ChenFull Precision Co., Ltd

Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Repor

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INDEPENDENT AUDITORS' REVIEW REPORT
The Board of Directors and Shareholders
ChenFull Precision Co., Ltd.

The Board of Directors and Shareholders
ChenFull Precision Co., Ltd.

Introduction

We have reviewed the balance sheets of ChenFull Precision Co., Ltd. (the "Company") as of June 30, 2025 and 2024, and the related statements of comprehensive income for the three-month and six-month periods then ended, the statements of changes in equity and cash flows for the six-month periods then ended, and the related notes to the financial statements, including a summary of significant accounting policies (collectively, the "financial statements"). Management is responsible for the preparation and fair presentation of these financial statements 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. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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 the 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.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its financial performance and its cash flows for the six months ended June 30, 2025 and 2024 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.

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
August 14, 2025

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the Republic of China and not those of any other jurisdictions.

The standards, procedures, and practices applied in reviewing such financial statements are those generally accepted in the Republic of China.

For readers' convenience, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In case of any discrepancy or conflict between the English version and the original Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

CHENFULL PRECISION CO., LTD.

Balance Sheets

June 30, 2025, December 31, 2024 and June 30, 2024

(Expressed in thousands of New Taiwan dollars)

Code	Assets	2025/6/30 Amount	%	2024/12/31 Amount	%	2025/6/30 Amount	%
	Current Assets						
1100	Cash and Cash Equivalents (Notes 6 and 25)	$ 153,345	6	$ 269,056	10	$ 754,333	26
1150	Notes Receivable – Non-related Parties (Notes 7 and 25)	6,040	-	353	-	150	-
1172	Accounts Receivable – Non-related Parties (Notes 7 and 25)	342,441	13	384,327	14	292,528	10
1200	Other Receivables (Notes 7 and 25)	5,788	-	7,977	-	7,255	-
130X	Inventories (Note 8)	481,374	18	408,238	15	326,817	11
1410	Prepayments (Note 12)	12,763	-	22,601	1	6,295	-
1476	Other Financial Assets – Current (Notes 12, 25 and 27)	8,943	-	8,942	1	8,942	1
1479	Other Current Assets (Note 12)	4,025	-	4,025	-	4,025	-
11XX	Total Current Assets	1,014,719	37	1,105,519	41	1,400,345	48
	Non-current Assets						
1600	Property, Plant and Equipment (Note 9)	1,558,256	57	1,427,932	53	1,378,475	47
1755	Right-of-use Assets (Note 10)	103,810	4	107,158	4	110,507	4
1780	Other Intangible Assets (Note 11)	12,222	1	12,959	1	12,891	-
1840	Deferred Tax Assets (Note 4)	9,499	-	5,366	-	4,270	-
1980	Other Financial Assets – Non-current (Notes 12, 25 and 27)	34,543	1	34,543	1	34,543	1
1990	Other Non-current Assets (Note 12)	11,051	-	5,382	-	3,179	-
15XX	Total Non-current Assets	1,729,381	63	1,593,340	59	1,543,865	52
1XXX	Total Assets	$ 2,744,100	100	$ 2,698,859	100	$ 2,944,210	100
	Liabilities and Equity						
	Current Liabilities						
2100	Short-term Borrowings (Notes 13 and 25)	$ 20,000	1	$ 100,000	4	$ 460,000	16
2110	Commercial Paper Payables (Notes 13 and 25)	-	-	-	-	40,000	2
2130	Contract Liabilities – Current (Note 18)	19,901	-	23,454	1	36,446	1
2170	Accounts Payable (Notes 14 and 25)	158,639	6	174,962	6	94,942	3
2180	Accounts Payable – Related Parties (Notes 14, 25 and 26)	153	-	168	-	-	-
2219	Other Payables (Notes 15 and 25)	495,733	18	164,744	6	320,421	11
2220	Other Payables – Related Parties (Notes 15, 25 and 26)	-	-	17	-	-	-
2230	Current Income Tax Liabilities (Note 4)	27,483	1	42,917	2	32,340	1
2280	Lease Liabilities – Current (Notes 10 and 25)	5,739	-	5,651	-	5,563	-
2399	Other Current Liabilities (Note 15)	1,645	-	1,451	-	1,423	-
21XX	Total Current Liabilities	729,293	26	513,364	19	991,135	34
	Non-current Liabilities						
2540	Long-term Borrowings (Notes 13 and 25)	103,782	4	69,458	3	-	-
2570	Deferred Tax Liabilities (Note 4)	362	-	1,742	-	2,389	-
2580	Lease Liabilities – Non-current (Notes 10 and 25)	106,906	4	109,798	4	112,646	4
2640	Net Defined Benefit Liabilities – Non-current (Note 4)	1,976	-	2,024	-	1,976	-
2670	Other Non-current Liabilities – Others (Note 15)	65	-	89	-	114	-
25XX	Total Non-current Liabilities	213,091	8	183,111	7	117,125	4
2XXX	Total Liabilities	942,384	34	696,475	26	1,108,260	38
	Equity						
	Capital Stock						
3110	Common Stock (Note 17)	591,690	22	591,690	22	591,690	20
3200	Capital Surplus	972,310	35	972,310	36	972,310	33
	Retained Earnings						
3310	Legal Reserve	118,056	4	84,551	3	84,551	3
3350	Unappropriated Earnings	119,660	5	353,833	13	187,399	6
3300	Total Retained Earnings	237,716	9	438,384	16	271,950	9
3XXX	Total Equity	1,801,716	66	2,002,384	74	1,835,950	62
	Total Liabilities and Equity	$ 2,744,100	100	$ 2,698,859	100	$ 2,944,210	100

The accompanying notes are an integral part of these financial statements.

Chairperson: Chang, Alice **Manager:** Lai, Ming-Tsun **Chief Accounting Officer:** Lin, Min-Hui

CHENFULL PRECISION CO., LTD.

Statements of Comprehensive Income

For the three-month periods ended June 30, 2025 and 2024, and for the six-month periods ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, except earnings per share which are expressed in New Taiwan dollars)

Code		2025/4/1~6/30 Amount	%	2024/4/1~6/30 Amount	%	2025/1/1~6/30 Amount	%	2024/1/1~6/30 Amount	%
4100	Revenue (Note 18)	$ 391,910	100	$ 405,318	100	$ 818,670	100	$ 718,140	100
5110	Cost of Sales (Notes 8, 16, 19 and 26)	288,863	74	240,406	59	564,460	69	465,129	65
5900	Gross Profit	103,047	26	164,912	41	254,210	31	253,011	35
	Operating Expenses (Notes 16, 19 and 26)								
6100	Selling Expenses	10,305	3	10,108	2	20,499	2	19,632	3
6200	General and Administrative Expenses	19,972	5	31,163	8	53,329	7	52,730	7
6300	Research and Development Expenses	12,205	3	11,139	3	22,536	3	20,925	3
6000	Total Operating Expenses	42,482	11	52,410	13	96,364	12	93,287	13
6900	Operating Income	60,565	15	112,502	28	157,846	19	159,724	22
	Non-operating Income and Expenses (Notes 19 and 26)								
7100	Interest Income	1,420	-	7,226	2	2,606	-	12,472	2
7010	Other Income	776	-	425	-	1,126	-	1,930	-
7020	Other Gains and Losses	(48,035)	(12)	11,083	3	(42,789)	(5)	38,524	5
7050	Finance Costs	(887)	-	(2,770)	(1)	(2,075)	-	(4,151)	-
7000	Total Non-operating Income and Expenses	(46,726)	(12)	15,964	4	(41,132)	(5)	48,775	7
7900	Profit Before Income Tax from Continuing Operations	13,839	3	128,466	32	116,714	14	208,499	29
7950	Income Tax Expense (Notes 4 and 20)	(1,527)	-	(24,447)	(6)	(21,537)	(2)	(39,879)	(6)
8200	Net Income for the Period	12,312	3	104,019	26	95,177	12	168,620	23
8500	Total Comprehensive Income for the Period	$ 12,312	3	$ 104,019	26	$ 95,177	12	$ 168,620	23
	Earnings per Share (Note 22)								
	From Continuing Operations								
9710	Basic	$ 0.21		$ 1.76		$ 1.61		$ 2.85	
9810	Diluted	$ 0.21		$ 1.75		$ 1.60		$ 2.84	

The accompanying notes are an integral part of these financial statements.

Chairperson: Chang, Alice Manager: Lai, Ming-Tsun Chief Accounting Officer: Lin, Min-Hui

CHENFULL PRECISION CO., LTD.

Statements of Changes in Equity

For the six-month periods ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

	Share Capital			Retained Earnings		
	Number of Shares (in thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total Equity
Balance as of January 1, 2024	59,169	$ 591,690	$ 972,310	$ 63,822	$ 217,015	$ 1,844,837
Appropriation and Distribution of 2023 Earnings						
Legal Reserve	-	-	-	20,729	(20,729)	-
Cash Dividends to Shareholders of the Company	-	-	-	-	(177,507)	(177,507)
Net Income for the Six Months Ended June 30, 2024	-	-	-	-	168,620	168,620
Total Comprehensive Income for the Six Months Ended June 30, 2024	-	-	-	-	168,620	168,620
Balance as of June 30, 2024	59,169	$ 591,690	$ 972,310	$ 84,551	$ 187,399	$ 1,835,950
Balance as of January 1, 2025	59,169	$ 591,690	$ 972,310	$ 84,551	$ 353,833	$ 2,002,384
Appropriation and Distribution of 2024 Earnings						
Legal Reserve	-	-	-	33,505	(33,505)	-
Cash Dividends to Shareholders of the Company	-	-	-	-	(295,845)	(295,845)
Net Income for the Six Months Ended June 30, 2025	-	-	-	-	95,177	95,177
Total Comprehensive Income for the Six Months Ended June 30, 2025	-	-	-	-	95,177	95,177
Balance as of June 30, 2025	59,169	$ 591,690	$ 972,310	$ 118,056	$ 119,660	$ 1,801,716

The accompanying notes are an integral part of these financial statements.

Chairperson: Chang, Alice Manager: Lai, Ming-Tsun Chief Accounting Officer: Lin, Min-Hui

CHENFULL PRECISION CO., LTD.

Statements of Cash Flows

For the six-month periods ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

Code		114/1/1~6/30	113/1/1~6/30
	Cash Flows from Operating Activities		
A10000	Profit before income tax	$ 116,714	$ 208,499
A20010	Adjustments for:		
A20100	Depreciation expense	54,330	56,300
A20200	Amortization expense	3,078	2,263
A20900	Finance costs	2,075	4,151
A21200	Interest income	(2,606)	(12,472)
A22500	Gain on disposal of property, plant and equipment	-	(1,300)
A23700	Inventory valuation loss and obsolescence	890	554
A29900	Realized deferred income	(24)	(24)
A30000	Changes in operating assets and liabilities:		
A31130	Notes receivable	(5,687)	(150)
A31150	Accounts receivable	41,886	(41,723)
A31180	Other receivables	1,980	3,725
A31200	Inventories	(74,026)	(12,268)
A31230	Prepayments	9,838	(4,262)
A31240	Other current assets	-	(4,025)
A32125	Contract liabilities	(3,553)	(1,435)
A32150	Accounts payable	(16,323)	(23,764)
A32160	Accounts payable – related parties	(15)	-
A32180	Other payables	(3,117)	7,772
A32190	Other payables – related parties	(17)	(403)
A32230	Other current liabilities	194	(208)
A32240	Net defined benefit liabilities	(48)	(183)
A33000	Cash generated from operations	125,569	181,047
A33100	Interest received	2,815	11,744
A33300	Interest paid	(2,095)	(3,696)
A33500	Income tax paid	(42,484)	(8,983)
AAAA	Net cash flows from operating activities	83,805	180,112
	Cash Flows from Investing Activities		
B02700	Acquisition of property, plant and equipment	(138,368)	(483,384)
B02800	Proceeds from disposal of property, plant and equipment	-	1,300

B03700	Decrease in refundable deposits	$ 122	$ 3,477
B04500	Acquisition of intangible assets	(2,341)	(400)
B06500	Increase in other financial assets	(1)	(34,544)
B06700	Increase in other non-current assets	(10,448)	(1,464)
BBBB	Net cash flows used in investing activities	(151,036)	(515,015)
	Cash Flows from Financing Activities		
C00100	Increase in short-term borrowings	-	460,000
C00200	Decrease in short-term borrowings	(80,000)	-
C00500	Increase in short-term notes payable	-	40,000
C01600	Proceeds from long-term borrowings	34,324	-
C04020	Repayments of lease liabilities	(2,804)	(2,717)
CCCC	Net cash flows (used in)/from financing activities	(48,480)	497,283
EEEE	Net (decrease)/increase in cash and cash equivalents	(115,711)	162,380
E00100	Cash and cash equivalents at beginning of period	269,056	591,953
E00200	Cash and cash equivalents at end of period	$ 153,345	$ 754,333

The accompanying notes are an integral part of these financial statements.

Chairperson: Chang, Alice **Manager:** Lai, Ming-Tsun **Chief Accounting Officer:** Lin, Min-Hui

CHENFULL PRECISION CO., LTD.

Notes to the Financial Statements

For the Periods from January 1 to June 30, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, unless otherwise stated)

1. **Company History**

   ChenFull Precision Co., Ltd. (hereinafter referred to as the "Company") was incorporated on July 20, 2020, and on October 1, 2020 (the spin-off base date), succeeded the Precision Technology Business Division of ChenFull Industrial Co., Ltd. (hereinafter referred to as "ChenFull Industrial") through a spin-off, assuming related operations (including assets and liabilities). The Company's business scope includes the manufacturing, processing, and trading of precision molds, as well as the processing, manufacturing, and trading of various aeronautical equipment.

   The Company's shares have been traded over the counter (OTC) on the Taipei Exchange since March 2022.

   These financial statements are presented in New Taiwan dollars, the Company's functional currency.

2. **Date and Procedures of Authorization of Financial Statements**

   These financial statements were submitted to the Board of Directors on August 14, 2025.

3. **Application of New Standards, Amendments and Interpretations**

   (1) Initial Application of IFRSs, IASs, IFRIC Interpretations and SIC Interpretations Endorsed and Effective by the Financial Supervisory Commission (FSC) (hereinafter referred to as "IFRSs")

   Amendments to IAS 21 "Lack of Exchangeability"

   The application of the amendments to IAS 21 "Lack of Exchangeability" did not result in any significant changes to the Company's accounting policies.

(2) IFRSs Endorsed by the FSC and Effective in 2026

Standard / Interpretation	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	1-Jan-26
Amendments to IFRS 9 and IFRS 7 "Contracts on Natural Dependency Electricity"	1-Jan-26
" Annual Improvements to IFRS Accounting Standards – 2023 Cycle (Book 11)"	1-Jan-26
IFRS 17 "Insurance Contracts"	1-Jan-23
Amendments to IFRS 17	1-Jan-23
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	1-Jan-23

As of the authorization date of these financial statements, the Company is still in the process of assessing the effects of the amendments on its financial position and performance. The related impacts will be disclosed once the assessment is complete.

(3) IFRSs Issued by the IASB but Not Yet Endorsed and Effective by the FSC

Standard / Interpretation	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	1-Jan-27
IFRS 19 " Subsidiaries without Public Accountability: Disclosures"	1-Jan-27

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

IFRS 18 "Presentation and Disclosure in Financial Statements"
IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes include:

- The statement of profit or loss shall classify income and expenses into operating, investing, financing, income tax, and discontinued operations categories.

- The statement of profit or loss shall present subtotals for operating profit or loss, profit or loss before financing and income tax, and profit or loss totals.
- Provides guidance to strengthen aggregation and disaggregation requirements: The Company must 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. Each line item presented in the primary financial statements shall have at least one common characteristic. Items with different characteristics shall be disaggregated in the primary financial statements and in the notes. The Company shall only label items as "other" when no more informative label can be found.
- Introduces disclosure requirements for management-defined performance measures (MPMs): When the Company communicates publicly outside the financial statements, or with users of the financial statements, about management's view of an aspect of the Company's overall financial performance, it shall disclose in a single note information about the MPMs. Such disclosure shall include a description of the measure, how it is calculated, a reconciliation to the most directly comparable subtotal or total specified by IFRSs, and the income tax and non-controlling interest effects of the reconciling items.

Other than the above impacts, as of the authorization date of these financial statements, the Company continues to assess the effects of the amendments to each standard and interpretation on its financial position and performance. The related impacts will be disclosed once the assessment is complete.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

These interim financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission (FSC). These interim financial statements do not include all the disclosures required by the full set of International Financial Reporting Standards (IFRSs) for annual financial statements.

(2) Basis of Preparation

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

(3) Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the 2023 annual financial statements.

i. **Defined Benefit Post-Employment Benefits**

Pension costs for the interim periods are calculated using the pension cost rates determined by actuarial valuations as of the end of the preceding fiscal year, applied to the period from the beginning of the year to the end of the interim period. Adjustments are made for significant market fluctuations, plan amendments, settlements, or other material one-time events occurring during the current period.

ii. Income Tax Expense

Income tax expense is the aggregate amount of current income tax and deferred income tax. For interim reporting purposes, income tax is measured on an annual basis, applying the estimated average annual effective tax rate to pre-tax income for the interim period.

5. Significant Accounting Judgments, Estimates and Sources of Assumption Uncertainty

In applying accounting policies where relevant information is not readily available from other sources, management is required to make judgments, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from these estimates.

In developing accounting estimates, the Company has considered the possible impacts of inflation, fluctuations in market interest rates, and the effects of U.S. reciprocal tariff measures on cash flow projections, growth rates, discount rates, and profitability assessments. Management continuously reviews estimates and underlying assumptions.

After assessment by the Company's management, no significant accounting judgments, estimates, or sources of assumption uncertainty have been identified.

6. Cash and Cash Equivalents

	2025/6/30	2024/12/31	2024/6/30
Cash on hand and petty cash	$ 50	$ 86	$ 85
Bank checks and demand deposits	65,410	170,631	196,108
Cash equivalents (investments with original maturities of three months or less):			
– Bank time deposits	87,885	98,339	64,900

– Repurchase agreements with bonds	-	-	493,240
Total	$ 153,345	$ 269,056	$ 754,333

The ranges of interest rates on bank deposits, time deposits, and repurchase agreements with bonds as of the balance sheet date were as follows:

	2025/6/30	2024/12/31	2024/6/30
Bank Deposits	0.645%	0.65%～4.30%	0.645%～4.45%
Time Deposits	4.17%	4.35%	5.4%
Bonds Purchased Under Resale Agreements	-	-	5.50%～5.60%

7. Notes Receivable, Accounts Receivable and Other Receivables

	2025/6/30	2024/12/31	2024/6/30
Notes Receivable			
Measured at amortized cost			
Gross carrying amount	$ 6,040	$ 353	$ 150
Less: Allowance for impairment losses	-	-	-
	$ 6,040	$ 353	$ 150
Accounts Receivable – Non-related Parties			
Measured at amortized cost			
Gross carrying amount	$ 345,318	$ 387,204	$ 295,405
Less: Allowance for impairment losses	(2,877)	(2,877)	(2,877)
	$ 342,441	$ 384,327	$ 292,528
Other Receivables			
VAT Refund Receivable	$ 4,837	$ 6,504	$ 4,937
Others	951	1,473	2,318
	$ 5,788	$ 7,977	$ 7,255

(1) Notes Receivable

2024/6/30

	Not Past Due	Past Due 1–90 Days	Total
Expected Credit Loss Rate	0%	-	
Gross Carrying Amount	$ 6,040	$ -	$ 6,040
Allowance for Impairment Losses	-	-	-

(Lifetime Expected Credit Losses)			
Amortized Cost	$ 6,040	$ -	$ 6,040

2024/12/31

	Not Past Due	Past Due 1–90 Days	Total
Expected Credit Loss Rate	0%	-	
Gross Carrying Amount	$ 353	$ -	$ 353
Allowance for Impairment Losses (Lifetime Expected Credit Losses)	-	-	-
Amortized Cost	$ 353	$ -	$ 353

2024/6/30

	Not Past Due	Past Due 1–90 Days	Total
Expected Credit Loss Rate	0%	-	
Gross Carrying Amount	$ 150	$ -	$ 150
Allowance for Impairment Losses (Lifetime Expected Credit Losses)	-	-	-
Amortized Cost	$ 150	$ -	$ 150

For the periods from January 1 to June 30, 2025 and 2024, there was no change in the allowance for notes receivable.

(2) Accounts Receivable

Accounts receivable measured at amortized cost

The Company's average credit term for sales of goods is 60 days from the end of the month following the invoice date. In assessing the recoverability of accounts receivable, the Company considers any changes in credit quality from the original credit date to the balance sheet date.

To mitigate credit risk, the Company's management has assigned a dedicated team responsible for determining credit limits, approving credit, and performing other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, at each balance sheet date, management performs an individual review of receivables to ensure that adequate impairment losses are

recognized for amounts 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, which takes into account historical default records of customers, current financial conditions, and industry and economic circumstances. Based on the Company's historical experience of credit losses, the loss patterns among different customer groups do not vary significantly. Therefore, the provision matrix is not further segmented by customer group but is instead determined based on the number of days past due.

When there is evidence that a counterparty is experiencing significant financial difficulty and the Company does not reasonably expect to recover the receivable—such as when the counterparty is undergoing liquidation or when the debt is overdue for more than 365 days—the Company writes off the related accounts receivable. Nevertheless, collection activities continue, and any subsequent recoveries are recognized in profit or loss.

The Company measured the allowance for accounts receivable using a provision matrix as follows:

2025/6/30

	Not Past Due	Past Due 1–90 Days	Past Due 91–180 Days	Total
Expected Credit Loss Rate	0.37%	5.00%	-	
Gross Carrying Amount	$ 310,928	$ 34,390	$ -	$ 345,318
Allowance for Impairment Losses (Lifetime Expected Credit Losses)	(1,157)	(1,720)	-	(2,877)
Amortized Cost	$ 309,771	$ 32,670	$ -	$ 342,441

2024/12/31

	Not Past Due	Past Due 1–90 Days	Past Due 91–180 Days	Total
Expected Credit Loss Rate	0.66%	5.00%	-	
Gross Carrying Amount	$ 380,049	$ 7,155	$ -	$ 387,204
Allowance for Impairment Losses	(2,519)	(358)	-	(2,877)

(Lifetime Expected Credit Losses) Amortized Cost	$ 377,530	$ 6,797	$ -	$ 384,327

2024/6/30

	Not Past Due	Past Due 1–90 Days	Past Due 91–180 Days	Total
Expected Credit Loss Rate	0.94%	5.00%	-	
Gross Carrying Amount	$ 292,767	$ 2,638	$ -	$ 295,405
Allowance for Impairment Losses (Lifetime Expected Credit Losses)	(2,745)	(132)	-	(2,877)
Amortized Cost	$ 290,022	$ 2,506	$ -	$ 292,528

For the periods from January 1 to June 30, 2025 and 2024, there was no change in the allowance for accounts receivable.

8. **Inventories**

	2025/6/30	2024/12/31	2024/6/30
Raw Materials	$ 41,501	$ 37,600	$ 61,784
Work in Process	338,937	299,913	213,920
Finished Goods	100,936	70,725	51,113
	$ 481,374	$ 408,238	$ 326,817

The nature of cost of goods sold is as follows:

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Cost of Goods Sold	$ 294,287	$ 245,705	$ 578,250	$ 481,375
Inventory Valuation And Obsolescence Losses	3,048	1,947	890	554
Others	(8,472)	(7,246)	(14,680)	(16,800)
	$ 288,863	$ 240,406	$ 564,460	$ 465,129

9. **Property, Plant and Equipment**

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Balance as of January 1, 2025	$ 581,528	$ 733,630	$ 1,007,329	$ 287,389	$ 102,959	$ 2,712,835
Additions	-	1,034	3,084	3,103	169,428	176,649
Disposals	-	-	(1,040)	(199)	-	(1,239)
Reclassifications	-	-	4,392	265	-	4,657

Balance as of June 30, 2025	$ 581,528	$ 734,664	$ 1,013,765	$ 290,558	$ 272,387	$ 2,892,902
Accumulated Depreciation						
Balance as of January 1, 2025	$ -	$ 251,267	$ 795,841	$ 237,795	$ -	$ 1,284,903
Disposals	-	-	(1,040)	(199)	-	(1,239)
Depreciation Expense	-	12,556	28,271	10,155	-	50,982
Balance as of June 30, 2025	$ -	$ 263,823	$ 823,072	$ 247,751	$ -	$ 1,334,646
Net Book Value as of June 30, 2025	$ 581,528	$ 470,841	$ 190,693	$ 42,807	$ 272,387	$ 1,558,256
Net Book Value as of December 31, 2024 and January 1, 2025	$ 581,528	$ 482,363	$ 211,488	$ 49,594	$ 102,959	$ 1,427,932
Cost	$ -	$ 733,020	$ 1,010,933	$ 283,519	$ -	$ 2,027,472
Balance as of January 1, 2024	466,387	270	4,290	2,065	6,311	479,323
Additions	-	-	(11,093)	(396)	-	(11,489)
Disposals	115,141	-	3,150	-	-	118,291
Reclassifications	$ 581,528	$ 733,290	$ 1,007,280	$ 285,188	$ 6,311	$ 2,613,597
Balance as of June 30, 2024						
Accumulated Depreciation	$ -	$ 225,327	$ 750,738	$ 217,607	$ -	$ 1,193,672
Balance as of January 1, 2024	-	-	(11,093)	(396)	-	(11,489)
Disposals	-	13,271	28,560	11,108	-	52,939
Depreciation Expense	$ -	$ 238,598	$ 768,205	$ 228,319	$ -	$ 1,235,122
Balance as of June 30, 2024						
Cost	$ 581,528	$ 494,692	$ 239,075	$ 56,869	$ 6,311	$ 1,378,475

For the purpose of plant expansion and operational needs, the Company acquired land located at No. 0035-0008, Xinzhuang Section, Xinzhuang Subsection, Puzi City. The ownership transfer registration was completed on March 26, 2024, with the land recorded at a cost of NT$581,528 thousand. In addition, a provisional registration of ownership was filed with the Chiayi County Government.

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

Buildings	
Main Plant Buildings	5-56 years
Electrical Engineering	20-21 years

Plumbing Equipment	10-11 years
Air-conditioning Equipment	7- 9 years
Others	2-21 years
Machinery and Equipment	2-11 years
Other Equipment	2-11 years

For the periods from January 1 to June 30, 2025 and 2024, no impairment loss was recognized or reversed.

10. **Lease Agreements**

(1) Right-of-Use Assets

	2025/6/30	2024/12/31	2024/6/30
Right-of-use Assets – Carrying Amount			
Land	$ 103,810	$ 107,158	$ 110,507

	2025/4/1~6/30	2024/4/1~6/30	2025/1/1~6/30	2024/1/1~6/30
Depreciation Expense of Right of-use Assets				
Land	$ 1,674	$ 1,674	$ 3,348	$ 3,361

Except for the recognition of depreciation expense, the Company did not have any significant subleases or impairment of right-of-use assets during the periods from January 1 to June 30, 2025 and 2024.

(2) Lease Liabilities

	2025/6/30	2024/12/31	2024/6/30
Lease Liabilities – Carrying Amount			
Current	$ 5,739	$ 5,651	$ 5,563
Non-current	$ 106,906	$ 109,798	$ 112,646

The range of discount rates for lease liabilities was as follows:

	2024/6/30	2024/12/31	2024/6/30
Land	3.126%	3.126%	3.126%

(3) Significant Leasing Activities and Terms

The Company leases land for use as plant sites. The lease term was from October 2020 to December 2028. Beginning in January 2024, the lease payments were adjusted under a new lease agreement, with the lease term extended from January 2024 to

December 2040. For land leases located in the Republic of China, the lessor may adjust the lease payments in accordance with applicable laws and regulations.

(4) Other Lease Information

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Short-term Lease Expenses	$ 1,897	$ 1,701	$ 3,795	$ 3,397
Low Value Asset LeaseExpenses	$ 93	$ 213	$ 186	$ 426
Cash Outflows for Leases			($ 8,571)	($ 8,412)

The Company has elected to apply the recognition exemption to short-term leases and leases of low-value assets, and therefore does not recognize the related right-of-use assets or lease liabilities for such leases.

11. **Other Intangible Assets**

	Computer Software Cost
Cost	
Balance as of January 1, 2025	$ 25,204
Acquisitions	2,341
Balance as of June 30, 2025	$ 27,545
Accumulated Amortization	
Balance as of January 1, 2025	$ 12,245
Amortization for the Period	3,078
Balance as of June 30, 2025	$ 15,323
Net Book Value as of June 30, 2025	$ 12,222
Net Book Value as of December 31, 2024 and January 1, 2025	$ 12,959
Cost	
Balance as of January 1, 2024	$ 22,668
Acquisitions	400
Disposals	(489)
Balance as of June 30, 2024	$ 22,579
Accumulated Amortization	
Balance as of January 1, 2024	$ 7,914
Amortization for the Period	2,263
Disposals	(489)

Balance as of June 30, 2024	$ 9,688
Net Book Value as of June 30, 2024	$ 12,891

Except for the recognition of amortization expense, the Company did not have any significant disposals or impairment of other intangible assets during the periods from January 1 to June 30, 2025 and 2024.

Amortization expense is recognized on a straight-line basis over the following useful lives:

Computer Software Cost	1-5 years

Amortization expenses summarized by function:

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Operating Costs	$ 239	$ 240	$ 479	$ 460
Administrative Expenses	1,313	895	2,599	1,803
	$ 1,552	$ 1,135	$ 3,078	$ 2,263

12. **Other Assets**

	2025/6/30	2024/12/31	2024/6/30
Current			
Prepayments			
Advance Payments for Goods	$ 10,916	$ 20,565	$ 3,884
Others	1,847	2,036	2,411
	$ 12,763	$ 22,601	$ 6,295
Other Financial Assets – Current			
Pledged Time Deposits (Note 27)	$ 8,943	$ 8,942	$ 8,942
Other Current Assets			
Payments on Behalf of Others	$ 4,025	$ 4,025	$ 4,025

	2025/6/30	2024/12/31	2024/6/30
Non-current			
Other Non-current Assets			
Prepaid Equipment Payments	$ 10,448	$ 4,657	$ 1,464

Deposits Paid	603	725	1,715
	$ 11,051	$ 5,382	$ 3,179
Other Financial Assets – Non-current			
Pledged Time Deposits (Note 27)	$ 34,543	$ 34,543	$ 34,543

(1) As of June 30, 2025, December 31, 2024, and June 30, 2024, the interest rate ranges on pledged time deposits were 0.67%–1.69%, 0.54%–1.69%, and 0.54%–1.69% per annum, respectively.

13. **Borrowings**

(1) Short-Term Borrowings

	2025/6/30	2024/12/31	2024/6/30
Unsecured Loans			
Bank Loans	$ 20,000	$ 100,000	$ 460,000

The interest rates on bank revolving loans were 1.80%, 1.80%, and 1.78%–1.875% as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

(2) Short-Term Notes Payable

	2025/6/30	2024/12/31	2024/6/30
Notes Payable	$ -	$ -	$ 40,000
Less: Discount on Short-term Notes Payable	-	-	-
	$ -	$ -	$ 40,000

The interest rate on short-term notes payable was 1.958% as of June 30, 2024.

(3) Long-Term Borrowings

	2025/6/30	2024/12/31	2024/6/30
Secured Loans			
Bank Loans (Note 28)	$ 103,782	$ 69,458	$ -
Less: Portion Due Within One Year	-	-	-
Long-term Loans	$ 103,782	$ 69,458	$ -

	Maturity Date		Significant Terms	Effective Interest Rate	2025/6/30	2024/12/31
Secured Loans						
Secured NTD Bank Loans from Bank of Taiwan	2034.11.15	The loan term from November 28, 2024, to December 15, 2027, is a grace period, during which interest is paid monthly based on the loan amount. Starting from December 15, 2027, the principal and interest are repaid in 84 equal monthly installments. The loan maturity date is November 15, 2034.	1.35	$ 69,458	$ 69,458	$ -

	2034.11.15	The loan term from April 14, 2025, to December 15, 2027, is a grace period, during which interest is paid monthly based on the loan amount. Starting from December 15, 2027, the principal and interest are repaid in 84 equal monthly installments. The loan maturity date is November 15, 2034.	1.35	34,324	-	-
Secured NTD Bank Loans from Bank of Taiwan						
				103,782	-	-
Less: Portion Due Within One Year				-	-	-
Long-term Loans				$ 103,782	$ 69,458	$ -

The above bank borrowings were used for the construction of the Chiayi plant. According to the loan agreement, upon completion of the plant construction and registration of ownership, the provisional registration on the land of the Chiayi plant shall be cancelled, and a joint mortgage on the land and the plant shall be established.

14. **Accounts Payable**

	2025/6/30	2024/12/31	2024/6/30
Accounts Payable			
Trade Payables – Non-related Parties	$ 158,639	$ 174,962	$ 94,942
Trade Payables – Related Parties	$ 153	$ 168	$ -

The average credit period for the purchase of certain goods is between one and four months, and no interest is charged on accounts payable. The Company has established a financial risk management policy to ensure that all payables are settled within the agreed credit terms.

The average credit period for purchases of certain goods is between one to four months, and no interest is charged on accounts payable. The Company has established financial risk management policies to ensure that all payables are settled within the agreed credit terms.

15. **Other Liabilities**

	2025/6/30	2024/12/31	2024/6/30
Current			
Other Payables			
Payables for Equipment	$ 42,193	$ 3,912	$ 2,671
Salaries and Bonuses Payable	45,483	58,088	39,365

Employee Remuneration Payable	36,158	29,236	35,522
Directors' Remuneration Payable	6,030	4,020	6,030
Accrued Vacation Payable	9,713	9,050	8,820
Dividends Payable	295,845	-	177,507
Interest Payable	61	81	455
Others	60,250	60,357	50,051
	$ 495,733	$ 164,744	$ 320,421
Other Payables – Related Parties (Note 26)	$ -	$ 17	$ -
Other Current Liabilities			
Collections on Behalf of Others	$ 1,596	$ 1,402	$ 1,374
Deferred Revenue – Current (Note 21)	49	49	49
	$ 1,645	$ 1,451	$ 1,423
Non-current			
Deferred Revenue – Non-current			
Government Grants (Note 21)	$ 65	$ 89	$ 114

16. **Post-Employment Benefit Plans**

For the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, pension expenses under defined benefit plans were calculated based on the pension cost rates determined by the actuarial valuations as of December 31, 2024 and 2023. The recognized amounts were NT$8 thousand, NT$6 thousand, NT$15 thousand, and NT$13 thousand, respectively.

17. **Equity**

(1) Capital Stock

Common Stock

	2025/6/30	2024/12/31	2024/6/30
Authorized Shares (Thousands)	100,000	100,000	100,000
Authorized Capital	$ 1,000,000	$ 1,000,000	$ 1,000,000
Issued and Fully Paid Shares (Thousands)	59,169	59,169	59,169
Issued Capital	$ 591,690	$ 591,690	$ 591,690

The issued common shares have a par value of NT$10 per share, with each share entitled to one vote and to receive dividends.

(2) Capital Surplus

	2025/6/30	2024/12/31	2024/6/30
Available for Covering Losses,Cash Distribution, or Capitalization (Note 1)			
Share Premium	$ 972,310	$ 972,310	$ 972,310

Note 1:
Such capital surplus may be used to offset deficits. When the Company has no accumulated deficits, it may also be distributed in cash or capitalized to increase share capital. However, capitalization shall be subject to a certain percentage of paid-in capital each year.

(3) Retained Earnings and Dividend Policy

According to the Company's Articles of Incorporation, if the Company has earnings in its annual final accounts, such earnings shall first be used to pay all taxes and to offset accumulated deficits. Thereafter, 10% shall be appropriated as legal reserve, except when the accumulated legal reserve equals the total paid-in capital of the Company. Special reserve shall also be appropriated or reversed, or part of the earnings retained, in accordance with applicable laws and regulations. Any remaining balance, together with undistributed earnings from prior years, shall be distributed as shareholder dividends based on the dividend policy resolved by the Board of Directors and submitted to the shareholders' meeting for approval, with distribution made in proportion to the total number of shares held. For the Company's employee and directors' compensation policy, please refer to Note 19(7) "Employee Compensation and Directors' Remuneration."

The Company's dividend policy is determined in consideration of the overall business environment and industry characteristics, the Company's future financial structure and capital budget, as well as profitability, undistributed earnings, and capital surplus. In principle, no less than 50% of distributable earnings shall be allocated as dividends to ensure sustainable development and maximize shareholders' interests, of which cash dividends shall not be less than 10% of the total dividends distributed for the year.

The legal reserve shall be appropriated until the balance equals the total paid-in capital of the Company. The legal reserve may be used to offset losses. When the Company has no accumulated deficits, any portion of the legal reserve exceeding 25% of the paid-in capital may be capitalized or distributed in cash.

The Company's shareholders approved the distribution of earnings for 2023 and 2022 at the annual general meetings held on May 23, 2025 and April 12, 2024, respectively, as follows:

	Earnings Distribution Proposal	
	2024	2023
Legal Reserve	$ 33,505	$ 20,729
Cash Dividends	$ 295,845	$ 177,507
Cash Dividend per Share	$ 5.0	$ 3.0

18. **Revenue**

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Revenue from Customer Contracts				
Revenue from Sale of Goods	$ 391,910	$ 405,318	$ 818,670	$ 718,140

(1) Description of Customer Contracts

Revenue from Sale of Goods

Revenue is recognized, together with accounts receivable, when control of the products is transferred to the customer.

(2) Contract Balances

	2025/6/30	2024/12/31	2024/6/30	2024/1/1
Notes Receivable (Note 7)	$ 6,040	$ 353	$ 150	$ -
Accounts Receivable (Note 7)	$ 342,441	$ 384,327	$ 292,528	$ 250,805
Contract Liabilities – Current				
Sale of Goods	$ 19,901	$ 23,454	$ 36,446	$ 37,881

(3) Disaggregation of Revenue from Contracts with Customers

2025/1/1~6/30

	Taiwan	U.S.A.	Singapore	Other	Total
Aerospace Components	$ 79,180	$ 141,077	$ -	$ -	$ 220,257
Optoelectronic and Semiconductor / Equipment Components	285,331	17,251	295,831	-	598,413
	$ 364,511	$ 158,328	$ 295,831	$ -	$ 818,670

2024/1/1~6/30

	Taiwan	U.S.A.	Singapore	Other	Total
Aerospace Components	$ 81,374	$ 140,155	$ -	$ -	$ 221,529

Optoelectronic and Semiconductor Equipment Components	121,533	1,454	372,302	1,322	496,611
	$ 202,907	$ 141,609	$ 372,302	$ 1,322	$ 718,140

19. **Net Profit from Continuing Operations**

(1) Interest Income

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Cash and Bank Deposits	$ 1,413	$ 508	$ 2,596	$ 1,146
Collateralized Bonds	-	6,460	-	11,063
Others	7	258	10	263
	$ 1,420	$ 7,226	$ 2,606	$ 12,472

(2) Other Income

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Lease Income Operating Lease Rental Income – Others	$ 276	$ 255	$ 494	$ 482
Others Income	500	170	632	1,448
	$ 776	$ 425	$ 1,126	$ 1,930

(3) Other Gains and Losses

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Gain on Disposal of Property, Plant, and Equipment	$ -	$ -	$ -	$ 1,300
Net Foreign Exchange(Loss) Gain	(48,035)	11,083	(42,789)	37,224
	($ 48,035)	$ 11,083	($ 42,789)	$ 38,524

(4) Finance Costs

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Interest on	$ 333	$ 1,803	$ 853	$ 2,242
Bank Loans	-	37	-	37
Interest on	887	930	1,786	1,872
Short-term	(333)	-	(564)	-
	$ 887	$ 2,770	$ 2,075	$ 4,151

The information on interest capitalization is as follows:

	2025/1/1 -6/30	2024/1/1 -6/30
Capitalized Interest Amounts	$ 564	$ -
Capitalization Interest Rate	1.35%	-

(5) Depreciation and Amortizatio

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Property, Plant, and Equipment	$ 25,640	$ 26,223	$ 50,982	$ 52,939
Right-of-use Assets	1,674	1,674	3,348	3,361
Computer Software Cost	1,552	1,135	3,078	2,263
	$ 28,866	$ 29,032	$ 57,408	$ 58,563
Depreciation Expense by Function				
Cost of Goods Sold	$ 26,073	$ 26,480	$ 51,855	$ 53,506
Operating Expenses	1,241	1,417	2,475	2,794
	$ 27,314	$ 27,897	$ 54,330	$ 56,300
Amortization Expense by Function				
Cost of Goods Sold	$ 240	$ 240	$ 480	$ 460
Operating Expenses	1,312	895	2,598	1,803
	$ 1,552	$ 1,135	$ 3,078	$ 2,263

(6) Employee Benefits Expense

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Post-employment Benefits				
Defined Contribution Plans	$ 3,904	$ 3,412	$ 7,539	$ 6,915
Defined Benefit Plans (Note 16)	8	6	15	13
	3,912	3,418	7,554	6,928
Other Employee Benefits	102,551	104,433	213,306	196,410
Total Employee Benefit Expenses	$ 106,463	$ 107,851	$ 220,860	$ 203,338
By Function				
Cost of Goods Sold	$ 83,877	$ 73,297	$ 163,388	$ 143,593
Operating Expenses	22,586	34,554	57,472	59,745
	$ 106,463	$ 107,851	$ 220,860	$ 203,338

(7) Employee Compensation and Directors' Remuneration

In accordance with the Articles of Incorporation, the Company shall allocate employee compensation at not less than 2% and directors' remuneration at not more than 2% of profit before tax, before deducting employee compensation and directors' remuneration.

Pursuant to the amendment by the Taiwan Stock Exchange in August 2024, the Company's shareholders approved an amendment to the Articles of Incorporation at the 2025 shareholders' meeting, stipulating that no less than 10% of the annual employee compensation appropriated shall be allocated to rank-and-file employees.

For the periods from January 1 to June 30, 2025 and 2024, the estimated employee compensation and directors' remuneration were as follows:

Estimated Ratios

	2025 1/1~6/30	2024 1/1~6/30
Employee compensation	6.02%	6.25%
Directors' remuneration	1.59%	0.90%

Amount

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Employee compensation	($ 3,634)	$ 12,368	$ 7,601	$ 14,022
Directors' remuneration	1,005	1,005	2,010	2,010

If the actual amounts differ from the estimates after the issuance date of the annual financial statements, such differences are accounted for as changes in accounting estimates and recognized in the following year.

The Board of Directors resolved the employee compensation and directors' remuneration for 2024 and 2023 on March 3, 2025 and February 22, 2024, respectively, as follows:

	2024	2023
	Cash	Cash
Employee compensation	$ 29,236	$ 21,500
Directors' remuneration	4,020	4,020

The actual distribution amounts of employee compensation and directors' remuneration resolved by the Board of Directors for 2024 and 2023 were consistent with the amounts recognized in the financial statements for 2024 and 2023.

For information regarding employee compensation and directors' remuneration as resolved by the Company's Board of Directors, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

Income Tax of Continuing Operations

(1) Income Tax Recognized in Profit or Loss

The major components of income tax expense are as follows:

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Current Income Tax				
Current Period	$ 8,888	$ 24,875	$ 27,556	$ 33,511
Adjustments for Prior Years	(506)	(642)	(506)	(642)
Deferred Income Tax				
Current Period	(6,855)	214	(5,513)	7,010
Income Tax Expense Recognized in Profit or Loss	$ 1,527	$ 24,447	$ 21,537	$ 39,879

(2) Income Tax Assessment

The Company's corporate income tax returns have been assessed and approved by the tax authorities up to fiscal year 2023.

21. **Government Grants**

The Company Chien Fu received a government grant of NT$390 thousand in November 2019 for power and public equipment. This amount has been recorded as deferred income and is being amortized to profit or loss over the useful life of the related assets. On October 1, 2020, the Company assumed NT$345 thousand from the Company Chien Fu through a spin-off. This amount has likewise been recorded as deferred income and is being amortized to profit or loss over the useful life of the related assets. For the periods from January 1 to June 30, 2024 and 2023, the Company recognized income of NT$24 thousand, respectively.

22. **Earnings per Share**

Earnings and the weighted-average number of common shares used in the computation of earnings per share are as follows:

Net income for the period

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Net Income For Calculating Basic Earnings per Share	$ 12,312	$ 104,019	$ 95,177	$ 168,620
Net Income For Calculating Diluted Earnings per Share	$ 12,312	$ 104,019	$ 95,177	$ 168,620

Number of Shares

Unit: Thousands of Shares

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Weighted Average Number of Common Shares for Calculating Basic Earnings per Share	59,169	59,169	59,169	59,169
Effect of Potential Dilutive Common Shares: Employee Remuneration	63	120	141	177
Weighted Average Number of Common Shares for Calculating Diluted Earnings per Share	59,232	59,289	59,310	59,346

If the Company has the option to settle employee compensation by issuing shares or by paying cash, diluted earnings per share are calculated under the assumption that such compensation will be settled in shares, and the potential ordinary shares are included in the calculation of the weighted-average number of shares outstanding when they have a dilutive effect. Before the number of shares to be issued as employee compensation is resolved in the following year, the potential dilutive effect of such shares continues to be considered in the calculation of diluted earnings per share.

23. **Cash Flow Information**

Non-cash Transactions

Cash dividends resolved by the shareholders' meeting had not yet been paid as of June 30, 2025 and 2024 (see Notes 15 and 17).

24. **Capital Risk Management**

The Company manages its capital to ensure that it will continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital surplus, retained earnings, and other equity items).

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

The Company's key management reviews the capital structure on an annual basis, taking into account the cost and associated risks of each class of capital. Based on the recommendations of key management, the Company balances its overall capital structure through the payment of dividends, the issuance of new shares, the repurchase of shares, as well as the issuance of new debt or the repayment of existing debt.

25. **Financial Instruments**

(1) Fair Value Information — Financial Instruments Not Measured at Fair Value

Management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Categories of Financial Instruments

	2025/6/30	2024/12/31	2024/6/30
Financial Assets			
Financial Assets Measured at Amortized Cost (Note 1)	$ 551,100	$ 705,198	$ 1,097,751
Deposits Paid	603	725	1,715
Financial Liabilities			

Financial Liabilities Measured at Amortized Cost (Note 2)	677,074	405,373	822,190

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

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

(3) Objectives and Policies of Financial Risk Management

The primary objectives of the Company's risk management are to manage market risk, credit risk, and liquidity risk arising from its operating activities. The Company identifies, measures, and manages these risks in accordance with the Group's policies and risk appetite. The Company has established appropriate policies, procedures, and internal controls in compliance with relevant regulations to manage the aforementioned financial risks. Significant financial activities must be reviewed by the Board of Directors in accordance with such regulations and internal control systems. During financial management activities, the Company is required to strictly comply with the established financial risk management policies.

i.Market Risk

The principal financial risks to which the Company is exposed through its operating activities are foreign exchange risk (see (i) below) and interest rate risk (see (ii) below).

A. Foreign Exchange Risk

As of the balance sheet date, the carrying amounts of the Company's monetary assets and monetary liabilities

denominated in currencies other than the functional currency are disclosed in Note 29.

Sensitivity Analysis

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

The following table illustrates the sensitivity analysis of the Company when the exchange rate of the New Taiwan dollar (the functional currency) against relevant foreign currencies increases or decreases by 1%. The 1% sensitivity ratio is used internally for reporting foreign exchange risk to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates.

A positive amount in the table indicates an increase in profit before tax or equity when the New Taiwan dollar depreciates by 1% against the relevant foreign currencies; a negative amount of the same magnitude reflects the impact on profit before tax or equity when the New Taiwan dollar appreciates by 1% against the relevant foreign currencies.

	Impact of USD Amounts	
	2025/1/1 -6/30	2024/1/1 -6/30
Profit or Loss	$ 3,141	$ 8,727

B. Interest Rate Risk

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

As of the balance sheet date, the carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk were as follows:

	2025/6/30	2024/12/31	2024/6/30
Exposed to Fair			

Value Interest Rate Risk –Financial Assets	$ 131,308	$ 141,762	$ 601,563
–Financial Liabilities	132,645	215,449	618,209
Exposed to Cash Flow Interest Rate Risk			
–Financial Assets	65,473	170,693	196,170
–Financial Liabilities	103,782	69,458	-

Sensitivity Analysis

The Company's fixed-rate financial assets and liabilities, measured at amortized cost, are excluded from the analysis. The sensitivity analysis of interest rate risk is calculated based on financial assets as of the balance sheet date. The Company uses a 0.25% increase/decrease in market interest rates as a reasonable basis for assessing interest rate risk when reporting to management. Assuming all other variables remain constant, a 0.25% increase/decrease in market interest rates would have decreased/increased the Company's profit before tax for the six months ended June 30, 2025 and 2024 by NT$48 thousand and increased/decreased by NT$245 thousand, respectively.

ii.Credit Risk

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

The Company's policy is to transact only with counterparties with strong credit standing and, where necessary, to obtain sufficient collateral to mitigate the risk of financial loss from defaults. To further mitigate credit risk, management has established control procedures governing the determination and approval of credit

limits to ensure the collectability of overdue receivables. In addition, at each balance sheet date, the Company reviews the recoverability of receivables on an individual basis to ensure that appropriate impairment losses are recognized for receivables that are not collectible. Accordingly, management believes that the Company's exposure to credit risk has been significantly reduced and is therefore limited.

The Company's credit risk is primarily concentrated in its top five customers. As of June 30, 2025, December 31, 2024, and June 30, 2024, receivables from the top five customers accounted for 99%, 91%, and 94% of the Company's total receivables, respectively. The concentration of credit risk for the remaining receivables is not considered significant.

iii. Liquidity Risk

The Company manages and maintains sufficient cash and cash equivalents to meet operational needs and mitigate the impact of cash flow fluctuations. Management monitors the utilization of bank credit facilities and ensures compliance with the terms of loan agreements.

A. Maturity Analysis of Non-derivative Financial Liabilities and Interest Rate Risk Table

The maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Company may be required to settle the liabilities, and is presented on an undiscounted cash flow basis (including principal and estimated interest). The maturity analysis of other non-derivative financial liabilities is prepared in accordance with the agreed repayment dates.

2025/6/30

	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Non-derivative Financial Liabiliti					

	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Accounts Payable	$ 158,792	$ -	$ -	$ -	$ 158,792
Lease Liabilities	9,179	9,179	9,179	114,737	142,274
Other Payables	394,439	-	-	-	394,439
Loans	20,061	-	8,649	95,133	123,843
	$ 582,471	$ 9,179	$ 17,828	$ 209,870	$ 819,348

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

	Less than 1 Year	1 to 3 Years	3 to 6 Years	More than 6 Years	Total
Lease Liabilities	$ 9,179	$ 18,358	$ 27,537	$ 87,200	$ 142,274

2024/12/31

	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Non-derivative Financial Liabilities					
Accounts Payable	$ 175,130	$ -	$ -	$ -	$ 175,130
Lease Liabilities	9,179	9,179	9,179	119,327	146,864
Other Payables	60,704	-	-	-	60,704
Loans	100,081	-	-	69,458	169,539
	$ 345,094	$ 9,179	$ 9,179	$ 188,785	$ 552,237

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

	Less than 1 Year	1 to 3 Years	3 to 6 Years	More than 6 Years	Total
Lease Liabilities	$9,179	$18,358	$27,537	$91,790	$146,864

2024/6/30

	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Non-derivative Financial Liabilities					
Accounts Payable	$ 94,942	$ -	$ -	$ -	$ 94,942
Lease Liabilities	9,179	9,179	9,179	123,916	151,453
Other Payables	226,793	-	-	-	226,793
Loans	460,455	-	-	-	460,455
Short-term Notes Payable	40,000	-	-	-	40,000
	$ 831,369	$ 9,179	$ 9,179	$ 123,916	$ 973,643

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

	Less than 1 Year	1 to 3 Years	3 to 6 Years	More than 6 Years	Total
Lease Liabilities	$9,179	$18,358	$27,537	$96,379	$151,453

B. Credit Facilities

	2025/6/30	2024/12/31	2024/6/30
Unsecured Bank Loan Facilities (Reviewed Annually)	$ 31,463	$ 111,977	$ 511,977
– Used Amounts	1,298,537	1,268,023	588,023
– Unused Amounts	$ 1,330,000	$ 1,380,000	$ 1,100,000
Secured Bank Loan Facilities (Reviewed Annually)	$ 103,782	$ 69,458	$ -
	1,496,218	1,530,542	-
	$ 1,600,000	$ 1,600,000	$ -

26. **Related Party Transactions**

The Company's parent is Chien Fu Co., which held 63% of the Company's ordinary shares as of June 30, 2025 and December 31 and June 30, 2024.

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

(1) Names of Related Parties and Their Relationships

Name of Related Party	Relationship with the Company
ChenFull International Co., Ltd.	Parent Company of the Company
Chenfeng Machinery (Dongguan) Co., Ltd.	Sibling Company of the Company

(2) Payables to Related Parties (Excluding Borrowings from Related Parties)

Accounted Items	Related Party Category	2025/6/30	2024/12/31	2024/6/30
Accounts Payable	Sibling Company of the Company	$ 153	$ 168	$ -
Other Payables	Parent Company of the Company	$ -	$ 17	$ -

The outstanding balances of payables to related parties are unsecured.

(3) Lease Agreements

Lease Expenses

Lessor	Leased Assets	Lease and Rent Payment Terms	2025/1/1 -6/30	2024/1/1 -6/30
Parent Company of the Company	Office and Factory	Monthly Rent of 400 Thousand NTD, Paid Monthly	$ 2,400	$ 2,400
Parent Company of the Company	Office	Monthly Rent of 10 Thousand NTD, Paid Monthly	$ 60	$ 60

(4) Lease Agreements

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

Category of Related Parties	114年6月30日	113年12月31日	2024/6/30
Parent Company of the Company	$ 24	$ 72	$ 24

The lease income is summarized as follows:

Lessee	Leased Asset	Rent Payment Method	2025/1/1 -6/30	2024/1/1 -6/30
Parent Company of the Company	Machine Room	Monthly Rent of 8 Thousand NTD, Paid Monthly	$ 48	$ 48

(5) Other Related Party Transactions

Accounted Items	Related Party Category	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Manufacturing Expenses	Parent Company of the Company	$ 223	$ 223	$ 447	$ 445
Other Income	Paren Company of the Company	$ -	$ 6	$ 3	$ 9

(6) Acquisition of Property, Plant and Equipment

Related Party Category	2025/6/30	2024/12/31	2024/6/30
Parent Company of the Company	$ -	$ 300	$ -

(7) Compensation of Key Management Personnel

	2025/4/1 -6/30	2024/4/1 -6/30	2025/1/1 -6/30	2024/1/1 -6/30
Short-term Employee Benefits	$ 2,116	$ 2,068	$ 4,223	$ 4,037

Post-employment Benefits	27	27	54	54
	$ 2,143	$ 2,095	$ 4,277	$ 4,091

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

27. Pledged Assets

The following assets of the Company have been pledged as collateral for land development and performance guarantees required for business operations:

	2025/6/30	2024/12/31	2024/6/30
Other Financial Assets – Current			
Pledged Time Deposits	$ 8,943	$ 8,942	$ 8,942
Other Financial Assets – Non-current			
Pledged Time Deposits	34,543	34,543	34,543
	$ 43,486	$ 43,485	$ 43,485

28. Significant Contingent Liabilities and Unrecognized Contractual Commitments

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

(1) As of June 30, 2025, the Company had issued promissory notes in the aggregate amount of NT$2,681,463 thousand as collateral for credit lines and performance obligations.

(2) As of June 30, 2025, promissory notes in the aggregate amount of NT$171,688 thousand were issued and deposited by suppliers as performance or warranty guarantees.

(3) The Company entered into construction and equipment contracts with suppliers in connection with the construction of a new plant. The total contract amount was NT$1,540,617 thousand, of which NT$282,835 thousand had been paid as of June 30, 2025, and was

recognized under construction in progress and prepayments for equipment.

29. **Information on Foreign Currency Assets and Liabilities with Significant Impact**

The following information is presented in aggregate for foreign currencies other than the Company's functional currency. The disclosed exchange rates represent the rates used to translate such foreign currencies into the functional currency.

Foreign currency assets and liabilities with significant impact are as follows:

2025/6/30

	Foreign Currency	Exchange Rate	Carrying Amounts
Financial Assets			
Monetary Items			
USD	$ 11,006	29.30（USD：NTD）	$ 322,477
Financial Liabilities			
Monetary Items			
USD	286	29.30（USD：NTD）	$ 8,384

2024/12/31

	Foreign Currency	Exchange Rate	Carrying Amounts
Financial Assets			
Monetary Items			
USD	$ 14,396	32.785（USD：NTD）	$ 471,958
Financial Liabilities			
Monetary Items			
USD	75	32.785（USD：NTD）	$ 2,457

2024/6/30

	Foreign Currency	Exchange Rate	Carrying Amounts
Financial Assets			
Monetary Items			
USD	$ 26,999	32.45（USD：NTD）	$ 876,106
Financial Liabilities			

Monetary Items			
USD	103	32.45（USD：NTD）	$ 3,363

Significant realized and unrealized foreign exchange gains and losses are as follows:

Foreign Currency	2025/1/1~6/30		2024/1/1~6/30	
	Exchange Rate	Net Foreign Exchange (Loss) / Gain	Exchange Rate	Net Foreign Exchange (Loss) / Gain
USD	29.30（USD：NTD）	$ (42,812)	32.45（USD：NTD）	$ 37,222

30. **Notes Disclosures**

(1) Significant Transactions (2) Information on Investments in Subsidiaries, Associates and Joint Ventures

No.	Item	Note
1	Loans Granted to Others	None
2	Endorsements and Guarantees for Others	None
3	Significant Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)	None
4	Sales to or Purchases from Related Parties Amounting to NT$100 Million or 20% or More of Paid-in Capital	None
5	Receivables from Related Parties Amounting to NT$100 Million or 20% or More of Paid-in Capital	None
6	Others: Business Relationships and Significant Transactions among Parent and Subsidiaries and among Subsidiaries, and Corresponding Amounts	None

(3) Mainland China Investment Information

No.	Item	Note
1	Name of Invested Company in Mainland China, Main Business Activities, Paid-in Capital, Investment Method, Capital Inflows and Outflows, Shareholding Percentage, Investment Gains or Losses, Ending Investment Book Amounts, Repatriated Investment Gains or Losses, and Investment Limit in Mainland China.	None
2	Significant Transactions Directly or Indirectly with Invested Companies in Mainland China through a Third Region, Including Their Prices, Payment Terms, and Unrealized Gains or Losses:	
	(1) Purchase Amounts and Percentages, and the Ending Balances and Percentages of Related Payables.	None
	(2) Sales Amounts and Percentages, and the Ending Balances and Percentages of Related Receivables.	None
	(3) Property Transactions Amounts and the Resulting Gains or Losses.	None

No.	Item	Note
	(4) Ending Balances of Notes Endorsed or Guarantees Provided and Their Purposes.	None
	(5) Maximum Balance and Ending Balance of Financing, Interest Rate Range, and Total Interest for the Period.	None
	(6) Other Transactions Having a Significant Impact on Current Profit or Loss or Financial Position, such as Provision or Receipt of Services.	None

31. **Segment Information**

Information provided to the chief operating decision maker for the purpose of allocating resources and assessing segment performance focuses on the types of products and services delivered or provided.

(1) Segment Revenue and Operating Results

The revenue and operating results of the Company's continuing operations are analyzed by reportable segments as follows:

	Aerospace Components	Optoelectronics and Semiconductor Equipment Components	Total
2025/1/1~6/30			
Revenue from External Customers	$ 220,257	$ 598,413	$ 818,670
Inter-segment Revenue	-	-	-
Total Revenue (Consolidated)	$ 220,257	$ 598,413	$ 818,670
Segment Profit (excluding Headquarters' Administrative Expenses)	$ 105,312	$ 148,898	$ 254,210
Headquarters' Administrative Expenses			(96,364)
Segment Profit			157,846
Interest Income			2,606
Other Income			1,126
Other Gains and Losses			(42,789)
Finance Costs			(2,075)
Profit before Tax from Continuing Operations			$ 116,714

	Aerospace Components	Optoelectronics and Semiconductor Equipment Components	Total
2024/1/1~6/30			
Revenue from External Customers	$ 221,529	$ 496,611	$ 718,140
Inter-segment Revenue	-	-	-
Total Revenue (Consolidated)	$ 221,529	$ 496,611	$ 718,140
Segment Profit (excluding Headquarters' Administrative Expenses)	$ 102,871	$ 150,140	$ 253,011
Headquarters' Administrative Expenses			(93,287)
Segment Profit			159,724
Interest Income			12,472
Other Income			1,930
Other Gains and Losses			38,524
Finance Costs			(4,151)
Profit before Tax from Continuing Operations			$ 208,499

Segment profit represents the profit generated by each reportable segment, excluding allocated corporate management expenses, the share of profit or loss of associates accounted for using the equity method, interest income, gains or losses on disposal of property, plant and equipment, net foreign exchange gains (losses), finance costs, and income tax expenses. This measure is reported to the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance.

(2) Major Customer

Revenues from transactions with a single external customer amounting to 10% or more of the Group's total revenues are as follows:

	2025/1/1~6/30	2024/1/1~6/30
Customer A1	$ 302,028	$ 375,875
Customer B	141,077	139,322
Customer C	138,705	59,560
Customer E	104,789	22,208
Customer D	78,690	80,633
	$ 765,289	$ 677,598