

**CHENMING ELECTRONIC TECHNOLOGY CORP.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 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.

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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the changes in equity and cash flows for the nine 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months then ended, as well as its consolidated cash flows for the nine 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)
November 6, 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 Balance Sheet
September 30, 2025, December 31, 2024, and September 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$ 1,164,259	13	977,987	11	700,716	9	2130	Current contract liabilities (note (6)(q))	\$ 9,757	-	3,147	-	8,457	-
1170	Trade receivables, net (notes (6)(c) and (6)(q))	2,823,757	33	3,162,812	37	3,229,474	41	2170	Trade payables	2,367,672	28	2,885,583	34	2,708,677	35
1310	Inventories, net (note (6)(d))	1,005,450	12	1,283,942	15	830,585	11	2200	Other payables	400,946	5	367,337	5	397,575	5
1476	Other current financial assets (note (6)(l))	52,613	1	99,773	1	71,625	1	2230	Current tax liabilities (note (6)(n))	188,859	2	178,860	2	129,667	2
1479	Other current assets	105,626	1	84,808	1	45,413	-	2280	Current lease liabilities (note (6)(k))	1,224	-	2,163	-	2,294	-
		<u>5,151,705</u>	<u>60</u>	<u>5,609,322</u>	<u>65</u>	<u>4,877,813</u>	<u>62</u>	2300	Other current liabilities	39,923	-	38,809	-	5,464	-
Non-current assets:								2322	Long-term borrowings, current portion (note (6)(i))	57,843	1	34,523	-	20,626	-
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (6)(j))	550	-	1,950	-	-	-			<u>3,066,224</u>	<u>36</u>	<u>3,510,422</u>	<u>41</u>	<u>3,272,760</u>	<u>42</u>
1600	Property, plant, and equipment (notes (6)(e) and (8))	2,709,800	32	2,524,090	29	2,445,528	31	Non-current liabilities:							
1755	Right-of-use assets (note (6)(f))	158,739	2	170,276	2	173,489	2	2530	Bonds payable (note (6)(j))	479,027	6	471,698	6	-	-
1760	Investment property, net (notes (6)(g) and (8))	261,173	3	270,743	3	272,318	4	2540	Long-term loans (note (6)(i))	160,495	2	203,877	2	453,174	6
1780	Intangible assets	11,038	-	9,386	-	5,362	-	2560	Non-current tax liabilities (note (6)(n))	108,305	1	6,393	-	10,229	-
1840	Deferred income tax assets	1,309	-	1,309	-	8,525	-	2570	Deferred income tax liabilities	4,549	-	4,549	-	188	-
1980	Other non-current financial assets (note (8))	12,498	-	4,322	-	4,819	-	2580	Non-current lease liabilities (note (6)(k))	1,240	-	2,106	-	2,272	-
1990	Other non-current assets	294,357	3	84,215	1	53,359	1	2645	Guarantee deposits (note (6)(l))	28,219	-	28,727	-	28,805	-
		<u>3,449,464</u>	<u>40</u>	<u>3,066,291</u>	<u>35</u>	<u>2,963,400</u>	<u>38</u>			<u>781,835</u>	<u>9</u>	<u>717,350</u>	<u>8</u>	<u>494,668</u>	<u>6</u>
									Total liabilities	<u>3,848,059</u>	<u>45</u>	<u>4,227,772</u>	<u>49</u>	<u>3,767,428</u>	<u>48</u>
								Equity attributable to owners of parent (notes (6)(j) and (6)(o)):							
								3100	Ordinary shares	2,051,389	24	2,051,389	23	2,051,389	26
								3200	Capital surplus	765,025	9	765,025	9	668,148	9
								3300	Retained earnings	2,020,157	23	1,642,068	19	1,345,267	17
								3410	Exchange differences on translation of foreign financial statements	(83,461)	(1)	(10,641)	-	8,981	-
										<u>4,753,110</u>	<u>55</u>	<u>4,447,841</u>	<u>51</u>	<u>4,073,785</u>	<u>52</u>
									Total equity	<u>4,753,110</u>	<u>55</u>	<u>4,447,841</u>	<u>51</u>	<u>4,073,785</u>	<u>52</u>
Total assets		<u>\$ 8,601,169</u>	<u>100</u>	<u>8,675,613</u>	<u>100</u>	<u>7,841,213</u>	<u>100</u>	Total liabilities and equity		<u>\$ 8,601,169</u>	<u>100</u>	<u>8,675,613</u>	<u>100</u>	<u>7,841,213</u>	<u>100</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 Comprehensive Income****For the three months and nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the three months ended September 30				For the nine months ended September 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue, net (note (6)(q))								
	\$ 2,470,247	100	2,663,170	100	\$ 7,499,627	100	6,727,285	100	
5000	Operating costs (notes (6)(d), (6)(m) and (12))								
	<u>1,990,185</u>	<u>81</u>	<u>2,235,554</u>	<u>84</u>	<u>6,189,468</u>	<u>83</u>	<u>5,687,173</u>	<u>85</u>	
5900	Gross profit from operations								
	<u>480,062</u>	<u>19</u>	<u>427,616</u>	<u>16</u>	<u>1,310,159</u>	<u>17</u>	<u>1,040,112</u>	<u>15</u>	
6000	Operating expenses (notes (6)(e), (6)(f), (6)(g), (6)(m) and (12)):								
6100	Selling expenses	58,800	2	66,682	3	176,806	2	167,029	2
6200	Administrative expenses	132,743	5	89,320	3	383,481	5	271,234	4
6300	Research and development expenses	<u>35,587</u>	<u>1</u>	<u>17,055</u>	-	<u>68,242</u>	<u>1</u>	<u>47,797</u>	<u>1</u>
		<u>227,130</u>	<u>8</u>	<u>173,057</u>	<u>6</u>	<u>628,529</u>	<u>8</u>	<u>486,060</u>	<u>7</u>
6900	Net operating income								
	<u>252,932</u>	<u>11</u>	<u>254,559</u>	<u>10</u>	<u>681,630</u>	<u>9</u>	<u>554,052</u>	<u>8</u>	
7000	Non-operating income and expenses:								
7050	Finance costs, net (notes (6)(j) and (6)(k))	(2,956)	-	(2,176)	-	(8,983)	-	(8,000)	-
7100	Interest income	4,631	-	2,287	-	14,005	-	11,258	-
7110	Rent revenue (notes (6)(l) and (7))	23,283	-	23,431	-	69,794	-	71,417	1
7190	Other income (losses), net (notes (6)(j) and (6)(s))	(9,879)	-	323	-	(29,232)	-	(15,717)	-
7210	Gains (losses) from disposal of intangible assets and property, plant and equipment, net (note (6)(e))	(3,754)	-	(9,272)	-	(23,424)	-	(58,019)	(1)
7230	Foreign exchange gains (losses), net (note (6)(s))	<u>3,010</u>	-	<u>(57,736)</u>	<u>(2)</u>	<u>(33,330)</u>	-	<u>(267)</u>	-
		<u>14,335</u>	-	<u>(43,143)</u>	<u>(2)</u>	<u>(11,170)</u>	-	<u>672</u>	-
7900	Profit from continuing operations before tax								
	267,267	11	211,416	8	670,460	9	554,724	8	
7950	Less: Income tax expenses (note (6)(n))	<u>50,002</u>	<u>2</u>	<u>46,940</u>	<u>2</u>	<u>169,288</u>	<u>2</u>	<u>121,134</u>	<u>2</u>
	Profit								
	<u>217,265</u>	<u>9</u>	<u>164,476</u>	<u>6</u>	<u>501,172</u>	<u>7</u>	<u>433,590</u>	<u>6</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	87,994	3	54,453	2	(72,820)	(1)	80,584	2
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss								
	<u>87,994</u>	<u>3</u>	<u>54,453</u>	<u>2</u>	<u>(72,820)</u>	<u>(1)</u>	<u>80,584</u>	<u>2</u>	
8300	Other comprehensive income (loss)								
	<u>87,994</u>	<u>3</u>	<u>54,453</u>	<u>2</u>	<u>(72,820)</u>	<u>(1)</u>	<u>80,584</u>	<u>2</u>	
8500	Comprehensive income (loss)								
	<u>\$ 305,259</u>	<u>12</u>	<u>218,929</u>	<u>8</u>	<u>428,352</u>	<u>6</u>	<u>514,174</u>	<u>8</u>	
	Earnings per share (expressed in NTD) (note (6)(p)):								
9750	Basic earnings per share	<u>\$ 1.06</u>		<u>0.80</u>		<u>2.44</u>		<u>2.17</u>	
9850	Diluted earnings per share	<u>\$ 1.06</u>		<u>0.80</u>		<u>2.44</u>		<u>2.13</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 nine months ended September 30, 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
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	25,314	-	(25,314)	-	-	-
Special reserve appropriated	-	-	-	21,135	(21,135)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(78,374)	(78,374)	-	(78,374)
Profit for the nine months ended September 30, 2024	-	-	-	-	433,590	433,590	-	433,590
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	80,584	80,584
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	433,590	433,590	80,584	514,174
Conversion of convertible bonds	92,039	287,492	-	-	-	-	-	379,531
Balance on September 30, 2024	\$ 2,051,389	668,148	349,841	71,603	923,823	1,345,267	8,981	4,073,785
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
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	73,039	-	(73,039)	-	-	-
Reversal of special reserve	-	-	-	(60,962)	60,962	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(123,083)	(123,083)	-	(123,083)
Profit for the nine months ended September 30, 2025	-	-	-	-	501,172	501,172	-	501,172
Other comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	(72,820)	(72,820)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	501,172	501,172	(72,820)	428,352
Balance on September 30, 2025	\$ 2,051,389	765,025	422,880	10,641	1,586,636	2,020,157	(83,461)	4,753,110

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 nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 670,460	554,724
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	137,920	142,252
Amortization expense	6,725	5,162
Expected credit losses	32,343	17,706
Net losses on financial assets or liabilities at fair value through profit or loss	1,400	409
Interest expense	8,983	8,000
Interest income	(14,005)	(11,258)
Loss from disposal of intangible assets and property, plant and equipment, net	23,424	58,019
Total adjustments to reconcile profit	<u>196,790</u>	<u>220,290</u>
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	281,668	(1,171,827)
Decrease in inventories	314,110	43,790
Increase in other current assets	(32,934)	(5,047)
Decrease (increase) in other financial assets	29,940	(4,041)
Increase in contract liabilities	6,610	5,407
(Decrease) increase in trade payables	(470,517)	672,844
Increase in other payables and other current liabilities	38,088	61,133
Total changes in operating assets and liabilities	<u>166,965</u>	<u>(397,741)</u>
Total adjustments	<u>363,755</u>	<u>(177,451)</u>
Cash inflow generated from operations	1,034,215	377,273
Interest received	13,744	11,258
Income taxes paid	(55,450)	(36,348)
Net cash flows from operating activities	<u>992,509</u>	<u>352,183</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	-	1,019
Acquisition of property, plant, and equipment	(381,354)	(387,602)
(Increase) decrease in refundable deposits	(8,176)	686
Acquisition of intangible assets	(5,648)	(2,958)
Increase in prepayments for land and equipment and others	(227,362)	(54,667)
Net cash flows used in investing activities	<u>(622,540)</u>	<u>(443,522)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	-	(20,000)
Proceeds from long-term loans	-	209,900
Repayments of long-term loans	(20,062)	(170,000)
(Decrease) increase in guarantee deposits	(508)	1,487
Payment of lease liabilities	(1,805)	(1,838)
Distribution of cash dividends	(123,083)	(78,374)
Interest paid	(1,694)	(4,437)
Net cash flows (used in) from financing activities	<u>(147,152)</u>	<u>(63,262)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(36,545)</u>	<u>30,618</u>
Net increase (decrease) in cash and cash equivalents	186,272	(123,983)
Cash and cash equivalents at beginning of period	977,987	824,699
Cash and cash equivalents at end of period	<u>\$ 1,164,259</u>	<u>700,716</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

September 30, 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 nine months ended September 30, 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 November 6, 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”
- 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

- (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:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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. 	<p>January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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

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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(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.

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.

(b) Basis of consolidation

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			September 30, 2025	December 31, 2024	September 30, 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 %
The Company	CHENMING ELECTRONIC TECHNOLOGY (THAILAND) CO., LTD.	Computer case and production of relative components	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 %

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

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Principal activity</u>	<u>Shareholding</u>		
			<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
PEAK SHREWD INC.	CHENMING ELECTRONIC (NINGBO) 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.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on hand	\$ 994	834	1,121
Checking accounts and demand deposits	993,218	973,875	696,430
Time deposits	<u>170,047</u>	<u>3,278</u>	<u>3,165</u>
	<u>\$ 1,164,259</u>	<u>977,987</u>	<u>700,716</u>

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

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Non-current mandatorily measured at fair value through profit or loss			
Convertible bonds - embedded derivatives	\$ <u>550</u>	<u>1,950</u>	<u>-</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group did not pledge any financial assets as collaterals.

(c) Trade receivables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Trade receivables-measured at amortized cost	\$ 2,611,704	2,507,409	2,716,119
Trade receivables-measured at fair value through other comprehensive income	<u>215,368</u>	<u>656,028</u>	<u>515,579</u>
	2,827,072	3,163,437	3,231,698
Less: Loss allowance	<u>(3,315)</u>	<u>(625)</u>	<u>(2,224)</u>
Trade receivables, net	<u>\$ 2,823,757</u>	<u>3,162,812</u>	<u>3,229,474</u>

The Group has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance was determined as follows:

	<u>September 30, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average expected credit loss rate</u>	<u>Allowance lifetime expected credit loss</u>
Current	\$ 2,783,110	0.05%	1,434
1 to 30 days past due	21,186	0.29%	61
31 to 150 days past due	13,157	3.50%	461
151 to 360 days past due	<u>9,619</u>	14.13%	<u>1,359</u>
	<u>\$ 2,827,072</u>		<u>3,315</u>

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

	December 31, 2024		
	Gross carrying amount	Weighted- average expected credit loss rate	Allowance lifetime expected credit loss
Current	\$ 3,153,304	0.02%	612
1 to 30 days past due	10,095	0.11%	11
31 to 150 days past due	24	0.00%	-
151 to 360 days past due	14	13.33%	2
	\$ 3,163,437		625
	September 30, 2024		
	Gross carrying amount	Weighted- average expected credit loss rate	Allowance lifetime expected credit loss
Current	\$ 3,219,434	0.02%	782
1 to 30 days past due	8,837	0.37%	33
31 to 150 days past due	626	1.28%	8
151 to 360 days past due	2,801	50.20%	1,401
	\$ 3,231,698		2,224

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

	For the nine months ended September 30,	
	2025	2024
Balance at January 1	\$ 625	593
Impairment losses recognized	2,746	1,589
Foreign exchange losses (gains)	(56)	42
Balance at September 30	\$ 3,315	2,224

As of September 30, 2025, December 31, 2024 and September 30, 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.

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

September 30, 2025

Purchaser	Amount Transferred	Credit Lines	Amount Advanced (Recognized in Short-term loans)	Range of Interest Rate	Guarantee item
Financial institutions	\$ 215,368 (USD7,074 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)	-	-	-

September 30, 2024

Purchaser	Amount Transferred	Credit Lines	Amount Advanced (Recognized in Short-term loans)	Range of Interest Rate	Guarantee item
Financial institutions	\$ 515,579 (USD16,290 thousand dollars)	465,000 (USD15,000 thousand dollars)	-	-	-

(d) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 580,035	390,225	299,298
Work in progress	113,635	107,886	117,802
Finished goods and merchandise inventories	311,780	785,831	413,485
	<u>\$ 1,005,450</u>	<u>1,283,942</u>	<u>830,585</u>

(Continued)

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

The Group's composition details of operating cost for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Cost of goods sold	\$ 1,997,393	2,235,214	6,109,758	5,649,055
Revenue from sale of scraps	(18,113)	(14,511)	(49,283)	(43,305)
Inventories valuation and obsolescence losses (Reversal of inventory impairment)	2,573	(8,596)	70,790	12,564
Loss on scrapping of inventories	28,462	23,448	78,310	68,712
Shortage of inventories	-	(1)	23	147
	<u>\$ 2,010,315</u>	<u>2,235,554</u>	<u>6,209,598</u>	<u>5,687,173</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group did not pledge any inventories as collaterals.

(e) Property, plant, and equipment

The cost and depreciation of the property, plant, and equipment of the Group for the nine months ended September 30, 2025 and 2024 were as follows:

	Land	Properties	Machinery and equipment	Office equipment and others	Molds	Construction in progress and prepayments for equipment	Total
Cost:							
Balance at January 1, 2025	\$ 1,266,682	974,514	549,256	145,325	83,343	162,814	3,181,934
Additions	98,588	1,382	43,979	43,952	80,835	109,293	378,029
Disposals	-	-	(17,091)	(43,727)	(422)	-	(61,240)
Transferred into (out)	-	26,375	52,072	(5,808)	(65,149)	(55,211)	(47,721)
Effect of changes in exchange rates	(2,690)	(8,442)	(10,153)	(1,140)	(555)	(1,941)	(24,921)
Balance at September 30, 2025	<u>\$ 1,362,580</u>	<u>993,829</u>	<u>618,063</u>	<u>138,602</u>	<u>98,052</u>	<u>214,955</u>	<u>3,426,081</u>
Balance at January 1, 2024	\$ 1,115,264	743,411	388,902	124,991	301,531	282,928	2,957,027
Additions	97,000	13,459	35,311	33,975	98,577	118,950	397,272
Disposals	-	-	(66)	(26,492)	(157,554)	-	(184,112)
Transferred into (out)	32,369	211,486	86,597	3,504	(179,125)	(282,928)	(128,097)
Effect of changes in exchange rates	14,586	7,994	7,679	956	3,973	7,777	42,965
Balance at September 30, 2024	<u>\$ 1,259,219</u>	<u>976,350</u>	<u>518,423</u>	<u>136,934</u>	<u>67,402</u>	<u>126,727</u>	<u>3,085,055</u>

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

	<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>
Depreciation:							
Balance at January 1, 2025	\$ -	359,747	238,668	41,930	17,499	-	657,844
Depreciation	-	25,418	46,279	24,069	29,425	-	125,191
Disposals	-	-	(13,721)	(24,135)	(229)	-	(38,085)
Transferred into (out)	-	2,124	602	(2,763)	(17,378)	-	(17,415)
Effect of changes in exchange rates	-	(5,042)	(5,706)	(408)	(98)	-	(11,254)
Balance at September 30, 2025	<u>\$ -</u>	<u>382,247</u>	<u>266,122</u>	<u>38,693</u>	<u>29,219</u>	<u>-</u>	<u>716,281</u>
Balance at January 1, 2024	\$ -	323,746	194,670	40,182	163,711	-	722,309
Depreciation	-	24,567	29,285	17,516	57,791	-	129,159
Disposals	-	-	(66)	(13,867)	(112,160)	-	(126,093)
Transferred into (out)	-	-	-	-	(97,750)	-	(97,750)
Effect of changes in exchange rates	-	4,264	4,606	421	2,611	-	11,902
Balance at September 30, 2024	<u>\$ -</u>	<u>352,577</u>	<u>228,495</u>	<u>44,252</u>	<u>14,203</u>	<u>-</u>	<u>639,527</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 September 30, 2025	<u>\$ 1,362,580</u>	<u>611,582</u>	<u>351,941</u>	<u>99,909</u>	<u>68,833</u>	<u>214,955</u>	<u>2,709,800</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 September 30, 2024	<u>\$ 1,259,219</u>	<u>623,773</u>	<u>289,928</u>	<u>92,682</u>	<u>53,199</u>	<u>126,727</u>	<u>2,445,528</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 \$101,565 (THB114,700 thousand), based on the resolution approved during the Board Meeting held on October 28, 2024. As of September 30, 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.

The Group had recognized scrapping loss of \$3,754, 9,272, \$23,424 and \$58,019 for the three months and nine months ended September 30, 2025 and 2024, and it was recognized as net gain (loss) on disposal of intangible assets and property, plant, and equipment.

As of September 30, 2025, December 31, 2024 and September 30, 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.

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

(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	(4,421)	(1,294)	-	-	(5,715)
Balance at September 30, 2025	<u>\$ 208,003</u>	<u>26,705</u>	<u>26,496</u>	<u>2,801</u>	<u>264,005</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	4,187	1,225	-	-	5,412
Balance at September 30, 2024	<u>\$ 213,386</u>	<u>28,280</u>	<u>26,496</u>	<u>2,476</u>	<u>270,638</u>
Accumulated depreciation:					
Balance at January 1, 2025	\$ 46,350	27,999	22,595	2,500	99,444
Depreciation	6,521	-	1,667	112	8,300
Transferred into (out)	(97)	-	-	-	(97)
Effect of changes in exchange rates	(1,087)	(1,294)	-	-	(2,381)
Balance at September 30, 2025	<u>\$ 51,687</u>	<u>26,705</u>	<u>24,262</u>	<u>2,612</u>	<u>105,266</u>
Balance at January 1, 2024	\$ 38,319	27,055	20,251	2,360	87,985
Depreciation	6,602	-	1,758	104	8,464
Transferred into (out)	(1,396)	-	-	-	(1,396)
Effect of changes in exchange rates	871	1,225	-	-	2,096
Balance at September 30, 2024	<u>\$ 44,396</u>	<u>28,280</u>	<u>22,009</u>	<u>2,464</u>	<u>97,149</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 September 30, 2025	<u>\$ 156,316</u>	<u>-</u>	<u>2,234</u>	<u>189</u>	<u>158,739</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 September 30, 2024	<u>\$ 168,990</u>	<u>-</u>	<u>4,487</u>	<u>12</u>	<u>173,489</u>

(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 September 30, 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	-	3,895
Balance at September 30, 2024	<u>\$ 136,906</u>	<u>34,768</u>	<u>175,291</u>	<u>346,965</u>

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

	<u>Land</u>	<u>Right-of-use Land</u>	<u>Properties</u>	<u>Total</u>
Depreciation:				
Balance at January 1, 2025	\$ -	12,748	63,474	76,222
Depreciation	-	772	3,657	4,429
Transferred into (out)	<u>-</u>	<u>97</u>	<u>(2,123)</u>	<u>(2,026)</u>
Balance at September 30, 2025	<u>\$ -</u>	<u>13,617</u>	<u>65,008</u>	<u>78,625</u>
Balance at January 1, 2024	\$ -	10,291	58,331	68,622
Depreciation	-	772	3,857	4,629
Transferred into (out)	<u>-</u>	<u>1,396</u>	<u>-</u>	<u>1,396</u>
Balance at September 30, 2024	<u>\$ -</u>	<u>12,459</u>	<u>62,188</u>	<u>74,647</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 September 30, 2025	<u>\$ 136,906</u>	<u>21,151</u>	<u>103,116</u>	<u>261,173</u>
Balance at January 1, 2024	<u>\$ 136,906</u>	<u>20,582</u>	<u>116,960</u>	<u>274,448</u>
Balance at September 30, 2024	<u>\$ 136,906</u>	<u>22,309</u>	<u>113,103</u>	<u>272,318</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 September 30, 2025, December 31, 2024 and September 30, 2024.

(h) Short-term loans

The short-term loans were summarized as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Secured loans	\$ -	-	-
	<u>\$ -</u>	<u>-</u>	<u>-</u>
Unused credit line for short-term loans	<u>\$ 3,506,731</u>	<u>3,017,773</u>	<u>2,930,970</u>
Range of interest rates	<u>-</u>	<u>-</u>	<u>-</u>

- (i) As of September 30, 2025, December 31, 2024 and September 30, 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group provided its assets as collateral for short-term loans, please refer to note (8) for details.

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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(i) Long-term loans

The long-term loans were summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank loans	\$ 218,338	238,400	473,800
Less: Current portion	<u>(57,843)</u>	<u>(34,523)</u>	<u>(20,626)</u>
Total	<u>\$ 160,495</u>	<u>203,877</u>	<u>453,174</u>
Unused long-term credit lines	<u>\$ 500,000</u>	<u>500,000</u>	<u>742,200</u>
Range of interest rate	<u>0.89%</u>	<u>0.89%</u>	<u>0.5%~2.3%</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 \$209,900 for the nine months ended September 30, 2025 and 2024, respectively. Due to the changes in its capital use and interest rates, the Group repaid the amounts of \$20,062 and \$170,000 for the nine months ended September 30, 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.

(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:

	December 31, 2024	June 30, 2024
Total convertible corporate bonds issued	\$ 400,000	400,000
Accumulated converted amount	<u>(400,000)</u>	<u>(400,000)</u>
Balance of bonds payable as of reporting date	<u>\$ -</u>	<u>-</u>
Embedded derivatives – call option (recorded as financial assets at fair value through profit or loss – non-current)	<u>\$ -</u>	<u>-</u>

(Continued)

CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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	For the three months ended June 30, 2024	For the nine months ended September 30, 2024
Embedded derivatives-gains or losses resulting from call option at fair value (recorded as other income (losses), net)	\$ -	271
Interest expense	\$ (283)	(3,531)

- 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	68,030
Total amount of the convertible bonds at issuance	\$ 449,190
Issuance costs	\$ 6,185

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

- 3) For the nine months ended September 30, 2024, the convertible bonds with a par value of \$400,000 were converted into ordinary shares of the Company of \$92,039, and the capital surplus arising from the conversion - premium on share issuance was \$354,585 (including the stock options converted to discount on share issuance of \$67,093, the unamortized discount on bonds payable of \$18,558, and the call options converted to premium on share issuance of \$1,911).
- 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:

	September 30, 2025	December 31, 2024
Total convertible corporate bonds issued	\$ 500,000	500,000
Unamortized discounts on bonds payable	(20,973)	(28,302)
Accumulated converted amount	-	-
Balance of bonds payable as of reporting date	\$ 479,027	471,698

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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	September 30, 2025	December 31, 2024
Embedded derivatives – call option (recorded as financial assets at fair value through profit or loss – non-current)	<u>\$ 550</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>\$ (1,400)</u>	<u>(300)</u>
Interest expense	<u>\$ 7,329</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:

	The fourth
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%.

- 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.

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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- 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;
 - The period in which transfer common stocks is suspended by laws.
 - ii) The conversion price: The conversion price of NT\$144.5 per share at issuance date had been adjusted to NT\$143.8 per share on July 20, 2025 due to the distribution of cash dividends on ordinary shares.

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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(k) Lease liabilities

The book value of lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	<u>\$ 1,224</u>	<u>2,163</u>	<u>2,294</u>
Non-current	<u>\$ 1,240</u>	<u>2,106</u>	<u>2,272</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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 15</u>	<u>35</u>	<u>62</u>	<u>123</u>
Expenses relating to short-term leases	<u>\$ 2,261</u>	<u>2,771</u>	<u>8,348</u>	<u>8,262</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 57</u>	<u>44</u>	<u>177</u>	<u>149</u>

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

	For the nine months ended September 30,	
	2025	2024
Total cash outflow for leases	<u>\$ 10,392</u>	<u>10,372</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.

(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)(g) sets out information about the operating leases of investment property.

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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There were no significant additions in operating lease for the nine months ended September 30, 2025 and 2024.

The rental revenue from investment properties were \$23,283, \$23,431, \$69,794 and \$71,417 for the three months and nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, December 31, 2024 and September 30, 2024, the lease receivable of \$35,282, \$71,664 and \$67,606, respectively, was based on the straight-line method, which was recognized under other financial assets – current, For the nine months ended June 30, 2025 and 2024, the expected credit loss amount recognized based on characteristics of lessee's credit risk was \$29,597 and \$16,117, respectively. Please refer to note (6)(s) for details. The guarantee deposit received were both \$19,070. 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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating cost	\$ 615	220	1,715	502
Operating expense	994	943	2,935	2,849
	\$ 1,609	1,163	4,650	3,351

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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating cost	\$ 15,035	13,695	43,104	40,554
Operating expense	6,300	3,656	24,725	11,215
	\$ 21,335	17,351	67,829	51,769

(n) Income taxes

(i) The components of income tax for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Current tax expense	\$ 50,002	46,940	169,288	121,134

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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(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 September 30, 2025, a total of \$35,801 has been paid, with the remaining balance of \$10,229, classified as current income tax liabilities.

The Company's profit-seeking enterprise income for 2024 and the 5% surtax on undistributed earnings for 2023 show a supplementary payment of \$115,230. Due to the impact of the U.S. reciprocal tariff measures, the Company has applied to the National Taxation Bureau of Taipei, Ministry of Finance for a 36-month installment plan. As of September 30, 2025, a total of \$9,602 has been paid, of which, the amounts of \$38,410 and \$67,218, classified as current and non-current income tax liabilities, are due within and after one year, respectively.

The Company's profit-seeking enterprise income for 2025 shows a voluntary supplementary payment of \$61,631. Due to the impact of the U.S. reciprocal tariff measures, the Company has applied to the National Taxation Bureau of Taipei, Ministry of Finance for a 36-month installment plan. As of September 30, 2025, the full amount above has yet to be paid, of which, the amounts of \$20,544 and \$41,087, classified as current and non-current income tax liabilities, are due within and after one year, 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 September 30, 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 September 30, 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 202,917 thousand shares, respectively, were issued (including 40,000 thousand shares for each period through private placement) and paid up upon issuance. The public offering was completed on July 7, 2025, and the shares were officially listed for trading on July 15, 2025.

Reconciliation of shares outstanding for the nine months ended September 30, 2025 and 2024 were as follows:

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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	For the nine months ended	
	September 30	
	2025	2024
Balance on January 1	205,139	195,935
Conversion of convertible bonds	-	9,204
Balance on September 30	<u>205,139</u>	<u>205,139</u>

For the nine months ended September 30, 2025, the convertible bonds was converted by issuing 9,204 thousand new ordinary shares at par value, amounting to \$92,039, 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 September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-in capital	\$ 505,136	505,136	505,136
Difference arising from subsidiary's share price and its carrying value	163,012	163,012	163,012
Convertible bonds – conversion options	96,877	96,877	-
	<u>\$ 765,025</u>	<u>765,025</u>	<u>668,148</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 2024 and 2023 approved in the shareholders meeting held on June 13, 2025 and June 14, 2024 was \$123,083 and \$78,374 by cash dividends. The relevant information can be accessed from the Market Observation Post System.

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

(p) Earnings per share

For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the Group's earnings per share was calculated as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ <u>217,265</u>	<u>164,476</u>	<u>501,172</u>	<u>433,590</u>
Weighted-average number of ordinary shares (share in thousands)	<u>205,139</u>	<u>204,342</u>	<u>205,139</u>	<u>200,086</u>
	<u>\$ 1.06</u>	<u>0.80</u>	<u>2.44</u>	<u>2.17</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (basic)	217,265	164,476	501,172	433,590
Effect of dilutive potential ordinary shares:				
Interest expense and other gains or losses of convertible bonds	<u>3,393</u>	<u>283</u>	<u>8,729</u>	<u>3,260</u>
Profit attributable to ordinary shareholders of the Company (dilution)	<u>\$ 220,658</u>	<u>164,759</u>	<u>509,901</u>	<u>436,850</u>
Weighted-average number of ordinary shares with potential influence of ordinary shares				
Weighted-average number of ordinary shares	205,139	204,342	205,139	200,086
Effect of employee stock remuneration (share in thousands)	51	30	188	112
Effect of convertible bonds (share in thousands)	<u>3,477</u>	<u>962</u>	<u>3,477</u>	<u>5,259</u>
Weighted-average number of ordinary shares (after adjusted the influence of potential ordinary shares)	<u>208,667</u>	<u>205,334</u>	<u>208,804</u>	<u>205,457</u>
	<u>\$ 1.06</u>	<u>0.80</u>	<u>2.44</u>	<u>2.13</u>

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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Primary geographical markets				
USA	\$ 916,310	795,436	2,628,353	2,089,641
Taiwan	797,075	811,189	2,338,855	1,886,936
China	643,502	969,728	2,248,977	2,524,507
Others	<u>113,360</u>	<u>86,817</u>	<u>283,442</u>	<u>226,201</u>
	<u>\$ 2,470,247</u>	<u>2,663,170</u>	<u>7,499,627</u>	<u>6,727,285</u>
Major products				
PC and server chassis	\$ 2,437,778	2,605,425	7,356,961	6,570,402
Mold	<u>32,469</u>	<u>57,745</u>	<u>142,666</u>	<u>156,883</u>
	<u>\$ 2,470,247</u>	<u>2,663,170</u>	<u>7,499,627</u>	<u>6,727,285</u>

(ii) Contract balances

	September	December	September
	30, 2025	31, 2024	30, 2024
Trade receivables	\$ 2,827,072	3,163,437	3,231,698
Less: Loss allowance	<u>(3,315)</u>	<u>(625)</u>	<u>(2,224)</u>
Total	<u>\$ 2,823,757</u>	<u>3,162,812</u>	<u>3,229,474</u>
Contract liabilities	<u>\$ 9,757</u>	<u>3,147</u>	<u>8,457</u>

The amount of revenue recognized for the nine months ended September 30, 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.

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(r) Remunerations to employees and directors

On June 13, 2025, the Company's resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 2% shall be allocated as employee remuneration (including a minimum of 8% to those base-level employees) and a maximum of 2% as remunerations for directors. The determination of employee compensation, the rate of distribution of Directors' compensation, and the use of stock or cash for employee compensation shall be made by a resolution of the Board of Directors with at least two-thirds of the Directors present and a majority of the Directors present, and reported to the shareholders. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 2% should be allocated as employee remuneration and no more than 2% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

For the three months and nine months ended September 30, 2025 and 2024, the Company's remunerations to employees were \$6,000 (including base-level employees), \$4,000, \$18,000 (including base-level employees) and \$11,000, as well as those of directors were \$375, \$375, \$1,125 and \$1,125, respectively. 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, 2024 and 2023, 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.

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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(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 changes in the allowance for losses for the year ended September 30, 2025 and 2024, were as follows:

	<u>Other receivables</u>
Balance on January 1, 2025	\$ 25,500
Recognized impairment loss	<u>29,597</u>
Balance on September 30, 2025	<u>\$ 55,097</u>
Balance on January 1, 2024	\$ -
Recognized impairment loss	<u>16,117</u>
Balance on September 30, 2024	<u>\$ 16,117</u>

(ii) Liquidity Risk

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

	<u>Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
September 30, 2025					
Bank loans	\$ 218,338	(220,525)	(58,335)	-	(162,190)
Trade payables	2,367,672	(2,367,672)	(2,367,672)	-	-
Lease liabilities (including current and non-current)	2,464	(2,529)	(1,265)	(648)	(616)
Bonds payable	479,027	(500,000)	-	-	(500,000)
Other payables	400,946	(400,946)	(400,946)	-	-
Guarantee deposits	28,219	(28,219)	-	-	(28,219)
	<u>\$ 3,496,666</u>	<u>(3,519,891)</u>	<u>(2,828,218)</u>	<u>(648)</u>	<u>(691,025)</u>
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)
	<u>\$ 3,996,014</u>	<u>(4,024,525)</u>	<u>(3,289,686)</u>	<u>(1,078)</u>	<u>(733,761)</u>

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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	<u>Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
September 30, 2024					
Bank loans	\$ 473,800	(480,665)	(20,809)	-	(459,856)
Trade payables	2,708,677	(2,708,677)	(2,708,677)	-	-
Lease liabilities (including current and non-current)	4,566	(4,728)	(2,377)	(1,090)	(1,261)
Other payables	397,575	(397,575)	(397,575)	-	-
Guarantee deposits	28,805	(28,805)	-	-	(28,805)
	<u>\$ 3,613,423</u>	<u>(3,620,450)</u>	<u>(3,129,438)</u>	<u>(1,090)</u>	<u>(489,922)</u>

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>September 30, 2025</u>			<u>December 31, 2024</u>			<u>September 30, 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	\$ 100,152	30.445	3,049,128	97,963	32.785	3,211,717	88,649	31.65	2,805,741
USD to CNY	42,406	7.1055	1,291,051	33,072	7.1884	1,084,266	32,472	7.0074	1,027,739
CNY to TWD	111,189	4.2710	474,888	148,461	4.478	664,808	125,394	4.523	567,157
Financial liabilities									
Monetary items									
USD to TWD	57,654	30.445	1,755,276	52,137	32.785	1,709,312	51,371	31.65	1,625,892
USD to CNY	3,262	7.1055	99,312	2,447	7.1884	80,225	2,262	7.0074	71,592
CNY to TWD	319,881	4.2710	1,366,212	441,538	4.478	1,977,207	353,574	4.523	1,599,215

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.

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A weakening or strengthening 5% of each functional currency against Group entities' functional currency as of September 30, 2025 and 2024 would have affected the net profit before tax as follows:

	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>
USD (against the TWD)		
Strengthening 5%	\$ 64,693	58,992
Weakening 5%	(64,693)	(58,992)
USD (against the CNY)		
Strengthening 5%	59,587	47,807
Weakening 5%	(59,587)	(47,807)
CNY (against the TWD)		
Strengthening 5%	(44,566)	(51,603)
Weakening 5%	44,566	51,603

3) Exchange gains and losses of monetary items

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

	<u>For the nine months ended September 30,</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Exchange</u> <u>profit (loss)</u>	<u>Average rate</u>	<u>Exchange</u> <u>profit (loss)</u>	<u>Average rate</u>
TWD	\$ (35,260)	-	(5,036)	-
CNY	446	4.3283	1,070	4.4571

(iv) Interest rate analysis

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

	<u>Carrying amount</u>	
	<u>September</u> <u>30, 2025</u>	<u>September</u> <u>30, 2024</u>
Fixed rate instruments:		
Financial assets	\$ 170,047	3,165
Financial liabilities	479,027	-
Variable rate instruments:		
Financial assets	993,168	696,380
Financial liabilities	218,338	473,800

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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 \$1,453 and \$417 for the nine months ended September 30, 2025 and 2024, respectively, which would have mainly resulted from the bank savings and borrowings with variable interest rates.

(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.

	September 30, 2025			
	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	\$ 550	-	-	550
Financial assets at fair value through other comprehensive income				
Trade receivable, net	215,368	-	215,368	215,368
Financial assets measured at amortized cost				
Cash and cash equivalents	1,164,259	-	-	-
Trade receivables, net	2,608,389	-	-	-
Other financial assets	52,613	-	-	-
Refundable deposits (classified as other financial assets— non-current)	12,498	-	-	-
Subtotal	3,837,759			
Total	<u>\$ 4,053,677</u>			

(Continued)

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

		September 30, 2025				
		Book value	Fair Value			Total
		Level 1	Level 2	Level 3	Total	
Financial liabilities measured at amortized cost						
Bank loans	\$ 218,338	-	-	-	-	
Trade payables	2,367,672	-	-	-	-	
Lease liabilities	2,464	-	-	-	-	
Other payables	400,946	-	-	-	-	
Bonds payable	479,027	-	-	-	-	
Guarantee deposits	<u>28,219</u>	-	-	-	-	
Subtotal	<u>3,496,666</u>					
Total	<u>\$ 3,496,666</u>					
		December 31, 2024				
		Book value	Fair Value			Total
		Level 1	Level 2	Level 3	Total	
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>	-	656,028	-	656,028	
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>					

(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 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>				
September 30, 2024					
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss(non-current)					
Trade receivables, net	<u>515,579</u>	-	515,579	-	515,579
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 700,716	-	-	-	-
Trade receivable, net	2,713,895	-	-	-	-
Other financial assets	71,625	-	-	-	-
Refundable deposits (classified as other financial assets – non-current)	<u>4,819</u>	-	-	-	-
Total	<u>\$ 4,006,634</u>				

(Continued)

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

	September 30, 2024				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Bank loans	\$ 473,800	-	-	-	-
Trade payables	2,708,677	-	-	-	-
Lease liabilities	4,566	-	-	-	-
Other payables	397,575	-	-	-	-
Guarantee deposits	<u>28,805</u>				
Total	<u>\$ 3,613,423</u>				

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.

(Continued)

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

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.

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	(1,400)
In other comprehensive income	-
Balance on September 30, 2025	<u><u>\$ 550</u></u>
Balance on January 1, 2024	\$ 1,640
Converted	(1,911)
Total gains and losses recognized	
In profit or loss	271
In other comprehensive income	-
Balance on September 30, 2024	<u><u>\$ -</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 (56.57% and 65.86% as of September 30, 2025 and December 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>
September 30, 2025				
Financial assets at fair value through profit or loss - call option of convertible bonds	Volatility	5%	\$ <u>300</u>	<u>100</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>
September 30, 2024				
Financial assets at fair value through profit or loss - call option of convertible bonds	Volatility	5%	\$ <u>-</u>	<u>-</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.

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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 September 30, 2025 and 2024.

The reconciliation of liabilities from fundraising activities for the nine months ended September 30, 2025 and 2024 were as follows:

	January 1, 2025	Cash flows	Non-cash flows			September 30, 2025
			Additions	Write-off	Foreign exchange movement	
Long-term loans (including current portion)	\$ 238,400	(20,062)	-	-	-	218,338
Bonds payable	471,698	-	7,329	-	-	479,027
Lease liabilities	4,269	(1,805)	-	-	-	2,464
Guarantee deposits	28,727	(508)	-	-	-	28,219
Total liabilities from financing activities	<u>\$ 743,094</u>	<u>(22,375)</u>	<u>7,329</u>	<u>-</u>	<u>-</u>	<u>728,048</u>

	January 1, 2024	Cash flows	Non-cash flows			September 30, 2024
			Additions	Write-off	Foreign exchange movement	
Long-term loans (including current portion)	\$ 433,900	39,900	-	-	-	473,800
Short-term loans	20,000	(20,000)	-	-	-	-
Bonds payable	377,911	-	-	(377,911)	-	-
Lease liabilities	6,404	(1,838)	-	-	-	4,566
Guarantee deposits	27,318	1,487	-	-	-	28,805
Total liabilities from financing activities	<u>\$ 865,533</u>	<u>19,549</u>	<u>-</u>	<u>(377,911)</u>	<u>-</u>	<u>507,171</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 and nine months ended September 30, 2025 and 2024 were \$857, \$857, \$2,571 and \$2,571.

(c) Key management personnel compensation

(i) Key management personnel compensation was comprised of:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 3,913	4,364	\$ 12,955	12,469
Post-employment benefits	180	217	538	572
	\$ 4,093	4,581	\$ 13,493	13,041

(ii) Guarantee

Chairman of the company, Mu-Ho Lin, was the guarantor of the syndication contract as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

(8) Pledged assets

Assets	Subject	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment and investment properties	Short-term loans and long-term loans			
— land and right-of-use land		\$ 1,319,013	1,330,092	1,326,783
— properties	"	273,621	295,889	296,120
Other financial assets	Customs deposits			
— non-current		263	263	263
		\$ 1,592,897	1,626,244	1,623,166

(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:

	September 30, 2025	December 31, 2024	September 30, 2024
Acquisition of property, plant and equipment	\$ 175,971	303,752	105,377

(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 September 30, 2025			Three months ended September 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	284,419	118,968	403,387	325,093	72,994	398,087
Labor and health insurance	1,474	2,980	4,454	204	2,191	2,395
Pension	15,650	7,294	22,944	13,915	4,599	18,514
Others	19,135	9,324	28,459	22,873	7,639	30,512
Depreciation	45,576	2,867	48,443	37,129	2,833	39,962
Amortization	959	1,279	2,238	966	747	1,713

By function	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	892,674	312,317	1,204,991	900,578	220,868	1,121,446
Labor and health insurance	2,163	9,930	12,093	643	7,220	7,863
Pension	44,819	27,660	72,479	41,056	14,064	55,120
Others	59,776	31,555	91,331	63,352	23,911	87,263
Depreciation	129,366	8,554	137,920	133,947	8,305	142,252
Amortization	2,850	3,875	6,725	3,069	2,093	5,162

(b) Seasonality of operations

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

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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	182,670	-	-	-	Short-term financial	-	Operating demand	-	-	-	2,862,011 (note 1)	2,862,011 (note 1)
2	CHENMING ELECTRONIC (NINGBO) CO., LTD	Dongguan Chenming Electronic Co., Ltd	"	Yes	1,067,769	768,780	384,390	3.50%~3.95%	"	-	"	-	-	-	1,421,832 (note 2)	1,421,832 (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 \$2,862,011. 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 \$2,862,011.

Note 2: The total amount for lending to a company for funding for a short-term period shall not exceed the net worth of CHENMIN ELECTRONIC (NINGBO) CO., LTD, which amounted to \$1,421,832. In addition, the total amount lendable to any one borrower shall be no more than the borrower's net worth, which amounted to \$1,421,832.

(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 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	1,901,244 (note 1)	51,252	-	-	-	- %	3,802,488 (note 1)	Yes	No	Yes
2	The Company	Dongguan Chenming Electronic Co., Ltd	100% owned subsidiary	1,901,244 (note 1)	295,577	-	-	-	- %	3,802,488 (note 1)	Yes	No	Yes
3	The Company	CHENMING ELECTRONIC TECHNOLOGY (THAILAND) CO., LTD.	100% owned subsidiary	1,901,244 (note 1)	608,900	608,900	-	-	12.81 %	3,802,488 (note 1)	Yes	No	No

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 \$1,901,244. (\$4,753,110*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 \$3,802,488 (\$4,753,110*80%).

(Continued)

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

(iii) Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates, and joint ventures): None.

(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	2,291,932	74 %	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 (1,379,998)	(79)%	Note
Dongguan Chenming Electronic Co., Ltd	The Company	Ultimate holding company	(Sales)	(2,291,932)	(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 1,379,998	80 %	"
The Company	CHENMING ELECTRONIC (NINGBO) CO., LTD	Subsidiaries of PEAK SHREWD INC.	Purchases	323,948	10 %	Net 120 days from the end of month of delivery	No suppliers for comparison	Net 120 days from the end of month of purchase and depending on the operating demand	Trade payables (188,312)	(11)%	"
CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	Ultimate holding company	(Sales)	(323,948)	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 receivables 188,312	14 %	"

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 1,379,998	2.26	-	-	141,800	-	Note 2
CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	Subsidiaries	Other current financial assets 188,312	3.67	-	-	16,844	-	Note 2
CHENMING ELECTRONIC (NINGBO) CO., LTD	Dongguan Chenming Electronic Co., Ltd	The company's ultimate parent company is the same	Other current financial assets 391,142	-	-	-	-	-	Note 2, 3

Note 1: The accumulated received balance as of October 27, 2025.

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

Note 3: Including interest receivables \$6,752.

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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	391,142	Rate 3.5%~3.95%	5%
2	CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	1	Sales	2,291,932	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	31%
3	Dongguan Chenming Electronic Co., Ltd	The Company	1	Trade receivables	1,379,998	"	16%
4	Dongguan Chenming Electronic Co., Ltd	The Company	1	Sales	323,948	"	4%
5	CHENMING ELECTRONIC (NINGBO) CO., LTD	The Company	1	Trade receivables	188,312	"	2%

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 nine months ended September 30, 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 September 30, 2025			Net income (losses) of the investment	Investment income (losses)	Note
				September 30, 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 %	2,862,011	263,184	263,184	Subsidiaries
The Company	CHENMING ELECTRONIC TECHNOLOGY USA, Inc.	U.S.A.	Import and export business of computer case	6,236	6,236	200	100 %	15	-	-	Subsidiaries
The Company	CHENMING ELECTRONIC TECHNOLOGY (THAILAND) Co., LTD.	Thailand	Computer case and production of relative components	799,840	414,297	85,000	100 %	789,595	(19,019)	(19,019)	Subsidiaries
TOP CITY INTERNATIONAL LIMITED	GERSHWIN INTERNATIONAL LIMITED	Samoa	Investment	1,635,512	1,471,994	52,118	100 %	1,436,479	132,217	The profit or loss on investments were recognized by TOP CITY INTERNATIONAL LIMITED	A grandson company
TOP CITY INTERNATIONAL LIMITED	PEAK SHREWD INC	Samoa	Investment	773,920	773,920	22,410	100 %	1,421,957	133,014	"	"

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.

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CHENMING ELECTRONIC TECHNOLOGY CORP. AND SUBSIDIARIES
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(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 September 30, 2025	Net income (losses) of the investment	Percentage of ownership	Investment income (losses) (note 2 and 3)	Carrying amount as of September 30, 2025 (note 3)	Accumulated remittance of earnings as of September 30, 2025
					Outflow	Inflow						
CHENMING ELECTRONIC (NINGBO) CO., LTD	Computer case and production of relative components	1,963,703 (USD64,500)	notes 1 and 6	682,272 (USD22,410)	-	-	682,272 (USD22,410)	133,023	100 %	133,023	1,421,832	-
Dongguan Chenming Electronic Co., Ltd	"	882,235 (note 4) (USD28,978) (note 5)	notes 1 and 7	758,081 (USD24,900)	-	-	758,081 (USD24,900)	145,887	100 %	145,887	1,146,235	-

- (ii) Limitation on investment in mainland China:

Accumulated Investment in Mainland China as of September 30, 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
1,442,392 (USD47,377)	1,631,151 (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 \$30.445 as of September 30, 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.