

STOCK CODE : 8383

ChenFull International Company Limited and Subsidiaries

Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and
2024 and Independent Auditors' Review
Report

Notice to readers

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

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders
ChenFull International Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of ChenFull International Company Limited and its subsidiaries (collectively, the "Company") as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"), Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except for the matters described in the Basis for Conclusion paragraph, We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 11 to the consolidated financial statements, the financial statements of certain immaterial subsidiaries included in the accompanying consolidated financial statements for the same periods have not been reviewed by accountants. As of 2025 and March 31, 2024, the total assets of these subsidiaries amounted to NT\$252,083 thousand and NT\$319,443 thousand, respectively, representing 4.26% and 5.82% of the consolidated total assets. Their total liabilities amounted to NT\$33,977 thousand and NT\$22,925 thousand,

respectively, representing 2.47% and 1.81% of the consolidated total liabilities. Their total comprehensive income (loss) for 2025 and for the three months ended March 31, 2024 amounted to NT\$(7,257) thousand and NT\$14,367 thousand, respectively, representing (6.55%) and 11.76% of the consolidated total comprehensive income.

Conclusion

Based on our reviews, except for the possible effects on the consolidated financial statements if the financial statements of the immaterial subsidiaries described in the Basis for Conclusion paragraph had been reviewed by accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the three months then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as endorsed and made effective by the Financial Supervisory Commission of the Republic of China.

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

May 7, 2025

ChenFull International Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and Cash Equivalents (Notes 6 and 28)	\$ 348,806	6	\$ 452,822	8	\$ 755,225	14
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Notes 7 and 28)	138,321	2	131,514	2	128,281	2
1140	Contract Assets - Current (Note 22)	1,131,030	19	1,064,373	18	670,556	12
1150	Notes Receivable, Net (Notes 9 and 28)	14,061	-	14,721	-	4,931	-
1172	Accounts Receivable (Notes 9 and 28)	571,140	10	553,482	10	379,042	7
1200	Other Receivables (Notes 9 and 28)	8,046	-	10,787	-	86,808	2
1220	Current Income Tax Assets (Note 4)	95	-	94	-	87	-
130X	Inventories (Note 10)	714,620	12	665,063	11	646,333	12
1410	Prepayments (Note 16)	32,312	1	28,812	1	15,584	-
1476	Other Financial Assets - Current (Notes 16, 28 and 30)	27,544	1	27,308	1	26,749	1
1479	Other Current Assets (Note 16)	10,883	-	10,655	-	6,681	-
11XX	Total Current Assets	<u>2,996,858</u>	<u>51</u>	<u>2,959,631</u>	<u>51</u>	<u>2,720,277</u>	<u>50</u>
Non-Current Assets							
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current (Notes 8 and 28)	152,711	3	152,448	3	31,905	-
1600	Property, Plant and Equipment (Note 12)	2,162,115	36	2,133,164	36	2,118,426	38
1755	Right-of-Use Assets (Note 13)	105,484	2	107,158	2	112,181	2
1760	Investment Property (Note 14)	311,264	5	312,176	5	314,912	6
1780	Other Intangible Assets (Note 15)	16,060	-	15,887	-	19,712	-
1840	Deferred Income Tax Assets (Note 4)	43,963	1	44,808	1	45,475	1
1980	Other Financial Assets - Non-Current (Notes 16, 28 and 30)	34,543	1	34,543	-	34,543	1
1990	Other Non-Current Assets (Notes 16 and 28)	91,694	1	94,109	2	93,575	2
15XX	Total Non-Current Assets	<u>2,917,834</u>	<u>49</u>	<u>2,894,293</u>	<u>49</u>	<u>2,770,729</u>	<u>50</u>
1XXX	Total Assets	<u>\$ 5,914,692</u>	<u>100</u>	<u>\$ 5,853,924</u>	<u>100</u>	<u>\$ 5,491,006</u>	<u>100</u>
Code Liabilities and Equity							
Current Liabilities							
2100	Short-term Borrowings (Notes 17 and 28)	\$ 310,000	5	\$ 330,000	6	\$ 415,000	8
2130	Contract Liabilities - Current (Note 22)	141,602	2	145,262	2	171,125	3
2170	Accounts Payable (Notes 18 and 28)	348,131	6	373,509	6	290,443	5
2219	Other Payables (Notes 19 and 28)	248,725	4	275,555	5	191,114	3
2230	Current Income Tax Liabilities (Note 4)	102,405	2	74,695	1	35,430	1
2280	Lease Liabilities - Current (Notes 13 and 28)	5,695	-	5,651	-	5,520	-
2399	Other Current Liabilities (Note 19)	4,272	-	3,358	-	2,511	-
21XX	Total Current Liabilities	<u>1,160,830</u>	<u>19</u>	<u>1,208,030</u>	<u>20</u>	<u>1,111,143</u>	<u>20</u>
Non-Current Liabilities							
2540	Long-term Borrowings (Notes 17 and 28)	69,458	1	69,458	1	-	-
2570	Deferred Income Tax Liabilities (Note 4)	13,689	-	15,136	-	16,320	-
2580	Lease Liabilities - Non-Current (Notes 13 and 28)	108,358	2	109,798	2	114,053	2
2640	Net Defined Benefit Liabilities - Non-Current (Note 4)	21,752	1	21,783	1	27,196	1
2670	Other Non-Current Liabilities (Notes 19 and 28)	1,257	-	1,207	-	1,315	-
25XX	Total Non-Current Liabilities	<u>214,514</u>	<u>4</u>	<u>217,382</u>	<u>4</u>	<u>158,884</u>	<u>3</u>
2XXX	Total Liabilities	<u>1,375,344</u>	<u>23</u>	<u>1,425,412</u>	<u>24</u>	<u>1,270,027</u>	<u>23</u>
Equity Attributable to Owners of the Company (Note 21)							
Share Capital							
3110	Common Stock	<u>1,137,605</u>	<u>19</u>	<u>1,137,605</u>	<u>19</u>	<u>1,137,605</u>	<u>21</u>
Capital Surplus							
3211	- Capital Surplus - Premium on Common Stock	258,010	4	258,010	4	258,010	4
3213	- Capital Surplus - Conversion Premium on Convertible Bonds	207,018	4	207,018	4	207,018	4
3220	- Capital Surplus - Treasury Stock Transactions	1,863	-	1,863	-	1,440	-
3230	- Capital Surplus - Differences between Consideration Paid or Received for Subsidiaries' Equity and Book Value	544,174	9	544,174	9	544,174	10
3235	- Capital Surplus - Recognized Changes in Ownership Interests in Subsidiaries	211,006	4	211,006	4	211,006	4
3270	- Capital Surplus - Merger Surplus	<u>10,618</u>	<u>-</u>	<u>10,618</u>	<u>-</u>	<u>10,618</u>	<u>-</u>
3200	Total Capital Surplus	<u>1,232,689</u>	<u>21</u>	<u>1,232,689</u>	<u>21</u>	<u>1,232,266</u>	<u>22</u>
Retained Earnings							
3310	- Legal Reserve	510,355	9	510,355	9	493,635	9
3320	- Special Reserve	15,491	-	15,491	-	13,106	-
3350	- Unappropriated Retained Earnings	873,349	15	794,266	14	681,791	13
3300	Total Retained Earnings	<u>1,399,195</u>	<u>24</u>	<u>1,320,112</u>	<u>23</u>	<u>1,188,532</u>	<u>22</u>
Other Equity							
3410	- Exchange Differences on Financial Statements of Foreign Operations	(14,427)	-	(15,260)	-	(16,065)	-
3420	- Unrealized Valuation Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	44,515	1	44,252	1	3,915	-
3400	Total Other Equity	<u>30,088</u>	<u>1</u>	<u>28,992</u>	<u>1</u>	<u>(12,150)</u>	<u>-</u>
3500	Treasury Stock	(31,717)	(1)	(31,717)	(1)	(31,717)	(1)
31XX	Total Equity Attributable to Owners of the Company	<u>3,767,860</u>	<u>64</u>	<u>3,687,681</u>	<u>63</u>	<u>3,514,536</u>	<u>64</u>
36XX	Non-controlling Interests	<u>771,488</u>	<u>13</u>	<u>740,831</u>	<u>13</u>	<u>706,443</u>	<u>13</u>
3XXX	Total Equity	<u>4,539,348</u>	<u>77</u>	<u>4,428,512</u>	<u>76</u>	<u>4,220,979</u>	<u>77</u>
Total Liabilities and Equity							
The accompanying notes are an integral part of the consolidated financial statements.							

ChenFull International Company Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
Operating Revenue (Note 22)					
4100	Sales Revenue	\$ 538,399	66	\$ 380,569	62
4520	Construction Revenue	272,701	34	230,579	38
4600	Service Revenue	<u>1,801</u>	<u>-</u>	<u>1,771</u>	<u>-</u>
4000	Total Operating Revenue	<u>812,901</u>	<u>100</u>	<u>612,919</u>	<u>100</u>
Operating Costs (Notes 10 and 23)					
5110	Cost of Goods Sold	356,270	44	279,848	46
5520	Construction Costs	214,355	26	147,868	24
5600	Service Costs	<u>912</u>	<u>-</u>	<u>912</u>	<u>-</u>
5000	Total Operating Costs	<u>571,537</u>	<u>70</u>	<u>428,628</u>	<u>70</u>
5900	Gross Profit	<u>241,364</u>	<u>30</u>	<u>184,291</u>	<u>30</u>
Operating Expenses (Note 23)					
6100	Selling Expenses	17,950	2	25,013	4
6200	Administrative Expenses	71,290	9	56,845	9
6300	Research and Development Expenses	14,917	2	12,860	2
6450	Reversal of Expected Credit Loss	(<u>4,085</u>)	<u>-</u>	(<u>2,091</u>)	<u>-</u>
6000	Total Operating Expenses	<u>100,072</u>	<u>13</u>	<u>92,627</u>	<u>15</u>
6900	Operating Income	<u>141,292</u>	<u>17</u>	<u>91,664</u>	<u>15</u>
Non-operating Income and Expenses (Note 23)					
7100	Interest Income	2,156	1	6,122	1
7010	Other Income	2,104	-	2,107	-
7020	Other Gains and Losses	(<u>6,543</u>)	(<u>1</u>)	47,414	8
7050	Finance Costs	(<u>2,336</u>)	<u>-</u>	(<u>1,494</u>)	<u>-</u>
7000	Total Non-operating Income and Expenses	(<u>4,619</u>)	<u>-</u>	<u>54,149</u>	<u>9</u>

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Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
7900	Profit Before Tax	\$ 136,673	17	\$ 145,813	24
7950	Income Tax Expense (Notes 4 and 25)	(26,933)	(3)	(26,965)	(5)
8200	Net Profit for the Period	<u>109,740</u>	<u>14</u>	<u>118,848</u>	<u>19</u>
	Other Comprehensive Income (Net)				
8310	Items Not to Be Reclassified to Profit or Loss				
8316	Unrealized Valuation Gains or Losses on Equity Instruments at Fair Value Through Other Comprehensive Income	263	-	759	-
8360	Items That May Be Reclassified Subsequently to Profit or Loss				
8361	Exchange Differences on Translation of Financial Statements of Foreign Operations	833	-	2,582	1
8300	Total Other Comprehensive Income (Net)	<u>1,096</u>	<u>-</u>	<u>3,341</u>	<u>1</u>
8500	Total Comprehensive Income for the Period	<u>\$ 110,836</u>	<u>14</u>	<u>\$ 122,189</u>	<u>20</u>
	Net Profit Attributable to:				
8610	Owners of the Company	\$ 79,083	10	\$ 94,948	15
8620	Non-controlling Interests	<u>30,657</u>	<u>4</u>	<u>23,900</u>	<u>4</u>
8600		<u>\$ 109,740</u>	<u>14</u>	<u>\$ 118,848</u>	<u>19</u>
	Total Comprehensive Income Attributable to:				
8710	Owners of the Company	\$ 80,179	10	\$ 98,289	16
8720	Non-controlling Interests	<u>30,657</u>	<u>4</u>	<u>23,900</u>	<u>4</u>
8700		<u>\$ 110,836</u>	<u>14</u>	<u>\$ 122,189</u>	<u>20</u>
	Earnings Per Share (Note 26)				
	From Continuing Operations				
9710	Basic	<u>\$ 0.70</u>		<u>\$ 0.84</u>	
9810	Diluted	<u>\$ 0.70</u>		<u>\$ 0.84</u>	

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

ChenFull International Company Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

Code		Equity Attributable to Owners of the Company										
								Other Equity Items				
		Capital Stock			Retained Earnings			Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests
		Shares (In Thousands)	Amount	Capital Surplus	Legal Capital Reserve	Special Reserve	Unappropriated Earnings	(\$ 18,647)	\$ 3,156	(\$ 31,717)	\$ 3,416,247	\$ 682,543
A1	January 1, 2024 Balance	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
D1	January 1 to March 31, 2024 Net Profit	-	-	-	-	-	94,948	-	-	-	94,948	23,900
D3	January 1 to March 31, 2024 Other Comprehensive Income After Tax	-	-	-	-	-	-	2,582	759	-	3,341	-
D5	January 1 to March 31, 2024 Total Comprehensive Income	-	-	-	-	-	94,948	2,582	759	-	98,289	23,900
Z1	March 31, 2024 Balance	113,761	\$ 1,137,605	\$ 1,232,266	\$ 493,635	\$ 13,106	\$ 681,791	(\$ 16,065)	\$ 3,915	(\$ 31,717)	\$ 3,514,536	\$ 706,443
A1	January 1, 2025 Balance	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
D1	January 1 to March 31, 2025 Net Profit	-	-	-	-	-	79,083	-	-	-	79,083	30,657
D3	January 1 to March 31, 2025 Other Comprehensive Income After Tax	-	-	-	-	-	-	833	263	-	1,096	-
D5	January 1 to March 31, 2025 Total Comprehensive Income	-	-	-	-	-	79,083	833	263	-	80,179	30,657
Z1	March 31, 2025 Balance	113,761	\$ 1,137,605	\$ 1,232,689	\$ 510,355	\$ 15,491	\$ 873,349	(\$ 14,427)	\$ 44,515	(\$ 31,717)	\$ 3,767,860	\$ 771,488

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

ChenFull International Company Limited and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Code	Cash Flows from Operating Activities	2025.01.01 -3.31	2024.01.01 -3.31
A10000	Profit before tax for the period	\$ 136,673	\$ 145,813
A20010	Gains and losses		
A20100	Depreciation expense	33,833	36,045
A20200	Amortization expense	2,310	2,134
A20300	Reversal of expected credit losses	(4,085)	(2,091)
A20400	Net loss (gain) on financial assets at fair value through profit or loss	13,281	(7,082)
A20900	Finance costs	2,336	1,494
A23800	Inventory write-down and obsolescence loss (reversal)	5,056	(192)
A21200	Interest income	(2,156)	(6,122)
A21300	Dividend income	(119)	(9)
A22500	Gain on disposal of property, plant, and equipment	(497)	(1,300)
A23100	Gain on disposal of financial assets at fair value through profit or loss	(3,359)	(10,991)
A29900	Realized deferred income	(12)	(12)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(66,657)	(136,464)
A31130	Notes receivable	660	9,120
A31150	Accounts receivable	(13,586)	(40,029)
A31200	Inventories	(54,613)	(31,240)
A31230	Prepayments	(3,500)	(1,732)
A31240	Other current assets	2,269	(73,059)
A32125	Contract liabilities	(3,660)	(21,279)
A32150	Accounts payable	(25,378)	33,522
A32180	Other payables	(28,839)	(33,013)
A32230	Other current liabilities	914	(832)
A32240	Net defined benefit liabilities	(31)	(35)
A33000	Cash generated from operations	(9,160)	(137,354)
A33100	Interest received	2,400	5,745
A33300	Interest paid	(2,380)	(1,457)
A33500	Income taxes paid	(33)	(565)
AAAA	Net cash outflow from operating activities	<u>(9,173)</u>	<u>(133,631)</u>

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<u>C o d e</u>	Investing Activities Cash Flows	2025.01.01 -3.31	2024.01.01 -3.31
B00100	Acquisition of financial assets at fair value through profit or loss	(\$ 93,727)	(\$ 135,325)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	76,998	154,168
B02700	Purchase of property, plant, and equipment	(53,996)	(473,128)
B02800	Proceeds from disposal of property, plant, and equipment	740	1,300
B04500	Purchase of intangible assets	(2,483)	(400)
B06500	Increase in other financial assets	(236)	(35,262)
B06700	Increase in other non-current assets	(2,190)	-
B06800	Decrease in other non-current assets	-	1
B07600	Dividends received	119	9
B03700	Increase in pledged deposits	-	(370)
B03800	Decrease in pledged deposits	213	-
BBBB	Net cash outflow from investing activities	<u>(74,562)</u>	<u>(489,007)</u>
 Financing Activities Cash Flows			
C00100	Increase in short-term borrowings	510,000	715,000
C00200	Decrease in short-term borrowings	(530,000)	(320,000)
C03000	Receipt of pledged deposits	62	15
C04020	Principal repayment of lease liabilities	(1,396)	(1,353)
CCCC	Net cash inflow (outflow) from financing activities	<u>(21,334)</u>	<u>393,662</u>
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>1,053</u>	<u>3,214</u>
EEEE	Net Decrease in Cash and Cash Equivalents	<u>(104,016)</u>	<u>(225,762)</u>
E00100	Cash and Cash Equivalents at Beginning of Period	<u>452,822</u>	<u>980,987</u>
E00200	Cash and Cash Equivalents at End of Period	<u>\$ 348,806</u>	<u>\$ 755,225</u>
The accompanying notes are an integral part of the consolidated financial statements.			

ChenFull International Company Limited and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified
Otherwise)

I. 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.

II. Approval date and procedures of financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2025.

III. New standards, amendments and interpretations adopted:

1. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

IAS 21 “The Effects of Changes in Foreign Exchange Rates”

The amendment to IAS 21 “Lack of Exchangeability” will not result in a significant change to the Company’s accounting policies.

2. The IFRS Accounting Standards endorsed by the FSC with effective date starting 2026

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 1)

Note 1: Effective for annual reporting periods beginning on or after January 1, 2026; early adoption is permitted starting from January 1, 2025.

As of the issuance date of this consolidated financial report, the Company is still in the process of assessing the impact of the amendment on its financial position and financial performance.

3. The IFRS Accounting Standards issued by IASB, but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 Insurance Contracts	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 — Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 ”Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless otherwise stated, the newly issued/amended/revised standards or interpretations mentioned

above are effective for annual reporting periods beginning on or after the respective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- The statement of profit or loss shall classify income and expense items into operating, investing, financing, income tax, and discontinued operations.
- The statement of profit or loss shall present subtotals and totals for operating profit or loss, pre-tax profit or loss before financing, and overall profit or loss.
- Guidance is provided to enhance aggregation and disaggregation requirements: the Company shall identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics so that each line item presented in the primary financial statements has at least one common characteristic. Items with differing characteristics shall be disaggregated in the primary financial statements and notes. The Company shall label such items as "others" only when no more informative label can be found.
- Disclosure of performance measures defined by management is enhanced: when the Company communicates externally outside of the financial statements and conveys management's perspective on a particular aspect of the Company's overall financial performance to users of the financial statements, it shall disclose in a single note the performance measure defined by management, including a description of the measure, how it is calculated, a reconciliation to the subtotal or total defined under IFRS, and the related effects of income tax and non-controlling interests for reconciling items.

Aside from the above impacts, as of the issuance date of this financial report, the Company continues to assess the impact of amendments to various standards and interpretations on its financial position and

performance. The relevant impacts will be disclosed upon completion of the assessment.

IV. Summary of Significant Accounting Policies

1. Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission. These consolidated financial statements do not include all the disclosures required for a full set of annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

2. Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized as the present value of defined benefit obligations less the fair value of plan assets, these consolidated financial statements have been prepared on a historical cost basis.

Fair value measurement is classified into Levels 1 to 3 based on the observability and significance of input data:

- (1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available on the measurement date.
- (2) Level 2 inputs: Observable inputs other than quoted prices included within Level 1 that are directly (i.e., as prices) or indirectly (i.e., derived from prices) observable for the asset or liability.
- (3) Level 3 inputs: Unobservable inputs for the asset or liability.

3. Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (subsidiaries). The consolidated statement of comprehensive income includes the results of subsidiaries from the date of acquisition or up to the date of disposal, as applicable, during the reporting period. The financial statements of the subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by

the Group. All intra-group transactions, balances, income, and expenses are fully eliminated in preparing the consolidated financial statements. The total comprehensive income of subsidiaries is attributed to owners of the Company and to non-controlling interests, even if this results in a deficit balance for non-controlling interests.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details of subsidiaries, shareholding ratios, and principal business activities, please refer to Note 11, Schedule 2, and Schedule 3.

4. Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended 2024 (Year 113 of the ROC calendar).

(1) Defined Benefit Post-employment Benefits

Pension costs for the interim period are calculated based on the pension cost rate determined by actuarial valuation at the end of the previous year, applied to the period from the beginning of the year to the end of the interim reporting period. Adjustments are made for significant market fluctuations, plan amendments, settlements, or other significant one-time events during the current period.

(2) Income Tax Expense

Income tax expense is the total of current income tax and deferred income tax. The interim income tax expense is assessed on an annual basis, using the estimated annual effective tax rate to calculate the income tax on pre-tax profit for the interim period.

V. Significant Sources of Uncertainty in Accounting Judgments, Estimates, and Assumptions

When applying accounting policies, the Group's management is required to make judgments, estimates, and assumptions based on historical experience and other relevant factors when the necessary information is not readily available from other sources. Actual results may differ from these estimates.

In developing accounting estimates, the Group considers the potential impact of inflation, market interest rate fluctuations, and U.S. reciprocal tariff measures on related estimates such as projected cash flows, growth rates, discount rates, and profitability. Management continuously reviews these estimates and underlying assumptions.

After evaluation by the Company's management, there were no significant uncertainties in accounting judgments, estimates, or assumptions associated with the accounting policies, estimates, and assumptions adopted by the Group.

VI. Cash and Cash Equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 654	\$ 682	\$ 815
Checking accounts and demand deposits	191,136	270,433	396,947
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	99,598	98,339	21,692
RP	-	-	332,800
Fully entrusted investment accounts			
Current account deposits	57,418	83,368	2,971
	<u>\$ 348,806</u>	<u>\$ 452,822</u>	<u>\$ 755,225</u>

The Company entered into a discretionary investment management agreement with Time Securities Investment Consulting Co., Ltd. As of March 31, 2025, December 31, 2024, and March 31, 2024, bank deposits held in the discretionary investment accounts amounted to NT\$57,418 thousand, NT\$83,368 thousand, and NT\$2,971 thousand, respectively.

The interest rate ranges for bank deposits, time deposits, and repurchase agreements as of the balance sheet dates are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Bank balance	0.65%~0.80%	0.65%~4.30%	0.64%~1.45%
Time deposits	4.17%	4.35%	2.10%~4.60%
RP	-	-	5.45%~5.50%

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares investments	\$ 39,247	\$ 58,188	\$ 56,685
Mutual funds	<u>99,074</u>	<u>73,326</u>	<u>71,596</u>
	<u>\$ 138,321</u>	<u>\$ 131,514</u>	<u>\$ 128,281</u>

VIII. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Emerging stocks			
Ordinary shares	\$ 1,691	\$ 1,726	\$ 1,166
Unlisted stocks			
Ordinary shares	<u>151,020</u>	<u>150,722</u>	<u>30,739</u>
	<u>\$ 152,711</u>	<u>\$ 152,448</u>	<u>\$ 31,905</u>

The Company invests in unlisted (over-the-counter) stocks for medium- to long-term strategic purposes and expects to generate profits through long-term investment. Management believes that recognizing short-term fair value fluctuations of such investments in profit or loss would be inconsistent with the aforementioned long-term investment strategy; therefore, these investments are designated to be measured at fair value through other comprehensive income.

IX. Notes Receivable, Accounts Receivable, Other Receivables, and Collections

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 14,332	\$ 14,992	\$ 5,202
Less: Allowance for impairment loss	(271)	(271)	(271)
	<u>\$ 14,061</u>	<u>\$ 14,721</u>	<u>\$ 4,931</u>

	December 31, March 31, 2025	2024	March 31, 2024
<u>Trade receivable</u>			
At amortized cost			
Gross carrying amount	\$ 591,750	\$ 574,679	\$ 385,546
Less: Allowance for impairment loss	(20,610)	(21,197)	(6,504)
	<u>\$ 571,140</u>	<u>\$ 553,482</u>	<u>\$ 379,042</u>
<u>Other receivables</u>			
Others	<u>\$ 8,046</u>	<u>\$ 10,787</u>	<u>\$ 86,808</u>
<u>Overdue receivables</u>			
At amortized cost			
Gross carrying amount	\$ 740	\$ 4,225	\$ 10,573
Less: Allowance for impairment loss	(740)	(4,225)	(10,573)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. Notes Receivable

March 31, 2025

	Non-overdue	Overdue 1-90 days		Total
		-	-	
ECL rate	1.89%	-	-	
Gross carrying amount	\$ 14,332	\$ -	\$ -	\$ 14,332
Loss allowance (lifetime ECL)	(271)	-	-	(271)
Amortized cost	<u>\$ 14,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,061</u>

December 31, 2024

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

March 31, 2024

	Non-overdue	Overdue 1-90 days		Total
		-	-	
ECL rate	5.21%	-	-	
Gross carrying amount	\$ 5,202	\$ -	\$ -	\$ 5,202
Loss allowance (lifetime ECL)	(271)	-	-	(271)
Amortized cost	<u>\$ 4,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,931</u>

The allowance for losses on notes receivable for the periods from January 1 to March 31, 2025

and 2024 remained unchanged.

B. Accounts Receivable

Accounts Receivable Measured at Amortized Cost

The Company grants an average credit period of 60 days from the end of the month following the invoice date for sales of goods. In assessing the recoverability of accounts receivable, the Company considers any changes in the credit quality of the receivables from the original credit granting date to the balance sheet date.

To mitigate credit risk, the Company's management assigns a dedicated team responsible for determining credit limits, approving credit, and performing other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, at each balance sheet date, the Company performs an individual review of the recoverability of receivables to ensure that appropriate impairment losses are recognized for amounts that are deemed uncollectible. Accordingly, management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix that takes into account the customer's historical default record, current financial condition, and industry and economic conditions. Based on the Company's historical experience, there is no significant difference in loss patterns among different customer groups; therefore, the provision matrix does not further distinguish between customer segments but instead applies expected credit loss rates based solely on the number of days past due.

If there is evidence that a counterparty is experiencing severe financial difficulties and the Company cannot reasonably expect to recover the receivable amount—such as when the counterparty is undergoing liquidation—the Company writes off the related accounts receivable directly. However, collection efforts continue, and any amount subsequently recovered is 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 :

March 31, 2025

	Not Overdue	Overdue 1 – 90 Days	Overdue 91 – 180 Days	Overdue 181 – 270 Days	Overdue More Than 270 Days	Total
ECL rate	0%~0.57%	0.36%~5%	1%~56.33%	1%~88.62%	100%	
Gross carrying amount	\$ 542,546	\$ 29,971	\$ 3,513	\$ 7,884	\$ 7,836	\$ 591,750
Loss allowance (lifetime ECL)	(3,088)	(720)	(1,979)	(6,987)	(7,836)	(20,610)
Amortized cost	<u>\$ 539,458</u>	<u>\$ 29,251</u>	<u>\$ 1,534</u>	<u>\$ 897</u>	<u>\$ -</u>	<u>\$ 571,140</u>

December 31, 2024

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

March 31, 2024

Not Overdue	Overdue 1 – 90 Days	Overdue 91 – 180 Days	Overdue 181 – 270 Days	Overdue More Than 270 Days	Total
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	90 Days	180 Days	181 - 270 Days	More Than 270 Days	
ECL rate	0%~0.60%	0.63%~5%	1%~63.56%	100%	100%
Gross carrying amount	\$ 340,006	\$ 41,162	\$ 1,966	\$ 511	\$ 1,901
Loss allowance (lifetime ECL)	(2,054)	(1,315)	(723)	(511)	(1,901)
Amortized cost	<u>\$ 337,952</u>	<u>\$ 39,847</u>	<u>\$ 1,243</u>	<u>\$ -</u>	<u>\$ 379,042</u>

The changes in the allowance for losses on accounts receivable are as follows :

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Beginning Balance	\$ 21,197	\$ 6,442
Add: Impairment Losses Recognized This Period	6,283	991
Less: Reversal of Impairment Losses This Period	(1,236)	-
Less: Reclassifications This Period	(5,641)	(929)
Foreign Currency Exchange Differences	7	-
Ending Balance	<u>\$ 20,610</u>	<u>\$ 6,504</u>

Changes in loss allowance for overdue receivables :

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Beginning Balance	\$ 4,225	\$ 12,726
Add: Reclassifications Transferred In This Period	5,641	929
Less: Reversal of Impairment Losses This Period	(9,132)	(3,082)
Foreign Currency Exchange Differences	6	-
Ending Balance	<u>\$ 740</u>	<u>\$ 10,573</u>

X. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 182,971	\$ 166,908	\$ 232,456
Work-in-process	402,174	385,104	313,080
Finished goods	129,340	112,898	97,638
Inventory goods	135	153	3,159
	<u>\$ 714,620</u>	<u>\$ 665,063</u>	<u>\$ 646,333</u>

Detailed costs of goods sold:

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Costs of sold inventories	\$ 357,422	\$ 289,593
Inventory Write-down and Obsolescence Losses (Reversal Gains)	5,056	(192)
Others	(6,208)	(9,553)
	<u>\$ 356,270</u>	<u>\$ 279,848</u>

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

XI. Subsidiaries

A. Subsidiaries included in the consolidated financial statements

The entities included in the preparation of these consolidated :

Investment Company	Subsidiary	Percentage of equity held			Note
		March 31, 2025	December 31, 2024	March 31, 2024	
CHENFULL INTERNATIONAL CO., LTD.	CHENFENG MACHINERY & ENTERPRICE CO., LTD.	100%	100%	100%	-
	CHENFULL PRECISION CO., LTD	63%	63%	63%	Note
	CHEN FULL HOLDING CO., LTD.	100%	100%	100%	-

Investment Company	Subsidiary	Percentage of equity held			Note
		March 31, 2025	December 31, 2024	March 31, 2024	
CHEN FULL HOLDING CO., LTD.	NEW OPPORTUNITY LIMITED	100%	100%	100%	-
	CHENFENG MACHINERY (DONGGUAN) CO., LTD.	100%	100%	100%	-

Note: This is a significant subsidiary, and its financial statements have been reviewed by independent auditors.

B. Information on subsidiaries with significant non-controlling interests

Subsidiary	Percentage of equity held as non-controlling interests and voting rights		
	March 31, 2025	2024	March 31, 2024
CHENFULL Precision Co., Ltd.	37%	37%	37%

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

Subsidiary	Profit and loss assigned to non-controlling interests	
	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
CHENFULL Precision Co., Ltd.	<u>\$ 30,657</u>	<u>\$ 23,900</u>

Subsidiary	non-controlling Entity		
	March 31, 2025	2024	March 31, 2024
CHENFULL Precision Co., Ltd.	<u>\$ 771,488</u>	<u>\$ 740,831</u>	<u>\$ 706,443</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.

	December 31,	
	March 31, 2025	2024
Current Assets	\$ 1,040,712	\$ 1,105,519
Non-Current Assets	1,620,115	1,593,340
Current Liabilities	(394,049)	(513,364)
Non-Current Liabilities	(181,529)	(183,111)
Equity	<u>\$ 2,085,249</u>	<u>\$ 2,002,384</u>

	December 31,	
	March 31, 2025	2024
Equity Attributable to:		
Owners of the Company	\$ 1,313,761	\$ 1,261,553
Non-controlling Interests of ChenFull Precision Co. Ltd.	<u>771,488</u>	<u>740,831</u>
	<u>\$ 2,085,249</u>	<u>\$ 2,002,384</u>

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Operating Revenue	<u>\$ 426,760</u>	<u>\$ 312,822</u>
Net Profit for the Period	\$ 82,865	\$ 64,601
Other Comprehensive Income	-	-
Total Comprehensive Income	<u>\$ 82,865</u>	<u>\$ 64,601</u>
Net Profit Attributable to:		
Owners of the Company	\$ 52,208	\$ 40,701
Non-controlling Interests of ChenFull Precision Co. Ltd.	<u>30,657</u>	<u>23,900</u>
	<u>\$ 82,865</u>	<u>\$ 64,601</u>
Total Comprehensive Income Attributable to:		
Owners of the Company	\$ 52,208	\$ 40,701
Non-controlling Interests of ChenFull Precision Co. Ltd.	<u>30,657</u>	<u>23,900</u>
	<u>\$ 82,865</u>	<u>\$ 64,601</u>
Cash Flow		
Operating Activities	\$ 65,169	\$ 43,490
Investing Activities	(55,737)	(506,472)
Financing Activities	(101,396)	<u>398,647</u>
Net Cash Outflow	<u>(\$ 91,964)</u>	<u>(\$ 64,335)</u>

XII. Real Estate, Factory Buildings, and Equipment

Freehold land	Buildings	Machinery equipment	Other equipment	Construction in progress	Total

Cost						
Balance as of January 1, 2025	\$ 1,113,104	\$ 1,105,994	\$ 1,084,708	\$ 340,216	\$ 103,849	\$ 3,747,871
Additions	-	415	2,036	992	52,606	56,049
Disposals	-	-	(2,197)	(249)	-	(2,446)
Reclassification	-	-	4,392	-	-	4,392
Net Exchange Difference	—	—	9	11	—	20
Balance as of March 31, 2025	<u>\$ 1,113,104</u>	<u>\$ 1,106,409</u>	<u>\$ 1,088,948</u>	<u>\$ 340,970</u>	<u>\$ 156,455</u>	<u>\$ 3,805,886</u>
 Accumulated Depreciation and Impairment						
Balance as of January 1, 2025	\$ -	\$ 467,061	\$ 862,609	\$ 285,037	\$ -	\$ 1,614,707
Disposals	-	-	(2,004)	(199)	-	(2,203)
Depreciation Expense	-	9,919	15,543	5,785	-	31,247
Net Exchange Difference	—	—	9	11	—	20
Balance as of March 31, 2025	<u>\$ -</u>	<u>\$ 476,980</u>	<u>\$ 876,157</u>	<u>\$ 290,634</u>	<u>\$ -</u>	<u>\$ 1,643,771</u>
 Net Amount as of March 31, 2025						
	<u>\$ 1,113,104</u>	<u>\$ 629,429</u>	<u>\$ 212,791</u>	<u>\$ 50,336</u>	<u>\$ 156,455</u>	<u>\$ 2,162,115</u>
 Net Amounts as of December 31, 2024 and January 1, 2025						
	<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>
 Cost						
Balance as of January 1, 2024	\$ 531,576	\$ 1,104,140	\$ 1,099,251	\$ 338,148	\$ 890	\$ 3,074,005
Additions	466,327	270	3,233	485	48	470,363
Disposals	-	-	(10,868)	(263)	-	(11,131)
Reclassification	115,141	-	3,150	-	-	118,291
Net Exchange Difference	—	—	24	32	—	56
Balance as of March 31, 2024	<u>\$ 1,113,044</u>	<u>\$ 1,104,410</u>	<u>\$ 1,094,790</u>	<u>\$ 338,402</u>	<u>\$ 938</u>	<u>\$ 3,651,584</u>
 Accumulated Depreciation and Impairment						
Balance as of January 1, 2024	\$ -	\$ 426,167	\$ 820,750	\$ 263,884	\$ -	\$ 1,510,801
Disposals	-	-	(10,868)	(263)	-	(11,131)
Depreciation Expense	-	10,449	16,494	6,503	-	33,446
Net Exchange Difference	—	—	20	22	—	42
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 436,616</u>	<u>\$ 826,396</u>	<u>\$ 270,146</u>	<u>\$ -</u>	<u>\$ 1,533,158</u>
 Net Amount as of March 31, 2024						
	<u>\$ 1,113,044</u>	<u>\$ 667,794</u>	<u>\$ 268,394</u>	<u>\$ 68,256</u>	<u>\$ 938</u>	<u>\$ 2,118,426</u>

The Company purchased agricultural land in the Dayuan District of Taoyuan City, covering an area of 5,639.26m², under land numbers 0497, 0499, and 0500, for expansion and operational needs, with a cost of NT\$234,699 thousand. Due to legal restrictions, the Company is not yet allowed to register the ownership of agricultural land. Therefore, the Company entered into a

name-lending agreement with an employee who holds self-cultivation status to purchase the land on its behalf. The contract specifies that the ownership of the land will be held by the Company. Additionally, the pre-registration of the land's ownership is under the Company, and the employee is prohibited from any disposition of the land without the Company's consent. The consolidated company's subsidiary, CHENFULL Precision Co., Ltd., for expansion and operational needs, purchased land located at 0035-0008, Xinzhang Xiaoduan, Puzih City, with a cost of NT\$581,528 thousand. Additionally, the pre-registration of the land's ownership was processed with the Chiayi County Government.

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

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

No impairment losses were recognized or reversed during the periods from January 1 to March 31, 2025 and 2024.

XIII. Lease Agreements

A. Right-of-Use Assets

	December 31, March 31, 2025	2024	March 31, 2024
Carrying Amount of Right-of-Use Assets			
Land	<u>\$ 105,484</u>	<u>\$ 107,158</u>	<u>\$ 112,181</u>
Depreciation Expense of Right-of-Use Assets			
Land	<u>\$ 1,674</u>	<u>\$ 1,687</u>	

Except for the additions and recognized depreciation expenses listed above, there were no significant subleases or impairment of right-of-use assets for the merged company during the periods from January 1 to March 31, 2025 and 2024.

B. Lease liabilities

	December 31, March 31, 2025	2024	March 31, 2024
Lease Liabilities - Book Value			
Current	<u>\$ 5,695</u>	<u>\$ 5,651</u>	<u>\$ 5,520</u>

Non-Current	<u>\$ 108,358</u>	<u>\$ 109,798</u>	<u>\$ 114,053</u>
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The discount rate range for lease liabilities is as follows :

	March 31, 2025	December 31, 2024	March 31, 2024
Land	3.126%	3.126%	3.126%

C. Important Leasing Activities and Terms

The Company leases land for factory use, with the lease term from October 2020 to December 2028. The lease payments were adjusted and increased starting January 2024, with the new lease term spanning from January 2024 to December 2040. For land leases located in the Republic of China, the lessor is entitled to adjust the lease payments in accordance with applicable laws and regulations.

D. Other lease information

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Short-term Lease Expenses	<u>\$ 4,865</u>	<u>\$ 2,353</u>
Low-value Asset Lease Expenses	<u>\$ 1,016</u>	<u>\$ 444</u>
Total Cash Outflows from Leases	<u>(\$ 8,176)</u>	<u>(\$ 5,092)</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.

XIV. Property

	<u>Completed investment property</u>
Cost	
Balance as of January 1, 2025	<u>\$ 335,715</u>
Balance as of March 31, 2025	<u>\$ 335,715</u>
Accumulated Depreciation and Impairment	
Balance as of January 1, 2025	<u>\$ 23,539</u>
Depreciation Expense	<u>912</u>
Balance as of December 31, 2025	<u>\$ 24,451</u>
Net Amount as of March 31, 2025	<u>\$ 311,264</u>
Net Amounts as of December 31, 2024 and January 1, 2025	<u>\$ 312,176</u>
Cost	
Balance as of January 1, 2024	<u>\$ 335,715</u>
Balance as of March 31, 2024	<u>\$ 335,715</u>

Accumulated Depreciation and Impairment	
Balance as of January 1, 2024	\$ 19,891
Depreciation Expense	<u>912</u>
Balance as of December 31, 2024	<u><u>\$ 20,803</u></u>
Net Amount as of March 31, 2024	<u><u>\$ 314,912</u></u>

The lease terms for investment properties range from 1 to 2 years. The lessee does not have a preferential purchase right for the investment properties at the end of the lease term.

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

	December 31,		
	March 31, 2025	2024	March 31, 2024
Year 1	\$ 3,937	\$ 3,028	\$ 3,481
Year 2	1,995	-	66
	\$ 5,932	\$ 3,028	\$ 3,547

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

Main Building 20years

The fair value of investment properties as of March 31, 2024, was NT\$370,105 thousand. This fair value was not determined by an independent appraiser but was estimated by the Company's management with reference to market prices of similar properties in nearby areas.

XV. Other Intangible Assets

	Cost of computer software
Cost	
Balance as of January 1, 2025	\$ 41,054
Additions	<u>2,483</u>
Balance as of March 31, 2025	<u><u>\$ 43,537</u></u>
Cumulative Amortization and Impairment	
Balance as of January 1, 2025	\$ 25,167
Amortization Expense	<u>2,310</u>
Balance as of March 31, 2025	<u><u>\$ 27,477</u></u>
Net Amount as of March 31, 2025	<u><u>\$ 16,060</u></u>
Net Amounts as of December 31, 2024 and January 1, 2025	<u><u>\$ 15,887</u></u>
Cost	
Balance as of January 1, 2024	\$ 39,176
Additions	400

Disposals	(<u>696</u>)
Balance as of March 31, 2024	<u>\$ 38,880</u>
Cumulative Amortization and Impairment	
Balance as of January 1, 2024	\$ 17,730
Amortization Expense	2,134
Disposals	(<u>696</u>)
Balance as of March 31, 2024	<u>\$ 19,168</u>
Net Amount as of March 31, 2025	\$ 19,712

Except for amortization expenses recognized, no significant disposals or impairment of the Company's other intangible assets occurred during the periods from January 1 to March 31, 2025 and 2024. °

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

Computer Software Costs	1 to 5 years
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Amortization expenses summarized by function :

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Operating Costs	\$ 450	\$ 650
Operating Expenses	1,860	1,484
	<u>\$ 2,310</u>	<u>\$ 2,134</u>

XVI. Other Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Prepayments			
Prepaid Goods	\$ 26,534	\$ 24,514	\$ 9,625
Others	<u>5,778</u>	<u>4,298</u>	<u>5,959</u>
	<u><u>\$ 32,312</u></u>	<u><u>\$ 28,812</u></u>	<u><u>\$ 15,584</u></u>
Other Financial Assets – Current			
Time Deposits with Original Maturity Over 3 Months (1)	\$ 18,496	\$ 18,262	\$ 17,703
Pledged Time Deposits (1) (Note 30)	<u>9,048</u>	<u>9,046</u>	<u>9,046</u>
	<u><u>\$ 27,544</u></u>	<u><u>\$ 27,308</u></u>	<u><u>\$ 26,749</u></u>
Other Current Assets			
Temporary Payments	\$ 6,858	\$ 6,532	\$ 6,672
Advance Payments	4,025	4,025	-
Employee Advances	-	98	9
	<u><u>\$ 10,883</u></u>	<u><u>\$ 10,655</u></u>	<u><u>\$ 6,681</u></u>

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-Current Assets			
Other Financial Assets – Non-Current			
Pledged Time Deposits (1) (Note 30)	<u><u>\$ 34,543</u></u>	<u><u>\$ 34,543</u></u>	<u><u>\$ 34,543</u></u>
Other Non-Current Assets			
Other Receivables (2)			
Other Receivables	\$ 73,948	\$ 73,948	\$ 73,948
Less: Allowance for Doubtful Accounts	(73,948)	(73,948)	(73,948)
Prepaid Equipment Payments	87,729	89,931	84,713
Land Pending Transfer (3)	1,114	1,114	1,114
Deposits for Guarantees	2,851	3,064	7,748
	<u><u>\$ 91,694</u></u>	<u><u>\$ 94,109</u></u>	<u><u>\$ 93,575</u></u>

A. As of March 31, 2025, December 31, 2024, and March 31, 2024, the interest rate ranges for time deposits and pledged time deposit certificates with original maturities exceeding three months were 0.665% to 2.55% per annum, 0.54% to 3.85% per annum, and 0.54% to 3.85% per annum, respectively.

B. Other Receivables - Non-Current

The Company undertook subcontracted projects from Haohan Zhongxiao Engineering Co., Ltd. (hereinafter referred to as Haohan Company). Due to disputes between the parties regarding contract interpretation, payment, and deduction amounts, The Company filed a lawsuit against Haohan Company for engineering payments totaling NT\$110,821 thousand. Subsequently, on September 30, 2011, except for NT\$7,368 thousand which continued in litigation, the remaining amount was settled with Haohan Company's payment of NT\$92,499 thousand to The Company. (comprising receivable engineering payments and performance bond funds of NT\$84,851 thousand and litigation costs of NT\$7,648 thousand, recorded under other non-current assets), and a notarized settlement agreement was made.

The High Court ruled on March 25, 2014, that Haohan Company shall pay The Company engineering payments totaling NT\$9,383 thousand plus interest. A creditor's certificate was issued by the court on July 25, 2014. Additionally, since Haohan Company did not comply with the settlement payments, The Company applied to the court for compulsory enforcement. The Company also filed a claim of NT\$92,499 thousand against Haohan Company's former responsible person, Chen Shuitu, based on endorsement liability, which resulted in a final favorable judgment and a creditor's certificate issued by the court.

Through compulsory enforcement by the court, NT\$10,903 thousand has been recovered to date. The Company has fully provided a 100% allowance for doubtful accounts on the net claim amount of NT\$73,948 thousand against Haohan Company.

C. Land Pending Transfer

For the purpose of factory expansion and operations, the Company's subsidiary, ChenFull International Co., Ltd., purchased agricultural land in Dayuan Township, Taoyuan County,

land parcels No. 1065-0086 and 0015, totaling 6,454 square meters, with a recorded cost of NT\$25,120 thousand. Due to regulatory restrictions, The Company is not yet permitted to register ownership of farmland. Therefore, on October 21, 2002, The Company (hereinafter referred to as Party A) entered into an agreement with Mr. Xu Zhihong, the former chairman of The Company who holds the status of a self-farming farmer (hereinafter referred to as Party B), whereby Party B acted on behalf of Party A to purchase the agricultural land and completed the transfer procedures on November 5, 2002. The contract stipulates the ownership of the land, with Party B agreeing to unconditionally waive any claims to the rights. Furthermore, upon the relaxation of farmland transfer regulations or the reclassification under urban planning allowing transfer, Party B shall unconditionally provide the necessary documents for the transfer without any obstruction or demands for additional payments. The Company obtained approval from the competent authority to change part of the land use classification in August 2009 and has completed the transfer procedures. The new factory in Dayuan was completed by the end of 2011 and serves as the production base for factory engineering pipe fittings manufacturing.

As of March 31, 2025, a total of 281.98 square meters split from the original land parcel No. 1065-0015, identified as parcels No. 0488-0000 and 0484-0000, remain classified as agricultural and pastoral land and are reserved for government waterway management projects. These parcels are recorded under other non-current assets – others, at a value of NT\$1,114 thousand.

XVII. Loans

A. Short-Term Loans

	December 31,		
	March 31, 2025	2024	March 31, 2024
Unsecured Loans			
Bank Loans	<u>\$ 310,000</u>	<u>\$ 330,000</u>	<u>\$ 415,000</u>

The interest rates for bank revolving loans were 1.80%–1.95% as of March 31, 2025, and December 31, 2024, and 1.73%–1.775% as of March 31, 2024.

B. Long-Term Loans

	December 31,		
	March 31, 2025	2024	March 31, 2024
Secured Loans			
Bank Loans	\$ 69,458	\$ 69,458	\$ -
Less: Current Portion of Loans	<u>-</u>	<u>-</u>	<u>-</u>
Long-Term Loans	<u>\$ 69,458</u>	<u>\$ 69,458</u>	<u>\$ -</u>

The loan period from the bank is from November 28, 2024, to November 28, 2027, which is a grace period during which monthly interest payments are made based on the loan amount. Starting from November 28, 2027, the loan will be repaid in 84 equal monthly installments of principal and interest. The loan maturity date is November 15, 2034. As of March 31, 2025, and December 31, 2024, the effective annual interest rate is 1.35%.

The loan from the bank is secured by the merged company's own land and buildings. According to the loan agreement, upon completion of the plant construction and registration of ownership, the merged company must cancel the provisional registration of the plant located on the Chiayi plant land and establish a joint mortgage on the land and the building.

XVIII. Accounts Payable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts Payable			
Arising from Operations	<u>\$ 348,131</u>	<u>\$ 373,509</u>	<u>\$ 290,443</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 merged company has established a financial risk management policy to ensure that all payables are settled within the pre-agreed credit terms.

XIX. Other Liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Current Liabilities			
Other Payables			
Payables for Equipment	\$ 6,181	\$ 4,128	\$ 4,505
Payables for Salaries and Bonuses	56,551	98,596	51,585
Payables for Employee Benefits	85,539	68,920	52,576
Payables for Director's Remuneration	10,530	8,520	9,950
Payables for Vacation Benefits	14,001	13,670	12,742
Accrued Interest Payable	132	176	50
Other	<u>75,791</u>	<u>81,545</u>	<u>59,706</u>
	<u><u>\$ 248,725</u></u>	<u><u>\$ 275,555</u></u>	<u><u>\$ 191,114</u></u>
Other Current Liabilities			
Advances Received	\$ 1,653	\$ 774	\$ 35
Amounts Collected on Behalf of Others	2,570	2,535	2,427
Deferred Income - Current (Note 24)	<u>49</u>	<u>49</u>	<u>49</u>
	<u><u>\$ 4,272</u></u>	<u><u>\$ 3,358</u></u>	<u><u>\$ 2,511</u></u>

	March 31, 2025	December 31, 2024	March 31, 2024
Non-Current Liabilities			
Deferred Income			
Government Grants (Note 24)	\$ 77	\$ 89	\$ 126
Deposits Received	<u>1,180</u>	<u>1,118</u>	<u>1,189</u>
	<u><u>\$ 1,257</u></u>	<u><u>\$ 1,207</u></u>	<u><u>\$ 1,315</u></u>

XX. Retirement Benefit Plans

The defined benefit pension expenses recognized from January 1 to March 31, 2025 and 2024 were calculated based on the pension cost rates determined by actuarial valuations as of December 31, 2024 and 2023, amounting to NT\$77 thousand and NT\$80 thousand, respectively.

XXI. Equity

A. Share Capital

Common Stock

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized Shares (in Thousand Shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Authorized Capital	<u>\$ 1,500,000</u>	<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>	<u>113,761</u>
Issued Capital	<u><u>\$ 1,137,605</u></u>	<u><u>\$ 1,137,605</u></u>	<u><u>\$ 1,137,605</u></u>

Each issued common share has a par value of NT\$10 and entitles the holder to one voting right and the right to receive dividends.

B. Capital Reserve

	March 31, 2025	December 31, 2024	March 31, 2024
Available for Loss Offset, Cash Distribution, or Capital Increase (Note 1)			
Premium on Stock Issuance	\$ 258,010	\$ 258,010	\$ 258,010
Premium on Convertible Bonds	207,018	207,018	207,018
Treasury Stock Transactions	1,863	1,863	1,440

	March 31, 2025	December 31, 2024	March 31, 2024
Difference Between Actual Acquisition/Disposition of Subsidiary's Equity and Book Value	\$ 544,174	\$ 544,174	\$ 544,174
Merger Premium	10,618	10,618	10,618
Available Only for Loss Offset			
Recognition of Changes in Ownership Interests in Subsidiaries (Note 2)	<u>211,006</u>	<u>211,006</u>	<u>211,006</u>
	<u><u>\$ 1,232,689</u></u>	<u><u>\$ 1,232,689</u></u>	<u><u>\$ 1,232,266</u></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.

C. Retained Earnings and Dividend Policy

According to the Company's Articles of Incorporation regarding its earnings distribution policy, if there is a surplus after the annual closing of accounts, the company shall first pay all applicable taxes and offset any prior years' losses. Then, 10% of the remaining earnings shall be allocated to the legal reserve, except when the accumulated legal reserve has reached the total capital of the company. In addition, special reserves shall be appropriated or reversed in accordance with laws and regulations, and a portion of the earnings may be retained. If there is still a remaining surplus, it shall be combined with the undistributed earnings and distributed as dividends based on the dividend policy, as proposed by the Board of Directors and approved by the shareholders' meeting, to be allocated proportionally according to the total number of shares outstanding. For the company's policy on the distribution of employee and director remuneration, please refer to Note 23(7).

The Company's dividend policy is aligned with the overall business environment and industry characteristics. Based on the company's future financial structure and capital budget, and after comprehensive consideration of profitability, undistributed earnings, and capital surplus, an appropriate dividend distribution plan shall be formulated. In principle, the distribution shall not be less than 50% of the distributable earnings for the year, in order to ensure stable development and maximize shareholder interests. Among the dividends, cash dividends shall account for no less than 10% of the total dividends for the year.

The legal reserve shall be allocated until it reaches the company's total paid-in capital. The legal reserve may be used to offset losses. When the company has no accumulated losses, the portion of the legal reserve exceeding 25% of the total paid-in capital may be distributed in cash or used to increase capital.

The Company's Board of Directors held a meeting on March 3, 2025, and the Annual General Shareholders' Meeting was held on May 30, 2024, to propose and approve the earnings distribution plans for the fiscal years 2024 and 2023, respectively, as follows:

Appropriation of earnings	
2024	2023

Legal Reserve	<u>\$ 39,616</u>	<u>\$ 16,720</u>
Special Reserve	<u>(\$ 15,490)</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 earnings distribution plan for the fiscal year 2024 is pending approval at the Annual General Shareholders' Meeting scheduled for May 26, 2025.

D. Other equity items

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

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Beginning Balance	<u>(\$ 15,260)</u>	<u>(\$ 18,647)</u>
Generated During the Period		
Exchange Differences Arising from the Translation of Foreign Operations' Net Assets	<u>833</u>	<u>2,582</u>
Other Comprehensive Income for the Period	<u>833</u>	<u>2,582</u>
Ending Balance	<u>(\$ 14,427)</u>	<u>(\$ 16,065)</u>

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

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Beginning Balance	<u>\$ 44,252</u>	<u>\$ 3,156</u>
Generated During the Period		
Unrealized Gains (Losses)		
Equity Instruments	<u>263</u>	<u>759</u>
Other Comprehensive Income for the Period	<u>263</u>	<u>759</u>
Ending Balance	<u>\$ 44,515</u>	<u>\$ 3,915</u>

E. Treasury stock

Purpose of buyback	Shares dividend (in thousands of shares)	Shares transferred to employees (in thousands of shares)	Buyback for retirement (in thousands of shares)	Shares held by subsidiaries (in thousands of shares)	Total (in thousands of shares)
Number of Shares on January 1, 2025	63	670	-	219	952
Number of Shares on March 31, 2025	63	670	-	219	952
Number of Shares on January 1, 2024	63	670	-	219	952
Number of Shares on March 31, 2024	63	670	-	219	952

Treasury shares held by The Company are not allowed to be pledged under the Securities Exchange Act and do not entitle the holder to dividend distribution or voting rights.

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

Name of subsidiary	Number of shares held (in thousands of shares)	Carrying amount	Market price
<u>March 31, 2025</u>			
Chenfeng Machinery & Enterprise Co., Ltd.	282	\$ 13,820	\$ 13,820
<u>December 31, 2024</u>			
Chenfeng Machinery & Enterprise Co., Ltd.	282	\$ 12,792	\$ 12,792
<u>March 31, 2024</u>			
Chenfeng Machinery & Enterprise Co., Ltd.	282	\$ 11,538	\$ 11,538

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

F. Non-controlling interests

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Beginning Balance	\$ 740,831	\$ 682,543
Net Profit for the Period	30,657	23,900
Ending Balance	\$ 771,488	\$ 706,443

XXII. Revenue

	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
Revenue from Contracts with Customers		
Sales Revenue	\$ 538,399	\$ 380,569
Construction Revenue	272,701	230,579
Service Revenue	<u>1,801</u>	<u>1,771</u>
	<u><u>\$ 812,901</u></u>	<u><u>\$ 612,919</u></u>

A. A. Customer Contracts Description

1. Sales Revenue

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

2. Construction Revenue

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

3. Service Revenue

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

B. Contract Balances

	December 31,			
	<u>March 31, 2025</u>	<u>2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Trade receivables (Note 9)	<u><u>\$ 571,140</u></u>	<u><u>\$ 553,482</u></u>	<u><u>\$ 379,042</u></u>	<u><u>\$ 336,922</u></u>
Contract Assets -				
Current				
Construction				
Contracts	<u><u>\$ 1,131,030</u></u>	<u><u>\$ 1,064,373</u></u>	<u><u>\$ 670,556</u></u>	<u><u>\$ 534,092</u></u>
Contract Liabilities -				
Current				
Goods Sales	<u><u>\$ 23,755</u></u>	<u><u>\$ 31,127</u></u>	<u><u>\$ 45,615</u></u>	<u><u>\$ 40,875</u></u>
Construction				
Contracts	<u><u>\$ 117,847</u></u>	<u><u>\$ 114,135</u></u>	<u><u>\$ 125,510</u></u>	<u><u>\$ 151,529</u></u>
	<u><u><u>\$ 141,602</u></u></u>	<u><u><u>\$ 145,262</u></u></u>	<u><u><u>\$ 171,125</u></u></u>	<u><u><u>\$ 192,404</u></u></u>

XXIII. Net Income from Continuing Operations

A. Interest Income

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Bank Deposits	\$ 1,753	\$ 1,181
Reverse Repurchase Agreements	-	4,626
Financial Assets Measured at Fair Value Through Profit or Loss	390	300
Others	<u>13</u>	<u>15</u>
	<u><u>\$ 2,156</u></u>	<u><u>\$ 6,122</u></u>

B. Other Income

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Rental Income	\$ 246	\$ 275
Dividend Income	119	9
Other Income	<u>1,739</u>	<u>1,823</u>
	<u><u>\$ 2,104</u></u>	<u><u>\$ 2,107</u></u>

C. Other Gains and Losses

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Gain on Disposal of Property, Plant, and Equipment	\$ 497	\$ 1,300
Gain on Disposal of Financial Assets		
Financial Assets Measured at Fair Value Through Profit or Loss	3,359	10,991
Gain on Financial Assets		
Financial Assets Measured at Fair Value Through Profit or Loss	(13,281)	7,082
Net Foreign Exchange Gain	5,443	28,044
Other Losses	<u>(2,561)</u>	<u>(3)</u>
	<u><u>\$ 6,543)</u></u>	<u><u>\$ 47,414</u></u>

D. Financial Costs

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Interest on Bank Loans	\$ 1,668	\$ 522
Interest on Lease Liabilities	899	942
Other Interest Expenses	-	30
Less: Amount Included in the Cost of Qualifying Assets	(231)	-
	<u>\$ 2,336</u>	<u>\$ 1,494</u>

The relevant information on interest capitalization is as follows :

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Interest Capitalization Amount	\$ 231	\$ -
Interest Capitalization Rate	1.35%	-

E. Depreciation and Amortization

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Property, Plant and Equipment	\$ 31,247	\$ 33,446
Investment Property	912	912
Right-of-Use Assets	1,674	1,687
Intangible Assets	<u>2,310</u>	<u>2,134</u>
	<u>\$ 36,143</u>	<u>\$ 38,179</u>
Depreciation Expense Summarized by Function		
Cost of Sales	\$ 30,595	\$ 31,521
Operating Expenses	<u>3,238</u>	<u>4,524</u>
	<u>\$ 33,833</u>	<u>\$ 36,045</u>
Amortization Expense Summarized by Function		
Cost of Sales	\$ 450	\$ 650
Operating Expenses	<u>1,860</u>	<u>1,484</u>
	<u>\$ 2,310</u>	<u>\$ 2,134</u>

F. Employee Welfare Expenses

	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
Post-employment Benefits (Note 20)		
Defined Contribution Plan	\$ 6,131	\$ 5,916
Defined Benefit Plan	<u>77</u>	<u>80</u>
	<u>6,208</u>	<u>5,996</u>
Other Employee Benefits	<u>183,461</u>	<u>156,390</u>
Total Employee Benefit Expenses	<u><u>\$ 189,669</u></u>	<u><u>\$ 162,386</u></u>
Summarized by Function		
Cost of Sales	\$ 117,155	\$ 104,538
Operating Expenses	<u>72,514</u>	<u>57,848</u>
	<u><u>\$ 189,669</u></u>	<u><u>\$ 162,386</u></u>

G. Employee Compensation and Director Remuneration

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

According to the August 2024 amendment to the Securities Exchange Act, ChenFull International Co., Ltd. plans to amend its Articles of Incorporation at the 2025 shareholders' meeting to specify that at least 10% of the employee remuneration allocated for the year shall be designated for frontline employees.

The estimated employee and director remuneration for the periods from January 1 to March 31, 2025 and 2024 are as follows:

Accrual rate

	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
Employee Compensation	6.42%	3.31%
Director Compensation	1.06%	1.02%

Amount

	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
	<u>Cash</u>	<u>Cash</u>
Employee Compensation	\$ 6,272	\$ 3,650
Director Compensation	1,005	1,125

If amounts change after the release date of the annual consolidated financial reports, such changes shall be treated as changes in accounting estimates and adjusted in the following fiscal year.

The employee and director remuneration for the fiscal years 2024 and 2023 were approved by the Board of Directors on March 3, 2025, and February 22, 2024, respectively, as follows:

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

The actual amounts of employee and director remuneration approved by the Board of Directors for the years 2024 and 2023 did not differ from the amounts recognized in the consolidated financial statements for the respective years.

For information regarding the employee and director remuneration approved by the Board of Directors of ChenFull International Co., Ltd., please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

XXIV. Government Grants

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

An amount of NT\$12 thousand was recognized as income during the periods from January 1 to March 31, 2025 and 2024, respectively.

XXV. Income tax of continuing operations

A. Income Tax Recognized in Profit or Loss

The major components of income tax expense are as follows :

	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Current Income Tax		
Generated During the Period	\$ 27,742	\$ 18,081
Deferred Income Tax		
Generated During the Period	(809)	8,884
Income Tax Expense Recognized in Profit or Loss	<u>\$ 26,933</u>	<u>\$ 26,965</u>

B. Income Tax Assessment

Except for ChenFull International Co., Ltd., the corporate income tax returns of Chuan Feng Company and ChenFull Precision Co. have been assessed and approved by the tax authorities up to the year 2023.

XXVI. Earnings per Share

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

<u>Net Profit for the Period</u>	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
Net Income Used to Calculate Basic Earnings Per Share	<u>\$ 79,083</u>	<u>\$ 94,948</u>
Net Income Used to Calculate Diluted Earnings Per Share	<u>\$ 79,083</u>	<u>\$ 94,948</u>
<u>Number of ordinary shares (in thousands of shares)</u>	<u>January 1, 2025 to March 31, 2025</u>	<u>January 1, 2024 to March 31, 2024</u>
Weighted Average Shares of Common Stock Used to Calculate Basic Earnings Per Share	112,809	112,809
Effect of Potential Dilutive Common Shares	<u>481</u>	<u>240</u>
Employee Compensation		
Weighted Average Shares of Common Stock Used to Calculate Diluted Earnings Per Share	<u>113,290</u>	<u>113,049</u>

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

XXVII. Capital Risk Management

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

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

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

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

XXVIII. Financial Instruments

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

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

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

1. Fair Value Hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value Through Profit or Loss				
Domestic Listed (OTC) Stocks	\$ 39,247	\$ -	\$ -	\$ 39,247
Fund Beneficiary Certificates	<u>99,074</u>	<u>-</u>	<u>-</u>	<u>99,074</u>
	<u><u>\$ 138,321</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 138,321</u></u>
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Equity Instruments				
Investments				
- Domestic Emerging OTC Stocks	\$ -	\$ -	\$ 1,691	\$ 1,691
- Domestic Unlisted (OTC) Stocks	<u>-</u>	<u>-</u>	<u>151,020</u>	<u>151,020</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 152,711</u></u>	<u><u>\$ 152,711</u></u>

December 31, 2024

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

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value Through Profit or Loss				
Domestic Listed (OTC) Stocks	\$ 56,685	\$ -	\$ -	\$ 56,685
Fund Beneficiary Certificates	<u>71,596</u>	<u>-</u>	<u>-</u>	<u>71,596</u>
	<u><u>\$ 128,281</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 128,281</u></u>
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Equity Instruments				
Investments				
- Domestic Emerging OTC Stocks	\$ -	\$ -	\$ 1,166	\$ 1,166
- Domestic Unlisted (OTC) Stocks	<u>-</u>	<u>-</u>	<u>30,739</u>	<u>30,739</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,905</u></u>	<u><u>\$ 31,905</u></u>

There were no transfers between Level 1 and Level 2 fair value measurements during the periods from January 1 to March 31, 2025 and 2024.

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

January 1 to March 31, 2025

	Financial Assets Measured at Fair Value Through Other Comprehensive Income
	Equity Instruments
Financial Assets	
Beginning Balance	\$ 152,448
Recognized in Other Comprehensive Income (Unrealized Valuation Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income)	<u>263</u>
Ending Balance	<u><u>\$ 152,711</u></u>

January 1 to March 31, 2024

	Financial Assets Measured at Fair Value Through Other Comprehensive Income
	Equity Instruments
Financial Assets	
Beginning Balance	\$ 31,146
Recognized in Other Comprehensive Income (Unrealized Valuation Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income)	<u>759</u>
Ending Balance	<u><u>\$ 31,905</u></u>

3. Valuation Techniques and Assumptions Used in Measuring Fair Value

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

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

Stocks Without a Public Quotation

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

C. Types of Financial Instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial Assets			
Measured at Fair Value			
Through Profit or Loss			
Mandatorily Measured at Fair Value Through Profit or Loss	\$ 138,321	\$ 131,514	\$ 128,281
Financial Assets Measured at Amortized Cost (Note 1)	1,004,140	1,093,663	1,287,298
Pledged Deposits	2,851	3,064	7,748
Financial Assets Measured at Fair Value Through Other Comprehensive Income			
Equity Instruments			
Investments	152,711	152,448	31,905
Financial Liabilities			
Measured at Amortized Cost (Note 2)	803,563	852,721	763,779
Deposits Received	1,180	1,118	1,189

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

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

D. Financial Risk Management Objectives and Policies

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

The consolidated company has established appropriate policies, procedures, and internal controls for managing the aforementioned financial risks in compliance with relevant

regulations. Significant financial activities are subject to review by the Board of Directors according to applicable regulations and internal control systems. During the financial management activities, the consolidated company must strictly adhere to the established financial risk management regulations.

1. Market Risk

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

(1) Exchange Rate Risk

As of the balance sheet date, the carrying amounts of monetary assets and liabilities denominated in non-functional currencies (including non-functional currency-denominated monetary items eliminated in the consolidated financial statements) are as disclosed in Note 32.

Sensitivity Analysis

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

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

	Impact of US Dollar	
	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
Profit or Loss	\$ 5,058	\$ 7,707

(2) Interest Rate Risk

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

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

	December 31,		
	March 31, 2025	2024	March 31, 2024
Fair Value Interest Rate Risk			
Financial Assets	\$ 161,622	\$ 160,128	\$ 415,722
Financial Liabilities	424,053	445,448	534,573
Cash Flow Interest Rate Risk			
Financial Assets	248,617	353,863	399,980
Financial Liabilities	69,458	69,458	-

Sensitivity Analysis

The fixed-rate financial assets and liabilities held by the consolidated company are measured at amortized cost and therefore are not included in the analysis. The sensitivity analysis for interest rate risk is calculated based on the financial assets as of the balance sheet date. The consolidated company uses a 0.25% increase/decrease in market interest rates as a reasonable risk assessment to report interest rate changes to management. Assuming all other variables remain constant, a 0.25% increase/decrease in market interest rates would result in an increase/decrease in the consolidated company's pre-tax net income of NT\$112 thousand and NT\$250 thousand for the periods from January 1 to March 31, 2025 and 2024, respectively.

(3) Other Price Risk

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

Sensitivity Analysis

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

If equity prices increase/decrease by 5%, the pre-tax profit or loss for the periods from January 1 to March 31, 2025 and 2024 will increase/decrease by NT\$6,916 thousand and NT\$6,414 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through profit or loss. The pre-tax other comprehensive income for the same periods will increase/decrease by NT\$7,636 thousand and NT\$1,595 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income. °

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

2. Credit Risk

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

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

The consolidated company's credit risk is primarily concentrated among its top five customers. As of March 31, 2025, December 31, 2024, and March 31, 2024, the receivables from the top five customers accounted for 56%, 61%, and 69%, respectively, of the consolidated company's total receivables. The credit concentration risk from the remaining receivables is relatively insignificant.

3. Liquidity Risk

The consolidated company manages and maintains adequate cash and cash equivalents to support the group's operations and mitigate the impact of cash flow fluctuations. Management monitors the usage of bank credit facilities and ensures compliance with the terms of borrowing contracts.

Bank borrowings serve as an important source of liquidity for the consolidated company. As of March 31, 2025, December 31, 2024, and March 31, 2024, the consolidated

company's unused financing facilities are detailed in the following section (2) Description of Financing Facilities.

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

March 31, 2025

	Less than 1 year	1 - 2 years	2 - 3 years	3 + years	Total
Non-Derivative Financial Liabilities					
Accounts Payable	\$ 348,131	\$ -	\$ -	\$ -	\$ 348,131
Lease Liabilities	9,179	9,179	9,179	117,032	144,569
Other Payables	75,842	-	-	-	75,842
Borrowings	310,132	-	3,953	65,505	379,590
	<u>\$ 743,284</u>	<u>\$ 9,179</u>	<u>\$ 13,132</u>	<u>\$ 182,537</u>	<u>\$ 948,132</u>

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

	Less than 1 year	1 - 3 years	3 - 6 years	6 + years	Total
Lease Liabilities	<u>\$ 9,179</u>	<u>\$ 18,358</u>	<u>\$ 27,537</u>	<u>\$ 89,495</u>	<u>\$ 144,569</u>

December 31, 2024

	Less than 1 year	1 - 2 years	2 - 3 years	3 + years	Total
Non-Derivative Financial Liabilities					
Accounts Payable	\$ 373,509	\$ -	\$ -	\$ -	\$ 373,509
Lease Liabilities	9,179	9,179	9,179	119,327	146,864
Other Payables	79,579	-	-	-	79,579
Borrowings	330,175	-	-	69,458	399,633
	<u>\$ 792,442</u>	<u>\$ 9,179</u>	<u>\$ 9,179</u>	<u>\$ 188,785</u>	<u>\$ 999,585</u>

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

	Less than 1 year	1 - 3 years	3 - 6 years	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>

March 31, 2024

	Less than 1 year	1 - 2 years	2 - 3 years	3 + years	Total
Non-Derivative Financial Liabilities Accounts Payable	\$ 290,443	\$ -	\$ -	\$ -	\$ 290,443
Lease Liabilities	9,179	9,179	9,179	126,211	153,748
Other Payables	58,286	-	-	-	58,286
Borrowings	<u>415,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,050</u>
	<u>\$ 772,958</u>	<u>\$ 9,179</u>	<u>\$ 9,179</u>	<u>\$ 126,211</u>	<u>\$ 917,527</u>

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

	Less than 1 year	1 - 3 years	3 - 6 years	6 + years	Total
Lease Liabilities	<u>\$ 9,179</u>	<u>\$ 18,358</u>	<u>\$ 27,537</u>	<u>\$ 98,674</u>	<u>\$ 153,748</u>

(2) Financing Limits

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured Bank Credit Limit and Commercial Paper Issuance Limit (Reviewed Annually)			
Amount Used	\$ 343,939	\$ 343,977	\$ 436,823
Amount Unused	<u>2,711,062</u>	<u>2,486,023</u>	<u>1,993,177</u>
	<u>\$ 3,055,001</u>	<u>\$ 2,830,000</u>	<u>\$ 2,430,000</u>
Secured Bank Credit Limit and Commercial Paper Issuance Limit (Reviewed Annually)			
Amount Used	\$ 69,458	\$ 69,458	\$ -
Amount Unused	<u>1,530,542</u>	<u>1,530,542</u>	<u>-</u>
	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ -</u>

XXIX. Related Party Transactions

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

Key Management Personnel Compensation

January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
--------------------------------------	--------------------------------------

Short-term Employee Benefits	\$ 6,885	\$ 5,441
Post-employment Benefits	<u>149</u>	<u>128</u>
	<u><u>\$ 7,034</u></u>	<u><u>\$ 5,569</u></u>

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

XXX. Pledged Assets

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

	December 31,		
	March 31, 2025	2024	March 31, 2024
Other Financial Assets - Current			
Pledged Time Deposit			
Certificates	\$ 9,048	\$ 9,046	\$ 9,046
Other Financial Assets - Non-Current			
Pledged Time Deposit			
Certificates	<u>34,543</u>	<u>34,543</u>	<u>34,543</u>
	<u><u>\$ 43,591</u></u>	<u><u>\$ 43,589</u></u>	<u><u>\$ 43,589</u></u>

XXXI. Significant Contingent Liabilities and Unrecognized Contractual Commitments

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

- As of March 31, 2025, ChenFull International Co., Ltd. of the consolidated group had issued pledged guarantee promissory notes totaling NT\$1,131,476 thousand for credit lines, performance obligations, and construction warranties.
- As of March 31, 2025, ChenFull Precision Co. had issued pledged guarantee promissory notes totaling NT\$2,686,463 thousand for credit lines and performance obligations.
- As of March 31, 2025, ChenFull International Co., Ltd. had received guarantee promissory notes totaling NT\$39,467 thousand from suppliers as performance or warranty guarantees.
- As of March 31, 2025, ChenFull Precision Co. had received guarantee promissory notes totaling NT\$174,638 thousand from suppliers as performance or warranty guarantees.
- The consolidated company has contractual commitments with various suppliers for the purchase of equipment and the construction of new factories, with a total contract value of NT\$1,162,655 thousand. As of March 31, 2025, NT\$244,184 thousand had been paid and recorded under prepayments for equipment and construction in progress.

XXXII. Foreign Currency Assets and Liabilities with Significant Impact

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

March 31, 2025

Foreign currency	Exchange rate	Carrying amount
------------------	---------------	-----------------

Foreign Currency Assets

Monetary Items

USD	\$ 15,572	33.205 (USD:NTD)	\$ 517,079
CNY	1	4.573 (CNY:NTD)	4
EUR	37	35.97 (EUR:NTD)	1,329
JPY	20	0.222 (JPY:NTD)	4
			<u>\$ 518,416</u>

Foreign Currency Liabilities

Monetary Items

USD	338	33.205 (USD:NTD)	\$ 11,239
CNY	9,510	4.573 (CNY:NTD)	43,489
EUR	6	35.97 (EUR:NTD)	229
			<u>\$ 54,957</u>

December 31, 2024

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

March 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign Currency Assets			
Monetary Items			
USD	\$ 24,105	32.00 (USD:NTD)	\$ 771,360
EUR	83	34.46 (EUR:NTD)	2,852
JPY	24,068	0.212 (JPY:NTD)	5,090
			<u>\$ 779,302</u>

**Foreign Currency
Liabilities**

Monetary Items

USD	20	32.00 (USD:NTD)	\$ 641
CNY	827	4.408 (CNY:NTD)	<u>3,644</u>
			\$ <u>4,285</u>

The consolidated company recognized foreign exchange gains (including realized and unrealized) of NT\$5,443 thousand and NT\$28,044 thousand for the periods from January 1 to March 31, 2025 and 2024, respectively. Due to the wide variety of foreign currencies involved in the group's transactions and functional currencies, it is not feasible to disclose exchange gains and losses by each significantly affected foreign currency.

XXXIII. Disclosure Notes:

- A. Significant Transaction Matters
- B. Information on Subsidiary Investments :

No.	Item	Note
1	Loans to Others.	N.A.
2	Endorsements and Guarantees for Others.	N.A
3	Status Of Major Marketable Securities Held At The End Of The Period (Excluding Investments In Subsidiaries, Associates, And Joint Ventures).	Table 1
4	Amounts Of Purchases Or Sales With Related Parties Reaching NT\$100 Million Or 20% Of Paid-In Capital.	N.A.
5	Accounts Receivable From Related Parties Amounting To NT\$100 Million Or 20% Of Paid-In Capital.	N.A
6	Others: Business Relationships And Significant Transactions Between The Parent And Subsidiaries And Among Subsidiaries, Including Transaction Amounts.	Table 4
7	Information On Investments In Other Entities.	Table 2

C. Mainland China Investment Information:

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

	(5) Maximum Balance, Ending Balance, Interest Rate Range, and Total Interest for the Period of Fund Lending.	N.A.
	(6) Other Transactions with Significant Impact on Current Profits and Losses or Financial Position, such as the Provision or Receipt of Services.	N.A

XXXIV. Department Information

Information provided to the chief operating decision-maker for resource allocation and performance evaluation of departments, focusing on the types of products or services delivered or provided. The reporting departments of the consolidated company are as follows:

Engineering and Machinery Business– Factory operations, system integration, and shoe machinery.

Precision Business – Precision processing.

A. Department Revenue and Operating Results

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

	Engineering and Machinery Business	Precision Business	Common	Adjustments and Eliminations	Total
<u>January 1 to March 31, 2025</u>					
Revenue					
Revenue from External Customers	\$ 386,141	\$ 426,760	\$ -	\$ -	\$ 812,901
Interdepartmental Revenue	1,348	-	-	(1,348)	-
Interest Income	-	-	2,156	-	2,156
Total Revenue	<u>\$ 387,489</u>	<u>\$ 426,760</u>	<u>\$ 2,156</u>	<u>(\$ 1,348)</u>	<u>\$ 815,057</u>
Interest Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,336</u>	<u>\$ -</u>	<u>\$ 2,336</u>
Depreciation and Amortization	<u>\$ 4,134</u>	<u>\$ 28,542</u>	<u>\$ 3,467</u>	<u>\$ -</u>	<u>\$ 36,143</u>
Pre-Tax Profit from Continuing Operations	<u>\$ 56,015</u>	<u>\$ 102,875</u>	<u>(\$ 22,217)</u>	<u>\$ -</u>	<u>\$ 136,673</u>
<u>January 1 to March 31, 2024</u>					
Revenue					
Revenue from External Customers	\$ 300,097	\$ 312,822	\$ -	\$ -	\$ 612,919
Interdepartmental Revenue	3,119	-	-	(3,119)	-
Interest Income	-	-	6,122	-	6,122
Total Revenue	<u>\$ 303,216</u>	<u>\$ 312,822</u>	<u>\$ 6,122</u>	<u>(\$ 3,119)</u>	<u>\$ 619,041</u>
Interest Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,494</u>	<u>\$ -</u>	<u>\$ 1,494</u>
Depreciation and Amortization	<u>\$ 4,985</u>	<u>\$ 29,531</u>	<u>\$ 3,663</u>	<u>\$ -</u>	<u>\$ 38,179</u>
Pre-Tax Profit from Continuing Operations	<u>\$ 68,321</u>	<u>\$ 80,033</u>	<u>(\$ 2,541)</u>	<u>\$ -</u>	<u>\$ 145,813</u>

Interdepartmental sales are priced at market value.

Department profit refers to the profit earned by each department, excluding allocated headquarters management costs, director compensation, equity-method investee profit and loss shares, gains or losses from disposal of equity-method long-term investments, rental income, interest income, gains or losses from disposal of fixed assets, gains or losses from disposal of investments, exchange gains or losses, financial instrument revaluation gains or

losses, interest expenses, and income tax expenses. This measurement amount is provided to the chief operating decision-maker for resource allocation to departments and performance evaluation.

B. Department Assets and Liabilities

	Engineering and Machinery Division	Precision Division	Common	Reconciliations and eliminations	Total
<u>March 31, 2025</u>					
Assets					
Capital Expenditures on Non-Current Assets	\$ 2,807	\$ 55,725	\$ -	\$ -	\$ 58,532
Departmental Assets	\$ 2,110,737	\$ 2,660,827	\$ 1,143,128	\$ -	\$ 5,914,692
Departmental Liabilities	\$ 423,034	\$ 575,578	\$ 376,732	\$ -	\$ 1,375,344
<u>December 31, 2024</u>					
Assets					
Capital Expenditures on Non-Current Assets	\$ 2,146	\$ 583,068	\$ -	\$ -	\$ 585,214
Departmental Assets	\$ 2,012,901	\$ 2,698,859	\$ 1,142,164	\$ -	\$ 5,853,924
Departmental Liabilities	\$ 441,017	\$ 696,475	\$ 287,920	\$ -	\$ 1,425,412
<u>March 31, 2024</u>					
Assets					
Capital Expenditures on Non-Current Assets	\$ 84	\$ 470,679	\$ -	\$ -	\$ 470,763
Departmental Assets	\$ 1,626,533	\$ 2,733,283	\$ 1,131,190	\$ -	\$ 5,491,006
Departmental Liabilities	\$ 375,696	\$ 823,845	\$ 70,486	\$ -	\$ 1,270,027

ChenFull International Co., Ltd. and Subsidiaries
 Status of significant securities held at the end of the period
 March 31, 2025

Table 1

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

Company held	Securities Type and Name (Note 1) Stock - Non-Public	Relationship with the issuer of securities	Account Classification	End of period				Remarks
				Number of Shares/Units	Book Value	Percentage of Ownership	Fair Value	
CHENFULL INTERNATIO NAL CO., LTD.	Stocks - Non-listed/Over-the-Counter	None	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current	3,104,110	\$ 73,036	9.24	\$ 73,036	
	Mingchao Enterprise Co., Ltd.			854,360	\$ 8,973	1.21	\$ 8,973	
	Stocks - Non-public			1,200,000	\$ 55,211 \$ 64,184	1.74	\$ 55,211 \$ 64,184	
	Taiwan SME Development Co., Ltd.			3,000,000	\$ 31,594	4.38	\$ 31,594	
	Natech Materials Co., Ltd.			462,000	\$ 10,834 \$ 42,428	0.23	\$ 10,834 \$ 42,428	
	Beneficiary Certificates - Domestic			155,000	\$ 8,091	0.05	\$ 8,091	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund			281,759	\$ 13,820	0.25	\$ 13,820	
	Cathay FTSE China A50 Fund			66,000	\$ 1,691	0.19	\$ 1,691	
	Stocks - Listed/Over-the-Counter	None	Financial Assets Measured at Fair Value Through Profit or Loss - Current					
	Fubon Gold Special							
CHENFENG MACHINERY & ENTERPRISE CO., LTD.	Stocks - Listed/Over-the-Counter	Parent Company	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-current					
	ChenFull Industrial Co., Ltd.							
	Stocks - Emerging Market							
	Meiqiang Optical Co., Ltd.							

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(Continued from previous page)

Company held	Securities Type and Name (Note 1) <u>Stock - Non-Public</u>	Relationship with the issuer of securities	Account Classification	End of period				Remarks
				Number of Shares/Units	Book Value	Percentage of Ownership	Fair Value	
	Huanmeng International Enterprise Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - Non-current	46,750	\$ -	0.19	\$ -	
	Nait Technology Materials Co., Ltd.	"	"	35,000	-	0.25	-	
	<u>Fund Beneficiary Certificates - Domestic</u>	"	"	300,000	<u>13,800</u>	0.44	<u>13,800</u>	
	Cathay FTSE China A50 Fund				<u><u>\$ 13,800</u></u>		<u><u>\$ 13,800</u></u>	
	Yuanta Japan Leading Enterprises Fund A	None	Financial assets measured at fair value through profit or loss - Current	490,000	\$ 11,491	0.25	\$ 11,491	
	Uni Taiwan High-Yield Momentum ETF Securities	"	"	1,002,004	10,411	0.05	10,411	
	Trust Investment Fund	"	"	666,000	9,177	0.02	9,177	
	Huanmeng International Enterprise Co., Ltd.	"	"	148,000	<u>25,567</u>	0.01	<u>25,567</u>	
	Yuanta Taiwan Excellence 50 Securities Investment Trust Fund	"	"		<u><u>\$ 56,646</u></u>		<u><u>\$ 56,646</u></u>	
	<u>Stock - Listed/Over-the-Counter</u>	None	Financial assets measured at fair value through profit or loss - Current	24,640	\$ 2,932	-	\$ 2,932	
	Fengtai Enterprise Co., Ltd.	"	"	155,000	8,091	0.05	8,091	
	Fubon Financial B Special	"	"	160,000	2,744	-	2,744	
	KGI Financial Holding Co., Ltd.	"	"					
	Discretionary Investment Account (Note 2)	"	"	5,000	3,860	-	3,860	
	INTERNATIONAL GAMES SYSTEM CO.,LTD.	"	"	13,000	3,510	0.01	3,510	
	Foxsemicon Integrated Technology Inc.	"	"	41,000	4,006	-	4,006	
	WT MICROELECTRONICS CO., LTD.	"	"	19,000	2,100	0.03	2,100	
	Avalue Technology Incorporation	"	"		<u>3,913</u>	0.01	<u>3,913</u>	
	Shuotian Technology Co., Ltd.	"	"	14,000	<u><u>\$ 31,156</u></u>		<u><u>\$ 31,156</u></u>	

Note 1: The term "securities" in this table refers to stocks, bonds, beneficiary certificates, and derivative securities of the aforementioned items within the scope of IFRS 9 "Financial Instruments."

Note 2: Refers to the method of signing a discretionary asset management contract with an investment advisory company, whereby the trustee independently buys and sells on centralized trading markets.

Note 3: For information on invested subsidiaries, associates, and joint ventures, please refer to Schedule 2 and Schedule 3.

ChenFull International Co., Ltd. and Subsidiaries
 Information on Invested Companies, Locations, and Other Related Details
 January 1 to March 31, 2025

Table 2

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

Investor Company Name	Investee Company Name	Location	Main Business Activities	Original Investment Amount		Holdings at End of Period			Profit (Loss) of the Investee Company in the Period	Investment (Loss) Income Recognized in the Period	Remarks
				End of This Period	End of Last Period	Number of Shares	Percentage (%)	Book Value			
CHENFULL INTERNATIONAL CO., LTD.	Chenfeng Machinery & Enterprise Co., Ltd.	12F, No. 107, Section 4, Zhongxiao East Road, Da'an District, Taipei City	Business Center Operations and Sales of Shoe-Making Equipment	\$ 132,880	\$ 132,880	15,280,000	100	\$ 183,881	(\$ 8,244)	(\$ 8,244)	Subsidiary
	CHEN FULL HOLDING CO., LTD.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Engaged in Holding Business	60,448 (USD 2,000)	60,448 (USD 2,000)	-	100	76,286	387	387	Subsidiary
	CHENFULL Precision Co., Ltd.	No. 28, Houke South Road, Houli District, Taichung City	Manufacturing and Processing of Precision Components and Aircraft Materials	372,780	372,780	37,278,000	63	1,313,761	82,865	52,208	Subsidiary (Note 1)
CHEN FULL HOLDING CO., LTD.	NEW OPPORTUNITY LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Engaged in Holding Business	60,448 (USD 2,000)	60,448 (USD 2,000)	-	100	55,419 (USD 1,669)	(USD 197) (USD -6)	(USD 197) (USD -6)	Subsidiary
NEW OPPORTUNITY LIMITED	Chenfeng Machinery (Dongguan) Co., Ltd. (Note 1)	No. 23, Yanhe Road, Houjie Town, Dongguan City, Guangdong Province	Sales and Contracting of Precision Machinery Equipment, Shoe-Making Equipment, Ventilation Equipment, and Their Parts	60,448 (USD 2,000)	60,448 (USD 2,000)	-	100	55,386 (USD 1,668)	(USD 197) (USD -6)	(USD 197) (USD -6)	Subsidiary

Note 1: Represents significant non-controlling interests.

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

ChenFull International Co., Ltd. and Subsidiaries
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
January 1 to March 31, 2025

Table 3

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

Investee Company Name	Main Business Activities	Paid-in Capital	Investment Method (Note 1)	Cumulative Investment Amount Remitted from Taiwan at the Beginning of the Period	Investment Amount Remitted or Recovered in the Period		Cumulative Investment Amount Remitted from Taiwan at the End of the Period	Profit or Loss of the Investee Company in the Period	Direct or Indirect Shareholding Percentage of the Company's Investment (%)	Investment (Loss) Income Recognized in the Period (Note 2)	Ending Book Value of Investment	Investment Income Repatriated to Taiwan as of This Period
					Remitted	Recovered						
Chenfeng Machinery (Dongguan) Co., Ltd.	Sales and Contracting of Precision Machinery Equipment, Shoe-Making Equipment, Ventilation Equipment, and Their Parts	\$ 60,448 (USD 2,000)	(2)	\$ 60,448 (USD 2,000)	\$ -	\$ -	\$ 60,448 (USD 2,000)	(\$ 197) (USD -6)	100	(\$ 197) (USD -6) (2)-3	\$ 55,386 (USD 1,668)	\$ 44,358 (USD 1,440)

Cumulative Investment Amount Remitted from Taiwan to Mainland China at the End of the Period		Investment Amount Approved by the Ministry of Economic Affairs Investment Commission	Investment Limit to Mainland China Based on the Regulations of the Ministry of Economic Affairs Investment Commission
NTD 60,448 (USD 2,000)		NTD 60,448 (USD 2,000)	NTD 2,260,716 (USD 68,084)

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

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

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

1. If the investment is still under preparation and there is no recognized investment profit or loss, it should be noted.
2. The basis for recognizing investment profit and loss is divided into the following three types, and the basis should be noted:
 - (1) Financial statements audited or reviewed by an international accounting firm in cooperation with a CPA firm in the Republic of China (Taiwan).
 - (2) Financial statements audited or reviewed by the CPA of the parent company in Taiwan.
 - (3) Other.

Note 3: The relevant amounts in this table are presented in New Taiwan Dollars. For foreign currencies, the amounts should be converted to New Taiwan Dollars using the spot exchange rate on the financial reporting date. (The spot exchange rate for USD as of March 31, 2025, was 33.205)

ChenFull International Co., Ltd. and Subsidiaries
 INTERGROUP RELATIONSHIPS AND SIGNIFICANT INTERGROUP TRANSACTIONS
 January 1 to March 31, 2025

Table 4

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

Serial Number	Trader Name	Counterparty	Relationship with Trader	Transaction Details				Percentage of Consolidated Total Revenue or Total Assets
				Account	Amount (Note 4)	Transaction Conditions		
0	the Company	Chenfeng Machinery	1	Other Receivables	\$ 600	Comparable to General Customers		0.01%
0	the Company	Chenfeng Machinery	1	Rental Income	600	"		0.07%
0	the Company	Chenfeng Machinery (Dongguan) Co., Ltd.	1	Purchases	7	"		-
0	the Company	Chenfeng Machinery (Dongguan) Co., Ltd.	1	Sales Revenue	1,341	"		0.16%
0	the Company	Chenfeng Machinery (Dongguan) Co., Ltd.	1	Contract Liabilities	5,425	"		0.09%
0	the Company	Chenfeng Machinery (Dongguan) Co., Ltd.	1	Accounts Payable	36,134	"		0.61%
0	the Company	ChenFull Precision Co., Ltd.	1	Rental Income	1,230	"		0.15%
0	the Company	ChenFull Precision Co., Ltd.	1	Other Income	224	"		0.03%
0	the Company	ChenFull Precision Co., Ltd.	1	Rental Expense	24	"		-
0	the Company	ChenFull Precision Co., Ltd.	1	Manufacturing Costs	3	"		-
1	ChenFull Precision Co., Ltd.	Chenfeng Machinery (Dongguan) Co., Ltd.	3	Accounts Payable	172	"		-

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

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

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

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

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

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

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

January 1 to March 31, 2025

Table 5

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

Investee Company Name in Mainland China	Transaction Type	Purchases and Sales		Price	Transaction Conditions		Receivables (Payables) Notes and Accounts		Unrealized Gains/Losses	Note
		Amount	Percentage		Payment Terms	Comparison with General Transactions	Amount	Percentage		
Chenfeng Machinery (Dongguan) Co., Ltd.	Sales	\$ 1,341	0.16	Same as general customers	Same as general customers	Same as general customers	\$ -	-	\$ -	
	Purchases	7	-	Same as general customers	Same as general customers	Same as general customers	(36,134)	(0.61 %)	-	