

ChenFull International Co., Ltd.

2025

Consolidated Financial Statements

Notice to readers

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

Taiwan Stock Exchange Market Observation Post System:

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§ TABLE OF CONTENTS §

Item	Page No.	Financial Report
1、Cover Page	1	-
2、Table of Contents	2	-
3、Consolidated Financial Statement Declaration for Associates	3	-
4、Independent Auditors' Report	4~9	-
5、Consolidated Balance Sheets	10	-
6、Consolidated Statements of Comprehensive Income	11~12	-
7、Consolidated Statements of Changes in Equity	13	-
8、Consolidated Statements of Cash Flows	14~15	-
9、Notes to the Consolidated Financial Statements		
(1) Company History	16	1
(2) Date and Process of Financial Statements Approval	16	2
(3) Application of New, Revised and Amended Standards and Interpretations	16~19	3
(4) Summary of Significant Accounting Policies	19~36	4
(5) Significant Accounting Judgments, Estimates and Key Sources of Estimation Uncertainty	36	5
(6) Explanation of Significant Accounting Items	36~82	6~28
(7) Related Party Transactions	82	29
(8) Assets Pledged as Collateral	82	30
(9) Significant Contingent Liabilities and Unrecognized Contractual Commitments	83	31
(10) Significant Disaster Losses	-	-
(11) Significant Subsequent Events	-	-
(12) Others	84~85	32
(13) Supplementary Disclosures		
1. Information on Significant Transactions	85、89~90、93	33
2. Information on Investees	85、91	33
3. Information on Investments in Mainland China	86、92、94	33
(14) Segment Information	86~88	34

Consolidated Financial Statement Declaration for Associates

The entities that are required to be included in the combined financial statements of ChenFull International Company Limited as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, ChenFull International Company Limited and Subsidiaries do not prepare a separate set of combined financial statements

Very truly yours,

CHENFULL INTERNATIONAL CO., LTD.

By

Company Executive: Alice Chang

March 11, 2026

Independent Auditors' Report
(Consolidated Financial Statements)

The Board of Directors and Shareholders
ChenFull International Company Limited

Opinion

We have audited the accompanying consolidated financial statements of ChenFull International Company Limited and its subsidiaries (the " Group "), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Assessment of the Authenticity of Revenue from Specific Customers

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

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

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

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

Other Matter

We have also audited the parent company only financial statements of ChenFull International Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial

Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
The Republic of China
March 11, 2026

CHENFULL International Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Notes 4, 6, and 28)	\$ 449,825	7	\$ 452,822	8
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Notes 4, 7, and 28)	176,139	3	131,514	2
1140	Contract Assets - Current (Notes 4 and 22)	840,234	13	1,064,373	18
1150	Notes Receivable, Net (Notes 9 and 28)	18,109	-	14,721	-
1172	Accounts Receivable (Notes 4, 9, and 28)	675,398	11	553,482	10
1200	Other Receivables (Notes 9 and 28)	9,318	-	10,787	-
1220	Current Income Tax Assets (Note 25)	-	-	94	-
130X	Inventories (Notes 4 and 10)	657,252	10	665,063	11
1410	Prepayments (Note 16)	138,259	2	28,812	1
1476	Other Financial Assets - Current (Notes 16, 28, and 30)	26,642	1	27,308	1
1479	Other Current Assets (Note 16)	10,683	-	10,655	-
11XX	Total Current Assets	<u>3,001,859</u>	<u>47</u>	<u>2,959,631</u>	<u>51</u>
	Non-Current Assets				
1510	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 4, 8, and 28)	28,794	-	-	-
1517	Property, Plant, and Equipment (Notes 4 and 12)	162,043	3	152,448	3
1600	Right-of-Use Assets (Notes 4 and 13)	2,636,022	41	2,133,164	36
1755	Investment Property (Notes 4 and 14)	100,461	2	107,158	2
1760	Other Intangible Assets (Notes 4 and 15)	308,528	5	312,176	5
1780	Deferred Income Tax Assets (Notes 4 and 25)	12,582	-	15,887	-
1840	Other Financial Assets - Non-Current (Notes 16, 28, and 30)	45,094	1	44,808	1
1980	Other Non-Current Assets (Notes 16 and 28)	34,543	1	34,543	-
1990	Total Non-Current Assets	<u>21,602</u>	<u>-</u>	<u>94,109</u>	<u>2</u>
15XX	Non-Current Assets	<u>3,349,669</u>	<u>53</u>	<u>2,894,293</u>	<u>49</u>
1XXX	TOTAL ASSETS	<u>\$ 6,351,528</u>	<u>100</u>	<u>\$ 5,853,924</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current Liabilities				
2100	Short-Term Borrowings (Notes 4, 17, and 28)	\$ 420,000	7	\$ 330,000	6
2130	Contract Liabilities - Current (Notes 4 and 22)	251,741	4	145,262	2
2150	Notes Payable (Notes 18 and 28)	240	-	-	-
2170	Accounts payable (Notes 18 and 28)	343,114	5	373,509	6
2219	Other payables (Notes 19 and 28)	386,009	6	275,555	5
2230	Current tax liabilities (Note 25)	48,851	1	74,695	1
2280	Lease liabilities – current (Notes 4, 13 and 28)	5,830	-	5,651	-
2399	Other current liabilities (Note 19)	3,203	-	3,358	-
21XX	LIABILITIES AND EQUITY	<u>1,458,988</u>	<u>23</u>	<u>1,208,030</u>	<u>20</u>
	Non-Current Liabilities				
2540	Long-Term Borrowings (Notes 4, 17, and 28)	241,808	4	69,458	1
2570	Deferred Income Tax Liabilities (Notes 4 and 25)	17,509	-	15,136	-
2580	Lease Liabilities - Non-Current (Notes 4, 13, and 28)	103,969	2	109,798	2
2640	Net Defined Benefit Liabilities - Non-Current (Notes 4 and 20)	20,674	-	21,783	1
2670	Other Non-Current Liabilities (Notes 19 and 28)	999	-	1,207	-
25XX	Total Non-Current Liabilities	<u>384,959</u>	<u>6</u>	<u>217,382</u>	<u>4</u>
2XXX	Total Liabilities	<u>1,843,947</u>	<u>29</u>	<u>1,425,412</u>	<u>24</u>
	Equity Attributable to Owners of the Company (Note 21)				
	Capital Stock				
3110	Common Stock	<u>1,137,605</u>	<u>18</u>	<u>1,137,605</u>	<u>19</u>
	Capital Surplus				
3211	Capital Surplus - Additional Paid-in Capital for Common Stock	258,010	4	258,010	4
3213	Capital Surplus - Convertible Bonds Conversion Premium	207,018	3	207,018	4
3220	Capital Surplus - Treasury Stock Transactions	2,567	-	1,863	-
3230	Capital Surplus - Differences Between Acquisition or Disposal Price and Book Value of Subsidiary Equity	544,174	9	544,174	9
3235	Capital Surplus - Recognized Ownership Changes in Subsidiary	211,006	3	211,006	4
3270	Capital Surplus - Merger Surplus	10,618	-	10,618	-
3200	Total Capital Surplus	<u>1,233,393</u>	<u>19</u>	<u>1,232,689</u>	<u>21</u>
	Retained Earnings				
3310	Legal Reserve	549,971	8	510,355	9
3320	Special Reserve	-	-	15,491	-
3350	Unappropriated Earnings	872,616	14	794,266	14
3300	Total Retained Earnings	<u>1,422,587</u>	<u>22</u>	<u>1,320,112</u>	<u>23</u>
	Other Equity				
3410	Exchange Differences on Translation of Foreign Operations	(16,788)	-	(15,260)	-
3420	Unrealized Gains (Losses) on Financial Assets 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 Stock	(31,717)	-	(31,717)	(1)
31XX	Total Equity Attributable to Owners of the Company	<u>3,789,684</u>	<u>60</u>	<u>3,687,681</u>	<u>63</u>
36XX	Non-Controlling Interests	<u>717,897</u>	<u>11</u>	<u>740,831</u>	<u>13</u>
3XXX	Total Equity	<u>4,507,581</u>	<u>71</u>	<u>4,428,512</u>	<u>76</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 6,351,528</u>	<u>100</u>	<u>\$ 5,853,924</u>	<u>100</u>

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

With Deloitte & Touche audit report dated March 11, 2026

CHENFULL International Company Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Code		2025 Year		2024 Year	
		Amounts	%	Amounts	%
	Operating Revenue (Note 4,22)				
4100	Sales revenue	\$ 2,233,584	67	\$ 1,876,351	63
4520	Construction contract revenue	1,118,370	33	1,083,893	37
4600	Service revenue	<u>6,349</u>	<u>-</u>	<u>7,272</u>	<u>-</u>
4000	Total Operating Revenue	<u>3,358,303</u>	<u>100</u>	<u>2,967,516</u>	<u>100</u>
	Operating Costs (Notes 10, 20 and 22)				
5110	Cost of goods sold	1,604,919	48	1,261,103	43
5520	Cost of construction contracts	792,237	23	771,452	26
5600	Cost of services	<u>3,648</u>	<u>-</u>	<u>3,648</u>	<u>-</u>
5000	Total Operating Costs	<u>2,400,804</u>	<u>71</u>	<u>2,036,203</u>	<u>69</u>
5900	Gross Profit	<u>957,499</u>	<u>29</u>	<u>931,313</u>	<u>31</u>
	Operating Expenses (Notes 20 and 23)				
6100	Selling expenses	78,267	3	76,911	2
6200	Administrative expenses	262,617	8	255,022	9
6300	Research and development expenses	69,891	2	59,603	2
6450	Expected credit loss expense (Reversal of expected credit loss)	<u>10,807</u>	<u>-</u>	<u>6,216</u>	<u>-</u>
6000	Total Operating Expenses	<u>421,582</u>	<u>13</u>	<u>397,752</u>	<u>13</u>
6900	Operating Profit	<u>535,917</u>	<u>16</u>	<u>533,561</u>	<u>18</u>
	Non-operating Income and Expenses (Note 23)				
7100	Interest income	8,204	-	31,881	1
7010	Other income	32,716	1	26,314	1
7020	Other gains and losses	13,756	-	58,671	2
7050	Finance costs	<u>(11,503)</u>	<u>-</u>	<u>(13,066)</u>	<u>(1)</u>
7000	Total Non-operating Income and Expenses	<u>43,173</u>	<u>1</u>	<u>103,800</u>	<u>3</u>
7900	Profit Before Tax	579,090	17	637,361	21
7950	Income Tax Expense (Notes 4 and 25)	<u>(108,044)</u>	<u>(3)</u>	<u>(118,950)</u>	<u>(4)</u>
8200	Profit for the Period	<u>471,046</u>	<u>14</u>	<u>518,411</u>	<u>17</u>

(Next Page)

(Previous Page)

Code		2025 Year		2024 Year	
		Amounts	%	Amounts	%
	Other Comprehensive Income (OCI), Net of Tax				
8310	Components of OCI that will not be Reclassified to Profit or Loss				
8311	Unrealized gains and losses from investments in equity instruments at fair value through other comprehensive income	\$ 677	-	\$ 1,714	-
8316	Components of OCI that will be Reclassified to Profit or Loss	352	-	41,096	2
8360	Exchange differences on translation of financial statements of foreign operations				
8361	Total Other Comprehensive Income (Net)	(1,528)	-	3,387	-
8300		(499)	-	46,197	2
	Total Comprehensive Income for the Period				
8500		\$ 470,547	14	\$ 564,608	19
	Profit Attributable to:				
	Owners of the Company				
8610	Non-controlling interests	\$ 384,525	11	\$ 394,422	13
8620		86,521	3	123,989	4
8600		\$ 471,046	14	\$ 518,411	17
	Total Comprehensive Income Attributable to:				
	Owners of the Company				
8710	Non-controlling interests	\$ 384,025	11	\$ 440,647	15
8720		86,522	3	123,961	4
8700		\$ 470,547	14	\$ 564,608	19
	Earnings Per Share (EPS) (Note 26)				
	From continuing operations				
	Basic				
9710	Diluted	\$ 3.41		\$ 3.50	
9810	Other Comprehensive Income (OCI), Net of Tax	\$ 3.38		\$ 3.48	

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

CHENFULL International Company Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
2026&2025.1.1-2024.12.31

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Parent						Other Equity						
		Share Capital		Retained Earnings			Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity		
Code		Number of Shares (in thousands)	Amounts	Capital Surplus	Legal Reserve	Special Reserv							Unappropriated Earnings	
A1	Balance as of January 1, Year 2024	113,761	\$ 1,137,605	\$ 1,232,266	\$ 493,635	\$ 13,106	\$ 586,843	(\$ 18,647)	\$ 3,156	(\$ 31,717)	\$ 3,416,247	\$ 682,543	\$ 4,098,790	
	Appropriation and Distribution of Earnings for Year 2023													
B1	Statutory Legal Reserve	-	-	-	16,720	-	(16,720)	-	-	-	-	-	-	
B3	Special Reserve	-	-	-	-	2,385	(2,385)	-	-	-	-	-	-	
B5	Cash Dividends to Shareholders of the Company	-	-	-	-	-	(169,636)	-	-	-	(169,636)	-	(169,636)	
M1	Adjustment to Capital Surplus for Dividends Distributed to Subsidiaries	-	-	423	-	-	-	-	-	-	423	-	423	
O1	Cash Dividends to Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	(65,673)	(65,673)	
D1	2024 Year Net Income	-	-	-	-	-	394,422	-	-	-	394,422	123,989	518,411	
D3	2024 Year Other Comprehensive Income, Net of Tax	-	-	-	-	-	1,742	3,387	41,096	-	46,225	(28)	46,197	
D5	2024 Year Total Comprehensive Income	-	-	-	-	-	396,164	3,387	41,096	-	440,647	123,961	564,608	
Z1	Balance as of Dec. 31, 2024	113,761	1,137,605	1,232,689	510,355	15,491	794,266	(15,260)	44,252	(31,717)	3,687,681	740,831	4,428,512	
	Appropriation and Distribution of Earnings for Year 2024													
B1	Statutory Legal Reserve	-	-	-	39,616	-	(39,616)	-	-	-	-	-	-	
B17	Reversal of Special Reserve	-	-	-	-	(15,491)	15,491	-	-	-	-	-	-	
B5	Cash Dividends to Shareholders of the Company	-	-	-	-	-	(282,726)	-	-	-	(282,726)	-	(282,726)	
M1	Adjustment to Capital Surplus for Dividends Distributed to Subsidiaries	-	-	704	-	-	-	-	-	-	704	-	704	
O1	Cash Dividends to Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	(109,456)	(109,456)	
D1	2025 Year Net Income	-	-	-	-	-	384,525	-	-	-	384,525	86,521	471,046	
D3	2025 Year Other Comprehensive Income, Net of Tax	-	-	-	-	-	676	(1,528)	352	-	(500)	1	(499)	
D5	2025 Year Total Comprehensive Income	-	-	-	-	-	385,201	(1,528)	352	-	384,025	86,522	470,547	
Z1	Balance as of Dec. 31, 2025	113,761	\$ 1,137,605	\$ 1,233,393	\$ 549,971	\$ -	\$ 872,616	(\$ 16,788)	\$ 44,604	(\$ 31,717)	\$ 3,789,684	\$ 717,897	\$ 4,507,581	

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

CHENFULL International Company Limited and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

2025&2024.1.1-12.31

(In Thousands of New Taiwan Dollars)

Code	2025 Year	2024 Year
	Cash Flows from Operating Activities	
A10000	\$ 579,090	\$ 637,361
A20010	Adjustments for Income and Expense Items	
A20100	136,801	140,540
A20200	8,891	8,622
A20300	10,807	6,216
A20400	Gain on Financial Assets Measured at Fair Value Through Profit or Loss	
	(17,919)	(12,725)
A20900	11,503	13,066
A23800	Loss on Inventory Obsolescence and Write-down	
	(7,635)	(2,205)
A21200	(8,204)	(31,881)
A21300	(15,992)	(8,797)
A22500	Loss (Gain) on Disposal of Property, Plant and Equipment	
	980	(4,484)
A23100	Net Gain on Disposal of Financial Assets Measured at Fair Value Through Profit or Loss	
	(22,243)	(6,138)
A29900	(48)	(49)
A30000	Net Changes in Operating Assets and Liabilities	
A31125	224,139	(530,281)
A31130	(3,388)	(670)
A31150	(132,664)	(222,814)
A31200	15,446	(74,032)
A31230	(109,447)	(14,960)
A31240	1,409	(1,924)
A32125	106,479	(47,142)
A32130	240	-
A32150	(30,395)	142,663
A32180	8,303	51,680
A32230	(155)	15
A32240	(262)	(3,306)
A33000	755,736	38,755
A33100	8,236	32,416
A33300	(11,233)	(12,904)
A33500	(131,495)	(54,438)
AAAA	<u>621,244</u>	<u>3,829</u>
	Cash Flows from Investing Activities	

(Next Page)

Previous Page)

Code		2025 Year	2024 Year
B00010	Acquisition of Financial Assets Measured at Fair Value Through Other Comprehensive Income	(\$ 9,243)	(\$ 80,206)
B00100	Acquisition of Financial Assets Measured at Fair Value Through Profit or Loss	(343,415)	(447,599)
B00200	Proceeds from Disposal of Financial Assets Measured at Fair Value Through Profit or Loss	310,158	463,999
B02700	Purchase of Property, Plant and Equipment	(439,285)	(585,293)
B02800	Proceeds from Disposal of Property, Plant and Equipment	740	4,799
B03700	Increase in Refundable Deposits	(1,078)	-
B03800	Decrease in Refundable Deposits	-	4,314
B04500	Acquisition of Intangible Assets	(5,586)	(3,063)
B06600	Increase in Other Financial Assets	666	(35,821)
B06700	Decrease in Other Financial Assets	(16,282)	(5,217)
B07600	Increase in Other Non-current Assets	<u>15,992</u>	<u>8,797</u>
BBBB	Dividends Received	<u>(487,333)</u>	<u>(675,290)</u>
	Cash Flows from Financing Activities		
C00100	Increase in Short-term Borrowings	3,480,000	3,699,000
C00200	Decrease in Short-term Borrowings	(3,390,000)	(3,389,000)
C00500	Increase in Short-term Notes Payable	-	40,000
C00600	Decrease in Short-term Notes Payable	-	(40,000)
C01600	Proceeds from Long-term Borrowings	172,350	69,458
C03100	Refund of Deposits Received	(160)	(56)
C04020	Repayment of Lease Liabilities (Principal Portion)	(5,650)	(5,477)
C04500	Cash Dividends Paid to Shareholders of the Company	(282,022)	(169,213)
C05800	Cash Dividends Paid to Non-controlling Interests	<u>(109,456)</u>	<u>(65,673)</u>
CCCC	Net Cash Inflow from Financing Activities	<u>(134,938)</u>	<u>139,039</u>
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(1,970)</u>	<u>4,257</u>
EEEE	Net Increase (Decrease) in Cash and Cash Equivalents	(2,997)	(528,165)
E00100	Cash and Cash Equivalents at Beginning of the Period	<u>452,822</u>	<u>980,987</u>
E00200	Cash and Cash Equivalents at End of the Period	<u>\$ 449,825</u>	<u>\$ 452,822</u>

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

With Deloitte & Touche audit report dated March 11, 2026

CHENFULL International Co., Ltd.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1、Company history:

CHENFULL International Co., Ltd. (the “Company”) was established in April 1982. ChenFull’s business scope includes semiconductor control equipment system engineering; buying, selling, designing, manufacturing, and constructing cleanroom, ultrapure water equipment pipelines, and various chemical engineering equipment; manufacturing and trading of various hydraulic, mechanical parts, factory engineering pipeline materials, and precision molds; design planning of machinery and equipment for entire shoe factories and the manufacturing, processing, and trading of related material products; as well as the manufacturing and trading of various aircraft equipment. ChenFull’s stock has been listed and traded on the Taipei Exchange (TPEX) since September 2004.

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

2、Date and Process of Financial Statements Approval

The accompanying consolidated financial statements were reported to the Board of Directors on Mar 11, 2026, and subsequently issued. °

3、Adoption of New and Amended Standards and Interpretations

- (1) Initial Adoption of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations (IFRICs), and Interpretations Bulletins (SICs) as Endorsed and Issued 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,” does not result in any significant changes to the Company’s accounting policies.

(2) IFRS Accounting Standards Endorsed by the Financial Supervisory Commission Applicable in 2026

<u>Newly Issued / Amended / Revised Standards and Interpretations</u>	<u>IASB the effective</u>
Amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”	2026.1.1
Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”	2026.1.1
Annual Improvements to IFRS Accounting Standards – Volume 11	2026.1.1
IFRS 17, “Insurance Contracts” (including amendments issued in 2020 and 2021)	2023.1.1

As of the date of authorization for issue of these consolidated financial statements, the Group is still in the process of assessing the impact of the above amendments on its financial position and financial performance. The related impacts will be disclosed when the assessment is completed.

(3) IFRS Accounting Standards Issued by the IASB but Not Yet Endorsed and Effective by the Financial Supervisory Commission (FSC)

<u>Newly Issued / Amended / Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
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”	1-Jan-27 (Note 2)
IFRS 19: “Subsidiaries without Public Accountability: Disclosures” (including 2025 Amendments)	1-Jan-27
Amendments to IAS 21: Translation into a Hyperinflationary Presentation Currency.	1-Jan-27

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

Note 2: On September 25, 2025, the Financial Supervisory

Commission (FSC) announced that companies in Taiwan are required to apply IFRS 18 starting January 1, 2028. Early adoption is permitted once IFRS 18 is endorsed by the FSC.

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

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.”

The main changes under the new standard include:

- The Group is required to assess whether it has specific main operating activities, such as investing in certain types of assets or providing financing to customers, and classify income and expense items in the statement of profit or loss into categories of operating, investing, financing, income tax, and discontinued operations accordingly.
- The statement of profit or loss shall present operating profit, profit before financing costs and income tax, as well as subtotals and totals.
- Guidance is provided to strengthen aggregation and disaggregation requirements: the Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items without similar characteristics should be presented separately in the primary financial statements and notes. The Group should only label items as “Other” if no more informative presentation can be identified.
- Disclosure of management-defined performance measures is enhanced: when the Group communicates aspects of its overall financial performance outside the financial statements or to users of the financial statements, it shall disclose in a single note information about management-defined performance measures, including descriptions, calculation methods, reconciliations to

IFRS-defined subtotals or totals, and the effects of income tax and non-controlling interests on the relevant adjustments.

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

- When preparing cash flows from operating activities using the indirect method, the Group shall use operating profit as the starting point for adjustments.
- Interest and dividends received shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Group is assessed to have specific main operating activities, it shall consider the types of dividend income, interest income, and interest expense reported in the statement of profit or loss to determine the classification of received dividends, received interest, and paid interest in the statement of cash flows. However, each of these cash flows can only be classified under a single activity in the cash flow statement.

Other than the above impacts, as of the date of issuance of these consolidated financial statements, the Group continues to assess the effects of amendments to various standards and interpretations on its financial position and financial performance. Any related impacts will be disclosed when the assessment is completed.

4、SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

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

(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 consolidated financial statements are prepared on a historical cost basis.

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

1. Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in an active market on the measurement date.
 2. Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 3. Level 3 inputs: Unobservable inputs for the asset or liability.
- (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 Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies

when considering the classification of the Group's construction related assets and liabilities.

(4) Basis of consolidation

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

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

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

When the consolidated entity loses control of its subsidiary, the disposal gain or loss is the difference between (1) the fair value of the consideration received and the fair value of any remaining investment in the former subsidiary at the date control is lost, and (2) the aggregate of the carrying amount of the former subsidiary's assets (including goodwill), liabilities, and non controlling interests

at the date control is lost. The accounting treatment for all amounts recognized in other comprehensive income related to the subsidiary is consistent with the basis followed for direct disposal of related assets or liabilities.

For details on the subsidiaries, shareholding ratios, and business operations, refer to Note 11, Table 2, and Table 3.

(5) Foreign currency

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

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

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

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

(6) 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.

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

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

(8) Investment property

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

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

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

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

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

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

amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount, and the impairment loss is recognized in the income statement.

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

(11) Financial instruments

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

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

1. Financial assets

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

(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 28.

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.

Financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable measured at amortized cost, other receivables, other financial assets, and refundable deposits) are measured at amortized cost after initial recognition, which is the gross carrying amount determined using the effective interest

method less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

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

- a. Purchased or originated credit--impaired financial asset, for which interest income is calculated by applying the credit--adjusted effective interest rate to the amortized cost of the financial asset; and
- b. Financial asset that has subsequently become credit--impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

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

C. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be

reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

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

(2) Impairment of financial and contract assets

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

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

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

The carrying amounts of impairment losses of all financial assets are reduced by the allowance account, but, since loss allowance of investments in debt instruments at FVTOCI are

recognized in other comprehensive income, their carrying amounts are not reduced.

(3) Derecognition of financial assets

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

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

2. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(12) Revenue recognition

1. Sales of goods

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

2. Service Revenue

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

3. Construction Revenue

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

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

(13) Government grants

Government grants are recognized only when it is reasonably certain that the Group will comply with the conditions attached to the government grant and that the grant will be received.

Government grants are recognized in profit or loss on a systematic basis during the period in which the related costs that they intend to compensate are recognized as expenses by the Group. Government subsidies on the condition that the Group should purchase, construct, or otherwise obtain non-current assets are recognized as deferred income and are transferred to profit or loss on the reasonable and systematic basis over the useful life of the relevant assets.

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

(14) Leasing

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

The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The current lease contract of the Group are all operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight line basis over the terms of the relevant leases.

Initial direct costs incurred from operating lease payments are calculated with the carrying amounts of the target assets, and are recognized as expenses on a straight line basis over the terms of the relevant leases.

The Group as lessee

The Group recognizes right of use assets and lease liabilities for all leases at the commencement date of a lease, except for short term leases and low value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight line basis over the lease terms.

Right of use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments less lease incentives received at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right of use assets are presented on a separate line in the consolidated balance sheets. Right of use assets are depreciated using the straight line method from the commencement dates to the earlier of the end of the useful lives of the right of use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in substance fixed payments, variable lease payments which depend on an index or a rate, lessee's expected payment with guaranteed residual value, exercise prices of prospective option purchases with reasonable assurance, and penalties of termination of leases incurred during the lease terms less lease incentives received. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate

used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right of use assets. However, if the carrying amount of the right of use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(15) 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.

(16) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

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

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

Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs.

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

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

(17) Taxation

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

1. Current tax

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

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

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

2. Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all [deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training

expenditures] to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3. Current and deferred taxes for the year

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

5、 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

6、 Cash and Cash Equivalents

	<u>2025.12.31</u>	<u>2024.12.31</u>
Cash on hand and petty cash	\$ 385	\$ 682
Checking accounts and demand deposits	278,764	270,433
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	97,401	98,339
Fully entrusted investment accounts		
Current account deposits	<u>73,275</u>	<u>83,368</u>
	<u>\$ 449,825</u>	<u>\$ 452,822</u>

The consolidated company entered into a discretionary asset management agreement with Time Securities Investment Consulting Co., Ltd. As of Dec. 31, 2025 and December 31, 2023, the bank deposits held in the discretionary accounts were NT\$73,275 thousand and NT\$83,368 thousand, respectively.

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Bank balance	0.005%~0.89%	0.65%~4.30%
Time deposits	3.70%~3.72%	1.69%~4.35%

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares		
investments	\$ 58,897	\$ 58,188
Mutual funds	<u>117,242</u>	<u>73,326</u>
	<u>\$ 176,139</u>	<u>\$ 131,514</u>
Financial assets at FVTPL - Non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic Limited Partnership	<u>\$ 28,794</u>	<u>\$ -</u>

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Non-current		
Domestic investments		
Emerging stocks		
Ordinary shares	\$ 71,204	\$ 1,726
Unlisted stocks		
Ordinary shares	<u>90,839</u>	<u>150,722</u>
	<u>\$ 162,043</u>	<u>\$ 152,448</u>

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

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 18,380	\$ 14,992
Less: Allowance for impairment loss	(<u>271</u>)	(<u>271</u>)
	<u>\$ 18,109</u>	<u>\$ 14,721</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 706,684	\$ 574,679
Less: Allowance for impairment loss	(<u>31,286</u>)	(<u>21,197</u>)
	<u>\$ 675,398</u>	<u>\$ 553,482</u>
<u>Other receivables</u>		
Others	<u>\$ 9,318</u>	<u>\$ 10,787</u>
<u>Overdue receivables</u>		
At amortized cost		
Gross carrying amount	\$ 4,824	\$ 4,225
Less: Allowance for impairment loss	(<u>4,824</u>)	(<u>4,225</u>)
	<u>\$ -</u>	<u>\$ -</u>

(1) Notes Receivable

2025.12.31

	<u>Non-overdue</u>	<u>Overdue 1-90 days</u>	<u>Total</u>
ECL rate	1.47%	-	
Gross carrying amount	\$ 18,380	\$ -	\$ 18,380
Loss allowance (lifetime ECL)	(<u>271</u>)	<u>-</u>	(<u>271</u>)
Amortized cost	<u>\$ 18,109</u>	<u>\$ -</u>	<u>\$ 18,109</u>

2024.12.31

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

2025 year and 2024 year the allowance for doubtful notes receivable remained unchanged during the period.

(2) Accounts Receivable

Accounts Receivable Measured at Amortized Cost

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

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

The consolidated company recognizes the allowance for doubtful accounts for accounts receivable based on expected credit losses over their lifetime. Expected credit losses are calculated using a provisioning matrix, which considers customers' historical default records, current financial conditions, and industry economic trends. Since historical credit loss experience shows no significant

differences in loss patterns among different customer groups, the provisioning matrix does not further differentiate customer categories but determines expected credit loss rates based solely on the aging of accounts receivable.

If there is evidence that a counterparty is experiencing severe financial difficulties and the consolidated company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation, the consolidated company directly writes off the related accounts receivable. However, collection efforts will continue, and any recovered amounts will be recognized in profit or loss.

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

2025.12.31

	<u>Not Overdue</u>	<u>Overdue 1-90 Days</u>	<u>Overdue 91-180 Days</u>	<u>Overdue 181-270 Days</u>	<u>Overdue More Than 270 Days</u>	<u>Total</u>
ECL rate	0.68%~1.28%	2.23%~5%	1%~61.84%	1%~92.45%	100%	
Gross carrying amount	\$ 677,006	\$ 3,617	\$ 8,870	\$ 1,575	\$ 15,616	\$ 706,684
Loss allowance (lifetime ECL)	(<u>8,639</u>)	(<u>90</u>)	(<u>5,485</u>)	(<u>1,456</u>)	(<u>15,616</u>)	(<u>31,286</u>)
Amortized cost	<u>\$ 668,367</u>	<u>\$ 3,527</u>	<u>\$ 3,385</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 675,398</u>

2024.12.31

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

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

	<u>2025</u>	<u>2024</u>
Balance on Jan. 1	\$ 21,197	\$ 6,442
Plus: Recognized impairment loss of the year	35,609	22,879
Less: Reversal of impairment loss for the period	(1,170)	-
Less: Reclassification during the year	(24,291)	(8,162)
Exchange differences on translation	(<u>59</u>)	<u>38</u>
Balance on Dec.31	<u>\$ 31,286</u>	<u>\$ 21,197</u>

Movements in the allowance for doubtful collection accounts are as follows:

	<u>2025</u>	<u>2024</u>
Balance on Jan. 1	\$ 4,225	\$ 12,726
Plus: Recognized impairment loss of the year	24,291	8,162
Less: Reversal of impairment loss for the period	(23,632)	(16,663)
Exchange differences on translation	(<u>60</u>)	<u>-</u>
Balance on Dec.31	<u>\$ 4,824</u>	<u>\$ 4,225</u>

10、Inventories

	<u>2025.12.31</u>	<u>2024.12.31</u>
Raw materials	\$ 167,037	\$ 166,908
Work-in-process	361,266	385,104
Finished goods	128,812	112,898
Inventory goods	<u>137</u>	<u>153</u>
	<u>\$ 657,252</u>	<u>\$ 665,063</u>

Detailed costs of goods sold:

	<u>2025</u>	<u>2024</u>
Costs of sold inventories	\$ 1,632,744	\$ 1,277,916
Loss (gain) of write-downs of inventories	(7,635)	(2,205)
Others	(<u>20,190</u>)	(<u>14,608</u>)
	<u>\$ 1,604,919</u>	<u>\$ 1,261,103</u>

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

11、Subsidiaries

(1) Subsidiaries included in the consolidated financial statements

The entities included in the preparation of these consolidated :

Investment Company	Subsidiary	Percentage of equity held		Note
		2025.12.31	2024.12.31	
ChenFull International Co., Ltd.	ChenFeng Machinery & Enterrprice Co., Ltd..	100%	100%	-
	ChenFull Pecision Co., Ltd.	63%	63%	-
	ChenFull Holding Co., Ltd.	100%	100%	-
ChenFull Holding Co., Ltd.	New Opportunity Limited	100%	100%	-
New Opportunity Limited	ChenFeng Machinery (Dongguan) Co., Ltd	100%	100%	-

The financial statements of the subsidiaries included in the consolidated financial statements were audited by independent auditors.

(2) Information on subsidiaries with significant non-controlling interests

Subsidiary Name	Percentage of equity held as non-controlling interests and voting rights	
	2025.12.31	2024.12.31
ChenFull Pecision Co., Ltd.	37%	37%

For information regarding the main business locations and the country of registration of the company, please refer to Schedule 2.

Subsidiary Name	Profit and loss assigned to non-controlling interests	
	2025 Year	2024 Year
ChenFull Pecision Co., Ltd.	<u>\$ 86,521</u>	<u>\$ 123,989</u>
Subsidiary Name	2025.12.31	2024.12.31
ChenFull Pecision Co., Ltd.	<u>\$ 717,897</u>	<u>\$ 740,831</u>

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

ChenFull Precision Co., Ltd.

	<u>2025.12.31</u>	<u>2024.12.31</u>
Current Assets	\$ 1,072,769	\$ 1,105,519
Non-Current Assets	2,014,978	1,593,340
Current Liabilities	(799,280)	(513,364)
Non-Current Liabilities	(<u>348,068</u>)	(<u>183,111</u>)
Equity	<u>\$ 1,940,399</u>	<u>\$ 2,002,384</u>
Equity Attributable to:		
Owners of the Company	\$ 1,222,502	\$ 1,261,553
Non-controlling Interests of ChenFull Precision Co., Ltd.	<u>717,897</u>	<u>740,831</u>
	<u>\$ 1,940,399</u>	<u>\$ 2,002,384</u>
	<u>2025 Year</u>	<u>2024 Year</u>
Operating Revenue	<u>\$ 1,821,605</u>	<u>\$ 1,519,633</u>
Net Profit for the Year	\$ 233,857	\$ 335,132
Other Comprehensive Income	<u>3</u>	(<u>78</u>)
Total Comprehensive Income	<u>\$ 233,860</u>	<u>\$ 335,054</u>
Net Profit Attributable to:		
Owners of the Company	\$ 147,336	\$ 211,143
Non-controlling Interests of ChenFull Precision Co., Ltd.	<u>86,521</u>	<u>123,989</u>
	<u>\$ 233,857</u>	<u>\$ 335,132</u>
Total Comprehensive Income Attributable to:		
Owners of the Company	\$ 147,338	\$ 211,093
Non-controlling Interests of ChenFull Precision Co., Ltd.	<u>86,522</u>	<u>123,961</u>
	<u>\$ 233,860</u>	<u>\$ 335,054</u>
Cash Flow		
Operating Activities	\$ 305,918	\$ 309,808
Investing Activities	(438,024)	(619,179)
Financing Activities	<u>100,855</u>	(<u>13,526</u>)
Net Cash Outflow	<u>(\$ 31,251)</u>	<u>(\$ 322,897)</u>

12、Real Estate, Factory Buildings, and Equipment

	Freehold land	Buildings	Machinery equipment	Other equipment	Construction in progress	Total
<u>Cost</u>						
Balance as of 1.1.2025	\$ 1,113,104	\$ 1,105,994	\$ 1,084,708	\$ 340,216	\$ 103,849	\$ 3,747,871
Additions	10,468	3,184	13,757	28,496	485,261	541,166
Disposals	-	(2,088)	(3,742)	(3,845)	-	(9,675)
Reclassification	84,720	-	4,882	265	-	89,867
Net Exchange						
Difference	-	-	(11)	(16)	-	(27)
Balance as of 12.31.2025	<u>\$ 1,208,292</u>	<u>\$ 1,107,090</u>	<u>\$ 1,099,594</u>	<u>\$ 365,116</u>	<u>\$ 589,110</u>	<u>\$ 4,369,202</u>
<u>Accumulated Depreciation and Impairment</u>						
Balance as of 1.1.2025	\$ -	\$ 467,061	\$ 862,609	\$ 285,037	\$ -	\$ 1,614,707
Disposals	-	(661)	(3,549)	(3,745)	-	(7,955)
Depreciation Expense	-	39,559	62,987	23,910	-	126,456
Net Exchange						
Difference	-	-	(12)	(16)	-	(28)
Balance as of 12.31.2025	<u>\$ -</u>	<u>\$ 505,959</u>	<u>\$ 922,035</u>	<u>\$ 305,186</u>	<u>\$ -</u>	<u>\$ 1,733,180</u>
Balance as of 12.31.2025	<u>\$ 1,208,292</u>	<u>\$ 601,131</u>	<u>\$ 177,559</u>	<u>\$ 59,930</u>	<u>\$ 589,110</u>	<u>\$ 2,636,022</u>
<u>Cost</u>						
Balance as of 1.1.2024	\$ 531,576	\$ 1,104,140	\$ 1,099,251	\$ 338,148	\$ 890	\$ 3,074,005
Additions	466,387	1,854	5,014	5,937	102,959	582,151
Disposals	-	-	(22,738)	(3,911)	-	(26,649)
Reclassification	115,141	-	3,150	-	-	118,291
Net Exchange						
Difference	-	-	31	42	-	73
Balance as of 12.31.2024	<u>\$ 1,113,104</u>	<u>\$ 1,105,994</u>	<u>\$ 1,084,708</u>	<u>\$ 340,216</u>	<u>\$ 103,849</u>	<u>\$ 3,747,871</u>
<u>Accumulated Depreciation and Impairment</u>						
Balance as of 1.1.2024	\$ -	\$ 426,167	\$ 820,750	\$ 263,884	\$ -	\$ 1,510,801
Disposals	-	-	(22,423)	(3,911)	-	(26,334)
Depreciation Expense	-	40,894	64,255	25,033	-	130,182
Net Exchange						
Difference	-	-	27	31	-	58
Balance as of 12.31.2024	<u>\$ -</u>	<u>\$ 467,061</u>	<u>\$ 862,609</u>	<u>\$ 285,037</u>	<u>\$ -</u>	<u>\$ 1,614,707</u>
Net Book Value as of December 31, 2024	<u>\$ 1,113,104</u>	<u>\$ 638,933</u>	<u>\$ 222,099</u>	<u>\$ 55,179</u>	<u>\$ 103,849</u>	<u>\$ 2,133,164</u>

The consolidated company, the Company, purchased agricultural land in the Dayuan District of Taoyuan City, covering an area of 5,639.26 m², under land numbers 0497, 0499, and 0500, for expansion and operational needs, with a cost of NT\$234,699 thousand. Due to legal restrictions, the Company is not yet allowed to register the ownership of agricultural land. Therefore, the Company entered into a name-lending agreement with an employee who holds self-cultivation status to purchase the land on its behalf. The contract specifies that the ownership of the land will be held by the Company. Additionally, the

pre-registration of the land's ownership is under the Company, and the employee is prohibited from any disposition of the land without the Company's consent.

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

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

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

The consolidated company did not recognize or reverse impairment losses for the years 2025 and 2024.

13、Lease Agreements

(1) Right-of-Use Assets

	<u>2025.12.31</u>	<u>2024.12.31</u>
Carrying Amount of Right-of-Use Assets		
Land	<u>\$ 100,461</u>	<u>\$ 107,158</u>
	<u>2025.12.31</u>	<u>2024.12.31</u>
Depreciation Expense of Right-of-Use Assets		
Land	<u>\$ 6,697</u>	<u>\$ 6,710</u>

(2) Lease liabilities

	<u>2025.12.31</u>	<u>2024.12.31</u>
Lease Liabilities - Book Value		
Current	<u>\$ 5,830</u>	<u>\$ 5,651</u>
Non-Current	<u>\$ 103,969</u>	<u>\$ 109,798</u>

The discount rate range for lease liabilities is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Land	3.126%	3.126%

(3) Important Leasing Activities and Terms

The consolidated company leases land for use as a factory, with the lease period running from Oct. 2020 to Dec. 2028. The lease agreement was adjusted and increased starting from Jan. 2024. The new lease agreement extends the lease period from Jan. 2024 to Dec. 2040. The lessor of the land lease located in the Republic of China may adjust the lease payment according to legal provisions.

(4) Other lease information

	<u>2025</u>	<u>2024</u>
Short-term Lease Expenses	<u>\$ 13,644</u>	<u>\$ 11,106</u>
Low-value Asset Lease Expenses	<u>\$ 832</u>	<u>\$ 800</u>
Total Cash Outflows from Leases	<u>(\$ 23,654)</u>	<u>(\$ 21,085)</u>

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

14、 Investment Property

	<u>Completed investment property</u>
<u>Cost</u>	
Balance as of 1.1.2025	<u>\$ 335,715</u>
Balance as of 12.31.2025	<u>\$ 335,715</u>
<u>Accumulated Depreciation and Impairment</u>	
Balance as of 1.1.2025	\$ 23,539
Depreciation Expense	<u>3,648</u>
Balance as of 12.31.2025	<u>\$ 27,187</u>
Net Balance as of 12. 31.2025	<u>\$ 308,528</u>
<u>Cost</u>	
Balance as of 1.1.2024	<u>\$ 335,715</u>
Balance as of 12.31.2024	<u>\$ 335,715</u>
<u>Accumulated Depreciation and Impairment</u>	
Balance as of 1.1.2024	\$ 19,891
Depreciation Expense	<u>3,648</u>
Balance as of 12.31.2024	<u>\$ 23,539</u>
Net Balance as of 12. 31.2024	<u>\$ 312,176</u>

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

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Year 1	\$ 1,726	\$ 3,028
Year 2	<u>1,680</u>	<u>-</u>
	<u>\$ 3,406</u>	<u>\$ 3,028</u>

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

Main Building	20 years
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The fair value of investment property as of Dec. 31, 2025 was NT\$360,135 thousand. This fair value was not appraised by an independent appraiser but was assessed by the management of the consolidated company based on the market prices of similar properties in nearby areas. °

15、Other Intangible Assets

	<u>Cost of computer software</u>
<u>Cost</u>	
Balance as of 1.1.2025	\$ 41,054
Additions	<u>5,586</u>
Balance as of 12.31.2025	<u>\$ 46,640</u>
<u>Cumulative Amortization and Impairment</u>	
Balance as of 1.1.2025	\$ 25,167
Amortization Expense	<u>8,891</u>
Balance as of 12.31.2025	<u>\$ 34,058</u>
Net Balance as of 12.31. 2025	<u>\$ 12,582</u>
<u>Cost</u>	
Balance as of 1.1.2024	\$ 39,176
Additions	3,063
Disposal	(<u>1,185</u>)
Balance as of 12.31.2024	<u>\$ 41,054</u>
<u>Cumulative Amortization and Impairment</u>	
Balance as of 1.1.2024	\$ 17,730
Amortization Expense	8,622
Disposal	(<u>1,185</u>)
Balance as of 12.31.2024	<u>\$ 25,167</u>
Net Balance as of 12.31. 2024	<u>\$ 15,887</u>

In addition to recognizing amortization expenses, the consolidated company did not experience significant disposals or impairments of intangible assets in 2025 and 2024 years.

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

Computer Software Costs	1 to 10 years
-------------------------	---------------

Amortization expenses summarized by function :

	<u>2025 Year</u>	<u>2024 Year</u>
Operating Costs	\$ 1,783	\$ 2,442
Operating Expenses	<u>7,108</u>	<u>6,180</u>
	<u>\$ 8,891</u>	<u>\$ 8,622</u>

16、 Other Assets

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Current</u>		
Prepayments		
Prepaid Goods	\$ 129,636	\$ 24,514
Others	<u>8,623</u>	<u>4,298</u>
	<u>\$ 138,259</u>	<u>\$ 28,812</u>
Other Financial Assets - Current		
Time Deposits with Original Maturity Over 3 Months (1)	\$ 17,594	\$ 18,262
Pledged Time Deposits (1) (Note 30)	<u>9,048</u>	<u>9,046</u>
	<u>\$ 26,642</u>	<u>\$ 27,308</u>
Other Current Assets		
Temporary Payments	\$ 6,659	\$ 6,532
Advance Payments	4,024	4,025
Employee Advances	<u>-</u>	<u>98</u>
	<u>\$ 10,683</u>	<u>\$ 10,655</u>
<u>Non-Current Assets</u>		
Other Financial Assets - Non-Current		
Pledged Time Deposits (1) (Note 30)	<u>\$ 34,543</u>	<u>\$ 34,543</u>
Other Non-Current Assets		
Other Receivables (2)		
Other Receivables	\$ 73,948	\$ 73,948
Less: Allowance for Doubtful Accounts	(73,948)	(73,948)
Prepaid Equipment Payments	16,346	89,931
Land Pending Transfer (3)	1,114	1,114
Refundable deposits	<u>4,142</u>	<u>3,064</u>
	<u>\$ 21,602</u>	<u>\$ 94,109</u>

- (1) As of 12.31.2025 and 2024, the interest rate range for time deposits and pledged time deposits with an original maturity of over 3 months was 0.665% to 2.55% and 0.54% to 3.85% per annum, respectively.

(2) Other Receivables - Non-Current

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

(3) Land Pending Transfer

For expansion purposes, the consolidated company acquired agricultural land at No. 1065-0086 and No. 0015, located in Dayuan Township, Taoyuan County, with a total area of 6,454 m², at a cost of NT\$25,120 thousand. Due to legal restrictions, the Company has not yet been able to register the land ownership. Therefore, the Company (referred to as Party A) entered into an agreement on Oct. 21, 2002, with the former Chairman of the Company, Mr. Xu Zhihong (referred

to as Party B), who held self-cultivating farmer status, for Party B to act on behalf of Party A in acquiring the land. The transfer procedure was completed on Nov. 5, 2002. The contract stipulated that Party B would waive any claims on the land ownership and, when laws allowing the transfer of agricultural land or urban planning changes occur, Party B would unconditionally provide the necessary transfer documents without causing any obstruction or requiring a price increase. In 2009, the Company obtained approval from the competent authority for a partial land use change and completed the transfer procedure. By the end of 2011, the new factory in Dayuan was completed, serving as the production base for factory engineering and pipe manufacturing.

As of 12.31.2025, a total of 281.98 m² of land, originally part of Lot No. 1065-0015 and subsequently subdivided into Lot Nos. 0488-0000 and 0484-0000, remains classified as agricultural land. The land is reserved for use by the government for waterway management projects and is recorded under Other Non-current Assets - Others at NT\$1,114 thousand.

17、 Loans

(1) Short-Term Loans

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Unsecured Loans</u>		
Credit Line Loans	<u>\$ 420,000</u>	<u>\$ 330,000</u>

The interest rates for bank revolving borrowings ranged from 1.80% to 1.95% as of 12.31.2025 and 2024. °

(2) Long-Term Loans

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Secured Loans</u>		
Bank Loans	\$ 241,808	\$ 69,458
Less: Current Portion of Loans	<u>-</u>	<u>-</u>
Long-Term Loans	<u>\$ 241,808</u>	<u>\$ 69,458</u>

	Maturity date	Key terms / Significant terms	Effective interest rate	2025.12.31	2024.12.31
<u>Secured borrowings</u>					
Secured new NTD bank loans from Bank of Taiwan	2034.11.15	The borrowing period from November 28, 2024 to December 15, 2027 is a grace period, during which interest is paid monthly based on the loan principal. From December 15, 2027, the principal and interest will be repaid in 84 equal monthly installments, with the loan maturity date on November 15, 2034.	1.35	\$ 69,458	\$ 69,458
Secured new NTD bank loans from Bank of Taiwan	2034.11.15	The borrowing period from April 14, 2025 to December 15, 2027 is a grace period, during which interest is paid monthly based on the loan principal. From December 15, 2027, the principal and interest will be repaid in 84 equal monthly installments, with the loan maturity date on November 15, 2034.	1.35	34,324	-
Secured new NTD bank loans from Bank of Taiwan	2034.11.15	The borrowing period from July 31, 2025 to December 15, 2027 is a grace period, during which interest is paid monthly based on the loan principal. From December 15, 2027, the principal and interest will be repaid in 84 equal monthly installments, with the loan maturity date on November 15, 2034.	1.35	63,159	-
Secured new NTD bank loans from Bank of Taiwan	2034.11.15	The borrowing period from August 29, 2025 to December 15, 2027 is a grace period, during which interest is paid monthly based on the loan principal. From December 15, 2027, the principal and interest will be repaid in 84 equal monthly installments, with the loan maturity date on November 15, 2034.	1.35	24,857	-
Secured new NTD bank loans from Bank of Taiwan	2034.11.15	The borrowing period from November 4, 2025 to December 15, 2027 is a grace period, during which interest is paid monthly based on the loan principal. From December 15, 2027, the principal and interest will be repaid in 84 equal monthly installments, with the loan maturity date on November 15, 2034.	1.35	<u>50,010</u>	-
				241,808	69,458
Less: current portion due within one year				-	-
Long-term borrowings				<u>\$ 241,808</u>	<u>\$ 69,458</u>

The above bank borrowings were used for the construction of the Chiayi plant. According to the loan agreements, upon completion of the plant construction and the completion of registration to obtain ownership, the Company is required to cancel the pre-registration on the land where the Chiayi plant is located and to establish a mortgage on the land together with the plant.

18、Accounts Payable

	2025.12.31	2024.12.31
<u>Notes payable</u>		
Non-operating activities	<u>\$ 240</u>	<u>\$ -</u>
<u>Accounts Payable</u>		
Arising from Operations	<u>\$ 343,114</u>	<u>\$ 373,509</u>

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

19、Other Liabilities

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Current Liabilities</u>		
Other Payables		
Payables for Equipment	\$ 106,009	\$ 4,128
Payables for Salaries and Bonuses	100,945	98,596
Payables for Employee Benefits	64,275	68,920
Payables for Director's Remuneration	8,000	8,520
Payables for Vacation Benefits	14,418	13,670
Interest payable	446	176
Other	<u>91,916</u>	<u>81,545</u>
	<u>\$ 386,009</u>	<u>\$ 275,555</u>
<u>Other Current Liabilities</u>		
Advances Received	\$ 21	\$ 774
Amounts Collected on Behalf of Others	3,133	2,535
Deferred Income - Current (Note 24)	<u>49</u>	<u>49</u>
	<u>\$ 3,203</u>	<u>\$ 3,358</u>
<u>Non-Current Liabilities</u>		
Deferred Income		
Government Grants (Note 24)	\$ 41	\$ 89
Deposits Received	<u>958</u>	<u>1,118</u>
	<u>\$ 999</u>	<u>\$ 1,207</u>

20、Retirement Benefit Plans

(1) Defined Contribution Plans

The Dongguan ChenFeng Company, New Opportunity Limited, and ChenFull Holding Co., Ltd. in the consolidated group do not have employee retirement plans in place, and the local government does not have any mandatory employee retirement regulations. Therefore, the International Accounting Standard No. 19 does not apply to these entities.

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

(2) Defined Benefit Plans

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

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Present Value of Defined Benefit Obligation	\$ 24,885	\$ 26,933
Fair Value of Plan Assets	(4,211)	(5,150)
Net Defined Benefit Liability	<u>\$ 20,674</u>	<u>\$ 21,783</u>

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

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability
2025.1.1	\$ 26,933	(\$ 5,150)	\$ 21,783
Interest Expense (Income)	<u>405</u>	<u>(81)</u>	<u>324</u>
Recognized in Profit or Loss	<u>405</u>	<u>(81)</u>	<u>324</u>
Remeasurements			
Return on Plan Assets (excluding amounts included in net interest)	-	(274)	(274)
Actuarial Gains - Changes in Financial Assumptions	301	-	301
Actuarial Gains - Experience Adjustments	<u>(874)</u>	<u>-</u>	<u>(874)</u>
Recognized in Other Comprehensive Income	<u>(573)</u>	<u>(274)</u>	<u>(847)</u>
Employer Contributions	-	(399)	(399)
Benefit Payments	<u>(1,880)</u>	<u>1,693</u>	<u>(187)</u>
2025.12.31	<u>\$ 24,885</u>	<u>(\$ 4,211)</u>	<u>\$ 20,674</u>
2024.1.1	\$ 28,811	(\$ 1,580)	\$ 27,231
Interest Expense (Income)	<u>353</u>	<u>(23)</u>	<u>330</u>
Recognized in Profit or Loss	<u>353</u>	<u>(23)</u>	<u>330</u>
Remeasurements			
Return on Plan Assets (excluding amounts included in net interest)	-	(613)	(613)
Actuarial Losses - Changes in Financial Assumptions	(1,159)	-	(1,159)
Actuarial Gains - Experience Adjustments	<u>(370)</u>	<u>-</u>	<u>(370)</u>
Recognized in Other Comprehensive Income	<u>(1,529)</u>	<u>(613)</u>	<u>(2,142)</u>
Employer Contributions	-	(3,636)	(3,636)
Benefit Payments	<u>(702)</u>	<u>702</u>	<u>-</u>
2024.12.31	<u>\$ 26,933</u>	<u>(\$ 5,150)</u>	<u>\$ 21,783</u>

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

	2025	2024
Cost of Goods Sold (COGS)	\$ 63	\$ 66
Selling Expenses	24	31
Administrative Expenses	188	186
Research and Development Expenses (R&D)	<u>49</u>	<u>47</u>
	<u>\$ 324</u>	<u>\$ 330</u>

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

1. Investment Risk: The Ministry of Labor's Labor Fund Management Bureau invests the labor retirement fund in domestic (and foreign) equity securities, debt securities, and bank deposits through self-management and entrusted management. However, the amount allocated to the company's plan assets is based on the returns calculated at no less than the local bank's 2-year fixed deposit interest rate.
2. Interest Rate Risk: A decrease in government bond interest rates will increase the present value of defined benefit obligations, but the return on debt investments in the plan assets will also increase accordingly, which partially offsets the impact on the net defined benefit liability.
3. Salary Risk: The present value of defined benefit obligations is calculated based on the future salaries of plan members. Therefore, an increase in the salaries of plan members will increase the present value of the defined benefit obligations.

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Discount Rate	1.2964%~1.3412%	1.5083%~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 based on data from past employee turnover experiences provided by the ChenFull International Company and ChenFull Precision Company, as well as consideration of future trends, and is adopted after smoothing.

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Discount Rate		
Increase by 0.5%	(<u>\$ 731</u>)	(<u>\$ 879</u>)
Decrease by 0.5%	<u>\$ 772</u>	<u>\$ 933</u>
Expected Salary Increase Rate		
Increase by 0.5%	<u>\$ 831</u>	<u>\$ 996</u>
Decrease by 0.5%	(<u>\$ 791</u>)	(<u>\$ 945</u>)

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Expected Contributions within 1 Year	<u>\$ 410</u>	<u>\$ 459</u>
Average Duration of Defined Benefit Obligation	6.22~12 years	6.98~12 years

21、Equity

(1) Share Capital

Common Stock

	<u>2025.12.31</u>	<u>2024.12.31</u>
Authorized Shares (in Thousand Shares)	<u>150,000</u>	<u>150,000</u>
Authorized Capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Issued Shares with Paid-in Capital (in Thousand Shares)	<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 NT\$10 per share, with each share entitled to one vote and the right to receive dividends.

(2) Capital Reserve

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Available for Loss Offset, Cash Distribution, or Capital Increase (Note 1)</u>		
Premium on Stock Issuance	\$ 258,010	\$ 258,010
Premium on Convertible Bonds	207,018	207,018
Treasury Stock Transactions	2,567	1,863
Difference Between Actual Acquisition/Disposition of Subsidiary's Equity and Book Value	544,174	544,174
Merger Premium	10,618	10,618
<u>Available Only for Loss Offset</u>		
Recognition of Changes in 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 reserve can be used to cover losses, and can also be used to distribute cash or increase capital when the company has no losses. However, when increasing capital, it is limited to a certain percentage of the paid-in capital per year.

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

(3) Retained Earnings and Dividend Policy

According to the Articles of Incorporation of the Company, if there is profit at the end of the fiscal year, the Company shall pay taxes in accordance with the law and make up for any previous years' losses, allocate 10% to statutory surplus reserve, but if the accumulated statutory surplus reserve reaches the total capital of the Company,

this requirement does not apply. Furthermore, according to the law, the Company shall allocate or reverse special surplus reserves or retained earnings, and if there is still remaining profit, along with any accumulated undistributed earnings, the Board of Directors will prepare a dividend distribution proposal based on the Company's dividend policy, which will be submitted to the shareholders' meeting for approval, and the distribution will be made proportionally based on the total number of shares. For the employee and director remuneration distribution policy, please refer to Note 23 (7) "Employee Remuneration and Director Remuneration."

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

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

The Company held the shareholders' meetings on May 26, 2025, and May 30, 2024, respectively, to resolve the profit distribution proposals for the years 2024 and 2023 as follows:

	<u>Appropriation of earnings</u>	
	<u>2024</u>	<u>2023</u>
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 (in NTD)	\$ 2.5	\$ 1.5

The Company's Board of Directors proposed the profit distribution plan for the year 2025 on Mar. 11, 2026, as follows :

	<u>Appropriation of earnings</u>
Legal Reserve	<u>\$ 38,520</u>
Cash Dividend	<u>\$ 282,726</u>
Cash Dividend Per Share (in NTD)	\$ 2.5

The 2025 year profit distribution plan is pending approval at the shareholders' meeting scheduled for May 29, 2026.

(4) Other equity items

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

	<u>2025</u>	<u>2024</u>
Beginning Balance	(\$ 15,260)	(\$ 18,647)
Generated in the Current Year		
Exchange Differences Arising from the Translation of Foreign Operations' Net Assets	(<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 and losses on financial assets measured at fair value through other comprehensive income

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 44,252	\$ 3,156
Generated in the Current Year		
Unrealized Gains and Losses		
Equity Instruments	<u>352</u>	<u>41,096</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

<u>Purpose of buyback</u>	<u>Shares dividend (in thousands of shares)</u>	<u>Shares transferred to employees (in thousands of shares)</u>	<u>Buyback for retirement (in thousands of shares)</u>	<u>Shares held by subsidiaries (in thousands of shares)</u>	<u>Total (in thousands of shares)</u>
Number of Shares on 2025.1.1	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares on 2025.12.31	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares on 2024.1.1	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>
Number of Shares on 2024.12.31	<u>63</u>	<u>670</u>	<u>-</u>	<u>219</u>	<u>952</u>

Treasury shares held by ChenFull Company may not be pledged in accordance with the Securities and Exchange Act and are not entitled to rights such as the distribution of dividends and voting rights.

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

<u>Name of subsidiary</u>	<u>Number of shares held (in thousands of shares)</u>	<u>Carrying amount</u>	<u>Market price</u>
<u>2025.12.31</u>			
Chenfeng Machinery & Enterprise Co., Ltd.	282	<u>\$ 11,397</u>	<u>\$ 11,397</u>
<u>2024.12.31</u>			
Chenfeng Machinery & Enterprise Co., Ltd.	282	<u>\$ 12,792</u>	<u>\$ 12,792</u>

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

(6) Non-controlling interests

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 740,831	\$ 682,543
Net Income for the Year	86,521	123,989
Other Comprehensive Income for the Year		
Remeasurement of Defined Benefit Plans	1	(28)
Cash dividends to shareholders of Chenfull Precision's subsidiary	(109,456)	(65,673)
Ending Balance	<u>\$ 717,897</u>	<u>\$ 740,831</u>

22、Revenue

	<u>2025</u>	<u>2024</u>
Revenue from Contracts with Customers		
Sales Revenue	\$ 2,233,584	\$ 1,876,351
Construction Revenue	1,118,370	1,083,893
Service Revenue	<u>6,349</u>	<u>7,272</u>
	<u>\$ 3,358,303</u>	<u>\$ 2,967,516</u>

(1) Customer Contracts Description

1. Sales Revenue

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

2. Construction Revenue

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

3. Service Revenue

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

(2) Contract Balances

	<u>2025.12.31</u>	<u>2024.12.31</u>	<u>2024.1.1</u>
Notes receivables (Note 9)	<u>\$ 18,109</u>	<u>\$ 14,721</u>	<u>\$ 14,051</u>
Accounts receivables (Note 9)	<u>\$ 675,398</u>	<u>\$ 553,482</u>	<u>\$ 336,922</u>
Contract Assets - Current			
Construction Contracts	<u>\$ 840,234</u>	<u>\$1,064,373</u>	<u>\$ 534,092</u>
Contract Liabilities - Current			
Goods Sales	\$ 16,948	\$ 31,127	\$ 40,875
Construction Contracts	<u>234,793</u>	<u>114,135</u>	<u>151,529</u>
	<u>\$ 251,741</u>	<u>\$ 145,262</u>	<u>\$ 192,404</u>

23、Net Income from Continuing Operations

(1) Interest Income

	<u>2025</u>	<u>2024</u>
Bank Deposits	\$ 6,532	\$ 12,327
Reverse Repurchase Agreements	-	18,033
Financial Assets Measured at Fair Value Through Profit or Loss	1,605	1,455
Others	<u>67</u>	<u>66</u>
	<u>\$ 8,204</u>	<u>\$ 31,881</u>

(2) Other Income

	<u>2025</u>	<u>2024</u>
Rental Income	\$ 1,268	\$ 1,273
Dividend Income	15,992	8,797
Government Grant Income (Note 24)	4,918	10,610
Other Income	<u>10,538</u>	<u>5,634</u>
	<u>\$ 32,716</u>	<u>\$ 26,314</u>

(3) Other Gains and Losses

	<u>2025</u>	<u>2024</u>
Gain on Disposal of Property, Plant, and Equipment	(\$ 980)	\$ 4,484
Gain on Disposal of Financial Assets Measured at Fair Value Through Profit or Loss	22,243	6,138
Gain on Financial Assets Measured at Fair Value Through Profit or Loss	17,919	12,725
Net Foreign Exchange Gain (Loss)	(17,272)	48,368
Other Losses	(8,154)	(13,044)
	<u>\$ 13,756</u>	<u>\$ 58,671</u>

(4) Financial Costs

	<u>2025</u>	<u>2024</u>
Interest on Bank Loans	\$ 10,714	\$ 9,362
Interest on Short-term Notes	-	37
Interest on Lease Liabilities	3,528	3,702
Other Interest Expenses	-	29
Less: Amount Included in the Cost of Qualifying Assets	(2,739)	(64)
	<u>\$ 11,503</u>	<u>\$ 13,066</u>

The relevant information on interest capitalization is as follows :

	<u>2025</u>	<u>2024</u>
Interest Capitalization Amount	\$ 2,739	\$ 64
Interest Capitalization Rate	1.35%	1.35%

(5) Depreciation and Amortization

	<u>2025</u>	<u>2024</u>
Property, Plant and Equipment	\$ 126,456	\$ 130,182
Investment Property	3,648	3,648
Right-of-Use Assets	6,697	6,710
Intangible Assets	<u>8,891</u>	<u>8,622</u>
	<u>\$ 145,692</u>	<u>\$ 149,162</u>
Depreciation Expense Summarized by Function		
Cost of Sales	\$ 123,896	\$ 126,143
Operating Expenses	<u>12,905</u>	<u>14,397</u>
	<u>\$ 136,801</u>	<u>\$ 140,540</u>
Amortization Expense Summarized by Function		
Cost of Sales	\$ 1,783	\$ 2,442
Operating Expenses	<u>7,108</u>	<u>6,180</u>
	<u>\$ 8,891</u>	<u>\$ 8,622</u>

(6) Employee Welfare Expenses

	<u>2025</u>	<u>2024</u>
Post-employment Benefits (Note 20)		
Defined Contribution Plan	\$ 26,072	\$ 23,735
Defined Benefit Plan	<u>324</u>	<u>330</u>
	<u>26,396</u>	<u>24,065</u>
Other Employee Benefits	<u>729,453</u>	<u>663,617</u>
Total Employee Benefit Expenses	<u>\$ 755,849</u>	<u>\$ 687,682</u>
Summarized by Function		
Cost of Sales	\$ 486,788	\$ 428,815
Operating Expenses	<u>269,061</u>	<u>258,867</u>
	<u>\$ 755,849</u>	<u>\$ 687,682</u>

(7) Employee Compensation and Director Remuneration

The Company allocates employee compensation and director remuneration based on the pre-tax profits of the current year, with employee compensation allocated at no less than 2% and director remuneration at no more than 2%.

In accordance with the amendments to the Securities and Exchange Act in Aug. 2024, ChenFull Company amended its Articles of

Incorporation as approved by the shareholders' meeting in 2025, stipulating that no less than 10% of the employee compensation appropriated for the year shall be allocated as compensation to grassroots employees.

The employee compensation and remuneration to directors and supervisors for 2025 and 2024 were resolved by the Board of Directors on 3. 11, 2026 and 3. 3, 2025, respectively, as follows:

Accrual rate

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

Amount

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

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

The actual distribution amounts of employee compensation and director remuneration approved by the board of directors for the years 2024 and 2023 are consistent with the amounts recognized in the consolidated financial reports for those years.

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

24、Government Grants

The Group obtained a government grant of NT\$390 thousand for power and utility equipment in Nov. 2019. The amount has been recognized as deferred income and is amortized to profit or loss over the useful lives of the related assets.

The amounts recognized as income in 2025 and 2024 were NT\$48 thousand and NT\$49 thousand, respectively.

In Dec. 2025 and Dec. 2024, the Group received transformation subsidies of NT\$4,870 thousand and NT\$10,561 thousand, respectively, from the Ministry of Economic Affairs in accordance with the Post-pandemic Strengthening Economic and Social Resilience and Sharing Economic Achievements Special Act and the Regulations for Promoting Industrial and SME Upgrade and Transformation. These subsidies were recognized under other income.

25、Income tax of continuing operations

(1) The main components of income tax expense recognized in profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Current Income Tax		
Current Year Generated	\$ 105,899	\$ 113,259
Adjustments from Prior Years	664	-
Repatriation of Offshore Funds	(<u>818</u>)	(<u>2,047</u>)
	<u>105,745</u>	<u>111,212</u>
Deferred Income Tax		
Current Year Generated	891	8,218
Adjustments from Prior Years	<u>1,408</u>	(<u>480</u>)
	<u>2,299</u>	<u>7,738</u>
Income Tax Expense Recognized in Profit or Loss	<u>\$ 108,044</u>	<u>\$ 118,950</u>

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

	<u>2025</u>	<u>2024</u>
Pre-tax Profit from Continuing Operations	<u>\$ 579,090</u>	<u>\$ 637,361</u>
Income Tax Expense Calculated on Pre-tax Profit at Statutory Tax Rate (20%)	\$ 115,818	\$ 127,472
Non-deductible Expenses for Tax Purposes	370	45
Basic Tax Differential	2,273	760
Tax-exempt Income	(7,775)	(3,036)
Repatriation of Offshore Funds	664	-
Current Period Investment Tax Credit	(4,034)	(3,847)
Subsidiaries Operating in Other Jurisdictions	138	83
Impact of Different Tax Rates	(818)	(2,047)
Adjustments of Current Income Tax Expense from Prior Years in Current Year	<u>1,408</u>	<u>(480)</u>
Adjustments of Deferred Income Tax Expense from Prior Years in Current Period	<u>\$ 108,044</u>	<u>\$ 118,950</u>

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

(2) Income Tax Recognized in Other Comprehensive Income

	<u>2025</u>	<u>2024</u>
<u>Deferred Tax</u>		
Current Year Generated		
Foreign Operations Translation	\$ 382	(\$ 847)
Remeasurement of Defined Benefit Plans	<u>(170)</u>	<u>(428)</u>
Income Tax Recognized in Other Comprehensive Income	<u>\$ 212</u>	<u>(\$ 1,275)</u>

(3) Current Period Income Tax Assets and Liabilities

	<u>2025.12.31</u>	<u>2024.12.31</u>
Current Tax Assets		
Tax Refund Receivables	<u>\$ -</u>	<u>\$ 94</u>
Current Tax Liabilities		
Income Taxes Payable	<u>\$ 48,851</u>	<u>\$ 74,695</u>

(4) Deferred Tax Assets and Liabilities

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

2025

	Opening balance	Recognized in profit or loss	Recognized in other comprehensiv e income	Closing balance
<u>Deferred Tax Assets</u>				
Temporary Differences				
Unrealized Cost of Goods Sold	\$ 3,853	(\$ 560)	\$ -	\$ 3,293
Accrued Vacation Pay	1,498	150	-	1,648
Unrealized Foreign Exchange Gains or Losses	-	333	-	333
Unrealized Inventory Impairment and Obsolescence Losses	12,474	(1,525)	-	10,949
Allowance for Doubtful Accounts Over Limit	18,323	2,397	-	20,720
Defined Benefit Retirement Plans	5,314	(53)	(170)	5,091
Foreign Operations Translation Differences	2,148	-	382	2,530
Financial Assets Measured at Fair Value Through Profit or Loss	<u>220</u>	<u>171</u>	<u>-</u>	<u>391</u>
	43,830	913	212	44,955
Loss Carryforwards	<u>978</u>	<u>839</u>	<u>-</u>	<u>139</u>
	<u>\$ 44,808</u>	<u>\$ 74</u>	<u>\$ 212</u>	<u>\$ 45,094</u>
<u>Deferred Tax Liabilities</u>				
Temporary Differences				
Overseas Investments	(\$ 11,976)	(\$ 31)	\$ -	(\$ 12,007)
Unrealized Inventory Impairment and Obsolescence Recovery Gains	(1,562)	1,413	-	(149)
Unrealized Foreign Exchange Gains or Losses	(362)	-	-	(362)
Allowance for Doubtful Accounts Over Limit	(<u>1,236</u>)	(<u>3,755</u>)	<u>-</u>	(<u>4,991</u>)
	<u>(\$ 15,136)</u>	<u>(\$ 2,373)</u>	<u>\$ -</u>	<u>(\$ 17,509)</u>

2024

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

(5) Income Tax Assessment Status

The corporate income tax filings of CHENFULL International Co., Ltd. ChenFull Precision Co., Ltd. and ChenFeng Machinery Co., Ltd. have been assessed by the tax authorities through the 2023 fiscal year.

26、Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net Profit for the Period

	<u>2025</u>	<u>2024</u>
Net Profit Used in the Calculation of Basic Earnings per Share	<u>\$ 384,525</u>	<u>\$ 394,422</u>
Net Profit Used in the Calculation of Diluted Earnings per Share	<u>\$ 384,525</u>	<u>\$ 394,422</u>

Number of Shares

Unit: Thousands of Shares

	<u>2025 Year</u>	<u>2024 Year</u>
Weighted Average Number of Ordinary Shares Used in the Calculation of Basic Earnings per Share	112,809	112,809
Effect of Potential Dilutive Ordinary Shares:		
Employee Remuneration / Employee Share-based Payments	<u>880</u>	<u>563</u>
Weighted Average Number of Ordinary Shares Used in the Calculation of Diluted Earnings per Share	<u>113,689</u>	<u>113,372</u>

If the Group has the option to pay employee remuneration in either shares or cash, for the purpose of calculating diluted earnings per share, it is assumed that the remuneration will be settled in shares. The potential ordinary shares are included in the weighted average number of shares outstanding when they have a dilutive effect. When calculating diluted earnings per share before the number of shares to be issued for employee remuneration is resolved in the following year, the dilutive effect of such potential ordinary shares continues to be considered.

27、Capital Risk Management

The Group manages its capital to ensure that the entities within the Group can continue as a going concern while optimizing the debt and equity balance to maximize shareholder returns.

The Group's capital structure comprises net debt (i.e., borrowings less cash and cash equivalents) and equity attributable to owners of the Company (i.e., share capital, capital surplus, retained earnings, and other equity items).

The Group is not subject to any externally imposed capital requirements.

The Group's key management personnel review the Group's capital structure on an annual basis. The review includes consideration of the cost of various types of capital and the associated risks. Based on the recommendations of key management personnel, the Group balances its overall capital structure through the payment of dividends, issuance of new shares, share repurchases, and issuance or repayment of debt.

28、Financial Instruments

(1) Information on Fair Value - Financial Instruments Not Measured at Fair Value.

The Group's management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

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

1. Fair Value Hierarchy

2025.12.31

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value through Profit or Loss (FVPL)</u>				
Listed Stocks in Taiwan	\$ 58,897	\$ -	\$ -	\$ 58,897
Beneficial Interests in Funds / Fund Units	117,242	-	-	117,242
Listed Stocks in Taiwan	-	-	28,794	28,794
	\$ 176,139	\$ -	\$ 28,794	\$ 204,933

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Equity Instrument Investments				
Over-the-Counter (OTC) Listed Stocks in Taiwan	\$ -	\$ 70,013	\$ 1,191	\$ 71,204
Unlisted Stocks in Taiwan	-	-	90,839	90,839
	\$ -	\$ 70,013	\$ 92,030	\$ 162,043

2024.12.31

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value through Profit or Loss (FVPL)</u>				
Listed Stocks in Taiwan	\$ 58,188	\$ -	\$ -	\$ 58,188
Beneficial Interests in Funds / Fund Units	73,326	-	-	73,326
	\$ 131,514	\$ -	\$ -	\$ 131,514

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Equity Instrument Investments				
Over-the-Counter (OTC) Listed Stocks in Taiwan	\$ -	\$ -	\$ 1,726	\$ 1,726
Unlisted Stocks in Taiwan	-	-	150,722	150,722
	\$ -	\$ -	\$ 152,448	\$ 152,448

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during 2025 and 2024.

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

2025

Financial Assets	Gain or loss on financial assets at fair value through profit or loss Equity instruments	Unrealized gain or loss on financial assets at fair value through other comprehensive income Equity instruments	Total
Beginning balance	\$ -	\$ 152,448	\$ 152,448
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)	-	352	352
Purchases	30,000	9,243	39,243
Transfers out of Level 3	<u>-</u>	<u>(70,013)</u>	<u>(70,013)</u>
Ending balance	<u>\$ 28,794</u>	<u>\$ 92,030</u>	<u>\$ 120,824</u>

2024

Financial assets	Financial assets at fair value through other comprehensive income Equity instruments
Beginning balance	\$ 31,146
Purchases	80,206
Recognized in other comprehensive income (Unrealized gain or loss on financial assets at fair value through other comprehensive income)	<u>41,096</u>
Ending balance	<u>\$ 152,448</u>

For the period from 2025, there were transfers between Level 3 and Level 2 fair value measurements, mainly relating to certain equity instruments measured at fair value through other comprehensive income (FVOCI). These instruments were transferred from unlisted stocks in Taiwan to OTC-listed stocks. Their trading volumes were observed to determine whether they constitute an active market, and accordingly, they were reclassified from Level 3 to Level 2.

3. Valuation Techniques and Inputs for Level 2 Fair Value Measurements

Financial Instrument Category	Valuation Technique and Inputs
Non-Active OTC Listed Stocks in Taiwan	Market Approach: The fair value of the stock is determined based on transaction prices in an active market. Adjustments are made to reflect the relatively limited liquidity of the investee, and the resulting amount is used as a reasonable estimate of fair value.

4. Valuation Techniques and Assumptions for Level 3 Fair Value Measurements

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

Financial assets and financial liabilities with standard terms and conditions that are traded in active markets are measured at fair value with reference to market quotations. When market prices are not available, valuation techniques are used to estimate fair value. The estimates and assumptions used in the Group's valuation techniques are consistent with the information that market participants would use when pricing the financial instruments.

The consolidated financial statements include unquoted equity instruments and limited partnership interests measured at fair value. The fair value of unquoted equity instruments is determined using market-based valuation methods, including

the Price-to-Earnings (P/E) ratio, Price-to-Sales (P/S) ratio, and Price-to-Book (P/B) ratio, to arrive at a reasonable estimate of fair value. The fair value of limited partnership interests is determined based on their net asset value.

(3) Types of Financial Instruments

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Financial Assets</u>		
At Fair Value through Profit or Loss (FVPL)		
Mandatorily at Fair Value through Profit or Loss	\$ 204,933	\$ 131,514
Financial Assets Measured at Amortized Cost (Note 1)	1,213,835	1,093,663
Deposits Placed as Collateral	4,142	3,064
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		
Equity Instrument Investments	162,043	152,448
<u>Financial Liabilities</u>		
Financial Liabilities Measured at Amortized Cost (Note 2)	1,196,735	852,721
Deposits Received as Collateral	958	1,118

Note1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, and other financial assets.

Note2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, accounts payable, other payables (excluding employee benefits payable), and long-term borrowings.

(4) Objectives and Policies of Financial Risk Management

The Group's risk management objectives primarily focus on managing market risk, credit risk, and liquidity risk arising from its

operating activities. The Group identifies, measures, and manages these risks in accordance with its policies and risk appetite. The Group has established appropriate policies, procedures, and internal controls to manage the aforementioned financial risks in accordance with relevant regulations. Significant financial activities are subject to review by the Board of Directors in accordance with the relevant regulations and internal control systems. During financial management activities, the Group strictly complies with the established requirements for financial risk management.

1. Market Risk

The Group's operating activities expose it primarily to foreign currency risk (see section (1) below) and interest rate risk (see section (2) below).

(1) Foreign Currency Risk

The carrying amounts of monetary assets and liabilities denominated in currencies other than the functional currency as of the balance sheet date (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial statements) are disclosed in Note 32.

Sensitivity Analysis

The Group is mainly exposed to fluctuations in the US dollar exchange rate.

The table below presents a sensitivity analysis showing the impact on the Group's pre-tax profit or equity if the New Taiwan Dollar (functional currency) were to strengthen or weaken by 1% against the relevant foreign currencies. The 1% rate represents the sensitivity ratio used internally for reporting foreign currency risk to key management personnel and also reflects management's assessment of a reasonably possible change in foreign exchange rates. A positive amount in the table indicates that a 1% depreciation of the New Taiwan Dollar against the

respective foreign currencies would increase pre-tax profit or equity; conversely, a 1% appreciation of the New Taiwan Dollar would have an equal but opposite effect.

	Impact of USD	
	2025	2024
Profit or Loss	\$ 4,829	\$ 5,717

(2) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

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

	2025.12.31	2024.12.31
Subject to Fair Value Interest Rate Risk		
- Financial Assets	\$ 158,523	\$ 160,128
- Financial Liabilities	529,799	445,449
Subject to Cash Flow Interest Rate Risk		
- Financial Assets	352,102	353,863
- Financial Liabilities	241,808	69,458

Sensitivity Analysis

Fixed-rate financial assets and financial liabilities held by the Group are measured at amortized cost and are therefore excluded from the analysis. The interest rate risk sensitivity analysis is based on the financial assets as of the balance sheet date. The Group uses a 0.25% increase or decrease in market interest rates as a reasonable risk assessment for reporting interest rate changes to management.

Assuming all other variables remain constant, a 0.25% increase/decrease in market interest rates would decrease/increase the Group's pre-tax profit by NT\$276 thousand for the period ended 12.31, 2025, and

increase/decrease by NT\$711 thousand for the period from 1.1.2025 to 12.31. 2025 and 1.1.2024 to 12.31. 2024.

(3) Other Price Risk

The consolidated company is exposed to equity price risk arising from investments in equity securities and beneficiary certificates of funds.

Sensitivity Analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If equity prices had increased/decreased by 5%, profit or loss before tax for 2025 and 2024 would have increased/decreased by NT\$10,247 thousand and NT\$6,576 thousand, respectively, as a result of changes in the 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\$8,102 thousand and NT\$7,622 thousand, respectively, as a result of changes in the fair value of financial assets at fair value through other comprehensive income.

The sensitivity of the consolidated company's investments in equity securities does not differ significantly from that of 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 fulfill its contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the consolidated company that may result in financial loss due to non-performance by counterparties mainly arises from the carrying amounts of financial assets recognized in the consolidated balance sheets.

The consolidated company's policy is to conduct transactions only with counterparties of good credit standing and, where necessary, to obtain sufficient collateral to mitigate the risk of financial loss arising from default. To reduce credit risk, the consolidated company's management has established management control procedures over the determination and approval of credit limits to ensure the recovery of overdue receivables. In addition, as of the balance sheet date, the consolidated company reviews the recoverable amounts of receivables individually to ensure that appropriate impairment losses have been recognized for uncollectible receivables. Accordingly, management of the consolidated company believes that the consolidated company's credit risk has been significantly reduced and is therefore limited.

The Group's credit risk is mainly concentrated in its top five customers. As of December 31, 2025 and 2024, receivables from the top five customers accounted for 54% and 61%, respectively, of the Group's total receivables. The credit concentration risk of the remaining receivables was not significant.

3. Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents to support the Group's operations and mitigate the effects of fluctuations in cash flows. Management of the Group monitors the utilization of bank credit facilities and ensures compliance with the covenants of borrowing agreements.

Bank borrowings are an important source of liquidity for the Group. As of Dec. 31, 2025 and 2024, the Group's unused credit facilities were as follows:

(2) On credit facilities below.

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

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

2025.12.31

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>Financial</u>					
<u>Liabilities</u>					
Notes payable	\$ 240	\$ -	\$ -	\$ -	\$ 240
Accounts payable	343,114	-	-	-	343,114
Lease liabilities	9,179	9,179	9,179	110,148	137,685
Other payables	191,127	-	-	-	191,127
Borrowings	420,446	2,879	34,544	204,385	662,254
	<u>\$ 964,106</u>	<u>\$ 12,058</u>	<u>\$ 43,723</u>	<u>\$ 314,533</u>	<u>\$1,334,420</u>

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

	Less than 1 year	1 to 3 years	3 to 6 years	More than 6 years	Total
Lease liabilities	<u>\$ 9,179</u>	<u>\$ 18,358</u>	<u>\$ 27,537</u>	<u>\$ 82,611</u>	<u>\$ 137,685</u>

2024.12.31

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Accounts payable	\$ 373,509	\$ -	\$ -	\$ -	\$ 373,509
Lease liabilities	9,179	9,179	9,179	119,327	146,864
Other payables	79,579	-	-	-	79,579
Borrowings	399,633	-	-	-	399,633
	<u>\$ 861,900</u>	<u>\$ 9,179</u>	<u>\$ 9,179</u>	<u>\$ 119,327</u>	<u>\$ 999,585</u>

Further details of the maturity analysis of lease liabilities are as follows:

	Less than 1 year	1 to 3 years	3 to 6 years	More than 6 years	Total
Lease liabilities	<u>\$ 9,179</u>	<u>\$ 18,358</u>	<u>\$ 27,537</u>	<u>\$ 91,790</u>	<u>\$ 146,864</u>

(2) Credit Facilities

	<u>2025.12.31</u>	<u>2024.12.31</u>
Unsecured Bank Credit Facilities and Commercial Paper Issuance Limits (Reviewed Annually)		
– Amount utilized	\$ 516,839	\$ 343,977
– Amount unused	<u>2,338,161</u>	<u>2,486,023</u>
	<u>\$ 2,855,500</u>	<u>\$ 2,830,000</u>
Secured Bank Credit Facilities and Commercial Paper Issuance Limits (Reviewed Annually)		
– Amount utilized	\$ 241,808	\$ 69,458
– Amount unused	<u>1,358,192</u>	<u>1,530,542</u>
	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>

29、Related Party Transactions

Transactions, account balances, income, and expenses between CHENFULL International Co. and its subsidiaries (which are related parties of CHENFULL International Co.) are fully eliminated upon consolidation and, therefore, are not disclosed in these notes. Except as disclosed in other notes, transactions between the consolidated company and other related parties are as follows.

Key Management Compensation

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 28,404	\$ 26,814
Post-employment benefits	<u>600</u>	<u>522</u>
	<u>\$ 29,004</u>	<u>\$ 27,336</u>

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

30、Pledged assets

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Other Financial Assets - Current		
Pledged time deposits	<u>\$ 9,048</u>	<u>\$ 9,046</u>
Other Financial Assets - Non-current		
Pledged time deposits	<u>\$ 34,543</u>	<u>\$ 34,543</u>

31、Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except as disclosed in other notes, the consolidated company has the following significant commitments and contingent matters:

- (1) As of 12.31, 2025, CHENFULL International Co. of the consolidated company had issued guarantee notes totaling NT\$1,184,226 thousand in connection with credit facilities, business performance, and project warranties.
- (2) As of 12.31, 2025, ChenFull Precision Co. of the consolidated company had issued guarantee notes totaling NT\$2,481,463 thousand in connection with credit facilities and business performance.
- (3) As of 12.31, 2025, CHENFULL International Co. of the consolidated company had received guarantee notes totaling NT\$68,953 thousand from vendors in connection with performance or warranty guarantees.
- (4) As of 12.31, 2025, ChenFull Precision Co. of the consolidated company had received guarantee notes totaling NT\$186,769 thousand from vendors in connection with performance or warranty guarantees.
- (5) The consolidated company has contractual commitments with various vendors to purchase equipment and renovate plants, with a total contract value of NT\$1,579,794 thousand. As of 12.31, 2025, NT\$605,456 thousand had been paid (recorded as prepaid equipment and construction-in-progress for property, plant, and equipment).

32、Information on Significant Foreign Currency Assets and Liabilities

The following information is presented by aggregating foreign currencies other than the functional currency of each entity within the consolidated company. The disclosed exchange rates refer to the rates used to convert these foreign currencies into the functional currency. Significant foreign currency assets and liabilities are as follows:

2025.12.31

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign Currency Assets			
<u>Monetary Items</u>			
USD	\$ 15,815	31.43 (USD : NTD)	\$ 497,074
RMB	10,490	4.496 (RMB : NTD)	47,163
EUR	119	36.90 (EUR : NTD)	4,390
			<u>\$ 548,627</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	451	31.43 (USD : NTD)	\$ 14,167
RMB	1,074	4.496 (RMB : NTD)	4,830
EUR	27	36.90 (EUR : NTD)	981
			<u>\$ 19,978</u>

2024.12.31

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign Currency Assets			
<u>Monetary Items</u>			
USD	\$ 18,020	32.785 (USD : NTD)	\$ 590,780
RMB	3,075	4.478 (RMB : NTD)	13,770
EUR	179	34.14 (EUR : NTD)	6,098
JPY	17,551	0.21 (JPY : NTD)	3,684
			<u>\$ 614,332</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	582	32.785 (USD : NTD)	\$ 19,094
RMB	8,295	4.478 (RMB : NTD)	37,146
EUR	3	34.14 (EUR : NTD)	112
			<u>\$ 56,352</u>

The Group's foreign exchange gains or losses (including both realized and unrealized) for 2025 and 2024 were a loss of NT\$17,272 thousand and a gain of NT\$48,368 thousand, respectively. As the Group engages in transactions denominated in various foreign currencies and the functional currencies of the entities within the Group are diverse, it is not practicable to disclose the exchange gains or losses by each foreign currency with a significant impact.

33、Notes Disclosure Items

(1) Significant Transactions and

(2) Information Related to Investments in Associates and Subsidiaries :

No.	Item	Description
1	Lending funds to others	None
2	Endorsing or guaranteeing for others	None
3	Significant securities held at period-end (excluding investments in subsidiaries, associates, and joint ventures)	Schedule 1
4	Purchase or sale of goods with related parties amounting to NT\$100 million or 20% of paid-in capital or more	None
5	Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more	None
6	Others: Business relationships and significant transactions between the parent and subsidiaries and among subsidiaries, including amounts	Schedule 4
7	Information on investments in associates and subsidiaries	Schedule 2

(3) Information on Investments in Mainland China:

No.	Item	Description
1	Name of invested company in Mainland China, main business activities, paid-in capital, investment method, fund remittance situation, shareholding percentage, investment gains or losses, carrying amount of investment at period-end, repatriated investment gains or losses, and investment ceiling for Mainland China	Schedule 3
2	Significant transactions directly or indirectly conducted with the invested company in Mainland China through third regions, including their prices, payment terms, and unrealized gains or losses:	
	(1)Purchase amount and percentage, and period-end balance of related payables and percentage	Schedule 5
	(2)Sales amount and percentage, and period-end balance of related receivables and percentage	Schedule 5
	(3)Property transaction amounts and resulting gains or losses	None
	(4)Period-end balance of endorsed notes or collateral provided and its purpose	None
	(5)Maximum balance, period-end balance, interest rate range, and total interest of fund financing	None
	(6)Other transactions that have a significant impact on current profit or loss or financial position, such as provision or receipt of services	None

34、Segment Information

Information provided to the chief operating decision-makers for the purpose of resource allocation and performance evaluation focuses on the types of products or services delivered or provided. The reportable segments of the consolidated company are as follows:

Engineering and Machinery Business - Plant operations, system integration, and shoe machinery.

Precision Business - Precision machining.

(1) Segment Revenue and Operating Results

Revenue and operating results of the continuing operations of the consolidated company, analyzed by reportable segment, are as follows:

	Engineering and Machinery Business	Precision Business	Common	Adjustments and Eliminations	Total
<u>2025</u>					
Revenue					
Revenue from external customers	\$ 1,536,698	\$ 1,821,605	\$ -	\$ -	\$ 3,358,303
Inter-segment revenue	1,348	-	-	(1,348)	-
Interest income	-	-	8,204	-	8,204
Total revenue	<u>\$ 1,538,046</u>	<u>\$ 1,821,605</u>	<u>\$ 8,204</u>	<u>(\$ 1,348)</u>	<u>\$ 3,366,507</u>
Interest expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,503</u>	<u>\$ -</u>	<u>\$ 11,503</u>
Depreciation and amortization	<u>\$ 16,482</u>	<u>\$ 115,697</u>	<u>\$ 13,513</u>	<u>\$ -</u>	<u>\$ 145,692</u>
Net profit before tax from continuing operations	<u>\$ 298,652</u>	<u>\$ 288,940</u>	<u>(\$ 8,502)</u>	<u>\$ -</u>	<u>\$ 579,090</u>
<u>2024</u>					
Revenue					
Revenue from external customers	\$ 1,447,883	\$ 1,519,633	\$ -	\$ -	\$ 2,967,516
Inter-segment revenue	65,326	-	-	(65,326)	-
Interest income	-	-	31,881	-	31,881
Total revenue	<u>\$ 1,513,209</u>	<u>\$ 1,519,633</u>	<u>\$ 31,881</u>	<u>(\$ 65,326)</u>	<u>\$ 2,999,397</u>
Interest expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,066</u>	<u>\$ -</u>	<u>\$ 13,066</u>
Depreciation and amortization	<u>\$ 19,153</u>	<u>\$ 115,642</u>	<u>\$ 14,367</u>	<u>\$ -</u>	<u>\$ 149,162</u>
Net profit before tax from continuing operations	<u>\$ 250,496</u>	<u>\$ 415,147</u>	<u>(\$ 28,282)</u>	<u>\$ -</u>	<u>\$ 637,361</u>

Inter-segment sales are measured at market prices.

Segment profit refers to the profit earned by each segment, excluding allocated head office administrative costs and directors' remuneration, share of profit or loss of associates accounted for using the equity method, gains or losses on disposal of long-term equity investments under the equity method, rental income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of investments, foreign exchange gains or losses, fair value gains or losses on financial instruments, interest expense, and income tax expense. This measure is provided to the chief operating decision-makers for the purpose of allocating resources to segments and assessing their performance.

(2)Segment Assets and Liabilities

	Engineering and Machinery Business	Precision Business	Common	Adjustments and Eliminations	Total
<u>2025.12.31</u>					
Assets					
Capital expenditure on non-current assets	<u>\$ 11,067</u>	<u>\$ 525,090</u>	<u>\$ 10,595</u>	<u>\$ -</u>	<u>\$ 546,752</u>
Segment assets	<u>\$ 2,038,048</u>	<u>\$ 3,087,747</u>	<u>\$ 1,225,733</u>	<u>\$ -</u>	<u>\$ 6,351,528</u>
Segment liabilities	<u>\$ 542,283</u>	<u>\$ 1,147,348</u>	<u>\$ 154,316</u>	<u>\$ -</u>	<u>\$ 1,843,947</u>
 <u>2024.12.31</u>					
Assets					
Capital expenditure on non-current assets	<u>\$ 2,146</u>	<u>\$ 583,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,214</u>
Segment assets	<u>\$ 2,012,901</u>	<u>\$ 2,698,859</u>	<u>\$ 1,142,164</u>	<u>\$ -</u>	<u>\$ 5,853,924</u>
Segment liabilities	<u>\$ 441,017</u>	<u>\$ 696,475</u>	<u>\$ 287,920</u>	<u>\$ -</u>	<u>\$ 1,425,412</u>

CHENFULL International Company Limited and Subsidiaries
Significant Securities Held at Period-End

2025.12.31

Schedule 1

Unit: Unless otherwise stated, amounts are in thousands of New Taiwan Dollars (NT\$) and foreign currencies.

Held Company	Type and Name of Securities (Note 1)	Relationship with Securities Issuer	Account Title	Period-End				Notes
				Number of Shares / Units	Carrying Amount	Ownership Percentage (%)	Fair Value	
CHENFULL International Co.,Ltd	<u>Stock – OTC (Unlisted)</u> Mingchao Enterprise Co., Ltd.	None	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current	3,412,174	\$ <u>81,702</u>	9.10	\$ <u>81,702</u>	
	<u>Stock – Emerging Stock Board (GreTai Securities Market)</u> Naiter Technology Materials Co., Ltd.	None	Financial Assets at Fair Value Through Other Comprehensive Income – Non-current					
	<u>Stock – OTC (Unlisted)</u> <u>Unlisted equity securities</u> Others (Note 4)	None	Financial assets at fair value through other comprehensive income – non-current	1,200,000	\$ <u>56,010</u>	1.74	\$ <u>56,010</u>	
	<u>Fund Beneficiary Certificate – Domestic</u> Yuanta 2–10 Year Investment Grade Corporate Bond Fund	None	Financial Assets at Fair Value Through Profit or Loss – Current	-	\$ <u>9,137</u>	-	\$ <u>9,137</u>	
	Others (Note 4)	None	Financial assets at fair value through profit or loss – current	3,000,000	\$ <u>29,619</u>	3.14	\$ <u>29,619</u>	
	<u>Limited Partnership</u> Hung Chi Sustainability and Climate Limited Partnership	None	Financial assets at fair value through profit or loss – non-current	-	\$ <u>20,774</u>	-	\$ <u>20,774</u>	
				30,000,000	\$ <u>28,794</u>	4.78	\$ <u>28,794</u>	

(Next Page)

(Previous Page)

Held Company	Type and Name of Securities (Note 1)	Relationship with Securities Issuer	Account Title	Period-End				Notes
				Number of Shares / Units	Carrying Amount	Ownership Percentage (%)	Fair Value	
ChenFeng Machinery Co., Ltd	<u>Stock – Listed</u> CHENFULL International CO., LTD.	Parent Company	Financial Assets 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 at Fair Value Through Other Comprehensive Income – Non-current	-	<u>\$ 15,194</u>	-	<u>\$ 15,194</u>	
	<u>Beneficiary certificates – domestic</u> Yuanta Taiwan Excellence 50 Securities Investment Trust Fund	None	Financial assets at fair value through profit or loss – current	592,000	<u>\$ 38,835</u>	-	<u>\$ 38,835</u>	
	Others (Note 4)	None	Financial assets at fair value through profit or loss – current	-	<u>\$ 86,911</u>	-	<u>\$ 86,911</u>	

Note 1: Marketable securities referred to in this table include stocks, bonds, beneficiary certificates, and marketable securities derived from the foregoing items that fall within the scope of International Accounting Standard No. 9, Financial Instruments

Note 2: The arrangement is executed through a discretionary asset management agreement between ChenFeng Machinery Co., Ltd. and the investment advisory company, under which the trustee is authorized to buy and sell on centralized trading markets at its discretion.

Note 3: For information related to investments in subsidiaries, associates, and joint ventures, please refer to Schedules 2 and Schedules 3.

Note 4: Individual securities whose amounts exceed 10% of the respective financial statement line item are required to be disclosed separately. Other securities are not disclosed individually as their amounts are not material, and are therefore presented on a combined basis.

CHENFULL International Company Limited and Subsidiaries

Name of Investee, Location, and Other Relevant Information

2025

Schedule 2

Unit: Unless otherwise noted,
amounts are in thousands of NTD and foreign currencies

Name of Investing Company	Name of Investee	Location	Discretionary Investment Account (Note 2) Chi Hsing Precision Industry Co., Ltd.	Original Investment Amount		Ending Balance			Investee Current Period (Loss) / Profit	Investment (Loss) / Profit Recognized in the Current Period	Remarks
				End of Current Period	End of Prior Period	Number of Shares	Ownership Percentage (%)	Carrying Amount			
ChenFull International CO., LTD.	ChenFeng Machinery Co., Ltd.	2F., No. 107, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City	Business center operations & Sale of shoemaking equipment	\$ 132,880	\$ 132,880	15,280,000	100	\$ 227,932	\$ 36,104	\$ 35,400	Subsidiary
	CHEN FULL HOLDING CO., LTD.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Holding company activities	60,448 (USD 2,000)	60,448 (USD 2,000)	-	100	73,106	158	158	Subsidiary
CHEN FULL HOLDING CO., LTD.	ChenFull Precision Co., Ltd.	No. 28, Houke South Rd., Houli District, Taichung City, Taiwan	Manufacturing of precision components and aerospace equipment	372,780	372,780	37,278,000	63	1,222,502	233,857	147,336	Subsidiary (Note 1)
	NEW OPPORTUNITY LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Holding company activities	60,448 (USD 2,000)	60,448 (USD 2,000)	-	100	53,242 (USD 1,694)	(499) (USD -16)	(499) (USD -16)	Subsidiary
NEW OPPORTUNITY LIMITED	ChenFeng Machinery Co., Ltd. (Dongguan) (Note 2)	No. 23, Yanhe Rd., Houjie Town, Dongguan City, Guangdong Province, China	Sales and contracting of precision machinery, shoemaking equipment, ventilation equipment, and their spare parts	60,448 (USD 2,000)	60,448 (USD 2,000)	-	100	53,242 (USD 1,694)	(499) (USD -16)	(499) (USD -16)	Subsidiary

Note 1: Significant non-controlling interest.

Note 2: For information on investees in Mainland China, please refer to Schedule 3.

CHENFULL International Company Limited and Subsidiaries

Investment Information in Mainland China

2025

Schedule 3

Unit: Unless otherwise noted,
amounts are in thousands of NTD and foreign currencies

Investee Company in Mainland China	Principal Business Activities	Paid-in Capital	Investment Method (Note 1)	Cumulative Investment Amount Remitted from Taiwan at Beginning of Current Period	Investment Amount Remitted or Recovered During the Current Period		Cumulative Investment Amount Remitted from Taiwan at End of Current Period	Investee Company Current Period Profit or Loss	Direct or Indirect Ownership Percentage (%)	Investment (Loss) / Profit Recognized in Current Period (Note 2)	Ending Carrying Amount of Investment	Investment Income Remitted to Taiwan as of End of Current Period
					Remitted	Recovered						
ChenFeng (Dongguan) Co	Sale and Contracting of Precision Machinery, Footwear Manufacturing Equipment, Ventilation Equipment, and Related Parts	\$ 60,448 (USD 2,000)	(2)	\$ 60,448 (USD 2,000)	\$ -	\$ -	\$ 60,448 (USD 2,000)	(\$ 499) (USD -16)	100	(\$ 499) (USD -16) (2)-2	\$ 53,242 (USD 1,694)	\$ 44,358 (USD 1,440)

Cumulative Investment Amount Remitted from Taiwan to Mainland China at End of Current	Period Investment Amount Approved by the Investment Commission, MOEA	Investment Ceiling for Mainland China under the Regulations of the Investment Commission, MOEA
NTD 60,448 (USD 2,000)	NTD 60,448 (USD 2,000)	NTD 2,273,810 (USD 72,345)

Note 1: The investment method is classified into the following three types; indicate only the applicable category:

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

Note 2: In the column for investment profit or loss recognized in the current period:

1. If the investee is still in the preparatory stage and has no investment profit or loss, this should be indicated.
2. The basis for recognizing investment profit or loss is classified into the following three types and should be indicated:
 - (1) Financial statements audited and certified by an international accounting firm cooperating with a Taiwanese CPA firm.
 - (2) Financial statements audited and certified by a CPA certified by the Taiwanese parent company.
 - (3) Others.

Note 3: All amounts in this table are presented in NTD. For amounts in foreign currencies, they are converted to NTD at the spot exchange rate on the financial statement date. (The USD spot exchange rate as of 12.31.2025, is 31.43.)

CHENFULL International Company Limited and Subsidiaries
Business Relationships and Significant Transactions Between Parent and Subsidiaries
2025

Schedule 4

Unit: Unless otherwise noted, amounts are in thousands of NTD

No.	Name of Party	Counterparty	Relationship with Party	Details of Transactions			
				Account			
0	CHENFULL International Co	ChenFeng Co	1	Other Receivables	\$ 2,400	Comparable to those with general customers	0.04
0	CHENFULL International Co	ChenFeng Co	1	Rental Income	2,400		0.07
0	CHENFULL International Co	ChenFeng (Dongguan) Co	1	Purchases	7	"	-
0	CHENFULL International Co	ChenFeng (Dongguan) Co	1	Sales Revenue	1,341	"	0.04
0	CHENFULL International Co	ChenFeng (Dongguan) Co	1	Contract Liabilities	5,425	"	0.09
0	CHENFULL International Co	ChenFeng (Dongguan) Co	1	Collections on behalf of others	171	"	-
0	CHENFULL International Co	ChenFull Pecision	1	Rental Income	4,920	"	0.15
0	CHENFULL International Co	ChenFull Pecision	1	Other Income	2,285	"	0.07
0	CHENFULL International Co	ChenFull Pecision	1	Rental Expense	96	"	-
0	CHENFULL International Co	ChenFull Pecision	1	Manufacturing Expenses	3	"	-
0	CHENFULL International Co	ChenFull Pecision	1	Other Receivables	615	"	0.01

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated separately in the "No." column, using the following numbering method:

1. Parent company is assigned 0.
2. Subsidiaries are numbered sequentially starting from 1 according to the company.

Note 2: The relationship with the party has the following three types; indicate only the applicable type:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The proportion of transaction amounts to consolidated total revenue or total assets is calculated as follows: for balance sheet accounts, use the ending balance divided by consolidated total assets; for income statement accounts, use the cumulative amount during the period divided by consolidated total revenue.

Note 4: This table discloses only one-way transactions. When preparing the consolidated financial statements, the above transactions have already been eliminated.

CHENFULL International Company Limited and Subsidiaries

Significant transactions with investee companies in Mainland China, whether conducted directly or indirectly through third regions, including the related transaction prices, payment terms, unrealized gains or losses, and other relevant information

2025

Schedule 5

Unit: Unless otherwise noted, amounts are in thousands of NTD

Name of investee company in Mainland China	Type of transaction	Sales ∙ Purchases		Price	Transaction terms		Notes and accounts receivable (payable)		Unrealized gain or loss	Remarks
		Amounts	%		Payment terms	Comparison with normal transactions	Amounts	%		
ChenFeng (Dongguan) Co	Sales	\$ 1,341	0.09	Consistent with those with other customers Consistent with those with other customers	Consistent with those with other customers	Consistent with those with other customers	\$ -	-	\$ -	-
	Purchases	7			Consistent with those with other customers	Consistent with those with other customers	-		-	