

**CHENMING ELECTRONIC TECHNOLOGY CORP.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statement of Comprehensive Income	5
6. Consolidated Statement of Changes in Equity	6
7. Consolidated Statement of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~11
(4) Summary of material accounting policies	11~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	13~39
(7) Related-party transactions	40
(8) Pledged assets	40
(9) Commitments and contingencies	41
(10) Losses due to major disasters	41
(11) Subsequent events	41
(12) Other	41
(13) Other disclosures	
(a) Information on significant transactions	42~44
(b) Information on investees	44
(c) Information on investment in mainland China	45
(14) Segment information	45



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Independent Auditors' Review Report

To the Board of Directors of CHENMING ELECTRONIC TECHNOLOGY CORP.:

Introduction

We have reviewed the accompanying consolidated balance sheets of CHENMING ELECTRONIC TECHNOLOGY CORP. (the "Company") and its subsidiaries (the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Wang, I-Wen and Chien, Szu-Chuan.

KPMG

Taipei, Taiwan (Republic of China)

May 7, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance, and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures, and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statement of Comprehensive Income
For the three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue, net (note (6)(q))	\$ 2,402,507	100	1,459,165	100
5000	Operating costs (notes (6)(d), (6)(m) and (12))	<u>2,009,378</u>	<u>84</u>	<u>1,251,527</u>	<u>86</u>
5900	Gross profit from operations	<u>393,129</u>	<u>16</u>	<u>207,638</u>	<u>14</u>
6000	Operating expenses (notes (6)(e), (6)(f), (6)(g), (6)(m) and (12)):				
6100	Selling expenses	54,491	2	39,290	3
6200	Administrative expenses	122,262	5	90,471	6
6300	Research and development expenses	<u>17,272</u>	<u>1</u>	<u>14,173</u>	<u>1</u>
		<u>194,025</u>	<u>8</u>	<u>143,934</u>	<u>10</u>
6900	Net operating income	<u>199,104</u>	<u>8</u>	<u>63,704</u>	<u>4</u>
7000	Non-operating income and expenses:				
7050	Finance costs, net (notes (6)(j) and (6)(k))	(2,997)	-	(3,133)	-
7100	Interest income	3,083	-	4,938	-
7110	Rent revenue (notes (6)(l) and (7))	23,246	1	24,725	2
7190	Other income (losses), net (notes (6)(j) and (6)(s))	(10,682)	-	(11)	-
7210	Gains (losses) from disposal of intangible assets and property, plant and equipment, net (note (6)(e))	(7,710)	-	(28,724)	(2)
7230	Foreign exchange gains (losses), net (note (6)(s))	<u>11,241</u>	<u>-</u>	<u>31,864</u>	<u>2</u>
		<u>16,181</u>	<u>1</u>	<u>29,659</u>	<u>2</u>
7900	Profit from continuing operations before tax	215,285	9	93,363	6
7950	Less: Income tax expenses (note (6)(n))	<u>43,040</u>	<u>2</u>	<u>17,421</u>	<u>1</u>
	Profit	<u>\$ 172,245</u>	<u>7</u>	<u>75,942</u>	<u>5</u>
8300	Other comprehensive income (loss):				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	42,203	2	20,053	1
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>42,203</u>	<u>2</u>	<u>20,053</u>	<u>1</u>
8300	Other comprehensive income (loss)	<u>42,203</u>	<u>2</u>	<u>20,053</u>	<u>1</u>
8500	Comprehensive income (loss)	<u>\$ 214,448</u>	<u>9</u>	<u>95,995</u>	<u>6</u>
	Earnings per share (expressed in NTD) (note (6)(p)):				
9750	Basic earnings per share	<u>\$ 0.84</u>		<u>0.39</u>	
9850	Diluted earnings per share	<u>\$ 0.84</u>		<u>0.38</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES**Consolidated Statement of Changes in Equity****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary shares	Capital surplus	Retained earnings			Total retained earnings	Other component of equity	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements	
Balance on January 1, 2024	\$ 1,959,350	380,656	324,527	50,468	615,056	990,051	(71,603)	3,258,454
Profit for the three months ended March 31, 2024	-	-	-	-	75,942	75,942	-	75,942
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	20,053	20,053
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	75,942	75,942	20,053	95,995
Conversion of convertible bonds	19,701	61,364	-	-	-	-	-	81,065
Balance on March 31, 2024	\$ 1,979,051	442,020	324,527	50,468	690,998	1,065,993	(51,550)	3,435,514
Balance on January 1, 2025	\$ 2,051,389	765,025	349,841	71,603	1,220,624	1,642,068	(10,641)	4,447,841
Profit for the three months ended March 31, 2025	-	-	-	-	172,245	172,245	-	172,245
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	42,203	42,203
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	172,245	172,245	42,203	214,448
Balance on March 31, 2025	\$ 2,051,389	765,025	349,841	71,603	1,392,869	1,814,313	31,562	4,662,289

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES**Consolidated Statement of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 215,285	93,363
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	44,162	57,654
Amortization expense	2,348	1,752
Expected credit losses	10,204	308
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	1,050	(130)
Interest expense	2,997	3,133
Interest income	(3,083)	(4,938)
Loss from disposal of intangible assets and property, plant and equipment, net	7,710	28,724
Total adjustments to reconcile profit	<u>65,388</u>	<u>86,503</u>
Changes in operating assets and liabilities:		
Decrease in trade receivables	388,438	312,908
Decrease (increase) in inventories	3,603	(76,007)
Decrease (increase) in other current assets	7,637	(7,791)
Decrease in other financial assets	30,763	941
Increase in contract liabilities	2,590	1,474
Decrease in trade payables	(411,589)	(259,175)
Decrease in other payables and other current liabilities	(30,986)	(43,114)
Total changes in operating assets and liabilities	<u>(9,544)</u>	<u>(70,764)</u>
Total adjustments	<u>55,844</u>	<u>15,739</u>
Cash inflow generated from operations	271,129	109,102
Interest received	3,083	4,938
Income taxes paid	(5,555)	(3,836)
Net cash flows from operating activities	<u>268,657</u>	<u>110,204</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant, and equipment	(200,654)	(157,840)
(Increase) decrease in refundable deposits	(582)	59
Acquisition of intangible assets	(88)	-
Increase in prepayments for land and equipment and others	(51,219)	(8,686)
Net cash flows used in investing activities	<u>(252,543)</u>	<u>(166,467)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	-	20,000
Proceeds from long-term loans	-	27,500
Repayments of long-term loans	(390)	(80,000)
Increase in guarantee deposits	297	954
Payment of lease liabilities	(627)	(606)
Interest paid	(554)	(1,381)
Net cash flows used in financing activities	<u>(1,274)</u>	<u>(33,533)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>14,387</u>	<u>9,270</u>
Net increase (decrease) in cash and cash equivalents	29,227	(80,526)
Cash and cash equivalents at beginning of period	977,987	824,699
Cash and cash equivalents at end of period	<u>\$ 1,007,214</u>	<u>744,173</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

**(Expressed in Thousands of New Taiwan Dollars,
except for Earnings Per Share Information and Unless Otherwise Specified)**

(1) Company history

CHENMING ELECTRONIC TECHNOLOGY CORP. (the “Company”) was incorporated on June 1976 and the Company's common shares were listed on the Taiwan Stock Exchange (TWSE) on September 16, 2002. The business activities of the Group are the manufacturing, research and development and sale of server cases and computer cases.

The consolidated financial statements of the Company as of and for the three months ended March 31, 2025 comprise of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). Please refer to note (4)(b) for related information of the Group’s primary business activities.

(2) Approval date and procedures of the consolidated financial statements

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

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	<p>The amendments set out:</p> <ol style="list-style-type: none"> 1. IFRS 1 “ First-time Adoption of International Financial Reporting Standards”: <p>The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.</p> 2. IFRS 7 “ Financial Instruments: Disclosures”: <p>The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> 3. IFRS 9 “Financial Instruments”: <ul style="list-style-type: none"> ● Derecognition of a lease liability <p>The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases.</p> ● Transaction price <p>The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.</p> 	January 1, 2026

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 “ Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’.	
	5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the full annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			March 31, 2025	December 31, 2024	March 31, 2024
The Company	TOP CITY INTERNATIONAL LIMITED	Investment	100 %	100 %	100 %
The Company	CHENMING ELECTRONIC TECHNOLOGY USA, Inc.	Import and export business of computer case	100 %	100 %	100 %
TOP CITY INTERNATIONAL LIMITED	PEAK SHREWD INC.	Investment	100 %	100 %	100 %
TOP CITY INTERNATIONAL LIMITED	GERSHWIN INTERNATIONAL LIMITED	Investment	100 %	100 %	100 %
GERSHWIN INTERNATIONAL LIMITED	Dongguan Chenming Electronic Co., Ltd	Computer case and production of relative components	100 %	100 %	100 %
PEAK SHREWD INC.	CHENMING ELECTRONIC (NINGBO) CO., LTD	Computer case and production of relative components	100 %	100 %	100 %
The Company	CHENMING ELECTRONIC TECHNOLOGY (THAILAND) CO., LTD.	Computer case and production of relative components	100 %	100 %	100 %

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time in which the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand	\$ 849	834	291
Checking accounts and demand deposits	674,315	973,875	650,019
Time deposits	<u>332,050</u>	<u>3,278</u>	<u>93,863</u>
	<u>\$ 1,007,214</u>	<u>977,987</u>	<u>744,173</u>

Please refer to note (6)(s) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through profit or loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets:			
Beneficiary certificate-Funds	\$ -	-	1,017
	<u>\$ -</u>	<u>-</u>	<u>1,017</u>
Non-current mandatorily measured at fair value through profit or loss			
Convertible bonds - embedded derivatives	\$ <u>900</u>	<u>1,950</u>	<u>2,152</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group did not pledge any financial assets as collaterals.

(c) Trade receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ -	-	656
Trade receivables-measured at amortized cost	2,192,113	2,507,409	1,473,260
Trade receivables-measured at fair value through other comprehensive income	<u>607,386</u>	<u>656,028</u>	<u>242,048</u>
	2,799,499	3,163,437	1,715,964
Less: Loss allowance	<u>(1,246)</u>	<u>(625)</u>	<u>(909)</u>
Trade receivables, net	<u>\$ 2,798,253</u>	<u>3,162,812</u>	<u>1,715,055</u>

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movements in the allowance for trade receivables were as follows:

	For the three months ended March 31,	
	2025	2024
Balance at January 1	\$ 625	593
Impairment losses recognized	607	308
Foreign exchange losses (gains)	14	8
Balance at March 31	\$ 1,246	909

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group sold its trade receivables without recourse as follows:

The receivable factoring agreement entered into by the Group with a financial institution stipulated that most of the risks and rewards associated with the receivables would still be retained by the Group. Therefore, the said receivables do not meet the criteria for derecognition of financial assets.

March 31, 2025					
Purchaser	Amount Transferred	Credit Lines	Amount Advanced (Recognized in Short-term loans)	Range of Interest Rate	Guarantee item
Financial institutions	\$ 607,386 (USD18,292 thousand dollars)	465,000 (USD15,000 thousand dollars)	-	-	-
December 31, 2024					
Purchaser	Amount Transferred	Credit Lines	Amount Advanced (Recognized in Short-term loans)	Range of Interest Rate	Guarantee item
Financial institutions	\$ 656,028 (USD20,010 thousand dollars)	465,000 (USD15,000 thousand dollars)	-	-	-

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2024

<u>Purchaser</u>	<u>Amount Transferred</u>	<u>Credit Lines</u>	<u>Amount Advanced (Recognized in Short-term loans)</u>	<u>Range of Interest Rate</u>	<u>Guarantee item</u>
Financial institutions	\$ 242,048 (USD7,564 thousand dollars)	465,000 (USD15,000 thousand dollars)	-	-	-

(d) Inventories

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Raw materials	\$ 523,355	390,225	362,234
Work in progress	140,753	107,886	179,556
Finished goods and merchandise inventories	649,511	785,831	333,556
	<u>\$ 1,313,619</u>	<u>1,283,942</u>	<u>875,346</u>

The Group's composition details of operating cost for the three months ended March 31, 2025 and 2024 were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of goods sold	\$ 1,940,881	1,251,963
Revenue from sale of scraps	(15,447)	(9,542)
Inventories valuation and obsolescence losses (reversal of write-downs)	57,316	(636)
Loss on scrapping of inventories	26,628	9,742
	<u>\$ 2,009,378</u>	<u>1,251,527</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group did not pledge any inventories as collaterals.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Property, plant, and equipment

The cost and depreciation of the property, plant, and equipment of the Group for the three months ended March 31, 2025 and 2024 were as follows:

	<u>Land</u>	<u>Properties</u>	<u>Machinery and equipment</u>	<u>Office equipment and others</u>	<u>Molds</u>	<u>Construction in progress and prepayments for equipment</u>	<u>Total</u>
Cost:							
Balance at January 1, 2025	\$ 1,266,682	974,514	549,256	145,325	83,343	162,814	3,181,934
Additions	101,565	546	3,769	11,294	24,656	54,571	196,401
Disposals	-	-	(12,256)	(17,596)	(422)	-	(30,274)
Transferred into (out)	-	26,375	48,520	(9,372)	(33,981)	(55,211)	(23,669)
Effect of changes in exchange rates	4,156	3,875	4,615	523	227	2,830	16,226
Balance at March 31, 2025	<u>\$ 1,372,403</u>	<u>1,005,310</u>	<u>593,904</u>	<u>130,174</u>	<u>73,823</u>	<u>165,004</u>	<u>3,340,618</u>
Balance at January 1, 2024	\$ 1,115,264	743,411	388,902	124,991	301,531	282,928	2,957,027
Additions	96,867	13,080	10,344	6,276	35,695	-	162,262
Disposals	-	-	-	(11,076)	(106,821)	-	(117,897)
Transferred into (out)	32,324	218,653	82,596	3,504	(53,379)	(282,928)	770
Effect of changes in exchange rates	(233)	3,304	3,074	360	1,930	-	8,435
Balance at March 31, 2024	<u>\$ 1,244,222</u>	<u>978,448</u>	<u>484,916</u>	<u>124,055</u>	<u>178,956</u>	<u>-</u>	<u>3,010,597</u>
Depreciation:							
Balance at January 1, 2025	\$ -	359,747	238,668	41,930	17,499	-	657,844
Depreciation	-	8,322	14,052	7,885	9,587	-	39,846
Disposals	-	-	(10,422)	(12,017)	(229)	-	(22,668)
Transferred into (out)	-	2,124	602	(2,764)	(7,530)	-	(7,568)
Effect of changes in exchange rates	-	2,289	2,574	186	31	-	5,080
Balance at March 31, 2025	<u>\$ -</u>	<u>372,482</u>	<u>245,474</u>	<u>35,220</u>	<u>19,358</u>	<u>-</u>	<u>672,534</u>
Balance at January 1, 2024	\$ -	323,746	194,670	40,182	163,711	-	722,309
Depreciation	-	7,791	8,687	5,786	31,042	-	53,306
Disposals	-	-	-	(8,079)	(81,094)	-	(89,173)
Transferred into (out)	-	1,925	-	-	(39,423)	-	(37,498)
Effect of changes in exchange rates	-	1,726	1,850	146	1,219	-	4,941
Balance at March 31, 2024	<u>\$ -</u>	<u>335,188</u>	<u>205,207</u>	<u>38,035</u>	<u>75,455</u>	<u>-</u>	<u>653,885</u>
Book value:							
Balance at January 1, 2025	<u>\$ 1,266,682</u>	<u>614,767</u>	<u>310,588</u>	<u>103,395</u>	<u>65,844</u>	<u>162,814</u>	<u>2,524,090</u>
Balance at March 31, 2025	<u>\$ 1,372,403</u>	<u>632,828</u>	<u>348,430</u>	<u>94,954</u>	<u>54,465</u>	<u>165,004</u>	<u>2,668,084</u>
Balance at January 1, 2024	<u>\$ 1,115,264</u>	<u>419,665</u>	<u>194,232</u>	<u>84,809</u>	<u>137,820</u>	<u>282,928</u>	<u>2,234,718</u>
Balance at March 31, 2024	<u>\$ 1,244,222</u>	<u>643,260</u>	<u>279,709</u>	<u>86,020</u>	<u>103,501</u>	<u>-</u>	<u>2,356,712</u>

To accommodate its operational development needs, CHENMING ELECTRONIC TECHNOLOGY (Thailand) Co.,Ltd. entered into a real estate agreement with a non-related party on November 18, 2024 for the acquisition of a parcel of land with the total price of \$101,546 (THB114,700 thousand), based on the resolution approved during the Board Meeting held on October 28, 2024. As of March 31, 2025, the related payments have been paid and the inspection process have been completed. Therefore the amount has been reclassified from construction in progress and prepayments for equipment into land.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group had recognized scrapping loss of \$7,606 and \$28,724 for the three months ended March 31, 2025 and 2024, and it was recognized as net gain (loss) on disposal of property, plant, and equipment.

As of March 31, 2025, December 31, 2024 and March 31, 2024 the Group had provided parts of the property, plant, and equipment as collaterals for its long-term loans and credit lines. Please refer to note (8) for details.

(f) Right-of-use assets

The Group leases many assets including land and properties, transportation and others. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Properties</u>	<u>Transportation</u>	<u>Others</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 212,424	27,999	26,496	2,801	269,720
Effect of changes in exchange rates	2,029	594	-	-	2,623
Balance at March 31, 2025	<u>\$ 214,453</u>	<u>28,593</u>	<u>26,496</u>	<u>2,801</u>	<u>272,343</u>
Balance at January 1, 2024	\$ 213,094	27,055	26,496	2,476	269,121
Transferred into (out)	(3,895)	-	-	-	(3,895)
Effect of changes in exchange rates	1,730	506	-	-	2,236
Balance at March 31, 2024	<u>\$ 210,929</u>	<u>27,561</u>	<u>26,496</u>	<u>2,476</u>	<u>267,462</u>
Accumulated depreciation:					
Balance at January 1, 2025	\$ 46,350	27,999	22,595	2,500	99,444
Depreciation	2,184	-	586	37	2,807
Effect of changes in exchange rates	491	594	-	-	1,085
Balance at March 31, 2025	<u>\$ 49,025</u>	<u>28,593</u>	<u>23,181</u>	<u>2,537</u>	<u>103,336</u>
Balance at January 1, 2024	\$ 38,319	27,055	20,251	2,360	87,985
Depreciation	2,184	-	586	35	2,805
Transferred into (out)	(1,331)	-	-	-	(1,331)
Effect of changes in exchange rates	349	506	-	-	855
Balance at March 31, 2024	<u>\$ 39,521</u>	<u>27,561</u>	<u>20,837</u>	<u>2,395</u>	<u>90,314</u>
Book value:					
Balance at January 1, 2025	<u>\$ 166,074</u>	<u>-</u>	<u>3,901</u>	<u>301</u>	<u>170,276</u>
Balance at March 31, 2025	<u>\$ 165,428</u>	<u>-</u>	<u>3,315</u>	<u>264</u>	<u>169,007</u>
Balance at January 1, 2024	<u>\$ 174,775</u>	<u>-</u>	<u>6,245</u>	<u>116</u>	<u>181,136</u>
Balance at March 31, 2024	<u>\$ 171,408</u>	<u>-</u>	<u>5,659</u>	<u>81</u>	<u>177,148</u>

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Investment property

The details of investment property of the Group were as follows:

	<u>Land</u>	<u>Right-of-use Land</u>	<u>Properties</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 136,906	34,768	175,291	346,965
Transferred into (out)	-	-	(7,167)	(7,167)
Balance at March 31, 2025	<u>\$ 136,906</u>	<u>34,768</u>	<u>168,124</u>	<u>339,798</u>
Balance at January 1, 2024	\$ 136,906	30,873	175,291	343,070
Transferred into (out)	-	3,895	(7,167)	(3,272)
Balance at March 31, 2024	<u>\$ 136,906</u>	<u>34,768</u>	<u>168,124</u>	<u>339,798</u>
Depreciation:				
Balance at January 1, 2025	\$ -	12,748	63,474	76,222
Depreciation	-	289	1,220	1,509
Transferred into (out)	-	-	(2,123)	(2,123)
Balance at March 31, 2025	<u>\$ -</u>	<u>13,037</u>	<u>62,571</u>	<u>75,608</u>
Balance at January 1, 2024	\$ -	10,291	58,331	68,622
Depreciation	-	257	1,286	1,543
Transferred into (out)	-	1,331	(1,924)	(593)
Balance at March 31, 2024	<u>\$ -</u>	<u>11,879</u>	<u>57,693</u>	<u>69,572</u>
Book Value				
Balance at January 1, 2025	<u>\$ 136,906</u>	<u>22,020</u>	<u>111,817</u>	<u>270,743</u>
Balance at March 31, 2025	<u>\$ 136,906</u>	<u>21,731</u>	<u>105,553</u>	<u>264,190</u>
Balance at January 1, 2024	<u>\$ 136,906</u>	<u>20,582</u>	<u>116,960</u>	<u>274,448</u>
Balance at March 31, 2024	<u>\$ 136,906</u>	<u>22,889</u>	<u>110,431</u>	<u>270,226</u>

The fair value of investment properties of the consolidated company does not significantly differ from the information disclosed in note (6)(h) of the consolidated financial report for the year 2024.

Please refer to note (8) for information on investment properties pledged as collateral as of March 31, 2025, December 31, 2024 and March 31, 2024.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Short-term loans

The short-term loans were summarized as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Credit loans	\$ -		40,000
Secured loans	-	-	-
	<u>\$ -</u>	<u>-</u>	<u>40,000</u>
Unused credit line for short-term loans	<u>\$ 3,270,406</u>	<u>3,017,773</u>	<u>3,294,176</u>
Range of interest rates	<u>-</u>	<u>-</u>	<u>1.00%~1.61%</u>

- (i) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group main management was the guarantor of short-term loans. Please refer to note (7).
- (ii) For information on interest rate and liquidity risk exposure, please refer to note (6)(s).
- (iii) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group provided its assets as collateral for short-term loans, please refer to note (8) for details.

(i) Long-term loans

The long-term loans were summarized as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Secured bank loans	\$ 238,010	238,400	381,400
Less: Current portion	(48,593)	(34,523)	(1,329)
Total	<u>\$ 189,417</u>	<u>203,877</u>	<u>380,071</u>
Unused long-term credit lines	<u>\$ 500,000</u>	<u>500,000</u>	<u>924,600</u>
Range of interest rate	<u>0.89%</u>	<u>0.89%</u>	<u>0.5%~2.08%</u>

- (i) The main management was the guarantor of long-term loans. Please refer to note (7).
- (ii) The Group increased its long-term loans of \$0 and \$27,500 for the three months ended March 31, 2025 and 2024, respectively. Due to the changes in its capital use and interest rates, the Group repaid the amounts of \$390 and \$80,000 for the three months ended March 31, 2025 and 2024, respectively.
- (iii) For information on interest rate and liquidity risk exposure, please refer to note (6)(s).
- (iv) The Group provided part of its assets as collaterals for long-term loans. Please refer to note (8) for details.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Bonds payable

(i) The Group issued the third domestic secured corporate bonds on November 16, 2023. The information was as follows:

1) The details of bonds payable were as follows:

	March 31, 2025	March 31, 2024
Total convertible corporate bonds issued	\$ 400,000	400,000
Unamortized discounts on bonds payable	-	(15,898)
Accumulated converted amount	<u>(400,000)</u>	<u>(85,700)</u>
Balance of bonds payable as of reporting date	<u>\$ -</u>	<u>298,402</u>
Embedded derivatives – call option (recorded as financial assets at fair value through profit or loss – non-current)	<u>\$ -</u>	<u>2,152</u>
Equity component – conversion options (recorded as capital surplus)	<u>\$ -</u>	<u>52,718</u>
		For the three months ended March 31, 2024
Embedded derivatives-gains or losses resulting from call option at fair value (recorded as other income (losses), net)		<u>\$ 812</u>
Interest expense		<u>\$ (1,856)</u>

2) The Company separated conversion option from liabilities, and recognized as equity and liability. The related information was as follows:

	The third
The compound interest present value of the convertible bonds face value at issuance	\$ 382,560
The embedded derivative asset at issuance – call option	(1,400)
The equity components at issuance	<u>68,030</u>
Total amount of the convertible bonds at issuance	<u>\$ 449,190</u>
Issuance costs	<u>\$ 6,185</u>

The effective interest rate of the third issued convertible bonds was 1.9672%.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) For the three months ended March 31, 2024, the convertible bonds with a par value of \$85,700 were converted into ordinary shares of the Company of \$19,701, and the capital surplus arising from the conversion - premium on share issuance was \$75,739 (including the stock options converted to discount on share issuance of \$14,375, the unamortized discount on bonds payable of \$4,335, and the call options converted to premium on share issuance of \$300).
- 4) The third domestic secured corporate bonds were all converted into the Company's common stock in September 2024.
- (ii) The Group issued the fourth domestic secured corporate bonds on October 18, 2024. The information was as follows:
- 1) The details of bonds payable were as follows:

	<u>March 31,</u> <u>2025</u>	<u>December</u> <u>31, 2024</u>
Total convertible corporate bonds issued	\$ 500,000	500,000
Unamortized discounts on bonds payable	(25,859)	(28,302)
Balance of bonds payable as of reporting date	<u>\$ 474,141</u>	<u>471,698</u>
Embedded derivatives – call option (recorded as financial assets at fair value through profit or loss – non-current)	<u>\$ 900</u>	<u>1,950</u>
Equity component – conversion options (recorded as capital surplus)	<u>\$ 96,877</u>	<u>96,877</u>
Embedded derivatives-gains or losses resulting from call option at fair value (recorded as other income (losses), net)	<u>\$ (1,050)</u>	<u>(300)</u>
Interest expense	<u>\$ 2,443</u>	<u>1,629</u>

- 2) The Company separated conversion option from liabilities, and recognized as equity and liability. The related information was as follows:

	<u>The fourth</u>
The compound interest present value of the convertible bonds face value at issuance	\$ 474,500
The embedded derivative asset at issuance – call option	(2,250)
The equity components at issuance	<u>97,790</u>
Total amount of the convertible bonds at issuance	<u>\$ 570,040</u>
Issuance costs	<u>\$ 5,322</u>

The effective interest rate of the fourth issued of convertible bonds is 2.0789%.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) The significant terms of the fourth issued convertible bonds were as follows:

- a) Term: 3 years (October 18, 2024~ October 18, 2027)
- b) Interest rate: 0%.
- c) Guarantee situation:

Mega International Commercial Bank Co., Ltd. and CTBC Bank Co., Ltd. served as the guarantee banks for the convertible corporate bonds. Each guarantee bank is only responsible for guaranteeing within its respective scope, with the distribut of guarantee responsibilities being 50% for Mega International Commercial Bank Co., Ltd. and 50% for CTBC Bank Co., Ltd.. They do not bear joint liabilities.

d) Redemption at the option of the Company:

- i) Within the period between three months after the issuance date (January 19, 2025) and 40 days before the last convertible date (September 8, 2027), if the closing price of the Company's common stock listed on the Taiwan Stock Exchange exceeds 30% of the conversion price for 30 consecutive business days, then the Company could redeem the bonds at face value of the corporate bonds in cash.
- ii) Within the period between three months after the issuance date (January 19, 2025) and 40 days before the last convertible date (September 8, 2027), if the remaining amount of the convertible bonds is less than 10% of the total par value, then the Company could redeem the bonds at face value of the corporate bonds in cash.

e) Repurchase at the option of bondholders: None.

f) Terms of conversion:

- i) The bondholders may request the conversion of the convertible bonds into the Company's common stock at the par value and conversion price at the time of their request, at any time between three months after the issuance date (January 19, 2025) and the maturity date (October 18, 2027), except for the following periods:
 - The period starts from 15 business days before the book closure date for issuance of the bonus shares, book closure date for cash dividends, book closure date for rights issue, to the record date for distribution of entitlements;
 - The period starts from the base date of capital reduction to the day before the transaction of reissue of shares after the capital reduction;
 - The period starts from the starting date of the suspension of conversion for the change of the stock's par value to the date before the trading date of the reissuance shares;

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- The period in which transfer common stocks is suspended by laws.

ii) The conversion price: The conversion price was NT\$144.5 per share at issuance.

(k) Lease liabilities

The book value of lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>1,897</u>	<u>2,163</u>	<u>2,421</u>
Non-current	\$ <u>1,745</u>	<u>2,106</u>	<u>3,377</u>

For the maturity analysis, please refer to note (6)(s).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest on lease liabilities	\$ <u>27</u>	<u>47</u>
Expenses relating to short-term leases	\$ <u>3,122</u>	<u>2,696</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>46</u>	<u>55</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>3,822</u>	<u>3,404</u>

(i) Real estate leases

The Group leases properties, machinery, and equipment with lease terms of 1~5 years, and leases right-of-use land with lease terms of 28~30 years.

(ii) Other leases

The Group leases warehouses and other equipment, with contract terms of 1~3 years. These leases are short-term or leases of low-value items. The Group has applied the exemption and elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Operating lease

The Group leases out its investment property and has classified these leases as operating leases as it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note (6)(h) sets out information about the operating leases of investment property.

There were no significant additions in operating lease for the three months ended March 31, 2025 and 2024.

The rental revenue from investment properties were \$23,246 and \$24,725 for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, December 31, 2024 and March 31, 2024, the lease receivable of \$51,994, \$71,664 and \$66,504, respectively, was based on the straight-line method, which was recognized under other financial assets – current, the guarantee deposit received amounted to \$19,070, \$19,070 and \$19,098, respectively. For related information, please refer to note(6)(m) of the consolidated financial report for the year 2024.

(m) Employee benefits – Defined contribution plans

The Group recognized its pension expenses under the defined contribution plans which were as follows:

	For the three months ended March 31,	
	2025	2024
Operating cost	\$ 502	120
Operating expense	983	949
	\$ 1,485	1,069

Other subsidiaries included in compilation of consolidated financial statements pay the basic endowment insurance expenses at a certain percentage according to the assessed employee wage amount. The recognized pension expenses were as follows:

	For the three months ended March 31,	
	2025	2024
Operating cost	\$ 15,095	12,454
Operating expense	5,975	3,734
	\$ 21,070	16,188

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Income taxes

- (i) The components of income tax for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Current tax expense	\$ 43,040	17,421

- (ii) There is no income tax recognized directly in other comprehensive expense (benefit).
 (iii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the Taipei National Tax Administration.

- (iv) Income tax payment

The Company's profit-seeking enterprise income for 2022 shows a voluntary supplementary payment of \$46,030. Due to the impact of COVID-19, the company has applied to the National Taxation Bureau of Taipei, Ministry of Finance for a 36-month installment plan. As of March 31, 2025, a total of \$28,130 has been paid, leaving a remaining balance of \$17,900. The amount due within one year is \$15,343, while the amount due after one year is \$2,557. These amounts have been classified as current and non-current income tax liabilities in this reporting period, respectively.

(o) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2025 and 2024. For the related information, please refer to note (6)(p) of the consolidated financial statements for the year ended December 31, 2024.

- (i) Ordinary shares

As of March 31, 2025 and 2024, the authorized common stocks of the Company amounted to \$3,000,000, with a par value of NT\$10 per share, of which 205,139 thousand and 197,905 thousand shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31	
	2025	2024
Balance on January 1	205,139	195,935
Conversion of convertible bonds	-	1,970
Balance on March 31	205,139	197,905

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2025, the convertible bonds was converted by issuing 1,970 thousand new ordinary shares at par value, amounting to \$19,701, upon the request of the bondholders. As of the reporting date, the registration procedures have been completed.

(ii) Capital surplus

The balances of capital surplus as of March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$ 505,136	505,136	226,290
Difference arising from subsidiary's share price and its carrying value	163,012	163,012	163,012
Convertible bonds – conversion options	<u>96,877</u>	<u>96,877</u>	<u>52,718</u>
	<u>\$ 765,025</u>	<u>765,025</u>	<u>442,020</u>

In accordance with the ROC Company Act, realized capital reserves can only be used to increase the common stock or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

(iii) Earnings Distributio

The appropriations of earnings for the year of 2023 and 2022 approved in the shareholders meeting held on June 14, 2024 and June 16, 2023 was \$78,374 and \$58,781 by cash dividends. The relevant information can be accessed from the Market Observation Post System.

The appropriations of earnings for the year of 2024 approved in the Board of Directors meeting held on March 13, 2025 was \$123,083 by cash dividends.

(p) Earnings per share

For the three months ended March 31, 2025 and 2024, the Group's earnings per share was calculated as follows:

	For the three months ended March 31,	
	2025	2024
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>172,245</u>	<u>75,942</u>
Weighted-average number of ordinary shares (share in thousands)	<u>205,139</u>	<u>196,451</u>
	<u>\$ 0.84</u>	<u>0.39</u>

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31,	
	2025	2024
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (basic)	172,245	75,942
Effect of dilutive potential ordinary shares:		
Interest expense and other gains or losses of convertible bonds	3,493	1,044
Profit attributable to ordinary shareholders of the Company (dilution)	\$ 175,738	76,986
Weighted-average number of ordinary shares with potential influence of ordinary shares		
Weighted-average number of ordinary shares	205,139	196,451
Effect of employee stock remuneration (share in thousands)	164	128
Effect of convertible bonds (share in thousands)	3,460	8,680
Weighted-average number of ordinary shares (after adjusted the influence of potential ordinary shares)	208,763	205,259
	\$ 0.84	0.38

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2025	2024
Primary geographical markets		
USA	\$ 867,408	392,059
Taiwan	735,113	378,967
China	715,372	616,427
Others	84,614	71,712
	\$ 2,402,507	1,459,165
Major products		
PC and server chassis	\$ 2,349,842	1,424,486
Mold	52,665	34,679
	\$ 2,402,507	1,459,165

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables	\$ 2,799,499	3,163,437	1,715,964
Less: Loss allowance	<u>(1,246)</u>	<u>(625)</u>	<u>(909)</u>
Total	<u>\$ 2,798,253</u>	<u>3,162,812</u>	<u>1,715,055</u>
Contract liabilities	<u>\$ 5,737</u>	<u>3,147</u>	<u>4,524</u>

The amount of revenue recognized for the three months ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$3,147 and \$3,050, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(r) Remunerations to employees and directors

The Company's articles of incorporation require that earnings shall first be used to offset against any deficit, and no less than 2% will be distributed as employee remuneration and a maximum of 2% will be allocated as directors' remuneration. Employees who are entitled to receive the above-mentioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Group who meet certain specific requirements.

The Company's remuneration to employees were \$6,000 and \$2,000, and the remuneration to directors were both \$375 for the three months ended March 31, 2025 and 2024. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee remuneration were calculated based on the closing price of the Company's shares on the day before the approval from the Board of Directors.

For the years ended December 31, 2023 and 2022, the remunerations to employees were \$18,000 and \$7,000, and the remunerations to directors were both \$1,500. The aforementioned estimated amounts are identical to those of the actual distributions. The related information is available on the Market Observation Post System website.

(s) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair values of the Group's financial instruments and degree of exposure to credit risk, liquidity risk, and market risk arising from financial instruments. For the related information, please refer to note (6)(t) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Receivable securities

For the credit risk exposure of trade receivables, please refer to note (6)(c).

Other financial assets at amortized cost include cash and cash equivalents, other financial assets, and guarantee deposits, which are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low risk, please refer to note (4)(g).

The Company did not recognize any impairment losses on other receivables in 2023. The changes in the allowance for losses for the year ended March 31, 2025, were as follows:

	Other receivables
Balance on January 1, 2025	\$ 25,500
Recognized impairment loss	9,597
Balance on March 31, 2025	\$ 35,097
Balance on January 1, 2024(Same balance as March 31, 2024)	\$ -

(ii) Liquidity Risk

Except for bank loans and lease liabilities, the following table shows the contractual maturities of financial liabilities, excluding estimated interest payments:

	Amount	Contractual cash flows	Within a year	1 ~ 2 years	Over 2 years
March 31, 2025					
Bank loans	\$ 238,010	(240,046)	(49,026)	-	(191,020)
Trade payables	2,494,717	(2,494,717)	(2,494,717)	-	-
Lease liabilities (including current and non-current)	3,642	(3,763)	(1,950)	(867)	(946)
Bonds payable	474,141	(500,000)	-	-	(500,000)
Other payables	324,636	324,636	324,636	-	-
Guarantee deposits	29,024	(29,024)	-	-	(29,024)
	\$ 3,564,170	(2,942,914)	(2,221,057)	(867)	(720,990)
December 31, 2024					
Bank loans	\$ 238,400	(238,461)	(34,530)	-	(203,931)
Trade payables	2,885,583	(2,885,583)	(2,885,583)	-	-
Lease liabilities (including current and non-current)	4,269	(4,417)	(2,236)	(1,078)	(1,103)
Bonds payable	471,698	(500,000)	-	-	(500,000)
Other payables	367,337	(367,337)	(367,337)	-	-
Guarantee deposits	28,727	(28,727)	-	-	(28,727)
	\$ 3,996,014	(4,024,525)	(3,289,686)	(1,078)	(733,761)

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
March 31, 2024					
Bank loans	\$ 421,400	(425,957)	(40,644)	-	(385,313)
Trade payables	1,749,685	(1,749,685)	(1,749,685)	-	-
Lease liabilities (including current and non-current)	5,798	(6,036)	(2,550)	(1,792)	(1,694)
Bonds payable	298,402	(314,300)	-	-	(314,300)
Other payables	288,503	(288,503)	(288,503)	-	-
Guarantee deposits	<u>28,272</u>	<u>(28,272)</u>	<u>-</u>	<u>-</u>	<u>(28,272)</u>
	<u>\$ 2,792,060</u>	<u>(2,812,753)</u>	<u>(2,081,382)</u>	<u>(1,792)</u>	<u>(729,579)</u>

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>March 31, 2025</u>			<u>December 31, 2024</u>			<u>March 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
Financial assets									
Monetary items									
USD to TWD	\$ 95,229	33.205	3,162,079	97,963	32.785	3,211,717	54,928	32.000	1,757,696
USD to CNY	28,308	7.1782	939,967	33,072	7.1884	1,084,266	21,408	7.095	685,056
CNY to TWD	127,571	4.573	583,382	148,461	4.478	664,808	143,585	4.408	632,923
Financial liabilities									
Monetary items									
USD to TWD	49,528	33.205	1,644,577	52,137	32.785	1,709,312	34,946	32.000	1,118,272
USD to CNY	2,673	7.1782	88,757	2,447	7.1884	80,225	1,319	7.095	42,208
CNY to TWD	371,220	4.573	1,697,589	441,538	4.478	1,977,207	292,367	4.408	1,288,754

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, other receivables, trade payables, and other payables that are denominated in foreign currencies.

A weakening or strengthening 5% of each functional currency against Group entities' functional currency as of March 31, 2025 and 2024 would have affected the net profit before tax as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
USD (against the TWD)		
Strengthening 5%	\$ 75,875	31,971
Weakening 5%	(75,875)	(31,971)

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
USD (against the CNY)		
Strengthening 5%	42,561	32,142
Weakening 5%	(42,561)	(32,142)
CNY (against the TWD)		
Strengthening 5%	(55,710)	(32,792)
Weakening 5%	55,710	32,792

3) Exchange gains and losses of monetary items

Foreign exchange profit or loss (including realized and unrealized) was as follows:

	<u>For the three months ended March 31,</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Exchange profit (loss)</u>	<u>Average rate</u>	<u>Exchange profit (loss)</u>	<u>Average rate</u>
TWD	\$ 4,115	-	24,265	-
CNY	1,573	4.5303	1,735	4.380

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	<u>Carrying amount</u>	
	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Fixed rate instruments:		
Financial assets	\$ 332,050	93,863
Financial liabilities	474,141	298,402
Variable rate instruments:		
Financial assets	674,265	649,969
Financial liabilities	238,010	421,400

The following sensitivity analysis is based on the risk exposure to the interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed, as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the net profit before tax would have increase or decreased by \$273 and \$143 for the three months ended March 31, 2025 and 2024, respectively, which would have mainly resulted from the bank savings and borrowings with variable interest rates.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Fair value

1) The kinds of financial instruments and fair value

The fair value of financial assets and liabilities at fair value through profit or loss, derivative financial instruments used for hedging, and available for sale financial assets, are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy are stated below; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required.

	March 31, 2025				Total
	Book value	Fair Value			
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss (non-current)					
Derivative financial assets – convertible bonds-embedded derivative instrument	\$ 900	-	-	900	900
Financial assets at fair value through other comprehensive income					
Trade receivable, net	<u>607,348</u>	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	1,007,214	-	-	-	-
Trade receivables, net	2,190,905	-	-	-	-
Other financial assets	64,505	-	-	-	-
Refundable deposits (classified as other financial assets— non-current)	<u>4,904</u>	-	-	-	-
Subtotal	<u>3,267,528</u>				
Total	<u>\$ 3,875,776</u>				
Financial liabilities measured at amortized cost					
Bank loans	\$ 238,010	-	-	-	-
Trade payables	2,494,717	-	-	-	-
Lease liabilities	3,642	-	-	-	-
Other payables	324,636	-	-	-	-
Bonds payable	474,141	-	-	-	-
Guarantee deposits	<u>29,024</u>	-	-	-	-
Subtotal	<u>3,564,170</u>				
Total	<u>\$ 3,564,170</u>				

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss (non-current)					
Derivative financial assets-convertible bonds-embedded derivative instrument	\$ <u>1,950</u>	-	-	1,950	1,950
Financial assets at fair value through other comprehensive income					
Trade receivables, net	<u>656,028</u>	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	977,987	-	-	-	-
Trade receivables, net	2,506,784	-	-	-	-
Other financial assets	99,773	-	-	-	-
Refundable deposits (classified as other financial assets – non-current)	<u>4,322</u>	-	-	-	-
Subtotal	<u>3,588,866</u>				
Total	<u>\$ 4,246,844</u>				
Financial liabilities measured at amortized cost					
Bank loans	\$ 238,400	-	-	-	-
Trade payables	2,885,583	-	-	-	-
Lease liabilities	4,269	-	-	-	-
Other payables	367,337	-	-	-	-
Bonds payable	471,698	-	-	-	-
Guarantee deposit	<u>28,727</u>	-	-	-	-
Total	<u>\$ 3,996,014</u>				

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss(non-current)					
Non-derivative financial assets mandatorily measured at fair value through profit or loss-Beneficiary certificate-Funds	\$ 1,017	1,017	-	-	1,017
Derivative financial assets-convertible bonds-embedded derivative instrument	<u>2,152</u>	-	-	2,152	2,152
Subtotal	<u>3,169</u>				
Financial assets at fair value through other comprehensive income					
Trade receivables, net	<u>242,048</u>	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	744,173	-	-	-	-
Trade receivable, net	1,473,007	-	-	-	-
Other financial assets	66,643	-	-	-	-
Refundable deposits (classified as other financial assets – non-current)	<u>5,446</u>	-	-	-	-
Subtotal	<u>2,289,269</u>				
Total	<u>\$ 2,534,486</u>				
Financial liabilities measured at amortized cost					
Bank loans	\$ 421,400	-	-	-	-
Trade payables	1,749,685	-	-	-	-
Lease liabilities	5,798	-	-	-	-
Bonds payables	298,402	-	-	-	-
Other payables	288,533	-	-	-	-
Guarantee deposits	<u>28,272</u>				
Total	<u>\$ 2,792,090</u>				

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices.

If the Group can frequently acquire the financial instrument's open quotation from either the stock exchange, brokers, underwriters, industrial trade union, or authorities, and the price is equal to that of fair market, then that financial instrument has active market value. On the other hand, if the condition above is not achieved, we define that instrument to have non-active market value. Generally, the significant difference between the bid-ask spread or the trading volume is very small, similar to the index of a nonactive market.

Except from the active market, the Group also acquires its financial instrument value from the valuation technique or reference to a rival's quotation. The fair value through the valuation technique refers to other essentially prerequisite and similar financial instruments with current fair value, discount cash flow, and other valuation methods.

The financial instruments from the non-active market are evaluated by the discount cash flow model, the main assumption is according to time value of money and investment risk to evaluate future cash flow.

b) Derivative financial instruments

These are valued based on widely accepted valuation models used in the market, such as the discounted cash flow method and option pricing models. Forward foreign exchange contracts are typically valued based on the current forward exchange rates.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Reconciliation of level 3 fair values

	Fair value through profit or loss <hr/> Derivative financial assets – convertible bonds <hr/>
Balance on January 1, 2025	\$ 1,950
Total gains and losses recognized	
In profit or loss	(1,050)
In other comprehensive income	-
Balance on March 31, 2025	<u>\$ 900</u>
Balance on January 1, 2024	\$ 1,640
Converted	(300)
Total gains and losses recognized	
In profit or loss	812
In other comprehensive income	-
Balance on March 31, 2024	<u><u>\$ 2,152</u></u>

5) Quantitative information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – call option of convertible bonds".

Most of fair value measurements categorized within Level 3 use the single and significant unobservable inputs. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity instruments are independent from each other, as a result, there is no relevance between them.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantitative information of significant unobservable inputs was as follows:

<u>Items</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship between significant unobservable input and fair value measurement</u>
Financial assets at fair value through profit or loss – call option of convertible bonds	Binomial convertible bonds pricing models	Volatility (63.57%, 65.86% and 62.41% as of March 31, 2025, December 31, 2024 and March 31, 2024)	The higher the volatility is, the higher the fair value will be.

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonable alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Input</u>	<u>Move up or down</u>	<u>Other Comprehensive Income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2025				
Financial assets at fair value through profit or loss - call option of convertible bonds	Volatility	5%	\$ <u>200</u>	<u>(400)</u>
December 31, 2024				
Financial assets at fair value through profit or loss - call option of convertible bonds	Volatility	5%	\$ <u>400</u>	<u>(350)</u>
March 31, 2024				
Financial assets at fair value through profit or loss - call option of convertible bonds	Volatility	5%	\$ <u>189</u>	<u>(94)</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(u) of the consolidated financial statements for the year ended December 31, 2024.

(u) Capital management

Management believes that the objectives, policies, and processes of the capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note (6)(v) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(v) Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect cash flows in the the three months ended March 31, 2025 and 2024.

The reconciliation of liabilities from fundraising activities for the three months ended March 31, 2025 and 2024 were as follows:

	January 1, 2025	Cash flows	Non-cash flows		Foreign exchange movement	March 31, 2025
			Additions	Write-off		
Long-term loans(including current portion)	\$ 238,400	(390)	-	-	-	238,010
Bonds payable	471,698	-	-	2,443	-	474,141
Lease liabilities	4,269	(627)	-	-	-	3,642
Guarantee deposits	28,727	297	-	-	-	29,024
Total liabilities from financing activities	<u>\$ 743,094</u>	<u>(720)</u>	<u>-</u>	<u>2,443</u>	<u>-</u>	<u>744,817</u>

	January 1, 2024	Cash flows	Non-cash flows		Foreign exchange movement	March 31, 2024
			Additions	Write-off		
Long-term loans	\$ 433,900	(52,500)	-	-	-	381,400
Short-term loans	20,000	20,000	-	-	-	40,000
Bonds payable	377,911	-	-	(79,509)	-	298,402
Lease liabilities	6,404	(606)	-	-	-	5,798
Guarantee deposits	27,318	954	-	-	-	28,272
Total liabilities from financing activities	<u>\$ 865,533</u>	<u>(32,152)</u>	<u>-</u>	<u>(79,509)</u>	<u>-</u>	<u>753,872</u>

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Names and relationships with related parties

The following are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Names of related parties	Relationships with the Group
Lin, Mu-Ho	Chairman of the Company

(b) Transaction among other relative parties

(i) Lease

The Group rents parts of its office and miscellaneous equipment to its related parties and collects monthly rental from them since August 2011. The rental fee is determined based on nearby office rental rates. The rental revenue for the three months ended March 31, 2025 and 2024 were both \$857.

(c) Key management personnel compensation

(i) Key management personnel compensation was comprised of:

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 5,090	4,490
Post-employment benefits	179	171
	\$ 5,269	4,661

(ii) Guarantee

Chairman of the company, Mu-Ho Lin, was the guarantor of the syndication contract as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(8) Pledged assets

Assets	Subject	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment and investment properties	Short-term loans			
— land and right-of-use land		\$ 1,325,673	1,330,092	1,326,750
— properties	"	287,570	295,889	303,296
Other financial assets	Customs deposits			
— non-current		263	263	2,055
		\$ 1,613,506	1,626,244	1,632,101

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies

The Group's unrecognized contractual commitments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	\$ 101,893	303,752	95

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

(a) The summary statement of current period employee benefits, depreciation, and amortization expenses by function was as follows:

By function	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	288,894	94,726	383,620	219,824	73,130	292,954
Labor and health insurance	378	3,342	3,720	184	2,278	2,462
Pension	15,597	6,958	22,555	12,574	4,683	17,257
Others	19,047	12,600	31,647	18,029	9,367	27,396
Depreciation	41,302	2,860	44,162	54,961	2,693	57,654
Amortization	1,012	1,336	2,348	1,090	662	1,752

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	TOP CITY INTERNATIONAL LIMITED	GERSHWIN INTERNATIONAL LIMITED	Trade receivables due from related parties	Yes	199,230	199,230	132,820	5.29598%~5.72939%	Short-term financial	-	Operating demand	-	-	-	2,732,448 (note 1)	2,732,448 (note 1)
2	CHENMING ELECTRONIC (NINGBO) CO., LTD	Dongguan Chenming Electronic Co., Ltd	"	Yes	1,143,250	823,140	342,975	3.50%~3.95%	"	-	"	-	-	-	1,354,264 (note 2)	1,354,264 (note 2)

Note 1: The total amount for lending to a subsidiary whose voting shares are 100% owned, directly or indirectly, by TOP CITY INTERNATIONAL LIMITED for funding for a short-term period shall not exceed the net worth of TOP CITY INTERNATIONAL LIMITED, which amounted to \$2,732,448. And the total amount lendable to each of such borrowers still shall not exceed the net worth of TOP CITY INTERNATIONAL LIMITED, which amounted to \$2,732,448.

Note 2: The total amount for lending to a company for funding for a short-term period shall not exceed the net worth of CHENMING ELECTRONIC (NINGBO) CO., LTD, which amounted to \$1,354,264. In addition, the total amount lendable to any one borrower shall be no more than the borrower's net worth, which amounted to \$1,354,264.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary / endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in mainland China
		Name	Relationship with the Company										
1	The Company	CHENMING ELECTRONIC (NINGBO) CO., LTD	100% owned subsidiary	1,864,916 (note 1)	54,876	54,876	-	-	1.18 %	3,729,831 (note 1)	Yes	No	Yes
2	The Company	Dongguan Chenming Electronic Co., Ltd	100% owned subsidiary	1,864,916 (note 1)	319,818	319,818	-	-	6.86 %	3,729,831 (note 1)	Yes	No	Yes

Note 1: The total amount of endorsement guarantees of the Company and its subsidiaries shall not exceed 80% of the Company's net worth; the amount of endorsement guarantees for an entity shall not exceed 40% of the Company's net worth. The total endorsement guarantees of the Company shall not exceed 40% of the net worth of the Company which amounted to \$1,864,916. (\$4,662,289*40%). In addition, the total endorsement guarantees of the Company shall be no more than 80% of the Company's net worth, which amounted to \$3,729,831 (\$4,662,289*80%).

(iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates, and joint ventures): None.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/trade receivables (payables)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/trade receivables (payables)	
The Company	Dongguan Chenming Electronic Co., Ltd	Subsidiaries of GERSHWIN INTERNATIONAL LIMITED	Purchases	835,090	78 %	Net 120 days from the end of month of purchase	No suppliers for comparison	Net 120 days from the end of month of purchase and depending on the operating demand	Trade payables (1,392,519)	(89)%	Note
Dongguan Chenming Electronic Co., Ltd	The Company	Ultimate holding company	(Sales)	(835,090)	(71)%	Net 120 days from the end of month of delivery	No customers for comparison	Net 120 days from the end of month of delivery and depending on the operating demand	Trade receivables 1,392,519	77 %	"
The Company	CHENMING ELECTRONIC (NINGBO) CO., LTD	Subsidiaries of PEAK SHREWD INC.	Purchases	106,551	10 %	Net 120 days from the end of month of delivery	No customers for comparison	Net 120 days from the end of month of delivery and depending on the operating demand	Trade payables (94,259)	(7)%	"
CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	Ultimate holding company	(Sales)	(106,551)	(11)%	Net 120 days from the end of month of delivery	No customers for comparison	Net 120 days from the end of month of delivery and depending on the operating demand	Trade receivables 94,259	9 %	"

Note: The transactions have been eliminated in the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts	Note
					Amount	Action taken			
Dongguan Chenming Electronic Co., Ltd	The Company	Subsidiaries	Trade receivables 1,392,519	2.45	-	-	287,560	-	Note 2
TOP CITY INTERNATIONAL LIMITED	GERSHWIN INTERNATIONAL LIMITED	The company's ultimate parent company is the same	Other current financial assets 167,684	-	-	-	-	-	Note 2, 3
CHENMING ELECTRONIC (NINGBO) CO., LTD	Dongguan Chenming Electronic Co., Ltd	The company's ultimate parent company is the same	Other current financial assets 343,375	-	-	-	-	-	Note 2, 4

Note 1: The accumulated received balance as of April 22, 2025.

Note 2: The transactions have been eliminated in the consolidated financial statements.

Note 3: Including interest receivables \$34,864.

Note 4: Including interest receivables \$400.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	TOP CITY INTERNATIONAL LIMITED	GERSHWIN INTERNATIONAL LIMITED	2	Other current financial assets	167,684	Rate 5.29598%~5.72933%	2%
2	CHENMING ELECTRONIC (NINGBO) CO., LTD	Dongguan Chenming Electronic Co., Ltd	2	Other current financial assets	343,375	Rate 3.50%~3.95%	4%
3	Dongguan Chenming Electronic Co., Ltd	The Company	1	Sales	835,090	The price is based on the fixed ratio of final selling price, and the credit period is net 120 days from the end of month of delivery	35%
4	Dongguan Chenming Electronic Co., Ltd	The Company	1	Trade receivables	1,392,519	"	16%
5	CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	1	Sales	106,551	"	4%
6	CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	1	Trade receivables	94,259	"	4%

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

- 1 represents the transactions between the subsidiaries and the parent company.
- 2 represents the transactions between subsidiaries.
- 3 represents the transactions from the parent company to its subsidiaries.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of the investment	Investment income (losses)	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	TOP CITY INTERNATIONAL LIMITED	Samoa	Investment	2,138,097	2,138,097	64,558	100 %	2,732,448	40,861	40,861	Subsidiaries
The Company	CHENMING ELECTRONIC TECHNOLOGY USA, Inc.	U.S.A.	Import and export business of computer case	6,236	6,236	200	100 %	16	-	-	Subsidiaries
The Company	CHENMING ELECTRONIC TECHNOLOGY (THAILAND) Co., LTD.	Thailand	Computer case and production of relative components	611,171	414,297	65,000	100 %	637,448	(4,757)	(4,757)	Subsidiaries
TOP CITY INTERNATIONAL LIMITED	GERSHWIN INTERNATIONAL LIMITED	Samoa	Investment	1,471,994	1,471,994	45,988	100 %	1,206,705	65,962		The profit or loss on investments were recognized by TOP CITY INTERNATIONAL LIMITED
TOP CITY INTERNATIONAL LIMITED	PEAK SHREWD INC	Samoa	Investment	773,920	773,920	22,410	100 %	1,354,399	(27,304)	"	"

Note: The investment income (losses) of the current period are recognized according to the financial statements which have been reviewed and certified by the Company's independent external auditors.

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(c) Information on investment in mainland China:

- (i) The names of investees in mainland China, the main businesses and products, and other information:

(In Thousands of United States Dollars/In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (note 3)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (losses) of the investment	Percentage of ownership	Investment income (losses) (note 2 and 3)	Carrying amount as of March 31, 2025 (note 3)	Accumulated remittance of earnings as of March 31, 2025
					Outflow	Inflow						
CHENMING ELECTRONIC (NINGBO) CO., LTD	Computer case and production of relative components	2,141,723 (USD64,500)	notes 1 and 6	744,124 (USD22,410)	-	-	744,124 (USD22,410)	(27,306)	100 %	(27,306)	1,354,264	-
Dongguan Chenming Electronic Co., Ltd	"	962,214 (USD28,978) (note 5)	notes 1 and 7	826,805 (USD24,900)	-	-	826,805 (USD24,900)	73,346	100 %	73,346	1,073,694	-

- (ii) Limitation on investment in mainland China:

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission of Ministry of Economic Affairs (note 3)	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
1,573,153 (USD47,377)	1,779,024 (USD53,577)	Unlimited (note 8)

Note1: Investment in Mainland China through existing company from third region.

Note2: The investment gains and losses of the current period are recognized according to the financial statements which have been reviewed and reviewed by the Company's independent external auditors.

Note3: The USD was translated into New Taiwan Dollars at the exchange rate of \$33.205 as of March 31, 2025.

Note4: Invested the amount of USD 3,000 thousand in Dongguan Chenming Electronic Co., Ltd. through GERSHWIN INTERNATIONAL LIMITED by TOP CITY INTERNATIONAL LIMITED.

Note5: Invested the amount of USD 1,078 thousand on equipment in Dongguan Chenming Electronic Co., Ltd by GERSHWIN INTERNATIONAL LIMITED.

Note6: Investment in Mainland China through TOP CITY INTERNATIONAL LIMITED and PEAK SHREWD INC.

Note7: Investment in Mainland China through TOP CITY INTERNATIONAL LIMITED and GERSHWIN INTERNATIONAL LIMITED.

Note8: According to the "REGULATIONS GOVERNING THE APPROVAL OF INVESTMENT OR TECHNICAL COOPERATION IN MAINLAND CHINA" amended in August 29, 2008, by the MOEAIC, the Company has acquired related documents. Therefore, there is no restriction to the Company's investing amount in Mainland China.

- (iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China are disclosed in "Information on significant transactions".

(14) Segment information:

The Group has only one segment, which mainly produce computer and mobile device components. Operating segment information is consistent with the balance sheet report, and for the profit and loss segment refer to income statement, and for the assets segment refer to the balance sheet.