

ChenFull International Co., Ltd.

2025 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.

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Independent Auditors' Report (Parent Company Only Financial Statements)

To the Board of Directors and Shareholders of ChenFull International Corporation:

Opinion

We have audited the accompanying parent financial statements of CHENFULL International Company Limited (the "Company"), which comprise the parent balance sheets as of December 31, 2025 and 2024, and the parent statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent financial statements, including a summary of significant accounting policies. In our opinion, the accompanying parent financial statements present fairly, in all material respects, the parent financial position of the Company as of December 31, 2025 and 2024, and its parent financial performance and its parent 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 Auditing and Attestation of Financial Statements by Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter for the Company's parent financial statements for the year ended December 31, 2025 are 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 Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Financial Statement 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent 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 Supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent 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 auditing standards generally accepted in 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 the Parent Financial Statements.

As part of an audit in accordance with the auditing standards generally accepted in 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 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 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 Financial Statements, including the disclosures, and whether the Parent Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent 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 Financial Statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tseng, Chien-Ming and Liu, Shu-Lin.
Deloitte & Touche
Taipei, Taiwan
The Republic of China
March 11, 2026

CHENFULL INTERNATIONAL CO., LTD.

PARENT BALANCE SHEETS

December 31, 2025, and 2024

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4、6 & 27)	\$ 76,121	2	\$ 74,757	2
1110	Financial assets at fair value through profit or loss – current (Note 4, 7, & 27)	50,393	1	50,040	1
1140	Contract assets – current (Note 4 & 22)	840,234	19	1,064,373	24
1150	Notes receivable (Note 9 & 27)	18,035	-	14,368	-
1172	Trade receivables (Note 4, 9, & 27)	259,468	6	159,018	4
1200	Other receivables (Note 9 & 27)	44	-	202	-
1210	Other receivables - related parties (Note 9, 27, & 28)	3,015	-	4,549	-
130X	Inventories (Note 4 & 10)	268,227	6	256,824	6
1410	Prepayments (Note 16)	130,830	3	6,318	-
1476	Other financial assets – current (Note 16, 27, & 29)	105	-	104	-
1479	Other current assets (Note 16)	6,656	-	6,627	-
11XX	Total current assets	<u>1,653,128</u>	<u>37</u>	<u>1,637,180</u>	<u>37</u>
	NON-CURRENT ASSETS				
1510	Financial assets at fair value through profit or loss – non-current (Note 4, 7, & 27)	28,794	1	-	-
1517	Financial assets at fair value through other comprehensive income – non-current (Note 4, 8, & 27)	146,849	3	136,922	3
1550	Investments accounted for using equity method (Note 4 & 11)	1,523,540	34	1,528,572	35
1600	Property, plant and equipment (Note 4 & 12)	694,253	16	659,361	15
1760	Net investment property (Note 4 & 14)	353,275	8	358,048	8
1780	Other intangible assets (Note 4 & 15)	1,850	-	2,928	-
1840	Deferred tax assets (Note 4 & 24)	40,232	1	38,464	1
1990	Other non-current assets (Note 16 & 27)	6,504	-	46,329	1
15XX	Total non-current assets	<u>2,795,297</u>	<u>63</u>	<u>2,770,624</u>	<u>63</u>
1XXX	TOTAL	<u>\$ 4,448,425</u>	<u>100</u>	<u>\$ 4,407,804</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Notes 4, 17, and 27)	\$ 60,000	1	\$ 200,000	4
2130	Current contract liabilities (Note 4, 22, & 28)	242,484	5	127,851	3
2170	Trade payables (Note 18 & 27)	169,710	4	189,913	4
2180	Trade payables - related parties (Note 18, 27, & 28)	-	-	36,127	1
2219	Other payables (Note 19 & 27)	125,320	3	101,370	2
2230	Current tax liabilities (Note 4 & 24)	28,726	1	31,027	1
2399	Other current liabilities (Note 19 & 28)	1,547	-	1,906	-
21XX	Total current liabilities	<u>627,787</u>	<u>14</u>	<u>688,194</u>	<u>15</u>
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Note 4 & 24)	12,007	-	12,158	-
2640	Net defined benefit liabilities – non-current (Note 4 & 20)	18,935	1	19,759	1
2670	Other non-current liabilities (Note 19 & 27)	12	-	12	-
25XX	Total liabilities	<u>30,954</u>	<u>1</u>	<u>31,929</u>	<u>1</u>
2XXX	Total liabilities	<u>658,741</u>	<u>15</u>	<u>720,123</u>	<u>16</u>
	EQUITY (Note 21)				
	Share capital				
3110	Ordinary shares	<u>1,137,605</u>	<u>25</u>	<u>1,137,605</u>	<u>26</u>
	Capital surplus				
3211	Capital surplus – additional paid-in capital arising from ordinary share	258,010	6	258,010	6
3213	Capital surplus – additional paid-in capital arising from bond conversion	207,018	5	207,018	5
3220	Capital surplus – treasury stocks	2,567	-	1,863	-
3230	Capital surplus – difference between consideration and carrying amount of subsidiaries acquired or disposed	544,174	12	544,174	12
3235	Capital surplus – changes in ownership interests in subsidiaries	211,006	5	211,006	5
3270	Capital surplus – consolidated additional paid-in capital	10,618	-	10,618	-
3200	Total capital surplus	<u>1,233,393</u>	<u>28</u>	<u>1,232,689</u>	<u>28</u>
	Retained earnings				
3310	Legal reserve	549,971	12	510,355	12
3320	Special reserve	-	-	15,491	-
3350	Unappropriated earnings	872,616	20	794,266	18
3300	Total retained earnings	<u>1,422,587</u>	<u>32</u>	<u>1,320,112</u>	<u>30</u>
	Other equity				
3410	Exchange differences on translation of foreign financial statements	(16,788)	-	(15,260)	-
3420	Unrealized gains (losses) of financial instruments at fair value through other comprehensive income	44,604	1	44,252	1
3400	Total other equity	<u>27,816</u>	<u>1</u>	<u>28,992</u>	<u>1</u>
3500	Treasury shares	(31,717)	(1)	(31,717)	(1)
3XXX	Total equity	<u>3,789,684</u>	<u>85</u>	<u>3,687,681</u>	<u>84</u>
	TOTAL	<u>\$ 4,448,425</u>	<u>100</u>	<u>\$ 4,407,804</u>	<u>100</u>

The accompanying notes are an integral part of the parent financial statements.
(With Deloitte & Touche audit report dated March 11, 2026)

CHENFULL INTERNATIONAL CO., LTD.
PARENT STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025, and 2024.

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

Code		2025		2024	
		Amount	%	Amount	%
	OPERATING REVENUE (Note 4, 22 & 28)				
4100	Sales	\$ 413,329	27	\$ 326,639	23
4520	Construction revenue	<u>1,118,370</u>	<u>73</u>	<u>1,083,893</u>	<u>77</u>
4000	Total operating revenue	<u>1,531,699</u>	<u>100</u>	<u>1,410,532</u>	<u>100</u>
	OPERATING COSTS (Note 10,20,23 & 28)				
5110	Cost of goods sold	287,509	19	259,575	18
5520	Construction costs	<u>792,237</u>	<u>51</u>	<u>771,452</u>	<u>55</u>
5000	Total operating costs	<u>1,079,746</u>	<u>70</u>	<u>1,031,027</u>	<u>73</u>
5900	GROSS PROFIT/(LOSS)	<u>451,953</u>	<u>30</u>	<u>379,505</u>	<u>27</u>
	OPERATING EXPENSES (Note 20, 23 & 28)				
6100	Selling and marketing expenses	33,739	2	29,202	2
6200	General and administrative expenses	160,279	11	148,142	11
6300	Research and development expenses	19,304	1	14,813	1
6450	Expected credit loss	<u>13,161</u>	<u>1</u>	<u>3,781</u>	<u>-</u>
6000	Total operating expenses	<u>226,483</u>	<u>15</u>	<u>195,938</u>	<u>14</u>
6900	NET PROFIT/(LOSS) FROM OPERATIONS	<u>225,470</u>	<u>15</u>	<u>183,567</u>	<u>13</u>
	NON-OPERATING INCOME AND EXPENSES (Note 23 & 28)				
7100	Interest income	2,366	-	3,028	-
7010	Other income	30,855	2	18,737	1
7020	Other gains and losses	(5,692)	(1)	10,043	1
7050	Financial costs	(5,362)	-	(1,207)	-
7070	Share of profit or loss of subsidiaries accounted for using equity method (Note 11)	<u>182,894</u>	<u>12</u>	<u>217,979</u>	<u>16</u>
7000	Total non-operating income and expenses	<u>205,061</u>	<u>13</u>	<u>248,580</u>	<u>18</u>

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Code		2025		2024	
		Amount	%	Amount	%
7900	PROFIT/(LOSS) BEFORE INCOME TAX	\$ 430,531	28	\$ 432,147	31
7950	INCOME TAX EXPENSE/(BENEFIT) (Note 4 & 24)	(46,006)	(3)	(37,725)	(3)
8200	NET PROFIT/(LOSS) FOR THE PERIOD	<u>384,525</u>	<u>25</u>	<u>394,422</u>	<u>28</u>
	OTHER COMPREHENSIVE INCOME/(LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	674	-	1,792	-
8316	Unrealized (gain)/loss on fair value through other comprehensive income	684	-	40,433	3
8330	Share of profit of subsidiaries accounted for using equity method	(330)	-	613	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(1,528)	-	3,387	-
8300	Other comprehensive income/(loss) for the period	(500)	-	46,225	3
8500	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>\$ 384,025</u>	<u>25</u>	<u>\$ 440,647</u>	<u>31</u>
	EARNINGS PER SHARE (Note 25)				
	From continuing operations				
9710	Basic	<u>\$ 3.41</u>		<u>\$ 3.50</u>	
9810	Diluted	<u>\$ 3.38</u>		<u>\$ 3.48</u>	

The accompanying notes are an integral part of the parent financial statements.
(With Deloitte & Touche audit report dated March 11, 2026)

CHENFULL INTERNATIONAL CO., LTD.
PARENT STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2025, and 2024.

(In Thousands of New Taiwan Dollars)

Code		Share Capital		Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total Equity
		Number of Shares (Thousand Shares)	Amount		Legal Reserve	Income	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
A1	BALANCE AT JANUARY 1, 2024	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										
B1	Legal reserve	-	-	-	16,720	-	(16,720)	-	-	-	-
B3	Reversal of special reserve	-	-	-	-	2,385	(2,385)	-	-	-	-
B5	Cash dividends for shareholders	-	-	-	-	-	(169,636)	-	-	-	(169,636)
M1	Issued to subsidiary dividend adjustment capital reserve	-	-	423	-	-	-	-	-	-	423
D1	Net profit/(loss) for the year ended December 31, 2024	-	-	-	-	-	394,422	-	-	-	394,422
D3	Other comprehensive income/(loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	1,742	3,387	41,096	-	46,225
D5	Total comprehensive income/(loss) for the year ended December 31, 2024	-	-	-	-	-	396,164	3,387	41,096	-	440,647
Z1	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
	Appropriations and distributions of earnings for the year ended December 31, 2024:										
B1	Legal reserve	-	-	-	39,616	-	(39,616)	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	(15,491)	15,491	-	-	-	-
B5	Cash dividends for shareholders	-	-	-	-	-	(282,726)	-	-	-	(282,726)
M1	Issued to subsidiary dividend adjustment capital reserve	-	-	704	-	-	-	-	-	-	704
D1	Net profit/(loss) for the year ended December 31, 2025	-	-	-	-	-	384,525	-	-	-	384,525
D3	Other comprehensive income/(loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	676	(1,528)	352	-	(500)
D5	Total comprehensive income/(loss) for the year ended December 31, 2025	-	-	-	-	-	385,201	(1,528)	352	-	384,025
Z1	BALANCE AT DECEMBER 31, 2025	<u>113,761</u>	<u>\$ 1,137,605</u>	<u>\$ 1,233,393</u>	<u>\$ 549,971</u>	<u>\$ -</u>	<u>\$ 872,616</u>	<u>(\$ 16,788)</u>	<u>\$ 44,604</u>	<u>(\$ 31,717)</u>	<u>\$ 3,789,684</u>

The accompanying notes are an integral part of the parent financial statements.
(With Deloitte & Touche audit report dated March 11, 2026)

CHENFULL INTERNATIONAL CO., LTD.
PARENT STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025, and 2024.

(In Thousands of New Taiwan Dollars)

<u>Code</u>		<u>2025</u>	<u>2024</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 430,531	\$ 432,147
A20010	Adjustments for:		
A20100	Depreciation expenses	27,130	29,278
A20200	Amortization expense	2,864	3,802
A20300	Expected credit loss recognized/(reversed) on trade receivables	13,161	3,781
A20400	Net (gain)/loss on fair value changes of financial assets at fair value through profit or loss	853	(2,930)
A20900	Finance costs	5,362	1,207
A21200	Interest income	(2,366)	(3,028)
A21300	Dividend income	(11,744)	(4,847)
A22400	Share of profit or loss of subsidiaries accounted for using equity method	(182,894)	(217,979)
A22500	(Gain)/loss on disposal of property, plant and equipment	(497)	(3,131)
A23100	Net (gain)/loss on disposal of financial assets at fair value through profit or loss	-	796
A23800	Loss (gain) of write-downs of inventories	(4,442)	(7,048)
A30000	Realized profit on intercompany sales		
A31125	(Increase)/decrease in contract assets	224,139	(530,281)
A31130	(Increase)/decrease in notes receivable	(3,667)	(317)
A31150	(Increase)/decrease in trade receivables	(113,611)	(94,403)
A31200	(Increase)/decrease in inventories	(6,961)	45,899
A31230	(Increase)/decrease in prepayments	(124,512)	5,394
A31240	(Increase)/decrease in other current assets	1,692	(2,110)
A32125	(Increase)/decrease in contract liabilities	114,633	(27,982)
A32150	Increase/(decrease) in trade payables	(56,330)	93,225
A32180	Increase/(decrease) in other payables	23,563	15,105
A32230	Increase/(decrease) in other current liabilities	(359)	240
A32240	Increase/(decrease) in net defined benefit liability	19	(3,073)
A33000	Cash generated from/(used in) operations	336,564	(266,255)
A33100	Interest received	2,337	3,028
A33300	Interest paid	(5,425)	(1,144)
A33500	Income tax paid	(50,013)	(10,690)
AAAA	Net cash generated from/(used in) operating activities	<u>283,463</u>	<u>(275,061)</u>

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Code		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through profit or loss	(\$ 9,243)	(\$ 66,405)
B00100	Purchase of financial assets at fair value through profit or loss	(30,000)	-
B00200	Disposal of financial assets at fair value through other comprehensive income	-	21,217
B02700	Payments for property, plant and equipment	(14,045)	(2,429)
B02800	Proceeds from disposal of property, plant, and equipment	740	3,354
B03700	Increase in refundable deposits	(938)	(249)
B04500	Decrease in refundable deposits	(1,786)	(38)
B05400	Purchase of investment property	(147)	-
B06500	Decrease in other financial assets	(1)	(3)
B06700	Increase in other non-current assets	(2,087)	(527)
B07600	Dividend received	<u>198,134</u>	<u>116,681</u>
BBBB	Net cash inflow from investing activities	<u>140,627</u>	<u>71,601</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	2,630,000	530,000
C00200	Decrease in short-term borrowings	(2,770,000)	(330,000)
C04500	Cash dividends paid	(<u>282,726</u>)	(<u>169,636</u>)
CCCC	Net cash outflow from financing activities	(<u>422,726</u>)	<u>30,364</u>
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,364	(173,096)
E00100	CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE YEAR	<u>74,757</u>	<u>247,853</u>
E00200	CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE YEAR	<u>\$ 76,121</u>	<u>\$ 74,757</u>

The accompanying notes are an integral part of the parent financial statements.
(With Deloitte & Touche audit report dated March 11, 2026)

CHENFULL INTERNATIONAL CO., LTD.
NOTES TO PARENT ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2025, and 2024.
(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 11, 2026.

3. New standards, amendments and interpretations adopted:

(1) Initial Application of IFRS Accounting Standards Endorsed and Issued into Effect by the Financial Supervisory Commission (FSC)

The Company has initially applied the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (the “FSC”).

Amendments to IAS 21 “Lack of Exchangeability”

The application of the amendments to IAS 21 “Lack of Exchangeability” is not expected to have a material impact on the Company’s accounting policies.

(2) IFRS Accounting Standards Endorsed by the FSC for Application in 2026

New / Amended / Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	1-Jan-26
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	1-Jan-26
Annual Improvements to IFRS Accounting Standards - Volume 11	1-Jan-26
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments)	1-Jan-23

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of the above standards and interpretations will have on its financial position and financial performance, and will disclose the relevant impact upon completion of the assessment.

(3) IFRS Accounting Standards Issued by the IASB but Not Yet Endorsed and Issued into Effect by the FSC

New / Amended / Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including 2025 amendments)	1-Jan-27
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	1-Jan-27

Note 1:

Unless otherwise stated, the above newly issued, amended or revised standards and interpretations are effective for annual reporting periods beginning on or after the respective effective dates.

Note 2:

On September 25, 2025, the FSC announced that enterprises in Taiwan shall apply IFRS 18 from January 1, 2028. Early application is permitted after IFRS 18 is endorsed by the FSC. °

IFRS 18 “Presentation and Disclosure in Financial Statements” and Related Amendments

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”. The main changes include:

The Company is required to assess whether it has specified primary business activities involving investing in certain types of assets or providing financing to customers. Based on this assessment, income and expenses in the statement of profit or loss shall be classified into operating, investing, financing, income tax, and discontinued operations categories.

The statement of profit or loss shall present operating profit or loss, profit or loss before financing and income taxes, as well as subtotals and totals of profit or loss.

Enhanced guidance on aggregation and disaggregation requirements: The Company shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics so that each line item in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics shall be further disaggregated in the primary financial statements and notes. Items shall only be labeled as “other” when no more informative label can be identified.

Additional disclosure of management-defined performance measures: When the Company communicates aspects of its financial performance outside the financial statements or communicates management’s view of such performance to users of financial statements, it shall disclose such management-defined performance measures in a single note, including descriptions, calculation methods, reconciliations to IFRS-defined subtotals or totals, and the related income tax and non-controlling interests effects of reconciliation items.

In addition, IAS 7 “Statement of Cash Flows” has been amended as follows:

When using the indirect method, the Company shall use operating profit or loss as the starting point for reconciliation.

Interest and dividends received shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. Where the Company is assessed to have specified primary business activities, the classification of dividends received, interest received, and interest paid in the statement of cash flows shall be determined based on how such items are presented in the statement of profit or loss. However, each of these cash flows shall be classified into only one category of the statement of cash flows.

Except for the above impacts, as of the date the financial statements were authorized for issue, the Company continues to assess other potential impacts arising from amendments to IFRS Accounting Standards and Interpretations on its financial position and financial performance, and will disclose such impacts upon completion of the assessment.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(1) 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.

(2) 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.

(3) 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.

- (4) 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.

(5) 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.

(6) Investments in subsidiaries

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

Subsidiaries are entities (including structured entities) over which the Company has control.

Under the equity method, investments are initially recognized at cost. Subsequent to acquisition, the carrying amount of the investments is adjusted for the Company's share of the profit or loss and other comprehensive income of the subsidiaries, as well as for any distributions received. In addition, changes in the Company's share of equity of the subsidiaries are recognized in proportion to its ownership interests.

When changes in the Company's ownership interests in a subsidiary do not result in a loss of control, such changes are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (including the carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize its share of losses in proportion to its ownership interest.

For impairment assessment, the Company considers the cash-generating unit as a whole and compares its recoverable amount with its carrying amount. If the recoverable amount of an asset subsequently increases, the reversal of the impairment loss is recognized as a gain. However, the increased carrying amount of the asset due to reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized. Impairment losses recognized for goodwill shall not be reversed in subsequent periods.

Upon loss of control over a subsidiary, the Company measures any retained investment in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received from disposal and the carrying amount of the investment at the date when control is lost is recognized in profit or loss. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized profits and losses resulting from downstream transactions between the Company and its subsidiaries are eliminated in the separate financial statements. Profits and losses resulting from upstream and lateral transactions between the Company and its subsidiaries are recognized in the separate financial statements only to the extent that they are not related to the Company's ownership interests in the subsidiaries.

(7) 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. °

(8) 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.

(9) 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. °

(10) 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.

(11) Financial instruments

Financial assets and financial liabilities are recognized in the parent only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

On initial recognition of financial assets and financial liabilities, if financial assets and financial liabilities are not measured at fair value, they are measured at fair value plus transaction costs directly attributable to acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss. °

1. Financial assets

Regular way purchases and sales of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement category

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

A. 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.

B. Financial assets at amortized cost

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

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. 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:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial assets from the next reporting period after the assets become credit-impaired.

Cash equivalents include time deposits with original maturities of three months or less that are highly liquid, readily convertible to known amounts of cash, and subject

to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments.

C. Investments in Equity Instruments at Fair Value through Other Comprehensive Income

At initial recognition, the Company may make an irrevocable election to designate investments in equity instruments that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination as measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value. Subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal of the investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends from investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of Financial Assets and Contract Assets

The Company assesses, at each balance sheet date, the impairment losses of financial assets measured at amortized cost (including accounts receivable), investments in equity instruments at fair value through other comprehensive income, and contract assets based on expected credit losses.

Loss allowances for accounts receivable and contract assets are recognized based on lifetime expected credit losses. For other financial assets, the Company first assesses whether

there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, the loss allowance is recognized based on 12-month expected credit losses. If there has been a significant increase, the loss allowance is recognized based on lifetime expected credit losses.

Expected credit losses represent a probability-weighted estimate of credit losses, with the respective risks of default as the weights. Twelve-month expected credit losses represent the expected credit losses arising from possible default events within 12 months after the reporting date, whereas lifetime expected credit losses represent the expected credit losses arising from all possible default events over the expected life of the financial instruments.

Impairment losses on all financial assets are recognized through a loss allowance account to reduce their carrying amounts. However, for debt instrument investments measured at fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial assets.

(3) Derecognition of Financial Assets

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

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. On derecognition of an investment in debt instruments at fair value through other comprehensive

income in its entirety, the difference between its carrying amount and the sum of the consideration received and any cumulative gain or loss previously recognized in other comprehensive income is recognized in profit or loss. On derecognition of an investment in equity instruments at fair value through other comprehensive income in its entirety, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Financial Liabilities

(1) Subsequent Measurement

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

(2) Derecognition of Financial Liabilities

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

(12) Revenue Recognition

1. Sales of Goods

Revenue from the sale of goods is recognized when the goods are delivered to the location designated by the customer. At that point, the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the goods, has the right to set prices, bears the primary responsibility for resale, and assumes the risks of obsolescence. Accordingly, the Company recognizes revenue and accounts receivable at that point in time.

2. Construction Revenue

For construction contracts in which the asset under construction is controlled by the customer as it is created, the Company recognizes revenue over time.

Because the costs incurred are directly related to the progress toward complete satisfaction of the performance obligation, the Company measures progress based on the proportion of actual costs incurred to the total expected costs (cost-to-cost method).

The Company recognizes contract assets over time during the construction process and reclassifies them to accounts receivable when invoices are issued. If the amounts received from customers exceed the revenue recognized, the difference is recognized as contract liabilities. Retention receivables withheld by customers in accordance with contract terms are intended to ensure that the Company fulfills all contractual obligations and are recognized as contract assets until the performance obligations are satisfied.

If the outcome of a performance obligation cannot be measured reliably, construction revenue is recognized only to the extent of costs incurred that are expected to be recoverable.

(13) 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.

(14) 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.

(15) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined contribution retirement benefit plans are determined using the projected unit credit method.

Service cost (including current service cost, and net interest on the net defined benefit liability (asset)) are recognized as employee benefit expenses in the period they occur.

Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other

comprehensive income in the period in which it occurs.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and other equity and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the 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.

(16) 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 management of the Company must make judgments, estimates, and assumptions based on historical experience and other relevant factors when information is not readily available from other sources. Actual results may differ from estimates.

The management will continue to review estimates and underlying assumptions. If the revision of estimates affects only the current period, it will be recognized in that period. If the revision of accounting estimates affects both the current period and future periods, it will be recognized in both the current and future periods.

6、CASH AND CASH EQUIVALENTS

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Cash on hand and petty cash	\$ 251	\$ 515
Cash in banks (including checking accounts and demand deposits)	72,743	74,242
Cash equivalents (investments with original maturities of three months or less):		
Time deposits with banks	<u>3,127</u>	<u>-</u>
	<u>\$ 76,121</u>	<u>\$ 74,757</u>

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

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Cash in banks	0.35%~0.89%	0.30%~0.89%
Time deposits	3.72%	-

7、FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Financial Assets – Current</u>		
Mandatorily measured at fair value through profit or loss (FVTPL)		
Non-derivative financial assets:		
Listed stocks (TWSE/TPEX-listed domestic equities)	\$ 8,277	\$ 8,246
Fund beneficiary certificates	<u>42,116</u>	<u>41,794</u>
	<u>\$ 50,393</u>	<u>\$ 50,040</u>
<u>Financial Assets – Non-current</u>		
Mandatorily measured at fair value through profit or loss (FVTPL)		
Non-derivative financial assets:		
Domestic limited partnerships	<u>\$ 28,794</u>	<u>\$ -</u>

8、 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER

COMPREHENSIVE INCOME

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Non-current Assets</u>		
Domestic Investments		
Emerging stocks (TPEX emerging market)		
Ordinary shares	\$ 56,010	\$ -
Unlisted (unregistered) stocks		
Ordinary shares	<u>90,839</u>	<u>136,922</u>
	<u>\$ 146,849</u>	<u>\$ 136,922</u>

The Company invests in unlisted shares for medium- to long-term strategic purposes and expects to generate returns through long-term investment.

Management considers that recognizing short-term fair value fluctuations of such investments in profit or loss would be inconsistent with the aforementioned long-term investment strategy. Therefore, the Company has elected to designate these investments as measured at fair value through other comprehensive income (FVOCI).

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

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 18,306	\$ 14,639
Less: Loss allowance	(<u>271</u>)	(<u>271</u>)
	<u>\$ 18,035</u>	<u>\$ 14,368</u>
<u>Trade receivable – non-related parties</u>		
At amortized cost		
Gross carrying amount	\$ 287,877	\$ 176,110
Less: Loss allowance	(<u>28,409</u>)	(<u>17,092</u>)
	<u>\$ 259,468</u>	<u>\$ 159,018</u>

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Other receivables

Others	\$ <u>44</u>	\$ <u>202</u>
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Other receivables – related parties

Others	\$ <u>3,015</u>	\$ <u>4,549</u>
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Overdue receivables

At amortized cost

Gross carrying amount	\$ 4,824	\$ 2,980
Less: Loss allowance	(<u>4,824</u>)	(<u>2,980</u>)
	\$ <u>-</u>	\$ <u>-</u>

(1) Notes receivable

Dec.31.2025

	Non-overdue	Overdue 1~90 days	Total
ECL rate	1.48%	-	-
Gross carrying amount	\$ 18,306	\$ -	\$ 18,306
Loss allowance (lifetime ECL)	(<u>271</u>)	-	(<u>271</u>)
Amortized cost	\$ <u>18,035</u>	\$ <u>-</u>	\$ <u>18,035</u>

Dec.31.2024

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

There is no change in loss allowance for notes receivables for the years ended Dec. 31, 2024 and 2025.

(2) 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 recouped amounts are recognized in profit and loss.

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

Dec.31.2025

	<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	2.23%	2.23%	61.84%	92.45%	100%	
Gross carrying amount	\$ 258,546	\$ 3,270	\$ 8,870	\$ 1,575	\$ 15,616	\$ 287,877
Loss allowance (lifetime ECL)	(5,779)	(73)	(5,485)	(1,456)	(15,616)	(28,409)
Amortized cost	<u>\$ 252,767</u>	<u>\$ 3,197</u>	<u>\$ 3,385</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 259,468</u>

Dec.31.2024

	Non overdue	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days	Overdue more than 270 days	Total
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>

Changes in loss allowance for trade receivables :

	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 17,092	\$ 3,565
Plus: Recognized impairment loss of the year	35,608	20,443
Less: Reclassification of the year	(24,291)	(6,916)
Balance on December 31	<u>\$ 28,409</u>	<u>\$ 17,092</u>

Changes in loss allowance for overdue receivables :

	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 2,980	\$ 12,726
Plus: Reclassification of the year	24,291	6,916
Less: Reversal of impairment loss for the year	(22,447)	(16,662)
Balance on December 31	<u>\$ 4,824</u>	<u>\$ 2,980</u>

10、INVENTORIES

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Raw materials	\$ 133,762	\$ 129,308
Work in process	86,398	85,190
Finished goods	47,930	42,173
Inventory goods	<u>137</u>	<u>153</u>
	<u>\$ 268,227</u>	<u>\$ 256,824</u>

Detailed costs of goods sold :

	<u>2025</u>	<u>2024</u>
Costs of sold inventories	\$ 281,050	\$ 249,112
Loss (gain) of write-downs of inventories	(4,442)	(7,048)
Others	<u>10,901</u>	<u>17,511</u>
	<u>\$ 287,509</u>	<u>\$ 259,575</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>Dec.31.2025</u>	<u>Dec.31.2024</u>
Non listed companies		
Chenfeng Machinery & Enterprise Co., Ltd.	\$ 227,932	\$ 192,160
CHEN FULL HOLDING CO., LTD.	73,106	74,858
ChenFull Precision Co., Ltd	<u>1,222,502</u>	<u>1,261,554</u>
	<u>\$ 1,523,540</u>	<u>\$ 1,528,572</u>

Percentage of ownership interests and voting rights

<u>Subsidiary</u>	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Chenfeng Machinery & Enterprise Co., Ltd.	100%	100%
CHEN FULL HOLDING CO., LTD.	100%	100%
ChenFull Precision Co., Ltd	63%	63%

The Company's share

<u>Subsidiary</u>	<u>2025</u>	<u>2024</u>
Chenfeng Machinery & Enterprise Co., Ltd.	\$ 35,400	\$ 14,327
CHEN FULL HOLDING CO., LTD.	158	(7,491)
ChenFull Precision Co., Ltd	<u>147,336</u>	<u>211,143</u>
	<u>\$ 182,894</u>	<u>\$ 217,979</u>

For details of the Company's indirect investments in subsidiaries, please refer to Table 2.

The shares of subsidiaries' profit or loss and other comprehensive income accounted for using equity method for the years ended December 31, 2025 and 2024, are recognized according to each subsidiary's audited financial report for the same period.

12、PROPERTY, PLANT, AND EQUIPMENT

Freehold

	Freehold land	Buildings	Machinery equipment	Other equipment	Construction in progress	Total
<u>Cost</u>						
Balance at Jan. 1, 2025	\$ 503,574	\$ 328,067	\$ 76,759	\$ 52,005	\$ 890	\$ 961,295
Addition	5,234	938	7,917	406	-	14,495
Disposal	-	-	(2,700)	(207)	-	(2,907)
Reclassification	42,360	-	490	-	-	42,850
Balance at Dec. 31, 2025	\$ 551,168	\$ 329,005	\$ 82,466	\$ 52,204	\$ 890	\$ 1,015,733
<u>Accumulated depreciation and impairment</u>						
Balance at Jan. 1, 2025	\$ -	\$ 189,367	\$ 66,147	\$ 46,420	\$ -	\$ 301,934
Disposal	-	-	(2,507)	(157)	-	(2,664)
Depreciation expense	-	13,340	6,171	2,699	-	22,210
Balance at Dec. 31, 2025	\$ -	\$ 202,707	\$ 69,811	\$ 48,962	\$ -	\$ 321,480
<u>Cost</u>						
Balance at Jan. 1, 2024	\$ 503,574	\$ 326,823	\$ 87,727	\$ 53,849	\$ 890	\$ 972,863
Addition	-	1,244	166	698	-	2,108
Disposal	-	-	(11,134)	(2,542)	-	(13,676)
Balance at Dec. 31, 2024	\$ 503,574	\$ 328,067	\$ 76,759	\$ 52,005	\$ 890	\$ 961,295
<u>Accumulated depreciation and impairment</u>						
Balance at Jan. 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 Dec. 31, 2024	\$ -	\$ 189,367	\$ 66,147	\$ 46,420	\$ -	\$ 301,934
Carrying amount at Dec. 31, 2024	\$ 503,574	\$ 138,700	\$ 10,612	\$ 5,585	\$ 890	\$ 659,361

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 Dec. 31, 2025 and 2024.

13、LEASE AGREEMENT

Other lease information

	<u>2025</u>	<u>2024</u>
Expense from short-term leases	<u>\$ 11,013</u>	<u>\$ 7,450</u>
Expense from leases of low-value assets	<u>\$ 342</u>	<u>\$ 963</u>
Gross cash (outflow) of leases	<u>(\$ 11,355)</u>	<u>(\$ 8,413)</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 Jan. 1, 2025	\$ 408,014
Addition	<u>147</u>
Balance on Dec.31.2025	<u>\$ 408,161</u>
<u>Accumulated depreciation and impairment</u>	
Balance on Jan. 1, 2025	\$ 49,966
Depreciation expense	<u>4,920</u>
Balance on Dec.31.2025	<u>\$ 54,886</u>
Balance on Dec.31.2025	<u>\$ 353,275</u>
<u>Cost</u>	
Balance on Jan. 1, 2024	<u>\$ 408,014</u>
Balance on Dec.31.2024	<u>\$ 408,014</u>
<u>Accumulated depreciation and impairment</u>	
Balance on Jan. 1, 2024	\$ 45,046
Depreciation expense	<u>4,920</u>
Balance on Dec.31.2024	<u>\$ 49,966</u>
Balance on Dec.31.2024	<u>\$ 358,048</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>Dec.31.2025</u>	<u>Dec.31.2024</u>
First year	\$ 5,416	\$ 6,718
Second year	<u>1,680</u>	<u>-</u>
	<u>\$ 7,096</u>	<u>\$ 6,718</u>

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

Main building	20 years
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The fair value of the investment properties on Dec. 31, 2025, was NT\$603,712 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 Jan. 1, 2025	\$ 15,850
Addition	<u>1,786</u>
Balance at Dec. 31, 2025	<u>\$ 17,636</u>
 <u>Accumulated amortization and impairment</u>	
Balance at Jan. 1, 2025	\$ 12,922
Amortization expense	<u>2,864</u>
Balance at Dec.31.2025	<u>\$ 15,786</u>
 Carrying amount at Dec.31.2025	 <u>\$ 1,850</u>
 <u>Cost</u>	
Balance at Jan. 1, 2024	\$ 16,508
Addition	38
Disposal	(696)
Balance at Dec. 31, 2024	<u>\$ 15,850</u>
 <u>Accumulated amortization and impairment</u>	
Balance at Jan. 1, 2024	\$ 9,816
Amortization expense	3,802
Disposal	(696)
Balance at Dec. 31, 2024	<u>\$ 12,922</u>
 Carrying amount at Dec.31.2024	 <u>\$ 2,928</u>

In addition to the recognition of amortization expense, no significant disposal and impairment of the Group's intangible assets occurred in 2025 and 2024.

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>2025</u>	<u>2024</u>
Operating cost	\$ 872	\$ 1,503
Operating expense	<u>1,992</u>	<u>2,299</u>
	<u>\$ 2,864</u>	<u>\$ 3,802</u>

16、 OTHER ASSETS

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Current</u>		
Prepayments		
Prepayments for goods	\$ 124,016	\$ 4,082
Others	<u>6,814</u>	<u>2,236</u>
	<u>\$ 130,830</u>	<u>\$ 6,318</u>
Other financial assets – current		
Pledged time deposits (Note 1) (Note 29)	<u>\$ 105</u>	<u>\$ 104</u>
Other current assets		
Temporary payments	\$ 6,656	\$ 6,529
Employee advances	<u>-</u>	<u>98</u>
	<u>\$ 6,656</u>	<u>\$ 6,627</u>
<u>Non-current Assets</u>		
Other non-current assets		
Other receivables (Note 2)		
Other receivables	\$ 73,948	\$ 73,948
Less: allowance for doubtful accounts	(73,948)	(73,948)
Prepayments for equipment	2,120	42,883
Land pending transfer of title (Note 3)	1,114	1,114
Refundable deposits	<u>3,270</u>	<u>2,332</u>
	<u>\$ 6,504</u>	<u>\$ 46,329</u>

(1) As of Dec. 31, 2025 and Dec. 31, 2024, the interest rates on pledged time deposits ranged at 1.69% per annum.

(2) 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.

(3) Conveyancing land

To meet the needs of capacity expansion and operations, the Company acquired agricultural land located at Nos. 1065-0086 and 0015, Xucuogang, Dayuan Township, Taoyuan County, with a total area of 6,454 square meters, at a cost of NT\$25,120 thousand.

Due to legal restrictions, the Company was not permitted to register ownership of agricultural land. Accordingly, the Company (hereinafter referred to as “Party A”) entered into an agreement on October 21, 2002 with Mr. Chih-Hung Hsu, the Company’s former Chairman, who held the status of a self-cultivating farmer (hereinafter referred to as “Party B”), whereby Party B acted on behalf of Party A to acquire the land. The title transfer was completed on November 5, 2002.

The agreement stipulates that Party B unconditionally waives any rights to the ownership of the land. Upon the relaxation of regulations governing the transfer of agricultural land, or upon rezoning under urban planning that permits transfer, Party B shall unconditionally provide all necessary documents for the transfer and shall not impose any obstacles or request additional consideration.

In August 2009, the Company obtained approval from the competent authority for partial rezoning of the land and completed the title transfer procedures. By the end of 2011, the construction of the new plant in Dayuan was completed and has since been used as a production base for plant engineering piping components.

As of Dec. 31, 2025, a portion of the original land (No. 1065-0015), subdivided into Nos. 0488-0000 and 0484-0000, with a total area of 281.98 square meters, remains classified as agricultural land. This portion is reserved for government use in waterway improvement projects and is recognized under other non-current assets – others, amounting to NT\$1,114 thousand.

17、BORROWINGS

Short-term borrowings

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Unsecured borrowings		
Line of credit borrowing	<u>\$ 60,000</u>	<u>\$ 200,000</u>

The interest rates on bank revolving borrowings were 1.8% per annum for the year 2025 and as of Dec. 31, 2024.

18、 PAYABLES

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Accounts Payable</u> <u>(Including Related Parties)</u>		
Incurring from Operations	<u>\$ 169,710</u>	<u>\$ 226,040</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>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Current Liabilities</u>		
<u>Other Payables</u>		
Payables for Equipment	\$ 666	\$ 216
Salaries and Bonuses Payable	40,643	34,809
Employee Compensation Payable	47,534	39,684
Directors' Compensation Payable	3,980	4,500
Vacation Payable	5,182	4,620
Others	<u>27,315</u>	<u>17,541</u>
	<u>\$ 125,320</u>	<u>\$ 101,370</u>
<u>Other Current Liabilities</u>		
Advance Receipts	\$ 20	\$ 773
Collections on Behalf	<u>1,527</u>	<u>1,133</u>
	<u>\$ 1,547</u>	<u>\$ 1,906</u>
<u>Non-Current</u>		
<u>Other Non-Current Liabilities</u>		
Deposits Received	<u>\$ 12</u>	<u>\$ 12</u>

20、 RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

The pension plan under the "Labor Pension Act" applicable to the Company is a government-managed defined contribution plan. The

Company contributes 6% of employees' monthly salaries to individual pension accounts maintained by the Bureau of Labor Insurance.

(2) Defined Benefit Plan

The Company's pension plan under the "Labor Standards Act" of the R.O.C. is a government-managed defined benefit plan. Pension benefits are calculated based on employees' years of service and the average salary for the six months prior to the approved retirement date.

The Company contributes 2% of the total monthly salaries of employees to a pension fund, which is deposited in a dedicated account with the Bank of Taiwan under the name of the Labor Pension Reserve Supervisory Committee.

Before the end of each year, if the balance in the pension fund account is assessed to be insufficient to cover the estimated pension payments for employees who are expected to meet the retirement eligibility criteria in the following year, the Company is required to make up the shortfall in a lump sum by the end of March of the following year.

The pension fund account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment policy and strategy of the fund.

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

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Present Value of Defined Benefit Obligations	\$ 22,295	\$ 24,233
Fair Value of Plan Assets	<u>(3,360)</u>	<u>(4,474)</u>
Net Defined Benefit Liabilities	<u>\$ 18,935</u>	<u>\$ 19,759</u>

The changes in net defined benefit liabilities are as follows:

	Present Value of Defined Benefit Obligations	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Jan.1.2025	\$ 24,233	(\$ 4,474)	\$ 19,759
Interest cost (income)	<u>364</u>	<u>(70)</u>	<u>294</u>
Recognized in profit or loss	<u>364</u>	<u>(70)</u>	<u>294</u>
Remeasurements:			
Return on plan assets (excluding amounts included in net interest)	-	(234)	(234)
Actuarial loss - changes in financial assumptions	275	-	275
Actuarial gain - experience adjustments	<u>(884)</u>	<u>-</u>	<u>(884)</u>
Recognized in other comprehensive income	<u>(609)</u>	<u>(234)</u>	<u>(843)</u>
Employer contributions	-	(275)	(275)
Benefit payments	<u>(1,693)</u>	<u>1,693</u>	<u>-</u>
Dec.31.2025	<u>\$ 22,295</u>	<u>(\$ 3,360)</u>	<u>\$ 18,935</u>
Jan.1.2024	\$ 26,272	(\$ 1,200)	\$ 25,072
Interest cost (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 gain - changes in financial assumptions	(1,274)	-	(1,274)
Actuarial gain - 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>
Dec.31.2024	<u>\$ 24,233</u>	<u>(\$ 4,474)</u>	<u>\$ 19,759</u>

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

	<u>2025</u>	<u>2024</u>
Cost of Goods Sold	\$ 48	\$ 53
Selling Expenses	24	31
G&A Expenses	188	186
R&D Expenses	<u>34</u>	<u>34</u>
	<u>\$ 294</u>	<u>\$ 304</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>Dec.31.2025</u>	<u>Dec.31.2024</u>
Discount Rate	1.2964%	1.5022%
Expected Salary Increase Rate	2.5000%	2.5000%

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>Dec.31.2025</u>	<u>Dec.31.2024</u>
Discount Rate		
Increase by 0.5%	(<u>\$ 658</u>)	(<u>\$ 799</u>)
Decrease by 0.5%	<u>\$ 696</u>	<u>\$ 850</u>
Salary Growth Rate		
Increase by 0.5%	<u>\$ 680</u>	<u>\$ 831</u>
Decrease by 0.5%	(<u>\$ 650</u>)	(<u>\$ 790</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>Dec.31.2025</u>	<u>Dec.31.2024</u>
Expected Contribution Within One Year	<u>\$ 283</u>	<u>\$ 330</u>
Average Maturity Period of Defined Benefit Obligation	6.22 years	6.98 years

21、Equity

(1) Capital Stock

Common Stock

	<u>Dec.31.2025</u>	<u>Dec.31.2024</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.

(2) Capital Surplus

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Can be used to offset losses, distribute cash, or increase capital stock (Note 1)</u>		
Stock Issuance Premium	\$ 258,010	\$ 258,010
Convertible Bonds Premium	207,018	207,018
Treasury Stock Transactions	2,567	1,863
Difference between Actual Acquisition or Disposal Value of Subsidiary's Equity and Book Value	544,174	544,174
Merger Premium	10,618	10,618
<u>May only be used to offset losses</u>		
Can only be used to offset losses		
Recognition of Ownership Interests in Subsidiaries(Note 2)	<u>211,006</u>	<u>211,006</u>
	<u>\$ 1,233,393</u>	<u>\$ 1,232,689</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.

(3) Retained Earnings and Dividend Policy

Pursuant to the Company's Articles of Incorporation, if there is any annual profit after the Company's final accounts, the profit shall first be used to pay taxes in accordance with the law and to offset accumulated losses of previous years. Ten percent (10%) of the remaining profit shall be appropriated as legal reserve. However, when the accumulated legal reserve equals the total paid-in capital, this requirement shall no longer apply. In addition, special reserve shall be appropriated or reversed in accordance with applicable laws and regulations, or a portion of earnings may be retained. Any remaining

earnings, together with accumulated undistributed earnings, shall be proposed by the Board of Directors in accordance with the dividend policy and submitted to the shareholders' meeting for resolution and distribution to shareholders in proportion to their shareholdings.

The Company's policy on remuneration of employees and directors is disclosed in Note 23(7) "Employees' Compensation and Directors' Remuneration."

The Company's dividend policy takes into account the overall operating environment and industry characteristics, as well as the Company's future financial structure and capital budgeting. It also considers profitability, undistributed earnings, and capital reserves. The Company generally distributes dividends not less than 50% of distributable earnings for the current year to ensure stable development and maximize shareholders' interests. Cash dividends shall not be less than 10% of total dividends distributed for the year.

The legal reserve shall be appropriated until its balance equals the total paid-in capital. The legal reserve may be used to offset losses. When the Company incurs no loss, the portion of legal reserve in excess of 25% of paid-in capital may be capitalized or distributed in cash.

The Company held its annual general shareholders' meetings on May 26, 2025 and May 30, 2024, respectively, in which the distribution of earnings for the years ended 2024 and 2023 was resolved and approved as follows:

	Profit Distribution Proposal	
	2024	2023
Legal Reserve	<u>\$ 39,616</u>	<u>\$ 16,720</u>
Special Reserve	<u>(\$ 15,491)</u>	<u>\$ 2,385</u>
Cash Dividend	<u>\$ 282,726</u>	<u>\$ 169,636</u>
Cash Dividend Per Share (NTD)	\$ 2.5	\$ 1.5

The Board of Directors of the subsidiary company proposed the following profit distribution plan for the fiscal year 2025 on March 11, 2026 :

	Profit Distribution Proposal
Legal Reserve	<u>\$ 38,520</u>
Cash Dividend	<u>\$ 282,726</u>
Cash Dividend Per Share (NTD)	\$ 2.5

The proposed appropriation of earnings for 2025 is pending resolution at the annual general shareholders' meeting expected to be held on May 29, 2026.

(4) Other Equity Items

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

	2025	2024
Beginning Balance	<u>(\$ 15,260)</u>	<u>(\$ 18,647)</u>
Amount Generated During the Year		
Exchange Differences Arising from the Translation of Net Assets of Foreign Operations	(<u>1,528</u>)	<u>3,387</u>
Other Comprehensive Income for the Year	(<u>1,528</u>)	<u>3,387</u>
Ending Balance	<u>(\$ 16,788)</u>	<u>(\$ 15,260)</u>

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

	2025	2024
Beginning Balance	<u>\$ 44,252</u>	<u>\$ 3,156</u>
Amount Generated During the Year		
Unrealized Gains or Losses on Equity Instruments	684	40,433
Impact of Subsidiaries Recognized Using the Equity Method	(<u>332</u>)	<u>663</u>
Other Comprehensive Income for the Year	<u>352</u>	<u>41,096</u>
Ending Balance	<u>\$ 44,604</u>	<u>\$ 44,252</u>

(5) 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 Jan. 1, 2025	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares as of Dec. 31, 2025	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares as of Jan. 1, 2024	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares as of Dec. 31, 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
<u>Dec.31.2025</u>			
Chenfeng Machinery Co., Ltd.	282	<u>\$ 11,397</u>	<u>\$ 11,397</u>
<u>Dec.31.2024</u>			
Chenfeng Machinery Co., Ltd.	282	<u>\$ 12,792</u>	<u>\$ 12,792</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>2025</u>	<u>2024</u>
Revenue from Customer Contracts		
Sales Revenue	\$ 413,329	\$ 326,639
Engineering Revenue	<u>1,118,370</u>	<u>1,083,893</u>
	<u>\$ 1,531,699</u>	<u>\$ 1,410,532</u>

(1) 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.

(2) Contract Balance

	Dec.31.2025	Dec.31.2024	Jan. 112024
Notes receivable (Note 9)	<u>\$ 18,035</u>	<u>\$ 14,368</u>	<u>\$ 14,051</u>
Accounts receivable (Note 9)	<u>\$ 259,468</u>	<u>\$ 159,018</u>	<u>\$ 68,396</u>
Contract assets – current			
Construction contracts	<u>\$ 840,234</u>	<u>\$ 1,064,373</u>	<u>\$ 534,092</u>
Contract liabilities – current			
Sale of goods	\$ 7,691	\$ 13,716	\$ 4,303
Construction contracts	<u>234,793</u>	<u>114,135</u>	<u>151,530</u>
	<u>\$ 242,484</u>	<u>\$ 127,851</u>	<u>\$ 155,833</u>

23、Net Profit from Continuing Operations

(1) Interest Income

	2025	2024
Bank Deposits	\$ 720	\$ 945
Bonds with Repurchase Agreement	-	592
Financial Assets Measured at Fair Value through Profit or Loss	1,605	1,455
Others	<u>41</u>	<u>36</u>
	<u>\$ 2,366</u>	<u>\$ 3,028</u>

(2) Other Income

	<u>2025</u>	<u>2024</u>
Rental Income		
Investment Property (Note 14)	\$ 7,320	\$ 6,017
Operating Lease Rental Income		
- Other	318	337
Dividend Income	11,744	4,847
Other	<u>11,473</u>	<u>7,536</u>
	<u>\$ 30,855</u>	<u>\$ 18,737</u>

(3) Other Gains and Losses

	<u>2025</u>	<u>2024</u>
Gain on Disposal of Property, Plant, and Equipment	\$ 497	\$ 3,131
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	(853)	2,930
Net Foreign Exchange Gains	(5,292)	4,851
Other Losses	<u>(44)</u>	<u>(73)</u>
	<u>(\$ 5,692)</u>	<u>\$ 10,043</u>

(4) Financial Costs

	<u>2025</u>	<u>2024</u>
Interest on Bank Loans	\$ 5,362	\$ 1,177
Other Interest Expenses	<u>-</u>	<u>30</u>
	<u>\$ 5,362</u>	<u>\$ 1,207</u>

(5) Depreciation and Amortization

	<u>2025</u>	<u>2024</u>
Property, Plant, and Equipment	\$ 22,210	\$ 24,358
Investment Property	4,920	4,920
Intangible Assets	<u>2,864</u>	<u>3,802</u>
	<u>\$ 29,994</u>	<u>\$ 33,080</u>

	<u>2025</u>	<u>2024</u>
Depreciation Expense by Function		
Cost of Goods Sold	\$ 15,532	\$ 17,115
Operating Expenses	<u>11,598</u>	<u>12,163</u>
	<u>\$ 27,130</u>	<u>\$ 29,278</u>

Amortization Expense by Function		
Cost of Goods Sold	\$ 872	\$ 1,503
Operating Expenses	<u>1,992</u>	<u>2,299</u>
	<u>\$ 2,864</u>	<u>\$ 3,802</u>

(6) Employee benefits expense

	<u>2025</u>	<u>2024</u>
Post-Employment Benefits (Note 20)		
Defined Contribution Plan	\$ 10,633	\$ 9,754
Defined Benefit Plan	<u>294</u>	<u>304</u>
Other Employee Benefits	<u>10,927</u>	<u>10,058</u>
Total Employee Benefits Expenses	<u>306,812</u>	<u>261,616</u>
Summarized by Function	<u>\$ 317,739</u>	<u>\$ 271,674</u>
Cost of Goods Sold		
Operating Expenses		
Post-Employment Benefits	\$ 164,284	\$ 137,577
Defined Contribution Plan	<u>153,455</u>	<u>134,097</u>
	<u>\$ 317,739</u>	<u>\$ 271,674</u>

(7) 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 2025 and 2024 were respectively approved by the Board of Directors on Mar. 11, 2026, and Mar. 3, 2025, as follows:

Provision Ratio

	<u>2025</u>	<u>2024</u>
Employee Compensation	6.87%	5.18%
Director Remuneration	0.85%	0.98%

Amount

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Employee Compensation	\$ 32,048	\$ 23,865
Director Remuneration	3,980	4,500

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 2024 and 2023, as decided by the Board of Directors, are consistent with the recognized amounts in the individual financial reports for the years 2024 and 2023.

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

(1) Major Components of Income Tax Expense Recognized in Profit or Loss

	<u>2025</u>	<u>2024</u>
Current Income Tax		
Current Income Tax Expense	\$ 47,450	\$ 37,129
Adjustments for Prior Years	<u>262</u>	(<u>1,353</u>)
Deferred Income Tax	<u>47,712</u>	<u>35,776</u>
Deferred Income Tax Expense		
Adjustments for Prior Years	(<u>1,706</u>)	<u>1,949</u>
	(<u>1,706</u>)	<u>1,949</u>
Current Income Tax Expense	<u>\$ 46,006</u>	<u>\$ 37,725</u>

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

	<u>2025</u>	<u>2024</u>
Profit before tax from continuing operations	<u>\$ 430,531</u>	<u>\$ 432,147</u>
Income tax expense calculated at the statutory tax rate (20%)	\$ 86,106	\$ 86,429
Non-deductible expenses for tax purposes	8	15
Tax-exempt income	(38,896)	(45,905)
Investment tax credits utilized in the current period	(1,474)	(1,461)
Adjustments to current income tax expense of prior years recognized in the current year	<u>262</u>	(<u>1,353</u>)
Income tax expense recognized in profit or loss	<u>\$ 46,006</u>	<u>\$ 37,725</u>

(2) Income Tax Recognized in Other Comprehensive Income

	<u>2025</u>	<u>2024</u>
<u>Deferred Income Tax</u>		
Current Year Deferred Income Tax		
Foreign Operations Translation	\$ 382	(\$ 847)
Remeasurement of Defined Benefit Plans	(<u>169</u>)	(<u>448</u>)
Income Tax Recognized in Other Comprehensive Income	<u>\$ 213</u>	<u>(\$ 1,295)</u>

(3) Current Income Tax Liability

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Current Income Tax Liability		
Income Tax Payable	<u>\$ 28,726</u>	<u>\$ 31,027</u>

(4) Deferred Income Tax Assets and Liabilities

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

2025

	<u>Beginning Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Recognized in Other Comprehensive Income</u>	<u>Ending Balance</u>
<u>Deferred Income Tax Assets</u>				
Temporary Differences				
Unrealized Cost of Goods Sold	\$ 829	(\$ 576)	\$ -	\$ 253
Accrued Vacation Benefits	1,047	113	-	1,160
Unrealized Exchange Gains and Losses	-	333	-	333
Unrealized Inventory Write-downs and Obsolete Losses	11,686	(888)	-	10,798
Allowance for Doubtful Accounts in Excess	18,322	2,398	-	20,720
Defined Benefit Retirement Plans	4,212	4	(169)	4,047

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensiv e Income	Ending Balance
Exchange differences on translation of foreign operations	\$ 2,148	\$ -	\$ 382	\$ 2,530
Financial assets at fair value through profit or loss (FVTPL)	<u>220</u>	<u>171</u>	<u>-</u>	<u>391</u>
	<u>\$ 38,464</u>	<u>\$ 1,555</u>	<u>\$ 213</u>	<u>\$ 40,232</u>
Temporary differences				
Overseas investments	(\$ 11,976)	(\$ 31)	\$ -	(\$ 12,007)
Unrealized foreign exchange gains or losses	(<u>182</u>)	<u>182</u>	<u>-</u>	<u>-</u>
	<u>(\$ 12,158)</u>	<u>\$ 151</u>	<u>\$ -</u>	<u>(\$ 12,007)</u>

2024

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensiv e Income	Ending Balance
<u>Deferred Income Tax Assets</u>				
Temporary differences				
Unrealized cost of goods sold	\$ 1,936	(\$ 1,107)	\$ -	\$ 829
Accrued vacation pay	993	54	-	1,047
Unrealized foreign exchange gains or losses	169	(169)	-	-
Unrealized inventory write-downs and obsolescence losses	13,096	(1,410)	-	11,686
Allowance for doubtful accounts in excess of tax limits	17,755	567	-	18,322
Defined benefit plan	5,274	(614)	(448)	4,212
Exchange differences on translation of foreign operations	2,995	-	(847)	2,148
Financial assets at fair value through profit or loss (FVTPL)	<u>806</u>	<u>(586)</u>	<u>-</u>	<u>220</u>
	<u>\$ 43,024</u>	<u>(\$ 3,265)</u>	<u>(\$ 1,295)</u>	<u>\$ 38,464</u>
<u>Deferred Tax Liabilities</u>				
Temporary differences				
Overseas investments	(\$ 13,474)	\$ 1,498	\$ -	(\$ 11,976)
Unrealized foreign exchange gains or losses	<u>-</u>	<u>(182)</u>	<u>-</u>	<u>(182)</u>
	<u>(\$ 13,474)</u>	<u>\$ 1,316</u>	<u>\$ -</u>	<u>(\$ 12,158)</u>

(5) Income Tax Assessment Status

The company's business income tax filings have been assessed and approved by the tax authorities up to the year 2023.

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>2025</u>	<u>2024</u>
Net Profit Used to Calculate Basic Earnings Per Share	<u>\$ 384,525</u>	<u>\$ 394,422</u>
Net Profit Used to Calculate Diluted Earnings Per Share	<u>\$ 384,525</u>	<u>\$ 394,422</u>

Number of Shares

Unit: Thousand Shares

	<u>2025</u>	<u>2024</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>880</u>	<u>563</u>
Weighted Average Number of Common Shares Used to Calculate Basic Earnings Per Share	<u>113,689</u>	<u>113,372</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

(1) 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.

(2) Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

Dec.31.2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Profit or Loss (FVTPL)</u>				
Domestic listed stocks (TWSE/TPEX-listed)	\$ 8,277	\$ -	\$ -	\$ 8,277
Fund beneficiary certificates	42,116	-	-	42,116
Domestic limited partnership interests	-	-	28,794	28,794
	<u>\$ 50,393</u>	<u>\$ -</u>	<u>\$ 28,794</u>	<u>\$ 79,187</u>
 <u>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</u>				
Equity instrument investments				
Domestic emerging stocks (TPEX Emerging Market)	\$ -	\$ 56,010	\$ -	\$ 56,010
Domestic unlisted (non-TWSE/TPEX) shares	-	-	90,839	90,839
	<u>\$ -</u>	<u>\$ 56,010</u>	<u>\$ 90,839</u>	<u>\$ 146,849</u>

Dec.31.2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Profit or Loss (FVTPL)</u>				
Domestic listed stocks (TWSE/TPEX-listed)	\$ 8,246	\$ -	\$ -	\$ 8,246
Fund beneficiary certificates	41,794	-	-	41,794
	<u>\$ 50,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,040</u>
 <u>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</u>				
Equity instrument investments				
Domestic unlisted (non-TWSE/TPEX) shares	\$ -	\$ -	\$ 136,922	\$ 136,922

There were no transfers between Level 1 and Level 2 fair value measurements for the years 2025 and 2024.

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

2025

Financial Assets	Financial Assets at Fair Value through Profit or Loss (FVTPL)	Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	Total
	Equity Instruments	Equity Instruments	
Balance at the beginning of the year	\$ -	\$ 136,922	\$ 136,922
Recognized in profit or loss (gain or loss on financial assets at fair value through profit or loss)	(1,206)	-	(1,206)
Recognized in other comprehensive income (unrealized gain or loss on financial assets at fair value through other comprehensive income)	-	684	684
Purchases	30,000	9,243	39,243
Transfers out of Level 3	-	(56,010)	(56,010)
Balance at the end of the year	<u>\$ 28,794</u>	<u>\$ 90,839</u>	<u>\$ 119,633</u>

2024

Financial Assets	Financial Assets Measured at Fair Value Through Other Comprehensive Income 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>

During the period from January 1 to December 31, 2025, there were transfers between Level 3 and Level 2 fair value measurements. Such transfers were mainly attributable to certain equity instruments designated at fair value through other comprehensive income that were reclassified from domestic unlisted shares to emerging stocks (TPEX Emerging Market). Based on the observation of trading volume to determine whether the investments were in an active market, these instruments were accordingly transferred from Level 3 to Level 2.

3. Valuation techniques and inputs for Level 2 fair value measurements

<u>Financial instruments by category</u>	<u>Valuation techniques and inputs</u>
Domestic emerging stocks (not traded in an active market)	Market approach: The valuation is based on the quoted market prices of the shares in an active market. Adjustments are made to reflect the relatively insufficient liquidity of the underlying investee company, and the adjusted prices are used as a reasonable basis for estimating fair value.

4. Valuation Techniques and Assumptions Used in Measuring Fair Value

The fair values of financial assets and financial liabilities are determined as follows:

For financial assets and financial liabilities with standard terms and conditions and traded in an active market, fair values are determined by reference to quoted market prices. When market prices are not available, valuation techniques are used to estimate fair value. The estimates and assumptions applied by the Company in valuation techniques are consistent with those that market participants would use in pricing the financial instruments.

The Company's financial statements include unquoted equity instruments and limited partnership interests measured at fair value. Fair value is determined using market-based valuation approaches, including the price-earnings (P/E) ratio method and the price-to-book (P/B) ratio method, to estimate a reasonable fair value. The fair value of limited partnership interests is determined based on their net asset value.

(3) Financial instruments by category

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
<u>Financial Assets</u>		
Financial assets at fair value through profit or loss (FVTPL)		
Mandatorily measured at fair value through profit or loss	\$ 79,187	\$ 50,040
Financial assets measured at amortized cost (Note 1)	356,788	252,998
Refundable deposits	3,270	2,332
Financial assets at fair value through other comprehensive income (FVOCI)		
Equity instrument investments	146,849	136,922
<u>Financial Liabilities</u>		
Financial liabilities measured at amortized cost (Note 2)	254,885	441,285
Guarantee deposits received	12	12

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

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

(4) Financial Risk Management Objectives and Policies

The Company's risk management objectives are primarily to manage market risk, credit risk, and liquidity risk arising from its operating activities. In accordance with the Group's policies and risk appetite, the Company identifies, measures, and manages the aforementioned risks.

The Company has established appropriate policies, procedures, and internal controls in accordance with relevant regulations for financial risk management. Significant financial activities are subject to review by the Board of Directors in accordance with applicable regulations and internal control systems. During financial management activities,

the Company strictly complies with the relevant financial risk management policies and regulations.

1. Market Risk

The Company's operating activities expose it primarily to financial risks arising from changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign Exchange Risk

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are disclosed in Note 31.

Sensitivity analysis

The Company is mainly exposed to fluctuations in the U.S. dollar exchange rate.

The following table details the Company's sensitivity analysis of a 1% increase and decrease in the exchange rate of the New Taiwan Dollar (the functional currency) against the relevant foreign currencies. The 1% sensitivity rate is used when reporting foreign exchange risk internally to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates. A positive figure in the table represents the amount by which profit before tax or equity would increase when the New Taiwan Dollar depreciates by 1% against the relevant currencies. Conversely, when the New Taiwan Dollar appreciates by 1% against the relevant foreign currencies, the effect on profit before tax or equity would be the same amount but negative.

	Impact of the U.S. Dollar	
	2025	2024
Profit and Loss	\$ 611	\$ 1,010

(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>Dec.31.2025</u>	<u>Dec.31.2024</u>
Fair Value Interest Rate Risk		
Financial Assets	\$ 3,232	\$ 104
Financial Liabilities	60,000	200,000
Cash Flow Interest Rate Risk		
Financial Assets	72,743	74,242
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\$182 thousand and NT\$186 thousand for the years 2025 and 2024, 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 had increased/decreased by 5%, profit before tax for 2025 and 2024 would have increased/decreased by NT\$3,959 thousand and NT\$2,502 thousand, respectively, due to changes in fair value of financial assets at fair value through profit or loss.

Other comprehensive income before tax for 2025 and 2024 would have increased/decreased by NT\$7,342 thousand and NT\$6,846 thousand, respectively, due to changes in fair value of financial assets at fair value through other comprehensive income.

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

2. Credit Risk

Credit risk refers to the risk of financial loss to the Group arising from a counterparty's failure to discharge its contractual obligations. As of the balance sheet date, the Company's maximum exposure to credit risk arising from potential failure of counterparties to perform their obligations mainly relates to the carrying amounts of financial assets recognized in the separate balance sheet.

The Company's policy is to transact only with creditworthy counterparties and, where necessary, to obtain sufficient collateral to mitigate the risk of financial loss arising from default. To reduce credit risk, management has established credit approval and monitoring procedures to ensure the recovery of overdue receivables. In addition, at each balance sheet date, the Company reviews the collectability of receivables individually to ensure

that appropriate impairment losses are recognized for uncollectible amounts. Accordingly, management believes that the Company's credit risk has been significantly reduced and is therefore limited.

The Company's credit risk is primarily concentrated among its five largest customers. As of December 31, 2025 and December 31, 2024, receivables from the five largest customers accounted for 76% and 69% of total receivables, respectively. The credit concentration risk for other receivables is considered not significant.

3. Liquidity Risk

The Company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilization of bank credit facilities and ensures compliance with the covenants of borrowing agreements.

Bank borrowings represent an important source of liquidity for the Company. As of December 31, 2025 and December 31, 2024, the Company's unused credit facilities are disclosed in Note (2) below, "Credit Facilities."

(1) Liquidity and Interest Rate Risk Table of Non-derivative Financial Liabilities

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

Dec.31.2025

	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>More than 3 years</u>	<u>Total</u>
<u>Non-Derivative Financial Liabilities</u>					
Accounts Payable	\$ 169,710	\$ -	\$ -	\$ -	\$ 169,710
Other Payables	25,175	-	-	-	25,175
Short-Term Borrowings	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	<u>\$ 254,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,885</u>

Dec.31.2024

	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>More than 3 years</u>	<u>Total</u>
<u>Non-Derivative Financial Liabilities</u>					
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>

(2) Credit Facilities

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Unsecured Bank Credit Facilities and Commercial Paper Issuance Limit (Reviewed Annually)		
Amount Utilized	\$ 145,376	\$ 202,000
Unutilized Amount	<u>1,329,624</u>	<u>1,198,000</u>
	<u>\$ 1,475,000</u>	<u>\$ 1,400,000</u>

28、Related Party Transactions

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

(1) Related Party Name and Relationship

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

(2) Sales

<u>Account Items</u>	<u>Related Party Name</u>	<u>2025</u>	<u>2024</u>
Sales	Chenfeng Machinery (Dongguan) Co.,Ltd.	\$ 1,341	\$ 2,389
	ChenFull Precision Co., Ltd.	<u>-</u>	<u>112</u>
		<u>\$ 1,341</u>	<u>\$ 2,501</u>

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

(3) Purchases

Related Party Name	2025	2024
Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ 7</u>	<u>\$ 62,882</u>

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

(4) Receivables from Related Parties

Account Items	Related Party Name	Dec.31.2025	Dec.31.2024
Other Receivables	Chenfeng Machinery Co., Ltd.	\$ 2,400	\$ 4,532
	ChenFull Precision Co., Ltd.	<u>615</u>	<u>17</u>
		<u>\$ 3,015</u>	<u>\$ 4,549</u>

The receivables from related parties outstanding are not secured by guarantees. As of the years 2025 and 2024, no allowance for doubtful accounts has been provided for the receivables from related parties.

(5) Payables to related parties

Account Items	Related Party Name	Dec.31.2025	Dec.31.2024
Accounts Payable	Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ -</u>	<u>\$ 36,127</u>

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

(6) Lease Agreements

Lease Expenses

Lessor	Leased Asset	Lease and Rent	2025	2024
ChenFull Precision Co., Ltd.	Machine Room	The monthly rent is NT\$8,000, payable on a monthly basis.	<u>\$ 96</u>	<u>\$ 96</u>

(7) Lease Agreement

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

Related Party Type	2025	2024
Subsidiary of the Company	<u>\$ 4,920</u>	<u>\$ 4,920</u>

The lease income is summarized as follows:

Lessor	Leased Asset	Lease and Rent Payment Method	2025	2024
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>

(8) Others

Account Items	Related Party Name	Dec.31.2025	Dec.31.2024
Advance Payments from Customers (Contract Liabilities)	Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ 5,425</u>	<u>\$ 6,766</u>
Receipts on behalf of others	Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ 171</u>	<u>\$ -</u>

Account Items	Related Party Name	2025	2024
Service Revenue (Listed under Other Income)	Chenfeng Machinery Co., Ltd.	<u>\$ -</u>	<u>\$ 3,417</u>
Rental Income (Listed under Other Income)	Chenfeng Machinery Co., Ltd.	<u>\$ 2,400</u>	<u>\$ 1,098</u>
Maintenance Service Revenue (Listed under Other Income)	ChenFull Precision Co., Ltd.	<u>\$ 2,285</u>	<u>\$ 890</u>
Freight Income (Listed under Other Income)	Chenfeng Machinery (Dongguan) Co.,Ltd.	<u>\$ -</u>	<u>\$ 2</u>
Freight Expenses (Listed under Manufacturing Costs)	ChenFull Precision Co., Ltd.	<u>\$ 3</u>	<u>\$ 15</u>

(9) Key Management Personnel Compensation

	2025	2024
Short-term Employee Benefits	<u>\$ 18,533</u>	<u>\$ 18,238</u>
Post-employment Benefits	<u>424</u>	<u>414</u>
	<u>\$ 18,957</u>	<u>\$ 18,652</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:

	<u>Dec.31.2025</u>	<u>Dec.31.2024</u>
Other Financial Assets – Current		
Pledged Time Deposits	<u>\$ 105</u>	<u>\$ 104</u>

30、Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except as disclosed in other notes, the Company has the following significant commitments and contingencies:

- (1) As of December 31, 2025, the Company had issued promissory notes amounting to NT\$1,184,226 thousand as guarantees for credit facilities, contractual performance, and warranty obligations.
- (2) As of December 31, 2025, the Company had received promissory notes issued by vendors amounting to NT\$68,953 thousand as guarantees for performance or warranty obligations.
- (3) The Company has entered into contracts with various vendors for the acquisition of land, equipment, and plant renovations, with a total contract amount of NT\$4,941 thousand. As of December 31, 2025, NT\$3,010 thousand had been paid (recognized under prepayments for equipment and construction in progress), and the remaining NT\$1,931 thousand remains unpaid.

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:

Dec.31.2025

<u>Financial Assets</u>	Foreign currency	Exchange Rate	Book value
<u>Monetary Items</u>			
US Dollar	\$ 1,946	31.43 (USD : TWD)	\$ 61,174
Chinese Yuan	1	4.496 (RMB : TWD)	4
Euro	82	36.9 (EUR : TWD)	3,031
			<u>\$ 64,209</u>

Non-Monetary
Items

Subsidiaries
accounted for
using the equity
method

US Dollar	2,326	31.43 (USD : TWD)	<u>\$ 73,106</u>
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<u>Financial Liabilities</u>	Foreign currency	Exchange Rate	Book value
<u>Monetary Items</u>			
US Dollar	\$ 2	31.43 (USD : TWD)	\$ 68
Chinese Yuan	1,074	4.496 (RMB : TWD)	4,830
			<u>\$ 4,898</u>

Dec.31.2024

<u>Financial Assets</u>	Foreign currency	Exchange Rate	Book value
<u>Monetary Items</u>			
US Dollar	\$ 3,589	32.785 (USD : TWD)	\$ 117,662
Chinese Yuan	1	4.478 (RMB : TWD)	4
Euro	168	34.14 (EUR : TWD)	5,722
Japan Yuan	17,551	0.21 (JPY : TWD)	3,684
			<u>\$ 127,072</u>

Non-Monetary
Items

Subsidiaries
accounted for
using the equity
method

US Dollar	2,283	32.785 (USD : TWD)	<u>\$ 74,858</u>
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Financial Liabilities

Monetary Items

US Dollar	507	32.785 (USD : TWD)	\$ 16,636
Chinese Yuan	8,295	4.478 (RMB : TWD)	<u>37,146</u>
			<u>\$ 53,782</u>

The Company's foreign exchange gains and losses (including both realized and unrealized) amounted to a loss of NT\$5,292 thousand and a gain of NT\$4,851 thousand for 2025 and 2024, respectively. Due to the diversity of foreign currency transactions, it is not practicable to disclose foreign exchange gains and losses by each significant foreign currency.

32、Disclosure Items in the Notes

(1) Significant Transaction Matters

(2) Information Related to Investee Companies

No.	Content	Description
1	Loans to others	None
2	Endorsements/guarantees provided for others	None
3	Significant securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)	Appendix 1
4	Transactions with related parties involving purchases or sales exceeding NT\$100 million or 20% of paid-in capital	None
5	Receivables from related parties exceeding NT\$100 million or 20% of paid-in capital	None
6	Information on investees	Appendix 2

(3) Information of investments in mainland China:

No.	Content	Description
1	Name, principal activities, paid-in capital, investment method, remittance of funds in/out, ownership percentage, investment gain or loss, carrying amount at period end, repatriated investment income, and investment ceiling in Mainland China	Appendix 3
2	Significant transactions with Mainland China investees conducted directly or indirectly through third locations, including pricing, payment terms, and unrealized gains or losses	
	(1) Purchase amount and percentage, and related payable balances and percentage at period end	Appendix 4
	(2) Sales amount and percentage, and related receivable balances and percentage at period end	Appendix 4
	(3) Amount of property transactions and related gains or losses	None
	(3) Endorsements, guarantees, or pledged assets at period end and their purpose	None
	(4) Maximum balance, ending balance, interest rate range, and total interest of financing provided	None
(5) Other material transactions affecting current profit or financial position (e.g., provision or receipt of services)	None	

CHENFULL INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Situation of Held Securities at Year-End

Dec.31.2025

Appendix 1

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	Number of Shares / Units	Book Value	
CHENFULL INTERNATIONAL CO., LTD	<u>Stock - Private Company</u>							
	Maing Chau Enterprise Co., Ltd.	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	3,412,174	\$ 81,702	9.10	\$ 81,702	
	<u>Stocks - Emerging Market (TPEX Emerging Market)</u>							
	Ntyex Composites Co., Ltd.	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	1,200,000	\$ 56,010	1.74	\$ 56,010	
	<u>Stocks - Non-public</u>							
	Others (Note 4)	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	-	\$ 9,137	-	\$ 9,137	
	<u>Fund beneficiary certificates - domestic</u>							
Yuanta 2-10 Year Investment Grade Corporate Bond Fund	None	Financial Assets Measured at Fair Value Through Profit or Loss -Current	3,000,000	\$ 29,619	3.14	\$ 29,619		
Others (Note 4)	None	Financial Assets Measured at Fair Value Through Profit or Loss - Current	-	\$ 20,774	-	\$ 20,774		
<u>Limited partnership</u>								
HungChi Sustainability and Climate Limited Partnership	None	Financial Assets Measured at Fair Value Through Profit or Loss - Non-Current	30,000,000	\$ 28,794	4.78	\$ 28,794		

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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			
				Number of Shares / Units	Book Value	Number of Shares / Units	Book Value
Chenfeng Machinery Co., Ltd.	<u>Stock - Listed and Over-the-Counter (OTC)</u> CHENFULL INTERNATIONAL CO., LTD	Parent Company	Financial Assets Measured at Fair Value Through Other Comprehensive Income – Non-Current	281,759	<u>\$ 11,397</u>	0.25	<u>\$ 11,397</u>
	Others (Note 4)	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income – Non-Current	-	<u>\$ 15,194</u>	-	<u>\$ 15,194</u>
	<u>Domestic Beneficiary Certificates – Funds</u> Yuanta Taiwan Top 50 Securities Investment Trust Fund	None	Financial Assets Measured at Fair Value Through Profit or Loss – Current	592,000	<u>\$ 38,835</u>	-	<u>\$ 38,835</u>
	Others (Note 4)	None	Financial Assets Measured at Fair Value Through Profit or Loss – Current	-	<u>\$ 86,911</u>	-	<u>\$ 86,911</u>

Note 1: “Securities” as referred to in this table denote stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items that fall within the scope of International Accounting Standard No. 9 (IFRS 9) Financial Instruments.

Note 2: Refers to discretionary asset management arrangements under which Chenfeng Machinery Co., Ltd. enters into a fully discretionary investment management contract with an investment advisory firm, and the trustee conducts trading independently in the centralized exchange market.

Note 3: For information related to investments in subsidiaries, please refer to Appendix 2 and Appendix 3.

Note 4: Individual securities with amounts accounting for more than 10% of the respective financial statement line item shall be disclosed separately; the remaining securities, being not material in amount, are disclosed on an aggregated basis.

CHENFULL INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Name of the invested company, location, and other related information.

2025

Appendix 2

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

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 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	\$ 227,932	\$ 36,104	\$ 35,400	子 公 司
	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	73,106	158	158	子 公 司
	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	1,222,502	233,857	147,336	子 公 司 (註 1)
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	53,242 (USD 1,694)	(499) (USD -16)	(499) (USD -16)	子 公 司
NEW OPPORTUNITY LIMITED	Chenfeng Machinery (Dongguan) Co., Ltd. (Note2)	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	53,242 (USD 1,694)	(499) (USD -16)	(499) (USD -16)	子 公 司

Note 1: Represents non-controlling interests that are material.

Note 2: For information related to investee companies in Mainland China, please refer to Appendix 3.

CHENFULL INTERNATIONAL CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA

2025

Appendix 3

Unit: Unless otherwise stated, all amounts are presented in thousands of New Taiwan Dollars (NTD) and foreign currencies.

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	Shreholding 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)	(2)	\$ 60,448 (USD 2,000)	\$ -	\$ -	\$ 60,448 (USD 2,000)	(\$ 499) (USD -16)	100	(\$ 499) (USD -16) (-)2	\$ 53,242 (USD 1,694)	\$ 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 2,273,810 (USD 72,345)

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

1. Investments made directly in Mainland China
2. 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:

1. It shall be noted if no investment profit or loss can be reported because the investment is still under preparation.
2. 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, 2025, was 1.43)

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

2025

Appendix 4

(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	%		
ChenfengMachinery (Dongguan) Co., Ltd.	Sale	\$ 1,341	0.09	Same as general clients	Same as general clients	Same as general clients	\$ -	-	\$ -	
	Purchase	7	-	Same as general clients	Same as general clients	Same as general clients	-	-	-	

§ **DETAILED SCHEDULE OF SIGNIFICANT ACCOUNTING ITEMS** §

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<u>Schedules of Assets, Liabilities and Equity Items</u>	
Cash and Cash Equivalents	Schedule 1
Financial Assets at Fair Value Through Profit or Loss – Current (Movement Schedule)	Note 7 and Appendix 1
Notes Receivable	Schedule 2
Accounts Receivable	Schedule 3
Inventories	Schedule 4
Prepayments	Schedule 5
Other Current Assets	Note 16
Financial Assets at Fair Value Through Other Comprehensive Income – Non-current (Movement Schedule)	Schedule 6
Investments Accounted for Using Equity Method (Movement Schedule)	Schedule 7
Property, Plant and Equipment (Movement Schedule)	Note 12
Accumulated Depreciation of Property, Plant and Equipment (Movement Schedule)	Note 12
Investment Property (Movement Schedule)	Note 14
Accumulated Depreciation of Investment Property (Movement Schedule)	Note 14
Intangible Assets (Movement Schedule)	Note 15
Deferred Tax Assets and Liabilities	Note 24
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Operating Revenue	Note 22
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Finance Costs	Note 23
Summary of Employee Benefits, Depreciation and Amortization by Function for the Current Period	Schedule 11

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Cash and cash equivalents

Dec.31.2025

Schedule 1

Unit: Thousands of NT dollars
and foreign currencies

Item	Summary	Amount
Cash		
Cash in stock		\$ 53
Petty cash		<u>198</u>
		<u>251</u>
Bank savings		
Check and Demand deposit		64,170
Foreign Currency Demand Deposit	Including USD 176 thousand (exchange rate: 31.43) and EUR 82 thousand (exchange rate: 36.9).	<u>8,573</u>
		<u>72,743</u>
Cash Equivalents		
Time Deposits		<u>3,127</u>
		<u>3,127</u>
		<u>\$ 76,121</u>

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Notes receivable

Dec.31.2025

Schedule 2

Unit: Thousands of NT dollars

Client's Name	Summary	Amount
Non-related person		
Kangcheng Technology Engineering Co., Ltd.	Operating income	\$ 15,908
Feng tai enterprise co., Ltd.	"	2,024
Other (Note)	"	<u>374</u>
		18,306
Less: Allowance for doubtful debts		(<u>271</u>)
		<u>\$ 18,035</u>

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

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Receivable

Dec.31.2025

Schedule 3

Unit: Thousands of NT dollars

<u>Client's Name</u>	<u>Summary</u>	<u>Amount</u>
Accounts Receivable – Non-related Parties		
Micron Memory Taiwan Co., Ltd.	Operating income	\$ 102,864
TSMC Company Limited	"	75,989
THIEN PHO CO., LTD.	"	29,098
United Integrated Services Co., Ltd.	"	20,607
Others (Note)	"	<u>59,319</u>
		287,877
Less: Allowance for doubtful debts		(<u>28,409</u>)
		<u>\$ 259,468</u>

Note: No individual customer balance exceeded 5% of the total balance of this account.

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Inventory

Dec.31.2025

Schedule 4

Unit: Thousands of NT dollars

Item	Summary	Amount	
		Cost	Market Price (Note)
Raw Material		\$ 167,172	\$ 140,319
WIP		104,532	156,187
Finished Product		49,982	70,103
Commodity Inventory		<u>529</u>	<u>137</u>
		322,215	<u>\$ 366,746</u>
Less: Provision for inventory decline and sluggish loss		(<u>53,988</u>)	
		<u>\$ 268,227</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.

Schedule of Prepayments

Dec.31.2025

Schedule 5

Unit: Thousands of NT dollars

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Prepaid insurance premium		\$ 124,016
Other prepaid expenses (Note)		<u>6,814</u>
		<u>\$ 130,830</u>

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

CHENFULL INTERNATIONAL CO., LTD.

Schedule of financial assets at fair value through other comprehensive income -breakdown of non-current movements

From Jan. 1 to Dec. 31 in the 2025

Schedule 6

Unit: unless otherwise specified
, in thousands of NT dollars

Name	Beginning Balance		Increase in this period		Decrease in this period		Ending balance			Provide a guarantee or pledge situation
	Shares	Amounts	Shares	Amounts	pledge situation	Amounts	Shares	%	Amounts	
Maing Chau Enterprise Co., Ltd.	3,104,110	\$ 73,127	308,064	\$ 9,242	-	(\$ 667)	3,412,174	9.10	\$ 81,702	None
Taiwan Small and Medium Enterprise Development Corporation	854,360	8,584	-	553	-	-	854,360	1.21	9,137	"
Ntyex Composites Co., Ltd.	1,200,000	<u>55,211</u>	-	<u>799</u>	-	<u>-</u>	1,200,000	1.74	<u>56,010</u>	"
		<u>\$ 136,922</u>	-	<u>\$ 10,594</u>		<u>(\$ 667)</u>			<u>\$ 146,849</u>	

CHENFULL INTERNATIONAL CO., LTD.
Schedule of investment changes using the equity method
From Jan. 1 to Dec. 31 in the 2025

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 (Not1)	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 Co., Ltd.	15,280,000	\$ 192,160	-	\$ 704	-	\$ -	\$ 35,400	\$ -	\$ -	\$ -	(\$ 332)	15,280,000	100	\$ 227,932	14.92	\$ 227,932	Equity method	None
CHEN FULL HOLDING CO., LTD.	-	74,858	-	-	-	-	158	-	-	(1,910)	-	-	100	73,106	-	73,106	"	"
ChenFull Precision Co., Ltd	37,278,000	<u>1,261,554</u>	-	<u>-</u>	-	<u>-</u>	<u>147,336</u>	<u>2</u>	<u>(186,390)</u>	<u>-</u>	<u>-</u>	37,278,000	63	<u>1,222,502</u>	32.75	<u>1,222,502</u>	"	"
		<u>\$ 1,528,572</u>		<u>\$ 704</u>		<u>-</u>	<u>\$ 182,894</u>	<u>\$ 2</u>	<u>(\$ 186,390)</u>	<u>(\$ 1,910)</u>	<u>(\$ 332)</u>			<u>\$ 1,523,540</u>		<u>\$ 1,523,540</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.

Schedule of Accounts Payable

Dec.31.2025

Schedule 8

Unit: Thousands of NT dollars

<u>Customer Name</u>	<u>Summary</u>	<u>Amount</u>
Accounts of unrelated persons		
Chi-Zhang Machinery Industry Co., Ltd.	Trade Payables	\$ 22,316
Other (Note)	"	<u>147,394</u>
		<u>\$ 169,710</u>

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

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Operating Cost
From Jan. 1 to Dec. 31 in the 2025

Schedule 9

Unit: Thousands of NT dollars

Item	Summary	Amount	
Manufacturing cost	Beginning Raw Materials	\$ 161,446	
	Purchases for the Period	208,138	
	Inventory Surplus	190	
	Ending Raw Materials	(167,172)	
	Materials Issued to Production	(74,778)	
	Sale of Raw Materials	(1,658)	
	Others	(6,356)	
	Raw Materials Written-off	(897)	
	Materials Consumed	118,913	
	Direct Labor	48,714	
	Manufacturing Overhead	116,036	
	Manufacturing Cost	283,663	
	Beginning Work in Process	103,649	
	Purchases for the Period	132,266	
	Inventory Surplus	89	
	Ending Work in Process	(104,532)	
	Materials Issued to Production	(64,388)	
	Others	(2,251)	
	Work in Process Written-off	(9,545)	
	Sale of Work in Process	(58,143)	
	Finished Goods Cost	280,808	
	Beginning Finished Goods	49,767	
	Purchases for the Period	182	
	Others	(1,025)	
	Inventory Surplus	36	
	Materials Issued to Production	(133,796)	
	Finished Goods Written-off	(2,502)	
	Ending Finished Goods	(49,982)	
	Cost of Goods Manufactured and Sold	143,488	
	Commodity inventory	Beginning Inventory	392
		Purchases for the Period	77,161
		Others	(70)
Ending Inventory		(529)	
Cost of Goods Sold – Merchandise Inventory		76,954	

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Item	Summary	Amount
	Others	\$ 807
	Cost of Raw Materials Sold	1,658
	Cost of Work in Process Sold	58,143
Reversal of Inventory Write-down		(4,442)
Inventory Surplus		(315)
Inventory Write-off		12,944
Scrap Sales Revenue		(1,326)
Waste Material Sales Revenue		(<u>402</u>)
		<u>287,509</u>
	Materials Consumed for the Period	272,962
	Outsourcing Costs Incurred for the Period	165,164
	Labor Costs Incurred for the Period	221,353
	Overhead Costs Incurred for the Period	<u>132,758</u>
		<u>792,237</u>
		<u>\$ 1,079,746</u>

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Operating Expenses

From Jan. 1 to Dec. 31 in the 2025

Schedule 10

Unit: Thousands of NT dollars

Item	Marketing expenses	Administrativ e expenses	R&D expenses	Total
Salaries and Wages (including pension costs)	\$ 15,528	\$ 106,046	\$ 13,793	\$ 135,367
Insurance Expenses	1,708	8,613	1,328	11,649
Transportation Expenses	8,534	188	3	8,725
Depreciation Expense	-	11,553	45	11,598
Research Expenses	-	-	3,075	3,075
Travel Expenses	1,881	997	21	2,899
Other Expenses (Note)	<u>6,088</u>	<u>32,882</u>	<u>1,039</u>	<u>40,009</u>
	<u>\$ 33,739</u>	<u>\$ 160,279</u>	<u>\$ 19,304</u>	<u>\$ 213,322</u>

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

CHENFULL INTERNATIONAL CO., LTD.

Schedule of Summary of employee benefits and depreciation expenses incurred in the current period

From Jan. 1 to Dec. 31 in the 2024 and 2025

Schedule 11

Unit: unless otherwise specified, in thousands of NT dollars

	2025			2024		
	Belonging to Operating Costs	Belonging to Operating Expenses	Total	Belonging to Operating Costs	Belonging to Operating Expenses	Total
Employee Benefits (Note)						
Salaries and Wages	\$ 135,209	\$ 126,203	\$ 261,412	\$ 113,279	\$ 108,838	\$ 222,117
Labor and Health Insurance Expenses	16,044	10,839	26,883	13,037	9,588	22,625
Pension Expenses	5,743	5,184	10,927	5,224	4,834	10,058
Directors' Remuneration	-	3,980	3,980	-	4,800	4,800
Other Employee Benefits	7,288	7,249	14,537	6,037	6,037	12,074
	<u>\$ 164,284</u>	<u>\$ 153,455</u>	<u>\$ 317,739</u>	<u>\$ 137,577</u>	<u>\$ 134,097</u>	<u>\$ 271,674</u>
Depreciation Expense	<u>\$ 15,532</u>	<u>\$ 11,598</u>	<u>\$ 27,130</u>	<u>\$ 17,115</u>	<u>\$ 12,163</u>	<u>\$ 29,278</u>
Amortization Expense	<u>\$ 872</u>	<u>\$ 1,992</u>	<u>\$ 2,864</u>	<u>\$ 1,503</u>	<u>\$ 2,299</u>	<u>\$ 3,802</u>

Note 1:As of Dec. 31, 2025 and 2024, the Company had 373 and 332 employees, respectively, of which 3 directors in each period were non -employee directors.

Note 2:For companies whose shares are listed on a stock exchange or traded on the Taipei Exchange, the following additional disclosures are required:

- (1)Average employee benefit expense for the current year amounted to NT\$848 thousand(calculated as “total employee benefit expenses for the current year – total directors’ remuneration” divided by “number of employees for the current year – number of non-employee directors”).Average employee benefit expense for the prior year amounted to NT\$811 thousand(calculated as above for the prior year).
- (2)Average employee salary expense for the current year amounted to NT\$707 thousand(calculated as total salary expenses divided by “number of employees for the current year – number of non-employee directors”).Average employee salary expense for the prior year amounted to NT\$675 thousand.
- (3)The percentage change in average employee salary expense was 4.74%, calculated as:(“current year average employee salary expense – prior year average employee salary expense”) divided by prior year average employee salary expense.
- (4)The Company did not have supervisors in both 2025 and 2024; therefore, no related remuneration was applicable.
- (5) Compensation policy for directors, managers, and employees:

Employee compensation policy:

- (1) Employee salary adjustments, bonuses, and profit-sharing mechanisms are implemented in accordance with the Company’s internal policies. At year-end, year-end bonuses may be distributed prior to the Lunar New Year based on operating performance.
- (2) A certain percentage of annual profits is allocated as employee compensation to share operating results with employees. Article 19 of the Company’s Articles of Incorporation stipulates that employee compensation shall not be less than 2% of current-year profits and may be distributed in cash or shares. Eligible employees of subsidiaries meeting certain conditions may also be included in the distribution.Compensation policy for directors and managers:
The remuneration of directors and managers is determined upon authorization of the Remuneration Committee, taking into account their level of participation in and contribution to the Company’s operations, and with reference to prevailing industry standards. The compensation shall not exceed the highest salary grade stipulated in the Company’s salary structure. Article 19 of the Company’s Articles of Incorporation further stipulates that, in the event of profits for the year, total remuneration for directors and supervisors shall not exceed 2% of current-year profits.

According to the Rules of the Remuneration Committee, performance evaluation and remuneration for directors and managers shall be determined with reference to industry standards and individual performance, including time commitment, responsibilities undertaken, achievement of personal goals, performance in other positions, compensation levels of comparable positions in recent years, as well as the achievement of short-term and long-term business objectives, the Company’s financial condition, and the reasonableness of the relationship between individual performance, corporate operating performance, and future risk exposure.