Stock Code: 4767

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

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§ Contents §

Independent Auditors' Review Report

To CHERNG TAY TECHNOLOGY CO., LTD.：

Introduction

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

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT$ 28,126 thousand and NT$ 28,353 thousand, respectively, representing 1.99% and 2.02 %, respectively, of the consolidated total assets; the combined total liabilities of these non- significant subsidiaries were NT$282 thousand and NT$1,046 thousand, respectively, representing 0.06% and 0.20%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2025 and 2024, the amounts of the combined comprehensive income (loss) of these non-significant subsidiaries were NT$ 57 thousand and NT$ (91) thousand, respectively, representing 0.22% and (0.27)% of the consolidated total comprehensive income, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, and its consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche

Accountant: Chang, Ching Hsia	Accountant: Chen, Yen-Chun
Financial Supervisory Commission Certificate Jin-Guan-Zheng-Shen-Zi No. 1090347472	Financial Supervisory Commission Certificate Jin-Guan-Zheng-Shen-Zi No. 1100356048

<u>Notice to Readers</u>

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

May 09, 2025

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET

(In Thousands of New Taiwan Dollars)

Code	Asset	March 31, 2025 (Reviewed) Amount	%	December 31, 2024 (Audited) Amount	%	March 31, 2024 (Reviewed) Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents（Note 6）	$ 403,589	28	$ 374,058	26	$ 378,081	27
1110	Financial assets at fair value through profit or loss - current（Note 7 and 23）	-	-	35,856	3	53,121	4
1136	Financial assets at amortized cost - current Note 8）	182,945	13	114,307	8	43,577	3
1150	Notes receivable（Note 9）	59,121	4	57,649	4	38,400	3
1170	Accounts receivable（Note 9）	220,157	16	239,586	17	252,388	18
1200	Other receivables	1,349	-	695	-	3,379	-
130X	Inventories（Note 10）	165,581	12	214,314	15	218,390	16
1470	Other current assets	31,995	2	31,714	2	61,618	4
11XX	Total current assets	1,064,737	75	1,068,179	75	1,048,954	75
	NON-CURRENT ASSETS						
1535	Financial assets at amortized cost - non-current (Note 8 and 25)	4,803	-	4,803	-	4,735	-
1600	Property, Plant and Equipment (Note 12 and 25)	184,066	13	187,011	13	176,758	12
1755	Right-of-use assets (Note 13)	145,097	10	146,263	10	150,098	11
1780	Other intangible assets	610	-	662	-	743	-
1840	Deferred tax assets (Note 4 and 21)	5,547	1	8,648	1	10,837	1
1990	Other non-current assets	7,617	1	7,656	1	11,798	1
15XX	Total non-current assets	347,740	25	355,043	25	354,969	25
1XXX	TOTAL ASSETS	$ 1,412,477	100	$ 1,423,222	100	$ 1,403,923	100
Code	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings（Note 14）	$ 30,000	2	$ -	-	$ -	-
2150	Notes payables（Note 15）	45	-	68	-	69	-
2170	Accounts payables（Note 15）	93,198	7	137,811	10	109,329	8
2219	Other payables（Note 16）	99,496	7	64,174	5	92,158	7
2230	Current tax liabilities (Note 4 and 21)	3,509	-	2,329	-	12,223	1
2280	Lease liabilities - current (Note 13 and 24)	4,369	-	4,345	-	4,275	-
2320	Long-term loans due within one year（Note14）	7,707	1	7,707	1	15,207	1
2399	Other current liabilities	4,554	-	3,293	-	5,936	-
21XX	Total current liabilities	242,395	17	219,727	16	239,197	17
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings（Note 14）	42,386	3	44,313	3	76,342	5
2570	Deferred tax liabilities (Note 4 and 21)	54,246	4	54,279	4	53,923	4
2580	Lease liabilities - non-current (Note 13 and 24)	146,763	10	147,871	10	151,132	11
25XX	Total non-current liabilities	243,395	17	246,463	17	281,397	20
2XXX	TOTAL LIABILITIES	486,273	34	466,190	33	520,594	37
	EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT (Note 18)						
	Share capital						
3110	Common stock	314,150	22	314,150	22	314,150	22
3200	Capital surplus	80,349	6	80,319	5	80,319	6
	Retained earnings						
3310	Legal reserve	106,986	8	106,986	8	98,878	7
3320	Special reserve	48,727	3	48,727	3	38,705	3
3350	Unappropriated earnings	393,922	28	437,371	31	390,375	28
3300	Total retained earnings	549,635	39	593,084	42	527,958	38
3400	Other equity	(17,285)	(1)	(29,929)	(2)	(38,551)	(3)
31XX	Total equity attributable to stockholders of the parent	926,849	66	957,654	67	883,876	63
36XX	NON-CONTROLLING INTERESTS	(645)	-	(622)	-	(547)	-
3XXX	TOTAL EQUITY	926,204	66	957,032	67	883,329	63
	TOTAL LIABILITIES AND EQUITY	$ 1,412,477	100	$ 1,423,222	100	$ 1,403,923	100

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

(With Deloitte & Touche review report dated May 09, 2025)

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, not audited)

		For the Three Months Ended March 31			
		2025		2024	
Code		Amount	%	Amount	%
4100	Net operating revenue（Note 19）	$ 257,887	100	$ 290,312	100
5000	Operating costs (Note 10 and 20)	(199,330)	(77)	(220,943)	(76)
5900	Gross profit	58,557	23	69,369	24
	Operating expenses (Note 20)				
6100	Selling and marketing expenses	(21,182)	(8)	(23,541)	(8)
6200	Administrative expenses	(14,303)	(6)	(14,122)	(5)
6300	Research and development expenses	(9,188)	(4)	(9,195)	(3)
6450	Expected credit loss/(gain)	-	-	95	-
6000	Total operating expenses	(44,673)	(18)	(46,763)	(16)
6900	Operating income	13,884	5	22,606	8
	Other operating income and expenses (Note 20)				
7100	Interest income	1,650	1	1,267	-
7010	Other income	1,534	-	4,683	2
7020	Other gains and losses	92	-	1,254	-
7050	Finance costs	(847)	-	(931)	-
7000	Total non-operating income and expenses	2,429	1	6,273	2
7900	Profit before tax from continuing operations	16,313	6	28,879	10
7950	Income tax expense (Note 4 and 21)	(3,238)	(1)	(5,604)	(2)
8200	Net profit for the period	13,075	5	23,275	8

(Continued)

	Other comprehensive income				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translating foreign operations	$ 15,805	6	$ 12,710	5
8399	Income tax related to items that may be reclassified subsequently to profit or loss （Note 21）	(3,161)	(1)	(2,544)	(1)
		12,644	5	10,166	4
8300	Other comprehensive income for the period, net of income tax	12,644	5	10,166	4
8500	Total comprehensive income for the period	$ 25,719	10	$ 33,441	12
	Net profit attributable to:				
8610	Stockholders of the parent	$ 13,098	5	$ 23,487	8
8620	Non-controlling interests	(23)	-	(212)	-
8600		$ 13,075	5	$ 23,275	8
	Total comprehensive income attributable to:				
8710	Stockholders of the parent	$ 25,742	10	$ 33,663	12
8720	Non-controlling interests	(23)	-	222	-
8700		$ 25,719	10	$ 33,441	12
	Earnings per share (Note 22) Basic				
9750		$ 0.42		$ 0.75	
9850	Diluted	$ 0.41		$ 0.74	

The accompanying notes are an integral part of the consolidated financial statements. (With Deloitte & Touche review report dated May 09, 2025)

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars) (Reviewed, not audited)

		Share capital			Retained earnings			Other Equity			
Code		Number of shares (1,000 shares)	Amount	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange difference on translating foreign operations	Total equity attributable to stockholders of the parent	Non-controlling interests	Total equity
A1	Balance on January 1, 2024	31,415	$ 314,150	$ 80,319	$ 98,878	$ 38,705	$ 414,010	($ 48,727)	$ 897,335	($ 325)	$ 897,010
	Appropriation of 2023 earnings:										
B5	Cash dividends	-	-	-	-	-	(47,122)	-	(47,122)	-	(47,122)
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	-	23,487	-	23,487	(212)	23,275
D3	Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	10,176	10,176	(10)	10,166
D5	Total comprehensive income for the nine months ended March 31, 2024	-	-	-	-	-	23,487	10,176	33,663	(222)	33,441
Z1	Balance on March 31, 2024	31,415	$ 314,150	$ 80,319	$ 98,878	$ 38,705	$ 390,375	($ 38,551)	$ 883,876	($ 547)	$ 883,329
A1	Balance on January 1, 2025	31,415	$ 314,150	$ 80,319	$ 106,986	$ 48,727	$ 437,371	($ 29,929)	$ 957,654	($ 622)	$ 957,032
	Appropriation of 2024 earnings:										
B5	Cash dividend	-	-	-	-	-	(56,547)	-	(56,547)	-	(56,547)
D1	Net profit for the three months ended March 31, 2025	-	-	-	-	-	13,098	-	13,098	(23)	13,075
D3	Other comprehensive income (loss) for the three months ended March 31,2025	-	-	-	-	-	-	12,644	12,644	-	12,644
D5	Total comprehensive income for the nine months ended March 31,2025	-	-	-	-	-	13,098	12,644	25,742	(23)	25,719
Z1	Balance on March 31, 2025	31,415	$ 314,150	$ 80,319	$ 106,986	$ 48,727	$ 393,922	($ 17,285)	$ 926,849	($ 645)	$ 926,204

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

(With Deloitte & Touche review report dated May 09 , 2025)

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars) (Reviewed, not audited)

Code	c	For the Three Months Ended March 31 2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 16,313	$ 28,879
A20010	Adjustments for:		
A20100	Depreciation expense	4,895	4,655
A20200	Amortization expenses	121	151
A20300	Expected credit loss recognized/(reversed) on Accounts receivable	-	(95)
A20400	Net gain on fair value change of financial assets as at fair value through profit or loss	(159)	(247)
A20900	Finance costs	847	931
A21200	Interest income	(1,650)	(1,267)
A22500	Disposal and scrapping of interests in property, plant and equipment	(7)	-
A24100	Net gain (loss) on foreign currency exchange	(331)	(157)
A23700	Provision for impairment loss and obsolescence of inventory	1,075	220
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(1,472)	(988)
A31150	Accounts receivable	22,665	9,686
A31180	Other receivables	79	108
A31200	Inventory	50,305	8,893
A31240	Other current assets	(281)	561
A32130	Notes payable	(23)	18
A32150	Accounts payables	(45,661)	(22,195)
A32180	Other payables	(21,229)	(22,301)
A32230	Other current liabilities	1,261	2,007
A33000	Cash generated from/(used in) operations	26,748	8,859
A33100	Interest received	939	746
A33300	Interest paid	(843)	(944)
A33500	Income tax paid	(2,154)	(2,067)
AAAA	Net cash generated from/(used in) operating activities	24,690	6,594

(Continued)

	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Purchases of financial assets at amortized cost	($ 65,762)	$ -
B00100	The acquisition of the financial at fair value through profit or loss	-	(26,196)
B00200	The disposal of the financial by fair value through profit or loss	36,287	22,067
B02700	Payments for property, plant and equipment	(40)	(758)
B02800	Disposition of real estate, factory buildings, and equipment	7	-
B04500	Acquisition of intangible assets	(63)	-
B03800	Decrease in refundable deposits	39	1,587
BBBB	Net cash generated from/(used in) investing activities	(29,532)	(3,300)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase/(decrease) in short-term borrowings	30,000	(20,000)
C04020	Repayments of the principal portion of lease liabilities	(1,084)	(1,061)
C01700	Repayments of long-term borrowings Net	(1,927)	(3,176)
CCCC	cash generated from/(used in) financing activities	26,989	(24,237)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	7,384	10,381
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29,531	(10,562)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	374,058	388,643
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 403,589	$ 378,081

The accompanying notes are an integral part of the consolidated financial statements. (With Deloitte & Touche review report dated May 09, 2025)

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, not audited)

1. HISTORY

CHERNG TAY TECHNOLOGY CO., LTD. (collectively, the "Company") was established under the R.O.C. Company Act in June 1983 and was originally known as Cherng Tay Plastics Co., Ltd and the name was changed in July 2000. The company is mainly engaged in the manufacturing and sale of adhesives. The Company's shares have been listed and traded on the TPEx since October 2018.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. DATE AND PROCEDURES FOR APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 09, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission(FSC) The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

(2) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IAS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

(3) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (as prices) or indirectly (derived from prices);
3) Level 3 inputs are unobservable inputs for the asset or liability.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting olicies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is tributed to the owners of the Company and to the non-controlling interests even if this results in the on-controlling interests having a deficit balance.

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

See Note 11 and Tables 3 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

(4) Other significant accounting policies

Except for the following, refer to the summary of other significant accounting policies section of the consolidated financial statements for the year ended December 31, 2024.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The consolidated financial statements adopt the critical accounting judgments and key sources of estimation uncertainty are the same as those in the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$ 359	$ 353	$ 440
Checking accounts and demand deposits	298,147	274,141	268,297
Cash equivalents（with maturities of less than three months）			
Time deposits	105,083	99,564	109,344
	$ 403,589	$ 374,058	$ 378,081

The annual yield rates of time deposits as of balance sheet dates were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits	1.225%～3.5%	1.45%～4.24%	1.1%～2%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Hybrid financial assets —Wealth management products	$ -	$ 35,856	$ 53,121

Please refer to Note 23 for the reconciliation of the fair value measurement of the non- principal- protected floating-income wealth management products entered into by the Group with banks in 2025 and 2024.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Domestic investments			
Time deposits with original maturities of more than 3 months (1)	$ 10,000	$ 10,000	$ 10,000
Foreign investments			
Structured deposits (1)	172,945	104,307	33,577
	$ 182,945	$ 114,307	$ 43,577
Non-current			
Domestic investments			
Time deposits with original maturities of more than 3 months (1)(2)	4,803	4,803	4,735
	$ 4,803	$ 4,803	$ 4,735

(1) The ranges of interest rates for time deposits were approximately 1.285%-5.14%, 1.285%-5.14% and 1.16%-4.65% per annum as of March 31, 2025, December 31 and March 31, 2024, respectively.

(2) For details of financial assets at amortized cost, refer to Note 25.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable			
At amortized cost			
Gross carrying mount	$ 59,121	$ 57,649	$ 38,400
Less: Allowance for impairment loss	-	-	-
	$ 59,121	$ 57,649	$ 38,400

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable			
At amortized cost			
Gross carrying mount	$ 221,140	$ 240,569	$ 253,385
Less: Allowance for impairment loss	(983)	(983)	(997)
	$ 220,157	$ 239,586	$ 252,388

The average credit period of sales of goods was 30 -120 days and no interest was charged on Accounts receivable. In order to minimize credit risk, the management of the Company has regularly evaluated credit approvals and performed other monitoring procedures to ensure that follow- up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

The Group estimates expected credit losses according to the prescribed approach, which permits the recognition of lifetime expected losses for all Accounts receivable. The expected credit losses on Accounts receivable are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, economic condition of the industry in which the customer operates and industry outlooks. As the Group’ s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or when the Accounts receivable are over 180 days past due, whichever occurs earlier. For Accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of Accounts receivable based on the Group's provision matrix.

March 31, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	$ 210,035	$ 4,268	$ 1,531	$ 2,912	$ 1,260	$ 91	$ 60	$ 983	$ 221,140
Loss allowance (Lifetime ECLs)	-	-	-	-		-	-	(983)	(983)
Amortized cost	$ 210,035	$ 4,268	$ 1,531	$ 2,912	$ 1,260	$ 91	$ 60	$ -	$ 220,157

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	$ 232,886	$ 5,176	$ 1,393	$ 82	$ 49	$ -	$ -	$ 983	$ 240,569
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	(983)	(983)
Amortized cost	$ 232,886	$ 5,176	$ 1,393	$ 82	$ 49	$ -	$ -	$ -	$ 239,586

March 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%～ 0.0028%	0%～ 0.31%	0%～ 2.42%	0%～ 5.00%	0%～ 4.76%	0%～ 7.96%	0%～ 9.37%	100%	
Gross carrying amount	$ 244,249	$ 7,074	$ 650	$ 364	$ -	$ 65	$ -	$ 983	$ 253,385
Loss allowance (Lifetime ECLs)	(1)	(5)	-	(3)	(-)	(5)	-	(983)	(997)
Amortized cost	$ 244,248	$ 7,069	$ 650	$ 361	$ -	$ 60	$ -	$ -	$ 252,388

The movements of the loss allowance of accounts receivable were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	$ 983	$ 1,066
Less: Expected credit gain	-	(95)
Difference on foreign exchange translation	-	26
Balance at March 31	$ 983	$ 997

10. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials and supplies	$ 106,810	$ 147,611	$ 147,310
Finished goods	51,319	60,986	62,425
Goods	6,035	4,277	6,791
Inventory in transit	1,417	1,440	1,864
	$ 165,581	$ 214,314	$ 218,390

The cost of goods sold for the three months ended March 31, 2025 and 2024 included inventory write-downs of $1,075 thousand and $220 thousand, respectively.

11. SUBSIDIARIES

(1) Subsidiaries Included in the Consolidated Financial Statements

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) March 31,2025	December 31, 2024	March 31,2024	Remark
Parent company	Samoa Cherng Ying International INC. (Cherng Ying)	International Investment	100%	100%	100%	—
	Cherng Tay Technology (India) Private Limited （Cherng Tay India）	Sales of adhesives	99%	99%	99%	(1)
	PT. Cherng Tay Indonesia （Cherng Tay Indonesia）	Sales of adhesives	70%	70%	70%	(1)
	Cherng Jin International INC. (Cherng Jin)	International Investment	100%	100%	100%	(1)
Samoa Cherng Ying International INC. (Cherng Ying)	Cherng Tay(Zhongshan) Chemical CO., LTD. （Cherng Tay Zhongshan）	Sales of adhesives s	100%	100%	100%	—
Cherng Jin International INC. (Cherng Jin)	Thanh Thai Viet Nam Industry Technology Co., Ltd. （Cherng Tay Vietnam）	Sales of adhesives	100%	100%	100%	(1)

Remark:

(1) This is an immaterial subsidiary for which financial statements have not been reviewed by the Company's independent accountants.

(2) Subsidiaries Excluded from the Consolidated Financial Statements: None.

12. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2025	December 31, 2024	March 31, 2024
Proprietary land	$ 2,076	$ 2,076	$ 2,076
Building	132,622	133,649	137,443
Machinery	28,957	30,073	30,084
Transportation equipment	614	690	936
Other equipment	19,797	20,523	5,912
Other equipment	-	-	307
	$ 184,066	$ 187,011	$ 176,758

Except for the aforementioned addition and recognized depreciation, the Group did not have significant disposal, or Impairment of property, plant and equipment during the three months ended March 31, 2025 and 2024.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Plant building	20 to 50 years
Others	5 to 8 years
Machinery	6 to 10 years
Transportation equipment	3 to 5 years
Other equipment	3 to 20 years

Please refer to Note 25 for the amount of property, plant and equipment pledged as guarantees for borrowings.

13. LEASE ARRANGEMENTS

(1) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount			
Land	$ 145,097	$ 146,263	$ 150,098

	For the Three Months Ended March 31	
	2025	2024
Depreciation charge for right-of-use assets		
Land	$ 1,318	$ 1,315

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

(2) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts of lease liabilities（Range of discount rate for lease liabilities was 1.45%-1.52%）			
Current	$ 4,369	$ 4,345	$ 4,275
Non-current	$ 146,763	$ 147,871	$ 151,132

(3) Material leasing activities and terms

The Group leases land for factory and dormitory use from Mainland China and from the Southern Taiwan Science Park Bureau for a period of 5 to 50 years. At the end of the lease term, the Group does not have purchase options to acquire to the lease land. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

(4) Other lease information

	For the three months ended March 31	
	2025	2024
Expenses relating to short-term leases and low-value asset leases	$ 486	$ 603
Total cash outflow for leases	($ 2,128)	($ 2,238)

14. **BORROWINGS**

(1) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loans			
—Bank loans	$ 30,000	$ -	$ -

The range of interest rates on bank loans was 1.98% on March 31, 2025.

(2) Long-term borrowings

	Date of maturity	Material terms	March 31, 2025	December 31, 2024	March 31, 2024
Variable rate borrowings：					
(1) 2 .195% secured NTD loan from Mega Bank (Note 25)	Sep. 2031	The loan is repayable in 157 equal monthly instalments of principal and interest over 15 years from the date of first drawdown in September 2016, with the first instalment due one year from the date of automatic drawdown. A grace period of one year was granted in December 2020, after which the loan was repaid in equal monthly instalments over the remaining term.	$ 50,093	$ 52,020	$ 57,799
(2) 0.9349% unsecured NTD loan from Taipei Fubon Bank	Jan. 2026	The loan is 5 years from the date of first drawdown in March 2021, with a grace period of 3 years, after which the loan is repaid in 24 instalments.	-	-	13,750
(3) 2.2% unsecured NTD Loan from Mega Bank (Note 25)	Dec.2028	The loan is 5 years from the date of first drawdown in March 2024, with a grace period of 3 years, after which the loan is repaid in 37 instalments.	-	-	20,000
		Less: Current portion	(7,707)	(7,707)	(15,207)
			$ 42,386	$ 44,313	$ 76,342

15. NOTES PAYABLE AND ACCOUNTS PAYABLES

The Group's notes payable and accounts payable were attributable to operating activities. The average credit period was 60 to 90 days. The Group has a financial risk management policy to ensure that all accounts payable are repaid within pre-agreed credit terms.

16. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Payables for dividends	$ 56,547	$ -	$ 47,122
Payables for salaries or Bonuses	9,434	20,496	10,799
Accrued taxes payable	2,706	3,880	2,253
Social insurance payable	9,776	9,654	9,423
Payables for annual leave	4,631	4,953	4,382
Accrued compensation to employees and remuneration to directors	1,477	8,326	1,686
Others	14,925	16,865	16,493
	$ 99,496	$ 64,174	$ 92,158

17. RETIREMENT BENEFIT PLANS

Defined contribution pension plan

The Company in the Group have adopted a pension plan under the Labor Pension Act (LPA), which is a state - managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Employees of the Group's subsidiary in Mainland China (Cherng Tay Zhongshan) are members of a retirement benefit scheme operated by the government in Mainland China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the subsidiaries with respect to the retirement benefit plan is to make the specified contributions.

The subsidiaries Cherng Tay Technology (India) Private Limited (Cherng Tay India), PT. Cherng Tay Indonesia （Cherng Tay Indonesia）, Samoa Cherng Ying International INC., Chenrg Jin International INC. and Thanh Thai Viet Nam Industry Technology Co., Ltd .（Cherng Tay Vietnam）do not have retirement schemes and do not contribute to pension costs as they have few or no employees.

18. EQUITY

(1) Share capital

Common stock

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousand shares)	35,000	35,000	35,000
Authorized share capital	$ 350,000	$ 350,000	$ 350,000
Number of shares issued and fully paid (in thousand shares)	31,415	31,415	31,415
Share capital issued	$ 314,150	$ 314,150	$ 314,150

(2) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital(1)			
Additional paid-in capital	$ 80,085	$ 80,085	$ 80,085
Treasury share transactions	106	106	106
May only be used to offset a deficit(2)			
Others	128	128	128
Exercise the right of return	30	30	-
	$ 80,349	$ 80,349	$ 80,319

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus represents the effect of capital surplus arising from the issuance of the Company's employee stock options, which can only be used to cover losses.

(3) Retained earnings and dividends policy

Under the Company's dividend policy in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. If such surplus earning is distributed in the form of cash, it shall be authorized after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two -thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. In accordance with Article 241 (5) of the Companies Act, the Company authorizes the presence of at least two -thirds of the Board of Directors and the resolution of a majority of the Directors present to distribute all or part of the dividends and bonuses or legal reserve and capital surplus as provided in Article 241 (1) of the Companies Act in cash and to report the same to the shareholders' meeting. The policies on distribution of employees' compensation and remuneration of directors, refer to Note 20 (7) on employees' compensation and remuneration of directors.

In accordance with the Company's Articles of Association, the dividend policy is to distribute a dividend of not less than 10% of the available surplus to shareholders each year, taking into account the current and future development plans, the investment environment, capital requirements and domestic competition, as well as the interests of shareholders. If the accumulated distributable surplus is less than 10% of the paid -in capital, it may not be distributed. Dividends may be distributed to shareholders in cash or in shares, with cash dividends of not less than 30% of the total dividends.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid - in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid- in capital, the excess may be transferred to capital or distributed in cash.

With respect to the cumulative net amount of other deductions from equity in a preceding periods, the Company allocate an amount of special reserve only from the undistributed earnings of the previous period.

The appropriations of earnings for 2024 and 2023 were as follows:

	2024	2023
Legal reserve	$ 8,861	$ 8,108
Special reserve	($ 18,798)	$ 10,022
Cash dividends	$ 56,547	$ 47,122
Cash dividends per share (NT$)	$ 1.8	$ 1.5

The above appropriations for cash dividends had been resolved by the Company’s board of directors on March 14, 2025 and March 15, 2024, respectively. The other proposed appropriations of 2023 had been resolved by the shareholders in their meeting on June 25, 2024. The appropriation of earnings for 2024 is subject to the resolution of the shareholders in the shareholders’ meeting to be held on June 20, 2025.

19. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Hot-melt adhesive	$ 239,404	$ 277,422
Waterproof membrane	18,483	12,890
	$ 257,887	$ 290,312

According to IFRS 15, the type of customer contract revenue is identified as “product sales revenue”.The Company's core technologies assets are environmentally friendly hot melt adhesives, adhesives, waterproofing films and waterproofing glues, which are widely used in applications such as the packaging, bookmaking, footwear and waterproofing industries and products.

20. NET PROFIT FOR THE PERIOD

(1) Interest income

	For the three months ended March 31	
	2025	2024
Interest income		
Bank deposits	$ 1,158	$ 1,078
Financial assets at amortized cost	492	189
	$ 1,650	$ 1,267

(2) Other income

	For the three months ended March 31	
	2025	2024
Government grant income	$ 937	$ 4,511
	484	-
Others	113	172
	$ 1,534	$ 4,683

(3) Other gains and losses

	Fo For the three months ended March 31	
	2025	2024
Disposition of real estate, factory buildings, and equipment	$ 7	$ -
Financial assets designated as at FVTPL	159	247
Net foreign exchange gains (Losses)	321	1,316
Miscellaneous expenses	(395)	(309)
	$ 92	$ 1,254

(4) Depreciation and amortization

	For the three months ended March 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 3,169	$ 3,085
Operating expenses	1,531	1,570
Other loss	195	-
	$ 4,895	$ 4,655
An analysis of amortization by function		
Operating costs	$ 8	$ 26

Operating expenses	113	125
	$ 121	$ 151

(5) Finance costs

	For the three months ended March 31,	
	2025	2024
Interest on bank loans	$ 289	$ 357
Interest on lease liabilities	558	574
	$ 847	$ 931

(6) Employee benefit expenses

	For the three months ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	$ 640	$ 677
Other employee benefits	31,222	33,458
	$ 31,862	$ 34,135
Employee benefits expense summarized by function		
Operating costs	$ 9,083	$ 9,662
Operating expenses	22,779	24,473
	$ 31,862	$ 34,135

(7) Compensation of employees and remuneration of directors

In compliance with the Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2025 and 2024 the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	For the three months ended March 31,	
	2025	2024
Employees' compensation	6.20%	4.50%
Remuneration of directors	2.46%	1.49%

Amount

	For the three months ended March 31,	
	2025	2024
Employees’ compensation	$ 1,057	$ 1,266
Remuneration of directors	420	420

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the next year.

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023, which were approved by the Company’s board of directors on March 14, 2025 and March 15, 2024, respectively, are as follows:

Amount

	2024	2023
	Cash Dividends	Cash Dividends
Employees’ compensation	$ 6,646	$ 6,188
Remuneration of directors	$ 1,680	$ 1,560

The actual amount of compensation of employees and remuneration of directors paid for 2024 and 2023 no differed from the amount recognized in the consolidated financial statements for 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company’s board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange

21. INCOME TAXES

(1) Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the three months ended March 31	
	2025	2024
Current income tax expense		
In respect of the current period	$ 2,473	$ 5,014
Adjustment for prior years	856	-
	3,329	5,014
Deferred income tax expense		
In respect of the current period	(91)	590
Income tax expense recognized in profit or loss	$ 3,238	$ 5,604

The Group has taken into account the relevant tax preference in calculating the current tax.

(2) Income tax recognized in other comprehensive income

	For the three months ended March 31,	
	2025	2024
Deferred tax		
In respect of the current year		
—Translation of foreign operations	$ 3,161	$ 2,544

(3) Income tax assessments

The tax returns of the Company through 2023 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

The earnings and weighted average number of Common stock outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the three months ended March 31	
	2025	2024
Net Profit for the period attributable to stockholders of the parent	$ 13,098	$ 23,487

Weighted Average Number of Common stock Outstanding

Unit: In Thousands of Shares

	For the three months ended March 31	
	2025	2024
Weighted average number of Common stock outstanding used in computation of basic earnings per share	31,415	31,415
Effect of potentially dilutive Common stock:		
Compensation of employees	192	201
Weighted average number of Common stock outstanding used in computation of dilutive earnings per share	31,607	31,616

If the Group settles the bonuses or remuneration paid to employees in cash or shares, the Group presumed that the entire amount of the bonuses or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. FINANCIAL INSTRUMENTS

(1) Fair value of financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values or their fair values cannot be measured reliably.

(2) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Wealth management products	$ -	$ -	$ -	$ -

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Wealth management products	$ -	$ -	$ 35,856	$ 35,856

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Wealth management products	$ -	$ -	$ 53,121	$ 53,121

There were no transfers between Levels 1 and 2 in the current and prior periods.

2. Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2025

	Financial assets at FVTPL	
	Wealth management products	
	For the three months ended March 31	
Financial Assets	2025	2024
Balance at beginning of period	$ 35,856	$ 47,807
Recognized in profit （Other gains and losses）		
—Realized	159	96
—Unrealised	-	151
Purchase	-	26,196
Disposals/settlements	(36,287)	(22,067)
Effects of exchange rate	272	938
Balance at end of period	$ -	$ 53,121

3. Valuation techniques and inputs applied for Level 3 fair value measurement

The financial products purchased by the Group are valued by using significant unobservable inputs to calculate the expected gain from holding this investment.

(3) Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ -	$ 35,856	$ 53,121
Financial assets at amortized cost（Note 1）	878,901	798,074	728,313
Financial liabilities			
At amortized cost（Note 2）	272,832	254,073	293,105

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, note receivable, Accounts receivable, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, other payables, long-term borrowings (including Long-term loans due within one year).

(4) Financial risk management objectives and policies

The Group's financial risk management objective is to manage foreign currency risk, interest rate risk, credit risk and liquidity risk associated with operating activities. To reduce these financial risks, the Group strives to identify, evaluate and hedge market uncertainties in order to reduce the potential adverse effects of market changes on the Group 's financial performance. The significant financial activities of the Group are reviewed by the Board of Directors in accordance with the relevant regulations and internal control system. During the implementation of the financial plan, the Group must comply with the relevant financial operating procedures regarding the overall financial risk management and risk allocation of authority and responsibility.

1. Market risk

   The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

   (1) Foreign currency risk

   Several subsidiaries of the Group have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Approximately 10% of the Group's sales are not denominated in the functional currency of the individual trading group and approximately 37% of the cost of goods are not denominated in the functional currency of the individual trading group.

   The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 27.

   Sensitivity analysis

   The Group is mainly exposed to the USD and CNY.

   The following table details the sensitivity analysis of the Group when the exchange rate of the New Taiwan dollar (the functional currency) increases and decreases by 5% against each of the relevant foreign currencies. 5% is the sensitivity ratio used for reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates.

Sensitivity analysis includes only foreign currency monetary items in circulation and adjusts their year-end translation by a 5% change in exchange rates. The positive numbers in the table below represent the increase/decrease in net income before income taxes that would result from a 5% appreciation of the New Taiwan dollar relative to the respective currency, and the negative impact on net income before income taxes that would result from a 5% depreciation of the New Taiwan dollar relative to the respective currency.

	Currency USD Impact		Currency CNY Impact	
	For the three months ended March 31		For the three months ended March 31	
	2025	2024	2025	2024
Profit or loss	($ 3,140)(ii)	($ 2,613)(ii)	($ 32)(ii)	($ 248)(ii)

(i) This was mainly attributable to the exposure on cash in banks and receivables and payables in USD which were not in cash flow hedges at the end of the reporting period.

(ii) This was mainly attributable to the exposure on cash in banks and other receivables and payables in CNY which were not in cash flow hedges at the end of the reporting period.

(2) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	$ 274,028	$ 203,871	$ 122,922
Financial liabilities	151,132	152,216	155,407
Cash flow interest rate risk			
Financial assets	316,901	288,907	302,943
Financial liabilities	80,093	52,020	91,549

Sensitivity analysis

The sensitivity analysis below was determined based on the Group’s exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. The rate of change used in reporting interest rates internally to key management is a 50 basis point increase or decrease in interest rates, which also represents management's assessment of the reasonably possible range of interest rate changes.

If interest rates had been changed by 50 basis points and all other variables were held constant, the Group’s pre-tax profit for the three months ended March 31, 2025 and 2024 would change by NT$296 thousand and NT$ 264 thousand, respectively, which was mainly due to the exposure to interest rate risk on cash flows from the Group's variable-rate loans and variable-rate bank deposits.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group’ s maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets. To mitigate credit risk, the Group's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, the Group reviews the recoverable amounts of receivables on a case -by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Company's management believes that the credit risk of the Group has been significantly reduced.

The counter- parties to the liquidity and derivative financial instruments are banks with high credit ratings from international credit rating agencies, so the credit risk is not significant.

As of March 31, 2025, December 31, 2024 and March 31, 2024 , the Group’ s geographical credit risk is mainly concentrated in Mainland China, which accounted for 69%, 70% and 78% of total Accounts receivable, respectively.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had available unutilized bank loan facilities set out in (2) below.

(1) Liquidity and interest rate risk tables for non - derivative financial liabilities

The following table details the Group’s remaining contractual maturities for its non- derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months -1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilitie	$ 48,070	$ 76,538	$ 68,131	$ -	$ -
Lease liabilities	547	1,095	4,934	21,321	169,179
Variable interest rate liabilities	30,740	1,464	6,531	33,223	11,761
	$ 74,216	$ 79,097	$ 79,596	$ 54,544	$ 180,940

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 6,576	$ 21,321	$ 25,188	$ 25,188	$ 25,188	$ 93,615

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months -1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 83,592	$ 95,599	$ 22,862	$ -	$ -
Lease liabilities	547	1,095	4,926	21,712	170,439
Variable interest rate liabilities	737	1,471	6,562	33,392	13,758
	$ 84,876	$ 98,165	$ 34,350	$ 55,104	$ 184,197

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 6,568	$ 21,712	$ 25,188	$ 25188	$ 25,188	$ 94,875

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months -1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 72,279	$ 67,481	$ 61,796	$ -	$ -
Lease liabilities	545	1,090	4,904	22,867	174,217
Variable interest rate liabilities	1,392	2,779	12,508	61,166	19,813
	$ 74,216	$ 71,350	$ 79,208	$ 84,033	$ 194,030

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 6,539	$ 22,867	$ 25,188	$ 25,188	$ 25,188	$ 98,653

The amount of variable interest rate liabilities for the above non-derivative financial liabilities will vary depending on the floating interest rate and the interest rate estimated at the balance sheet date.

(2) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank overdraft facilities reviewed annually and payable at call:			
Amount used	$ 55,535	$ 31,529	$ 67,888
Amount unused	512,2647	472,735	480,254
	$ 568,182	$ 504,264	$ 548,142
Secured bank overdraft facilities:			
Amount used	$ 80,000	$ 80,000	$ 100,000
	$ 80,000	$ 80,000	$ 100,000

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

(1) Related party name and category

Related Party Name	Related Party Category
Wang, Shen-Yi	The Company's chairman
Wang, Yao-De	The first-degree relative of the Company's chairman

(2) Lease arrangements

The Company leases land from its related parties, Wang, Shen-Yi and Wang, Yao-De, for a term from January 2024 to December 2026. The rent is determined by mutual agreement with reference to the recent rent quotation and the rent is paid in accordance with the terms of the lease.

	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities			
The Company's chairman and the first-degree relative of the Company's chairman	$ 2,677	$ 3,049	$ 4,136

(3) Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	$ 3,671	$ 3,690
Post-employment benefits	81	81
	$ 3,752	$ 3,771

The remuneration of directors and key executives is based on the performance of individuals and market trends.

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged time deposits (classified as financial assets at amortized cost)	$ 4,803	$ 4,803	$ 4,735
Property, plant and equipment, net	121,402	122,145	124,375
	$ 126,205	$ 126,948	$ 129,110

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to disclosures in other notes, significant commitments and contingencies of the Group as of March 31, 2025, December 31 and March 31, 2024 were as follows:

As of March 31, 2025, December 31 and March 31, 2024, the unused letters of credit of the Group for purchasing raw materials were as follows:

Currency	March 31, 2025	December 31, 2024	March 31, 2024
NTD	$4,575	$ 1,910	$ 2,470
USD	251	518	1,811

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIE

The Group’ s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2025

	Foreign Currency		Exchange Rate	Carrying Amount	
Financial assets					
Monetary items					
USD	$	1,308	33.205 （USD：NTD）	$	43,428
USD		1,450	7.261 （USD：CNY）		48,131
CNY		1,038	4.573 （CNY：NTD）		4,745
Financial liabilities					
Monetary items					
USD		259	33.205 （USD：NTD）		8,599
USD		396	7.261 （USD：CNY）		13,162
USD		106	16,357 （USD：IDR）		3,523
USD		104	25,760 （USD：VND）		3,466
CNY		898	4.573 （USD：NTD）		4,108

December 31, 2024

	Foreign Currency		Exchange Rate	Carrying Amount	
Financial assets					
Monetary items					
USD	$	1,411	32.785 （USD：NTD）	$	46,265
USD		1,285	7.321 （USD：CNY）		42,118
CNY		5,165	4.478 （CNY：NTD）		23,129
Financial liabilities					
Monetary items					
USD		277	32.785 （USD：NTD）		9,096
USD		894	7.321 （USD：CNY）		29,324
USD		106	16,150 （USD：IDR）		3,478
USD		73	25,543 （USD：VND）		2,407

March 31, 2024

	Foreign Currency		Exchange Rate	Carrying Amount	
Financial assets					
Monetary items					
USD	$	1,686	32 （USD：NTD）	$	53,964
USD		1,416	7.26 （USD：CNY）		45,322
CNY		1,477	4.408 （CNY：NTD）		6,511

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			

USD	$ 490	32	（USD：NTD）	$ 15,691
USD	734	7.26	（USD：CNY）	23,476
USD	134	15,764	（USD：IDR）	4,273
USD	112	24,960	（USD：VND）	3,580
CNY	353	4.408	（CNY：NTD）	1,557

The Group is mainly exposed to the USD and CNY. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) are as follows:

	For the Three Months Ended March 31			
	2025		2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Losses	Exchange Rate	Net Foreign Exchange Losses
NTD	1（NTD：NTD）	$ 993	1（NTD：NTD）	$ 2,444
INR	0.3795（INR：NTD）	-	0.3787（INR：NTD）	-
CNY	4.512（CNY：NTD）	(463)	4.366（CNY：NTD）	(961)
IDR	0.0020（IDR：NTD）	(44)	0.0020（IDR：NTD）	(69)
VND	0.0013（VND：NTD）	(165)	0.0013（VND：NTD）	(98)
		$ 321		($ 1,316)

28. SEPARATELY DISCLOSED ITEMS

(1) Information on significant transactions and(2) Information on investees:

1. Financing provided to others.（None）
2. Endorsements/guarantees provided.(Table 1)
3. Marketable securities held.（None）
4. Marketable securities acquired or disposed of at costs or prices of at least NT$100 million or 20% of the paid-in capital.（None）
5. Acquisition of individual real estate at costs of at least NT$100 million or 20% of the paid-in capital.（None）

6. Others: Intercompany relationships and significant intercompany transactions:（Table 2）

(2) Information on investees（ Table 3 ）

(3) Information on investments in mainland China：

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 4)

2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 5):

   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   (3) The amount of property transactions and the amount of the resultant gains or losses.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

29. SEGMENT INFORMATION

The information provided to the chief operating decision maker for the purpose of allocating resources and evaluating segment performance focuses on the operating segment for each product or service delivered or provided. The Consolidated Company is assessed to be in the business of manufacturing and marketing adhesives, and the assets acquired and revenues and expenses incurred are attributable to the related manufacturing and sales requirements, and therefore the Consolidated Company is reported as a single operating segment. The segment information provided by the Consolidated Company to the operating decision maker for review is measured on the same basis as the financial statements. For the three months ended March 31, 2025 and 2024, the segment revenue and operating results and the measurement of assets reported can be referred to the consolidated balance sheets and consolidated statements of income for the three months ended March 31, 2025 and 2024.

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES ENDORSEMENTS/ GUARANTEES PROVIDED

FOR THE THREE MONTHS ENDED MARCH 31, 2025

TABLE 1

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

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party(Note 1)	Maximum Balance for the Period (Note 2)	Ending Balance (Note 2)）	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Cherng Tay Technology Co., Ltd.	Cherng Tay(Zhongshan) Chemical CO., LTD.	sub-subsidiary	$ 926,849	$ 66,410 (US$ 2,000 thousand)	$ 66,410 (US$ 2,000 thousand)	$ 0 (US$ 0 thousand)	$ -	7.17%	$ 926,849	Y	N	Y

Note 1：(1) The maximum endorsement and guarantee for a single enterprise is 50% of the net worth; the maximum endorsement and guarantee for a single overseas subsidiary is 100% of the net worth. (2) The Company's endorsement guarantee is limited to 100% of the net worth.

Note 2：Based on the exchange rate at the end of the period.

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

TABLE 2 (Amounts in Thousands of New Taiwan Dollars)

No. （Note 1）	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Asset s（Note 3）
0	Cherng Tay Technology Co., Ltd.	Cherng Tay (Zhongshan) Chemical CO., LTD.	1	Technical Service Income	$ 4,324	No significant difference	2%
			1	Sales revenue	2,744	〃	1%
1	Cherng Tay (Zhongshan) Chemical CO., LTD.	Cherng Tay Technology Co., Ltd.	3	Sales revenue	2,905	〃	1%
2	Cherng Tay (Zhongshan) Chemical CO., LTD.	Thanh Thai Viet Nam Industry Technology Co., Ltd	2	Sales revenue	5,577	〃	2%

Note 1：The Parent Company and its subsidiaries are coded as follows:

(1) The Parent Company is coded “0”.

(2) The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2：Nature of relationships are coded as follows:

(1) From the Parent Company to its subsidiary.

(2) Between subsidiaries.

(3) From the subsidiary to its Parent Company.

Note 3：The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s end-of-period balance is shown as a percentage of the consolidated total assets as of March 31, 2024. For profit or loss items, cumulative amounts are shown as percentages to the consolidated total operating revenue for the three months ended March 31, 2025.

Note 4：All the transactions in the table above have been eliminated during the preparation of the consolidated financial statements.

Note 5：The table above discloses only related-party transactions which are material.

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES INFORMATION ON INVESTEES

FOR THE THREE MONTHS ENDED MARCH 31, 2025

TABLE 3

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				Ending Balance	Beginning Balance	Number of Share	%	Carrying Amount			
Cherng Tay Technology Co., Ltd.	Cherng Tay Technology (India) Private Limited （Cherng Tay India）	India	Sales of adhesives	$ 18,976 (US$ 593 thousand)	$ 19,691 (US$ 593 thousand)	3,668.050 thousand shares	99%	$ 985	($ 4)	($ 4)	subsidiary
	PT.Cherng Tay Indonesia （Cherng Tay Indonesia）	Indonesia	Sales of adhesives	11,622 (US$ 350 thousand)	11,622 (US$ 350 thousand)	350 thousand shares	70%	(1,509)	(77)	(54)	subsidiary
	Samoa Cherng Ying International INC.	Samoa	International Investment	134,812 (US$ 4,060 thousand)	134,812 (US$ 4,060 thousand)	4,060 thousand shares	100%	752,199	3,525	3,194	subsidiary
	Cherng Jin International INC	Samoa	International Investment	20,753 (US$ 625 thousand)	20,753 (US$ 625 thousand)	625 thousand shares	100%	22,138	139	139	subsidiary
Cherng Ying International INC.	Cherng Tay(Zhongshan) Chemical CO., LTD.	Mainland China	Production and trading of adhesives	149,423 (US$ 4,500 thousand)	149,423 (US$ 4,500 Thousand)	4,500 thousand shares	100%	762,880 (US$ 22,975 thousand)	3,534 (CNY 783 thousand)	3,534 (US$ 107 thousand)	sub-subsidiary
Cherng Jin International INC	Thanh Thai Viet Nam Industry Technology Co., Ltd（Cherng Tay Vietnam）	Vietnam	Sales of adhesives	19,923 (US$ 600 thousand)	19,923 (US$ 600 Thousand)	600 thousand shares	100%	22,00 (US$ 663 thousand)	139 (VND 106,886 thousand)	139 (US$ 4 thousand)	sub-subsidiary

Note：Refer to Table 4 for information on investments in Mainland China.

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES INFORMATION ON

INVESTMENTS IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2025

TABLE 4 (Amounts in Thousands of New Taiwan Dollars or foreign currency

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investments from Taiwan as of March 31, 2025	Net Income (Losses) of the Investee Company	Percentage Of Ownership	Share of Profits/(Losses) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025
					Outflow	Inflow						
Cherng Tay (Zhongshan) Chemical CO., LTD	Production and trading of adhesives	Registered capital USD 4,500 thousand	Note 1	USD 4,000	$ -	$ -	USD 4,000	NTD 3,534 (RMB 783)	100%	NTD 3,534 (USD 107)	NTD 762,880 (USD 22,975)	$ -

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
NTD 132,820 （USD 4,000）	NTD 149,423 （USD 4,500）	NTD 555,722（Note 3）

Note 1：Investment in mainland China through companies in a third region.

Note 2: All the financial statements used as basis for calculating the investment amounts were not audited by the independent auditors.

Note 3：Consolidated net value of 926,204×60%＝555,722.

Note 4：Investment amounts approved by the Investment Board, Ministry of Economic Affairs, R.O.C. are as follows:

Name of Investee	Order No.	Approved Amount	
Cherng Tay (Zhongshan) Chemical CO., LTD	89036454	USD 1,800	
	092044373	USD 550	
	09500310760	USD 650	
	09700455690	USD 500	（Note 5）
	09700460180	USD 1,000	
		USD 4,500	

Note 5：The capital increase from the retained earnings of Cherng Tay (Zhongshan) Chemical CO., LTD in 2008.

CHERNG TAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE THREE MONTHS ENDED MARCH 31, 2025

TABLE 5

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

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Remark
		Amount	Percentage		Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage		
Cherng tay (Zhongshan) Chemical CO., LTD.	Sales	$ 2,744	3%	No significant Difference	Payment within 120 days	No significant Difference	$ 4,907	6%	$ 476	
	Purchases	2,905	6%	No significant difference	Payment within 120 days	No significant difference	(5,353)	13%	-	
	Technical Service Income	4,324	100%	Agreed by contract	Received by June of the following year in accordance with the contract	Not applicable	3,963	100%	NA	