\$ 1,726</u>	0.19	<u>\$ 1,726</u>	
	Stock - Private Company		Measured at Fair Value Through Profit or Loss - Current					

Held Company	Types and Names of Securities (Note 1) Stock - Unlisted and Over-the-Counter (OTC)	Relationship with the Issuer of Securities	Account Item	Year-End				Note Number of Shares / Units
				Number of Shares / Units	Book Value	Number of Shares / Units	Book Value	
	Stock - Private Company		Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current					
	Meiqi Technology Co., Ltd.	None	(Repeated for context)	46,750	\$ -	0.19	\$ -	
	Huanmeng International Enterprises Co., Ltd.	"	(Repeated for context)	35,000	-	0.25	-	
	Nite Technology Materials Co., Ltd.	"	Financial Assets Measured at Fair Value Through Profit or Loss - Current	300,000	<u>13,800</u>	0.44	<u>13,800</u>	
	Fund Beneficiary Certificates - Domestic Cathay FTSE China A50 Fund		(Repeated for context)		<u>\$ 13,800</u>		<u>\$ 13,800</u>	
	Yuanta Japan Leading Enterprise Fund A	None	Financial Assets Measured at Fair Value Through Profit or Loss - Current	490,000	\$ 11,510	0.24	\$ 11,510	
	Uni Taiwan High-Yield Momentum ETF Securities	"	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	1,002,004	10,611	0.05	10,611	
	Trust Investment Fund	"	(Repeated for context)	666,000	<u>9,411</u>	0.02	<u>9,411</u>	
	Stock - Listed and Over-the-Counter (OTC)		(Repeated for context)		<u>\$ 31,532</u>		<u>\$ 31,532</u>	
	Fengtai Enterprises Co., Ltd.		Financial Assets Measured at Fair Value Through Profit or Loss - Current					
	Fubon Financial Pingte	None	(Repeated for context)	24,640	\$ 3,277	-	\$ 3,277	
	KGI Financial Holding Co., Ltd.	"	"	155,000	8,246	0.05	8,246	
	Discretionary Investment Account (Note 2)	"	"	160,000	2,752	-	2,752	
	Taiguang Electronics Materials Co., Ltd.	"	"					
	Qihong Technology Co., Ltd.	"	"	14,000	8,652	-	8,652	
	Xionxiang Electronics Co., Ltd.	"	"	8,000	4,984	-	4,984	
	Kingdeen Precision Technology Co., Ltd.	"	"	8,000	7,792	-	7,792	
	Shuotian Technology Co., Ltd.	"	"	20,000	6,080	0.02	6,080	
	Stock - Private Company	"	"	21,000	<u>8,159</u>	0.02	<u>8,159</u>	
	Meiqi Technology Co., Ltd.				<u>\$ 49,942</u>		<u>\$ 49,942</u>	
	Huanmeng International Enterprises Co., Ltd.							

Note1: The term "securities" in this table refers to stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items, as defined in IAS 9 "Financial Instruments."

Note2: This refers to the method of entering into a discretionary asset management agreement with an investment advisory company, where the trustee independently buys and sells on the centralized trading market.

Note3: For information related to equity interests in investment subsidiaries, please refer to Appendices 4 and 5.

CHENFULL INTERNATIONAL CO., LTD.
The Amount Of Real Estate Acquired Reaches Nt\$300 Million Or More Than 20% Of The Paid-In Capital
For the year ended December 31, 2024

Table 3

Unit: Unless otherwise specified, amounts are in thousands of
New Taiwan Dollars (NTD).

Company Acquiring Real Estate	Property Name	Date of Transaction	Transaction Amount	Payment Terms	Transaction Counterparty	Relationship	If the transaction counterparty is a related party, the previous transfer data				Basis for Determining the Price	Purpose of Acquisition and Usage	Other Agreed Terms
							Owner	Relationship with the Issuer	Transfer Date	Amount			
ChenFull Precision Co., Ltd	Owned Land	2022/8/10 (Board of Directors Resolution Date) 2025/3/26 (Date of Ownership Transfer Registration)	\$ 575,711	Full payment has been made according to the contract	Chiayi County Government	Non-related party	-	-	-	\$ -	Reserve Price for Public Auction	For Operational Use	None

Note 1: For assets acquired that are required to be appraised, the appraisal result should be stated in the "Basis for Determining the Price" column

Note 2: Paid-in capital refers to the paid-in capital of the parent company. For issuers with stocks that have no par value or a par value other than NT\$10 per share, the transaction amount regulation for 20% of the paid-in capital is calculated based on 10% of the equity attributable to the parent company in the balance sheet.

Note 3: The "Date of Transaction" refers to the earliest of the following dates: contract signing date, payment date, entrusted transaction date, transfer date, board resolution date, or any other date that sufficiently determines the counterparty and transaction amount.

CHENFULL INTERNATIONAL CO., LTD.

Name Of The Invested Company, Location, And Other Related Information.

For the year ended December 31, 2024

Table 4

Unit: Unless otherwise specified, amounts are in thousands of
New Taiwan Dollars (NTD).

Name of the Investment Company	Name of the Invested Company	Location	Main Business Activities	Original Investment Amount		Ending Holdings			Invested Company Current Period (Profit) or (Loss)	Current Period Recognized Investment (Profit) or (Loss)	Remarks
				End of Current Period	End of Previous Period	Number of Shares	Percentage	Book Value			
CHENFULL INTERNATIONAL CO., LTD.	Chenfeng Machinery & Enterprise Co., Ltd.	12th Floor, No. 107, Section 4, Zhongxiao East Road, Da'an District, Taipei City	Operation of business center and sales of shoe manufacturing 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	Engaging 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, Taiwan	Processing and manufacturing of precision components and aerospace equipment	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	Engaging 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. (Note1)	No. 23, Henghe Road, Houjie Town, Dongguan City, Guangdong Province	Sales and contracting of precision machinery, shoe manufacturing equipment, ventilation equipment, and their components	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 about investee companies based in Mainland China, please refer to Table 5.

CHENFULL INTERNATIONAL CO., LTD.

Information on Investments in Mainland China

For the year ended December 31, 2024

Table 5

Unit: Unless otherwise specified, amounts are in thousands of
New Taiwan Dollars (NTD).

Investment in Mainland China Company Name	Main Business Activities	Paid-in Capital	Investment Method (Note 1)	Cumulative Investment Amount Remitted from Taiwan at Beginning of Period	Investment flow for the period		Accumulated outward remittance for investment from Taiwan as of the end of the period	Profit (loss) of the investee	Shareholding of direct or indirect investments (%)	Recognized investment gain (loss) for the period (Note 2)	Period-end carrying value of investments	Period-end accumulated investment profit repatriation
					Outflow	Inflow						
Chenfeng Machinery (Dongguan) Co.,Ltd.	Sales and contracting of precision machinery equipment, shoe-making equipment, ventilation equipment, and related accessories.	\$ 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)

Accumulated outward remittance for investment in Mainland China as of the end of the period	Investment amounts authorized by Investment Commission, MOEA	Limit on the amounts of investment stipulated by Investment Commission, MOEA
NTD 60,448 (USD 2,000)	NTD 60,448 (USD 2,000)	NTD 2,212,609 (USD 67,488)

Note 1: There are three types of investment method. Only the types should be labelled:

a. Investments made directly in Mainland China

b. Re-investments in Mainland China through a third-region investment company (the third-region investment company should be specified)

Note 2: Recognized in investment profit and loss for the period:

a. It shall be noted if no investment profit or loss can be reported because the investment is still under preparation.

b. Investment profit or loss is basically recognized in the following three categories, which shall be noted:

(1) Financial statements audited and attested by international accounting firms in cooperation with accounting firms in the Republic of China

(2) Financial statements audited and attested by chartered accountants of the parent company in Taiwan

(3) Others

Note 3: The amounts in this Table is expressed in New Taiwan dollar. Foreign currencies are translated into New Taiwan dollar at the spot rates of the reporting date. (The spot rate of USD to TWD on December 31, 2024, was

32.75)

CHENFULL INTERNATIONAL CO., LTD.

**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, 2024

Table 6

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

Investee company in Mainland China	Transaction type	Purchase and sale		Price	Transaction terms		Notes and trade receivables (payables)		Unrealized profit or loss	Note
		Amount	%		Payment terms	Compared with general transactions	Amount	%		
Chenfeng Machinery	Sale	\$ 2,389	0.08	Same as general clients	Same as general clients	Same as general clients	\$ -	-	\$ -	
(Dongguan) Co., Ltd.	Purchase	62,882	2.12	Same as general clients	Same as general clients	Same as general clients	(36,127)	(0.62%)	-	

CHENFULL INTERNATIONAL CO., LTD.

Information Of Key Shareholders

For the year ended December 31, 2024

Table7

Key shareholder	Shares	
	Shares held	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 parent only 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.

§TABLE OF CONTENTS FOR IMPORTANT ACCOUNTING ITEMS§

Item	Number/Index
Details of Assets, Liabilities, and Equity Items	
Cash and Cash Equivalents Schedule	Schedule 1
Schedule of Changes in Financial Assets at Fair Value through Profit or Loss – Current	Note 7 and Schedule 2
Notes Receivable Schedule	Schedule 2
Accounts Receivable Schedule	Schedule 3
Inventory Schedule	Schedule 4
Prepayments Schedule	Schedule 5
Other Current Assets Schedule	Note 16
Schedule of Changes in Financial Assets at Fair Value through Other Comprehensive Income – Non-current	Schedule 6
Schedule of Changes in Investments Accounted for Using the Equity Method	Schedule 7
Schedule of Changes in Property, Plant and Equipment	Note 12
Schedule of Changes in Accumulated Depreciation of Property, Plant and Equipment	Note 12
Schedule of Changes in Investment Property	Note 14
Schedule of Changes in Accumulated Depreciation of Investment Property	Note 14
Schedule of Changes in Intangible Assets	Note 15
Deferred Income Tax Assets and Liabilities Schedule	Note 24
Accounts Payable Schedule	Schedule 8
Other Payables Schedule	Note 19
Other Current Liabilities Schedule	Note 19
Details of Profit or Loss Items	
Operating Revenue Schedule	Note 22
Operating Costs Schedule	Schedule 9
Operating Expenses Schedule	Schedule 10
Finance Costs Schedule	Note 23
Comprehensive Schedule of Employee Benefits, Depreciation, and Amortization Expenses by Function Incurred During the Period	Schedule 11

CHENFULL INTERNATIONAL CO., LTD.

Cash and cash equivalents Schedule

December 31, 2024

Schedule 1		Unit: Thousands of NT dollars and foreign currencies
<u>Client's name</u>	<u>Summary</u>	<u>Amount</u>
Cash		
Cash in stock		\$ 55
Petty cash		<u>460</u>
		<u>515</u>
Bank savings		
Check and demand deposit		43,181
Foreign Currency Demand Deposit	Including USD 764,000 @ 32.785, EUR 168,000 @ 34.14 JPY 1,406,000 @ 0.21	<u>31,061</u>
		<u>74,242</u>
		<u>\$ 74,757</u>

CHENFULL INTERNATIONAL CO., LTD.

Notes Receivable Schedule

December 31, 2024

Schedule 2

Unit: Thousands of NT dollars
and foreign currencies

Client's name	Summary	Amount
Non-related person		
Kangcheng Technology Engineering Co., Ltd.	operating income	\$ 11,100
Feng tai enterprise co., ltd.	"	3,006
Other (Note)	"	<u>533</u>
		14,639
Less: Allowance for doubtful debts		(<u>271</u>)
		<u>\$ 14,368</u>

Note: The balance of individual customers did not exceed 5 percent of the balance of this account.

CHENFULL INTERNATIONAL CO., LTD.

Accounts Receivable Schedule

December 31, 2024

Schedule 3

Unit: Thousands of NT dollars
and foreign currencies

Client's name	Summary	Amount
Accounts of unrelated persons		
TSMC Company Limited	operating income	\$ 64,721
THIEN PHO CO., LTD	"	40,368
SHYANG SHIN BAO IND CO.,LTD.	"	12,987
Other (Note)	"	<u>58,034</u>
		176,110
Less: Allowance for doubtful debts		(<u>17,092</u>)
		<u>\$ 159,018</u>

Note: The balance of individual customers did not exceed 5 percent of the balance of this account.

CHENFULL INTERNATIONAL CO., LTD.

Inventory Schedule

December 31, 2024

Schedule 4

Unit: Thousands of NT dollars
and foreign currencies

Item	Summary	Amount	
		Cost	Market price
Raw material		\$ 161,446	\$ 129,831
WIP		103,649	149,797
Finished product		49,767	52,587
Commodity inventory		<u>392</u>	<u>154</u>
		315,254	<u>\$ 332,369</u>
Less: Provision for inventory decline and sluggish loss		(<u>58,430</u>)	
		<u>\$ 256,824</u>	

Note: The company's inventory is measured at the lower of cost or net realizable value, and items should be compared individually, except for inventory of the same category.

CHENFULL INTERNATIONAL CO., LTD.

Prepayments Schedule

December 31, 2024

Schedule 5

Unit: Thousands of NT dollars
and foreign currencies

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Advance payment		\$ 4,082
Prepaid insurance premium		975
Other prepaid expenses (Note)		<u>1,261</u>
		<u>\$ 6,318</u>

Note: The balance of individual customers did not exceed 5 percent of the balance of this account.

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Changes in Financial Assets at Fair Value through Other Comprehensive Income – Non-current

From January 1st to December 31st in the 2024

Schedule 6

Unit: unless otherwise specified
, in thousands of NT dollars

Item	Beginning Balance		Increase in this period		Decrease in this period		Ending balance			Provide a guarantee or pledge situation
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Shares	%	Amounts	
Ming Chao Enterprise Co., Ltd.	2,703,905	\$ 21,804	400,205	\$ 51,323	-	\$ -	3,104,110	9.24	\$ 73,127	None
Taiwan Small and Medium Enterprise Development Corporation	854,360	8,280	-	304	-	-	854,360	1.21	8,584	"
Nait Technology Materials Co., Ltd.	-	-	1,200,000	55,211	-	-	1,200,000	1.74	55,211	"
		<u>\$ 30,084</u>		<u>\$ 106,838</u>		<u>\$ -</u>			<u>\$ 136,922</u>	

CHEN FULL INTERNATIONAL CO., LTD.
Schedule of Changes in Investments Accounted for Using the Equity Method
From January 1st to December 31st in the 2024

Schedule 7

Unit: unless otherwise specified
, in thousands of NT dollars

	Beginning Balance		Increase in this period		Decrease in this period		Investment (profit) loss adjustment	Defined benefits actuarial profit and loss	Surplus distribution	Cumulative conversion adjustment	Equity method net worth adjustment	Ending balance			Market price or net equity value (Note2)		Evaluation basis	Provide a guarantee or pledge situation	
	Shares	Amounts	Shares	Amounts	Shares	Amounts						Shares	%	Amounts	Price	Total			
Unlisted company																			
Chenfeng Machinery & Enterprise Co., Ltd.	15,280,000	\$ 176,747	-	\$ 423	-	\$ -	\$ 14,327	\$ -	\$ -	\$ -	\$ 663	15,280,000	100	\$ 192,160	12.58	\$ 192,160	Equity method	None	
CHEN FULL HOLDING CO., LTD.	-	78,115	-	-	-	-	(7,491)	-	-	4,234	-	-	100	74,858	-	74,858	"	"	
ChenFull Precision Co., Ltd	37,278,000	<u>1,162,295</u>	-	-	-	-	<u>211,143</u>	(<u>50</u>)	(<u>111,834</u>)	-	-	37,278,000	63	<u>1,261,554</u>	33.84	<u>1,261,554</u>	"	"	
		<u>\$ 1,417,157</u>		<u>\$ 423</u>			<u>\$ 217,979</u>	(<u>\$ 50</u>)	(<u>\$ 111,834</u>)	<u>\$ 4,234</u>	<u>\$ 663</u>			<u>\$ 1,528,572</u>		<u>\$ 1,528,572</u>			

Note 1: Calculated based on the financial statements for the same period audited by the certified public accountant.

Note 2: The equity value is calculated based on the financial statements for the same period audited by the certified public accountant and the company's ownership percentage.

CHENFULL INTERNATIONAL CO., LTD.

Accounts Payable Schedule

December 31, 2024

Schedule 8

Unit: in thousands of NT dollars

Customer Name	Summary	Amount
Accounts of unrelated persons		
QiChang Machinery Industrial Co., Ltd.	Payment	\$ 21,274
SOLVAY SPECIALTY CHEMICALS ASIA PACIFIC Pte Ltd.	"	16,440
OtherNote)	"	<u>152,199</u>
		<u>189,913</u>
Related person		
Chenfeng Machinery (Dongguan) Co.,Ltd.	Payment	<u>36,127</u>
		<u>\$ 226,040</u>

Note: The balance of individual vendors does not exceed 5 percent of this account.

CHENFULL INTERNATIONAL CO., LTD.

Operating Costs Schedule
From January 1st to December 31st in the 2024

Schedule 9

Unit: in thousands of NT dollars

Item	Summary	Amount	
Manufacturing Cost	Beginning Raw Materials	\$ 186,527	
	Purchases for the Period	256,954	
	Inventory Surplus	452	
	Ending Raw Materials	(161,446)	
	Materials Requisitioned for Projects	(195,294)	
	Sale of Raw Materials	(2,846)	
	Other	(5,636)	
	Scrap - Raw Materials	(18,038)	
	Raw Material Consumption for the Period	60,673	
	Direct Labor	35,781	
	Manufacturing Expenses	<u>79,503</u>	
	Manufacturing Cost	175,957	
	Beginning Work in Progress	120,112	
	Purchases for the Period	144,279	
	Inventory Deficit	(18)	
	Ending Work in Progress	(103,649)	
	Materials Requisitioned for Projects	(52,916)	
	Other	(2,340)	
	Sale of Work in Progress	(43,924)	
	Cost of Finished Goods	237,501	
	Beginning Finished Goods	54,079	
	Purchases for the Period	6,326	
	Other	957	
	Inventory Deficit	(447)	
	Materials Requisitioned for Projects	(107,423)	
	Ending Finished Goods	(49,767)	
	Cost of Goods Manufactured and Sold	<u>141,226</u>	
	Inventory	Beginning Inventory	435
		Purchases for the Period	59,589
		Other	203
		Ending Inventory	(392)
		Cost of Goods Sold (Inventory)	<u>59,835</u>
Other		1,281	
	Cost of Sold Raw Materials	2,846	

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
	Cost of Sold Work in Progress	\$ 43,924
Inventory Impairment and Obsolescence		(7,048)
Recovery Gain		
Inventory Deficit		13
Inventory Scrapping		18,038
Income from Sale of Scrap		(540)
		<u>259,575</u>
	Materials Input for the Period	355,633
	Outsourcing Input for the Period	153,506
	Labor Input for the Period	148,673
	Expenses Input for the Period	<u>113,640</u>
		<u>771,452</u>
		<u>\$ 1,031,027</u>

CHENFULL INTERNATIONAL CO., LTD.

Operating Expenses Schedule
From January 1 to December 31 in 2024

Schedule 10

Unit: in thousands of NT dollars

Item	Marketing expenses	Administrat ive expenses	R&D expenses	Total
Salary Expenses (Including Pensions, etc.)	\$ 15,533	\$ 89,899	\$ 13,040	\$ 118,472
Insurance Expenses	1,695	7,360	1,304	10,359
Transportation Expenses	2,035	150	-	2,185
Depreciation Expenses	-	12,093	70	12,163
Packaging Expenses	3,816	5	-	3,821
Other Expenses (Note)	<u>6,123</u>	<u>38,635</u>	<u>399</u>	<u>45,157</u>
	<u>\$ 29,202</u>	<u>\$ 148,142</u>	<u>\$ 14,813</u>	<u>\$ 192,157</u>

Note: The amounts of each item do not exceed five percent of the respective item.

CHENFULL INTERNATIONAL CO., LTD.

Comprehensive Schedule of Employee Benefits, Depreciation, and Amortization Expenses by Function Incurred During the Period

For the years ended December 31, 2024, and 2023.

Schedule 11

Unit: unless otherwise specified, in thousands of NT dollars

	2024			2023		
	Belonging to operating costs	Belonging to operating expenses	Total	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits expenses (Note)						
Salary costs	\$ 113,279	\$ 108,838	\$ 222,117	\$ 145,542	\$ 104,153	\$ 249,695
labor health insurance	13,037	9,588	22,625	16,097	11,108	27,205
Pension costs	5,224	4,834	10,058	6,375	5,555	11,930
Director's remuneration	-	4,800	4,800	-	190	190
Other employee benefit expenses	6,037	6,037	12,074	7,332	6,500	13,832
	<u>\$ 137,577</u>	<u>\$ 134,097</u>	<u>\$ 271,674</u>	<u>\$ 175,346</u>	<u>\$ 127,506</u>	<u>\$ 302,852</u>
Depreciation expense	\$ 17,115	\$ 12,163	\$ 29,278	\$ 17,780	\$ 12,676	\$ 30,456
Amortization fee	\$ 1,503	\$ 2,299	\$ 3,802	\$ 1,514	\$ 3,300	\$ 4,814

Note 1: As of December 31, 2024 and 2023, the number of employees in the company were 332 and 407 respectively, among which the number of directors not concurrently serving as employees both are 3.

Note 2: For companies whose stocks are listed on the stock exchange or traded at the securities trading center, additional disclosures are required:

(1)The average employee benefits expense for this year was 811 thousand (calculated as "total employee benefits for this year minus total director remuneration" divided by "number of employees for this year minus directors not serving as employees").

The average employee benefits expense for the previous year was 749 thousand (calculated as "total employee benefits for the previous year minus total director remuneration" divided by "number of employees for the previous year minus directors not serving as employees").

(2)The average employee salary expense for this year was 675 thousand (total salary expenses for this year divided by "number of employees for this year minus directors not serving as employees").

The average employee salary expense for the previous year was 618 thousand (total salary expenses for the previous year divided by "number of employees for the previous year minus directors not serving as employees").

(3)The change in average employee salary expenses was 9.22% ("this year's average employee salary expenses minus last year's average employee salary expenses" divided by last year's average employee salary expenses).

(4)The company's salary compensation policy (including directors, supervisors, managers, and employees) is as follows:

a. Employee Salary Compensation Policy:

- i. According to the company's system for employee salary adjustments, bonuses, and bonuses, annual bonuses may be distributed before the Lunar New Year based on the operational status at the end of the year.
- ii. A certain proportion of the annual profit is allocated for employee compensation, sharing the operating results with employees. Article 19 of the company's articles of association stipulates that "employee compensation shall not be less than 2% of the current profit and may be distributed in stocks or cash, including employees of certain subsidiaries who meet specific conditions."

b. Compensation Policy for Directors, Supervisors, and Managers:

The compensation for directors, supervisors, and managers of the company is determined by the Compensation Committee based on their participation in and contribution to the company's operations, taking into account the usual industry levels, within the maximum salary range set by the company's salary administration method. Article 19 of the company's articles also specifies that if there is a profit in the current year, the compensation for directors and supervisors shall not exceed 2% of the current profit. According to the organizational regulations of the company's Compensation Committee, the performance assessment and salary compensation of directors, supervisors, and managers should be based on the usual industry levels and consider individual performance assessment results, time invested, responsibilities undertaken, achievement of personal goals, performance in other positions, the company's recent salary compensation for the same position, as well as the achievement of the company's short-term and long-term business goals, company financial condition, and the evaluation of individual performance in relation to company operating performance and future risks.