

**Wah Lee Industrial Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Wah Lee Industrial Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Wah Lee Industrial Corporation and its subsidiaries (the "Group") as of June 30, 2022 and 2021, the consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and six months ended June 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2022 and 2021, and 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 (FSC) 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. 65 "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 12 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2022 and 2021, combined total assets of these subsidiaries were NT\$8,131,657 thousand and NT\$7,163,182 thousand, respectively, representing 17% and 18%, respectively, of the total consolidated assets, and combined total liabilities of these subsidiaries were NT\$4,147,438 thousand and NT\$3,666,333 thousand, respectively, representing 13% and 15%, respectively, of the total consolidated liabilities; for the three months ended June 30, 2022 and 2021 and six months ended June 30, 2022 and 2021, combined comprehensive income of these subsidiaries were NT\$62,459 thousand, NT\$54,885 thousand, NT\$176,974 thousand and NT\$140,336 thousand, respectively, representing 99%, 9%, 14% and 9%, respectively, of the total consolidated comprehensive income. As disclosed in Note 13 to the consolidated financial statements, the carrying values of the Group's investments in associates accounted for using the equity method were NT\$2,097,193 thousand and NT\$2,226,416 thousand as of June 30, 2022 and 2021, and for the three months ended June 30, 2022 and 2021 and six months ended June 30, 2022 and 2021, the amounts of the share of profit of associates recognized under the equity method were NT\$54,686 thousand, NT\$102,330 thousand, NT\$116,824 thousand and NT\$191,557 thousand, respectively, the amounts were based on unreviewed financial statements.

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 and the investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021 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 FSC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chiu-Yen Wu and Jui-Hsuan Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 9, 2022

Notice to Readers

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,620,071	7	\$ 3,275,337	7	\$ 3,610,694	9
Financial assets at fair value through profit or loss - current (Note 7)	327,312	1	163,804	1	148,824	-
Financial assets at fair value through other comprehensive income - current (Note 8)	150,400	-	209,000	1	148,400	-
Notes receivable (Notes 9, 27 and 29)	2,409,456	5	1,787,044	4	1,991,911	5
Accounts receivable, net (Note 9)	16,503,022	34	16,754,286	37	15,193,629	37
Accounts receivable - related parties (Notes 9 and 28)	112,284	-	117,195	-	99,540	-
Other receivables	257,663	1	140,043	-	122,808	-
Other receivables - related parties (Notes 13 and 28)	565,239	1	86,298	-	313,572	1
Current tax assets	-	-	7	-	25	-
Merchandise (Note 10)	5,538,249	11	5,194,090	11	4,560,143	11
Prepayments for purchases	2,293,598	5	2,289,881	5	2,222,965	6
Other financial assets - current (Notes 11 and 29)	2,595,896	5	2,668,676	6	559,827	1
Other current assets	<u>336,877</u>	<u>1</u>	<u>160,819</u>	<u>-</u>	<u>176,802</u>	<u>1</u>
Total current assets	<u>34,710,067</u>	<u>71</u>	<u>32,846,480</u>	<u>72</u>	<u>29,149,140</u>	<u>71</u>
NONCURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Note 8)	597,988	1	735,329	2	744,574	2
Investments accounted for using the equity method (Note 13)	5,958,933	12	5,956,734	13	5,205,962	13
Property, plant and equipment (Notes 14, 28 and 29)	6,211,015	13	4,740,804	10	4,112,897	10
Right-of-use assets (Note 15)	555,827	1	657,852	1	616,879	2
Goodwill	112,370	-	111,203	-	111,389	-
Other intangible assets	188,260	-	208,299	-	229,087	1
Deferred tax assets	361,354	1	348,894	1	327,389	1
Prepayments for equipment	13,828	-	30,727	-	167,651	-
Other financial assets - noncurrent (Notes 11 and 29)	228,248	1	217,564	1	193,969	-
Other noncurrent assets	<u>29,045</u>	<u>-</u>	<u>33,084</u>	<u>-</u>	<u>35,828</u>	<u>-</u>
Total noncurrent assets	<u>14,256,868</u>	<u>29</u>	<u>13,040,490</u>	<u>28</u>	<u>11,745,625</u>	<u>29</u>
TOTAL	<u>\$ 48,966,935</u>	<u>100</u>	<u>\$ 45,886,970</u>	<u>100</u>	<u>\$ 40,894,765</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 8,421,524	17	\$ 8,286,959	18	\$ 7,297,702	18
Short-term bills payable (Note 16)	29,761	-	59,822	-	159,926	-
Financial liabilities at fair value through profit or loss - current (Note 7)	10	-	127	-	6	-
Contract liabilities - current (Notes 22 and 28)	834,467	2	562,914	1	664,614	2
Notes payable (Note 18)	323,099	1	390,681	1	190,393	-
Notes payable - related parties (Notes 18 and 28)	-	-	-	-	779	-
Accounts payable (Note 18)	7,913,453	16	8,045,912	18	6,622,988	16
Accounts payable - related parties (Notes 18 and 28)	353,438	1	567,881	1	385,961	1
Dividends payable (Note 21)	1,604,922	3	-	-	1,400	-
Other payables (Notes 19 and 28)	1,506,102	3	1,363,912	3	1,496,653	4
Current tax liabilities	342,760	1	371,005	1	221,329	1
Provisions - current (Note 30)	50,363	-	80,450	-	-	-
Lease liabilities - current (Note 15)	102,419	-	95,358	-	80,875	-
Current portion of long-term borrowings (Note 16)	131,281	-	376,940	1	402,659	1
Refund liabilities - current	223,452	1	178,776	-	198,882	1
Other current liabilities	<u>27,115</u>	<u>-</u>	<u>26,271</u>	<u>-</u>	<u>46,847</u>	<u>-</u>
Total current liabilities	<u>21,864,166</u>	<u>45</u>	<u>20,407,008</u>	<u>44</u>	<u>17,771,014</u>	<u>44</u>
NONCURRENT LIABILITIES						
Bonds payable (Note 17)	1,983,389	4	1,972,752	4	-	-
Long-term borrowings (Note 16)	5,089,877	10	3,562,794	8	4,444,776	11
Provision for employee benefits - noncurrent	63,499	-	52,007	-	47,303	-
Lease liabilities - noncurrent (Note 15)	481,282	1	595,710	1	558,134	1
Net defined benefit liabilities - noncurrent	291,568	1	295,578	1	309,765	1
Guarantee deposits received	2,418	-	2,634	-	2,063	-
Deferred tax liabilities	<u>1,404,962</u>	<u>3</u>	<u>1,281,669</u>	<u>3</u>	<u>1,204,667</u>	<u>3</u>
Total noncurrent liabilities	<u>9,316,995</u>	<u>19</u>	<u>7,763,144</u>	<u>17</u>	<u>6,566,708</u>	<u>16</u>
Total liabilities	<u>31,181,161</u>	<u>64</u>	<u>28,170,152</u>	<u>61</u>	<u>24,337,722</u>	<u>60</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
Share capital	<u>2,360,179</u>	<u>5</u>	<u>2,360,179</u>	<u>5</u>	<u>2,313,901</u>	<u>6</u>
Capital surplus	<u>2,070,011</u>	<u>4</u>	<u>1,690,292</u>	<u>4</u>	<u>1,477,937</u>	<u>4</u>
Retained earnings						
Legal reserve	2,710,197	6	2,412,040	5	2,228,083	5
Special reserve	184,623	-	636,618	2	980,087	2
Unappropriated earnings	<u>8,815,828</u>	<u>18</u>	<u>8,783,793</u>	<u>19</u>	<u>8,019,658</u>	<u>20</u>
Total retained earnings	<u>11,710,648</u>	<u>24</u>	<u>11,832,451</u>	<u>26</u>	<u>11,227,828</u>	<u>27</u>
Other equity	<u>(543,233)</u>	<u>(1)</u>	<u>(184,623)</u>	<u>(1)</u>	<u>(615,722)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	15,597,605	32	15,698,299	34	14,403,944	35
NON-CONTROLLING INTERESTS (Note 21)	<u>2,188,169</u>	<u>4</u>	<u>2,018,519</u>	<u>5</u>	<u>2,153,099</u>	<u>5</u>
Total equity	<u>17,785,774</u>	<u>36</u>	<u>17,716,818</u>	<u>39</u>	<u>16,557,043</u>	<u>40</u>
TOTAL	<u>\$ 48,966,935</u>	<u>100</u>	<u>\$ 45,886,970</u>	<u>100</u>	<u>\$ 40,894,765</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 9, 2022)

WAH LEE INDUSTRIAL 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 June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 28)	\$ 18,336,230	100	\$ 16,865,834	100	\$ 37,846,116	100	\$ 33,149,374	100
OPERATING COSTS (Notes 10, 23 and 28)	<u>16,908,563</u>	<u>92</u>	<u>15,369,821</u>	<u>91</u>	<u>34,860,314</u>	<u>92</u>	<u>30,214,929</u>	<u>91</u>
GROSS PROFIT	<u>1,427,667</u>	<u>8</u>	<u>1,496,013</u>	<u>9</u>	<u>2,985,802</u>	<u>8</u>	<u>2,934,445</u>	<u>9</u>
OPERATING EXPENSES (Notes 9, 23 and 28)								
Selling and marketing expenses	586,344	3	577,548	3	1,189,648	3	1,141,382	4
General and administrative expenses	164,686	1	145,449	1	314,544	1	271,959	1
Expected credit loss recognized (reversed)	<u>(20,578)</u>	<u>-</u>	<u>15,395</u>	<u>-</u>	<u>(17,530)</u>	<u>-</u>	<u>37,269</u>	<u>-</u>
Total operating expenses	<u>730,452</u>	<u>4</u>	<u>738,392</u>	<u>4</u>	<u>1,486,662</u>	<u>4</u>	<u>1,450,610</u>	<u>5</u>
OPERATING INCOME	<u>697,215</u>	<u>4</u>	<u>757,621</u>	<u>5</u>	<u>1,499,140</u>	<u>4</u>	<u>1,483,835</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 28)								
Interest income	25,659	-	4,803	-	48,515	-	14,029	-
Other income	48,583	-	60,889	-	72,209	-	82,231	-
Other gains and losses	65,302	-	(8,826)	-	111,224	-	(27,161)	-
Finance costs	<u>(62,399)</u>	<u>-</u>	<u>(39,179)</u>	<u>-</u>	<u>(114,953)</u>	<u>-</u>	<u>(86,011)</u>	<u>-</u>
Share of profit of associates	<u>217,790</u>	<u>1</u>	<u>190,264</u>	<u>1</u>	<u>456,941</u>	<u>1</u>	<u>372,427</u>	<u>1</u>
Total non-operating income and expenses	<u>294,935</u>	<u>1</u>	<u>207,951</u>	<u>1</u>	<u>573,936</u>	<u>1</u>	<u>355,515</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	992,150	5	965,572	6	2,073,076	5	1,839,350	5
INCOME TAX EXPENSE (Notes 4 and 24)	<u>283,943</u>	<u>1</u>	<u>241,851</u>	<u>1</u>	<u>513,968</u>	<u>1</u>	<u>446,713</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>708,207</u>	<u>4</u>	<u>723,721</u>	<u>5</u>	<u>1,559,108</u>	<u>4</u>	<u>1,392,637</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (Notes 21 and 24)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(151,535)	(1)	4,504	-	(195,941)	(1)	88,497	-
Share of other comprehensive income (loss) of associates accounted for using the equity method	(345,871)	(2)	(7,107)	-	(354,585)	(1)	244,047	1

(Continued)

WAH LEE INDUSTRIAL 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 June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (336)	-	\$ (258)	-	\$ (226)	-	\$ (2,151)	-
	<u>(497,742)</u>	<u>(3)</u>	<u>(2,861)</u>	<u>-</u>	<u>(550,752)</u>	<u>(2)</u>	<u>330,393</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(132,504)	(1)	(111,812)	(1)	254,653	1	(150,374)	-
Share of other comprehensive gain (loss) of associates accounted for using the equity method	(37,186)	-	(26,336)	-	78,033	-	(35,832)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>22,168</u>	<u>-</u>	<u>19,203</u>	<u>-</u>	<u>(46,883)</u>	<u>-</u>	<u>24,846</u>	<u>-</u>
	<u>(147,522)</u>	<u>(1)</u>	<u>(118,945)</u>	<u>(1)</u>	<u>285,803</u>	<u>1</u>	<u>(161,360)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(645,264)</u>	<u>(4)</u>	<u>(121,806)</u>	<u>(1)</u>	<u>(264,949)</u>	<u>(1)</u>	<u>169,033</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 62,943</u>	<u>-</u>	<u>\$ 601,915</u>	<u>4</u>	<u>\$ 1,294,159</u>	<u>3</u>	<u>\$ 1,561,670</u>	<u>5</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 656,693	4	\$ 640,547	4	\$ 1,424,957	4	\$ 1,237,739	4
Non-controlling interests	<u>51,514</u>	<u>-</u>	<u>83,174</u>	<u>-</u>	<u>134,151</u>	<u>-</u>	<u>154,898</u>	<u>-</u>
	<u>\$ 708,207</u>	<u>4</u>	<u>\$ 723,721</u>	<u>4</u>	<u>\$ 1,559,108</u>	<u>4</u>	<u>\$ 1,392,637</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 46,420	-	\$ 540,241	3	\$ 1,124,509	3	\$ 1,438,975	4
Non-controlling interests	<u>16,523</u>	<u>-</u>	<u>61,674</u>	<u>1</u>	<u>169,650</u>	<u>-</u>	<u>122,695</u>	<u>1</u>
	<u>\$ 62,943</u>	<u>-</u>	<u>\$ 601,915</u>	<u>4</u>	<u>\$ 1,294,159</u>	<u>3</u>	<u>\$ 1,561,670</u>	<u>5</u>
EARNINGS PER SHARE (Note 25)								
Basic	<u>\$ 2.78</u>		<u>\$ 2.71</u>		<u>\$ 6.04</u>		<u>\$ 5.24</u>	
Diluted	<u>\$ 2.56</u>		<u>\$ 2.69</u>		<u>\$ 5.53</u>		<u>\$ 5.15</u>	

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

(With Deloitte & Touche review report dated August 9, 2022)

(Concluded)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company										
						Exchange	Other Equity				
						Differences on	Unrealized				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Translation of the Financial Statements of Foreign Operations	Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Total	Non-controlling Interest	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 2,360,179	\$ 1,690,292	\$ 2,412,040	\$ 636,618	\$ 8,783,793	\$ (678,629)	\$ 494,006	\$ (184,623)	\$ 15,698,299	\$ 2,018,519	\$ 17,716,818
Appropriation of 2021 earnings											
Legal reserve	-	-	298,157	-	(298,157)	-	-	-	-	-	-
Special reserve	-	-	-	(451,995)	451,995	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,604,922)	-	-	-	(1,604,922)	-	(1,604,922)
	-	-	298,157	(451,995)	(1,451,084)	-	-	-	(1,604,922)	-	(1,604,922)
Changes in capital surplus from investments in associates accounted for using the equity method	-	379,719	-	-	-	-	-	-	379,719	-	379,719
Net profit for the six months ended June 30, 2022	-	-	-	-	1,424,957	-	-	-	1,424,957	134,151	1,559,108
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	250,304	(550,752)	(300,448)	(300,448)	35,499	(264,949)
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	1,424,957	250,304	(550,752)	(300,448)	1,124,509	169,650	1,294,159
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	58,162	-	(58,162)	(58,162)	-	-	-
BALANCE AT JUNE 30, 2022	\$ 2,360,179	\$ 2,070,011	\$ 2,710,197	\$ 184,623	\$ 8,815,828	\$ (428,325)	\$ (114,908)	\$ (543,233)	\$ 15,597,605	\$ 2,188,169	\$ 17,785,774
BALANCE AT JANUARY 1, 2021	\$ 2,313,901	\$ 1,331,725	\$ 2,228,083	\$ 980,087	\$ 6,660,831	\$ (583,633)	\$ (52,985)	\$ (636,618)	\$ 12,878,009	\$ 2,030,451	\$ 14,908,460
Changes in capital surplus from investments in associates accounted for using the equity method (Note 13)	-	146,621	-	-	(28,240)	3,121	(34,133)	(31,012)	87,369	-	87,369
Net profit for the six months ended June 30, 2021	-	-	-	-	1,237,739	-	-	-	1,237,739	154,898	1,392,637
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	(129,157)	330,393	201,236	201,236	(32,203)	169,033
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	1,237,739	(129,157)	330,393	201,236	1,438,975	122,695	1,561,670
Actual disposal or acquisition of interests in subsidiaries (Note 12)	-	(409)	-	-	-	-	-	-	(409)	(1,511)	(1,920)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	149,328	-	(149,328)	(149,328)	-	-	-
Increase in non-controlling interests (Note 12)	-	-	-	-	-	-	-	-	-	1,464	1,464
BALANCE AT JUNE 30, 2021	\$ 2,313,901	\$ 1,477,937	\$ 2,228,083	\$ 980,087	\$ 8,019,658	\$ (709,669)	\$ 93,947	\$ (615,722)	\$ 14,403,944	\$ 2,153,099	\$ 16,557,043

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

(With Deloitte & Touche review report dated August 9, 2022)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,073,076	\$ 1,839,350
Adjustments for:		
Depreciation expense	197,298	147,483
Amortization expense	22,130	21,632
Expected credit loss recognized (reversed)	(17,530)	37,269
Net gain of financial instruments at fair value through profit or loss	(753)	(4,692)
Finance costs	114,953	86,011
Interest income	(48,515)	(14,029)
Dividend income	(4,882)	(1,840)
Share of profit of associates accounted for using the equity method	(456,941)	(372,427)
Loss (gain) on disposal of property, plant and equipment	15,221	(3,340)
Loss on disposal of investments accounted for using the equity method	-	3,121
Write-down (reversal) of inventories	115,958	(8,955)
Net unrealized loss on foreign currency exchange	95,775	3,035
Other non-cash items	(29,574)	15,551
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	7,236	4,689
Notes receivable	(622,412)	407,859
Notes receivable - related parties	-	6,925
Accounts receivable	264,165	(115,052)
Accounts receivable - related parties	4,835	14,815
Other receivables	(177,156)	8,517
Other receivables - related parties	5,848	1,095
Merchandise	(464,872)	(262,629)
Prepayments for purchases	(3,717)	(824,875)
Other current assets	(176,058)	32,694
Financial liabilities held for trading	(5,504)	(5,262)
Contract liabilities	271,553	319,263
Notes payable	(67,582)	88,219
Notes payable - related parties	-	(482)
Accounts payable	(132,459)	(443,220)
Accounts payable - related parties	(214,443)	7,957
Other payables	105,243	248,879
Refund liabilities	44,676	24,607
Other current liabilities	844	2,243
Net defined benefit liabilities	(4,652)	(4,341)
Cash generated from operations	911,761	1,260,070
Interest received	51,926	15,390
Dividend received	78,002	76,755
Interest paid	(99,188)	(78,336)
Income tax paid	(476,227)	(409,495)
Net cash generated from operating activities	466,274	864,384

(Continued)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (5,000)	\$ (55,779)
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	5,000	15,000
Purchase of financial assets at fair value through profit or loss	(254,652)	(201,758)
Proceeds from disposal of financial assets at fair value through profit or loss	90,767	268,729
Purchase of investments accounted for using the equity method	-	(44,820)
Payments for property, plant and equipment	(1,589,061)	(586,538)
Proceeds from disposal of property, plant and equipment	56,399	5,770
Payments for intangible assets	(38)	(36,381)
Decrease in other financial assets	<u>62,096</u>	<u>280,819</u>
Net cash used in investing activities	<u>(1,634,489)</u>	<u>(354,958)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(27,289)	(93,558)
Increase (decrease) in short-term bills payable	(30,000)	100,000
Proceeds from long-term borrowings	1,434,416	582,720
Repayment of long-term borrowings	(130,550)	(353,798)
Increase (decrease) in guarantee deposits received	(216)	447
Repayment of the principal portion of lease liabilities	(49,780)	(32,104)
Changes in non-controlling interests	<u>-</u>	<u>(456)</u>
Net cash generated from financing activities	<u>1,196,581</u>	<u>203,251</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>316,368</u>	<u>(155,165)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>344,734</u>	<u>557,512</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,275,337</u>	<u>3,053,182</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,620,071</u>	<u>\$ 3,610,694</u>

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

(With Deloitte & Touche review report dated August 9, 2022)

(Concluded)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Wah Lee Industrial Corporation (the “Company”) was incorporated in October 1968, and is mainly engaged in the import/export and agency business of composite materials, engineering plastic, printed circuit board, semiconductor, and computer related manufacturing materials and equipment.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since July 22, 2002.

The consolidated financial statements, which include the Company and its subsidiaries (collectively, the “Group”), are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the board of directors on August 9, 2022.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
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
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023

Note : Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. 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 and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of IFRSs annual financial statements.

- b. 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 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 based on 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 the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The basis of preparation applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

See Note 12 and Tables 7 and 8 for detailed information on subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) 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

For the critical accounting judgments and key sources of estimation uncertainty applied in these consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 1,189	\$ 1,291	\$ 1,763
Demand deposits	3,352,046	2,946,410	3,323,880
Checking accounts	33,473	10,359	16,440
Cash equivalents			
Time deposits with original maturities of 3 months or less	233,363	178,853	268,611
Repurchase agreement collateralized by bonds	<u>-</u>	<u>138,424</u>	<u>-</u>
	<u>\$ 3,620,071</u>	<u>\$ 3,275,337</u>	<u>\$ 3,610,694</u>

a. The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Time deposits (%)	0.10-4.00	0.10-2.03	0.15-2.03

- b. The Group interacts with a variety of financial institutions with sound credit ratings to disperse credit risk; hence, there was no expected credit loss.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets			
Mandatorily classified as at FVTPL			
Hybrid instruments - structured deposits (a)	\$ 253,903	\$ 86,867	\$ 73,355
Non-derivative financial assets - mutual funds	71,075	75,401	75,065
Derivative instruments (not designated for hedge) (b)			
Foreign exchange forward contracts	2,134	336	404
Redemption of convertible bonds	<u>200</u>	<u>1,200</u>	<u>-</u>
	<u>\$ 327,312</u>	<u>\$ 163,804</u>	<u>\$ 148,824</u>
Financial liabilities			
Held for trading			
Derivative instruments (not designated for hedge) (b)			
Foreign exchange forward contracts	<u>\$ 10</u>	<u>\$ 127</u>	<u>\$ 6</u>

- a. The Group entered into a structured time deposit contract with banks. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract was assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.
- b. The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting. At the end of the reporting period, outstanding foreign exchange forward contracts were as follows:

June 30, 2022

Currency	Maturity Date	Notional Amount (In Thousands)
Buy USD/Sell RMB	2022.07-2022.09	USD6,555/RMB43,377
Buy USD/Sell THB	2022.07	USD200/THB7,056

December 31, 2021

Currency	Maturity Date	Notional Amount (In Thousands)
Buy USD/Sell RMB	2022.01-2022.02	USD4,500/RMB28,784
Buy USD/Sell THB	2022.01-2022.03	USD1,450/THB48,466

June 30, 2021

Currency	Maturity Date	Notional Amount (In Thousands)
Buy USD/Sell RMB	2021.07	USD3,500/RMB22,564
Buy JPY/Sell RMB	2021.07	JPY100,000/RMB5,838

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Domestic investments in equity instruments			
Listed shares	<u>\$ 150,400</u>	<u>\$ 209,000</u>	<u>\$ 148,400</u>
<u>Noncurrent</u>			
Domestic investments in equity instruments			
Listed shares	\$ 80,036	\$ 119,445	\$ 148,946
Unlisted shares	<u>416,775</u>	<u>515,838</u>	<u>487,402</u>
	<u>496,811</u>	<u>635,283</u>	<u>636,348</u>
Foreign investments in equity instruments			
Listed shares	22,887	23,477	37,266
Unlisted shares	<u>78,290</u>	<u>76,569</u>	<u>70,960</u>
	<u>101,177</u>	<u>100,046</u>	<u>108,226</u>
	<u>\$ 597,988</u>	<u>\$ 735,329</u>	<u>\$ 744,574</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they consider that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE, NET

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable - unrelated parties			
Notes receivable - operating	\$ 2,409,479	\$ 1,787,067	\$ 1,991,911
Less: Allowance for impairment loss	<u>23</u>	<u>23</u>	<u>-</u>
	<u>\$ 2,409,456</u>	<u>\$ 1,787,044</u>	<u>\$ 1,991,911</u>

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Accounts receivable - unrelated parties			
At amortized cost			
Gross carrying amount	\$ 16,703,504	\$ 16,986,827	\$ 15,415,846
Less: Allowance for impairment loss	<u>200,482</u>	<u>232,541</u>	<u>222,217</u>
	<u>\$ 16,503,022</u>	<u>\$ 16,754,286</u>	<u>\$ 15,193,629</u>
Accounts receivable - related parties			
At amortized cost			
Gross carrying amount	\$ 112,498	\$ 117,333	\$ 99,633
Less: Allowance for impairment loss	<u>214</u>	<u>138</u>	<u>93</u>
	<u>\$ 112,284</u>	<u>\$ 117,195</u>	<u>\$ 99,540</u>
			(Concluded)

For the information on factored notes receivable pledged as collateral for borrowings, refer to Notes 27 and 29.

The main credit period of sales of goods was 60-90 days. No interest was charged on receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and 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 measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on receivables are estimated using a provision matrix prepared by reference to the past default records of the customer, the customer's current financial position, and economic condition of the industry in which the customer operates. 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 receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For receivables 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 tables detail the aging and loss allowance of receivables based on the Group's provision matrix:

June 30, 2022

	Customers without Signs of Default				Customers With Signs of Default	Total
	Not Past Due	Past Due 1-60 Days	Past Due 61-180 Days	Past Due Over 181 Days		
Expected credit loss rate (%)	0.1-1	1-20	10-50	50	50-100	
Gross carrying amount	\$ 18,095,680	\$ 870,948	\$ 124,869	\$ 49,657	\$ 84,327	\$ 19,225,481
Loss allowance (Lifetime ECL)	<u>(33,639)</u>	<u>(36,234)</u>	<u>(25,000)</u>	<u>(25,666)</u>	<u>(80,180)</u>	<u>(200,719)</u>
Amortized cost	<u>\$ 18,062,041</u>	<u>\$ 834,714</u>	<u>\$ 99,869</u>	<u>\$ 23,991</u>	<u>\$ 4,147</u>	<u>\$ 19,024,762</u>

December 31, 2021

	Customers without Signs of Default				Customers With Signs of Default	Total
	Not Past Due	Past Due 1-60 Days	Past Due 61-180 Days	Past Due Over 180 Days		
Expected credit loss rate (%)	0.1-1	1-10	10-100	50-100	100	
Gross carrying amount	\$ 17,467,568	\$ 1,100,652	\$ 143,045	\$ 87,847	\$ 92,115	\$ 18,891,227
Loss allowance (Lifetime ECLs)	(25,142)	(36,621)	(31,943)	(46,881)	(92,115)	(232,702)
Amortized cost	<u>\$ 17,442,426</u>	<u>\$ 1,064,031</u>	<u>\$ 111,102</u>	<u>\$ 40,966</u>	<u>\$ -</u>	<u>\$ 18,658,525</u>

June 30, 2021

	Customers without Signs of Default				Customers With Signs of Default	Total
	Not Past Due	Past Due 1-60 Days	Past Due 61-180 Days	Past Due Over 181 Days		
Expected credit loss rate (%)	0.1-1	1-10	10-100	50-100	100	
Gross carrying amount	\$ 16,630,279	\$ 554,148	\$ 114,914	\$ 123,093	\$ 84,956	\$ 17,507,390
Loss allowance (Lifetime ECL)	(24,600)	(21,075)	(41,510)	(51,282)	(83,843)	(222,310)
Amortized cost	<u>\$ 16,605,679</u>	<u>\$ 533,073</u>	<u>\$ 73,404</u>	<u>\$ 71,811</u>	<u>\$ 1,113</u>	<u>\$ 17,285,080</u>

The movements of the loss allowance of receivables were as follows:

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ 232,702	\$ 216,973
Impairment losses recognized (reversed)	(17,530)	37,269
Amounts written off	(19,158)	(26,934)
Foreign exchange translation differences	<u>4,705</u>	<u>(4,998)</u>
Balance at June 30	<u>\$ 200,719</u>	<u>\$ 222,310</u>

10. MERCHANDISE

The costs of inventories recognized in cost of goods sold for the three months and six months ended June 30, 2022 and 2021 were \$16,647,069 thousand, \$15,188,089 thousand, \$34,331,537 thousand and \$29,878,497 thousand, respectively, which included the following items:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Write-downs (reversal) of inventories	<u>\$ 76,473</u>	<u>\$ (4,904)</u>	<u>\$ 115,958</u>	<u>\$ (8,955)</u>

11. OTHER FINANCIAL ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Time deposits with original maturities of more than 3 months	\$ 87,018	\$ 234,015	\$ 61,598
Structured deposits	2,505,079	2,423,574	496,229
Pledged deposits	3,694	2,000	2,000
Refundable deposits	<u>105</u>	<u>9,087</u>	<u>-</u>
	<u>\$ 2,595,896</u>	<u>\$ 2,668,676</u>	<u>\$ 559,827</u>
Noncurrent			
Pledged deposits	\$ 114,482	\$ 109,392	\$ 90,034
Refundable deposits	<u>113,766</u>	<u>108,172</u>	<u>103,935</u>
	<u>\$ 228,248</u>	<u>\$ 217,564</u>	<u>\$ 193,969</u>

a. The market rate intervals of other financial assets at the end of the reporting period were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Time deposits (%)	0.12-3.55	0.09-3.55	0.25-3.55

b. The counterparties of the Group's time deposits were banks with good credit and no significant default concerns, hence, there was no expected credit loss.

c. Refer to Note 29 for information on other financial assets pledged as collateral.

12. SUBSIDIARIES

The subsidiaries in the consolidated financial statements

The detailed information of the subsidiaries at the end of the reporting period was as follows:

Investor	Investee	Main Businesses	Percentage of Ownership			Remark
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	Wah Lee Holding Ltd.	International investment	100.00	100.00	100.00	Note 1
	Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	Trading business of engineering plastic, composite materials and equipment	53.69	53.69	53.69	
	Wah Lee Japan Corp.	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	83.33	83.33	83.33	Note 1
	Wah Lee Korea Ltd. (WL Korea)	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	100.00	100.00	100.00	Note 1
	Sakuragawa Solar Ltd.	Solar power generation business	99.99	99.99	99.99	Note 1
	Miyazaki Solar Ltd.	Solar power generation business	99.99	99.99	99.99	Note 1

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership			Remark
			June 30, 2022	December 31, 2021	June 30, 2021	
Wah Lee Holding Ltd.	P.T. Wahlee Indonesia (WL Indonesia)	Trading business of industrial materials	70.00	70.00	70.00	Note 1
	Wah Lee Vietnam Co., Ltd. (WL Vietnam)	Trading business of industrial materials	100.00	100.00	100.00	Note 1
	Tranceed Logistics Co., Ltd. (Tranceed Logistics)	Freight forwarders and leasing business	63.33	63.33	63.33	Note 1
	Wah Tech Industrial Co., Ltd. (WT Industrial)	Trading business of industrial materials	51.00	51.00	51.00	Note 1
	Kingstone Energy Technology Corporation (KS Corp.)	Solar power generation business	78.67	78.67	51.00	Notes 1 and 2
	Wah Lee Green Energy Corporation. (WL Green Corp.)	Renewable energy self-use power generation equipment business	-	-	-	Notes 1 and 3
	Wah Heng Energy Technology Corp. (WH Energy)	Solar power generation business	100.00	100.00	100.00	Note 1
	Evergreen New Energy Corporation	Solar power generation business	100.00	100.00	-	Established in December 2021; Note 1
	Wah Lee Philippines International Corp. (WL Philippines Corp.)	Trading business of industrial materials	99.99	99.99	99.99	Note 1
	Wah Lee Philippines Inc. (WL Philippines Inc.)	Trading business of industrial materials	99.99	99.99	99.99	Note 1
	SHC Holding Ltd.	International investment	100.00	100.00	100.00	Note 1
	Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	Agency of semiconductor materials and equipment	100.00	100.00	100.00	Note 1
	Raycong H.K.	Trading business of engineering plastic, composite materials and equipment	46.31	46.31	46.31	
	Regent King International Limited (Regent King)	Trading business of engineering plastic composite materials and equipment	100.00	100.00	100.00	Note 1
Raycong H.K.	Hua Gang International Trading Co., Ltd. (Dongguan Hua Gang)	Trading business of industrial materials	100.00	100.00	100.00	
	Shanghai Yikang Chemicals and Industries Co., Ltd. (Shanghai Yikang)	Trading business of industrial materials	70.00	70.00	70.00	
	Huaying Supply Chain Management (Shenzhen) Co., Ltd. (Shenzhen Huaying)	Supply chain management and consultancy service	100.00	100.00	100.00	Note 1
Shanghai Yikang	Yadi International Trading Co., (Shanghai) Ltd. (Shanghai Yadi)	Import and export business of goods and techniques	70.00	70.00	70.00	Note 1
	Lihuang Medical Devices (Shanghai) Co., Ltd. (Shanghai Lihuang)	Trading business of medical devices and equipment	69.97	69.97	69.97	Note 1
	Fenghuang Xingwah Shouzheng Health Management Co., Ltd. (Fenghuang Xingwah Shouzheng)	Medical devices manufacturing technology developing and consulting	75.00	75.00	75.00	Established in January 2021; Note 1
Dongguan Hua Gang	Guang Jou Shing Shian Medical Management Consulting Co., Ltd. (Guangjou Shing Shian)	Medical consulting	100.00	100.00	100.00	Note 1
Guangjou Shing Shian	Kaiping Huaxinkang Medical Service Co., Ltd. (Kaiping Huaxinkang)	Medical service	90.00	90.00	90.00	Established in March 2021; Note 1
Huaying Shenzhen	Xiamen Hua Chen Da Logistics Co., Ltd. (Xiamen Hua Chen Da)	Warehousing and logistics	70.00	70.00	70.00	Note 1
KS Corp.	KSA Energy Corporation (KSA Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
	KSB Energy Corporation (KSB Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
	Wah Lee Green Energy Corporation. (WL Green Corp.)	Renewable energy self-use power generation equipment business	-	-	-	Notes 1 and 3
WT Industrial	KSC Energy Corporation (KSC Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
	KSD Energy Corporation (KSD Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
	P.T. Wah Tech Indonesia (WT Indonesia)	Trading business of industrial materials	66.00	66.00	66.00	Note 1
Tranceed Logistics	Cyuan Cheng Logistics Co., Ltd. (Cyuan Cheng Logistics)	Freight forwarders and leasing business	100.00	100.00	100.00	Note 1

(Concluded)

Note 1: This is not a significant subsidiary; its financial statements were not reviewed.

Note 2: In September 2021, the Company's ownership percentage in KS Corp. increased to 78.67% as the Company acquired 27.67% equity from unrelated parties for \$192,669 thousand in cash.

Note 3: KS Corp. acquired 25% equity from an unrelated party for \$1,920 thousand in cash in January 2021. As the transaction did not change the control of the Group over WL Green Corp., the Group processed the equity transaction by reducing the capital surplus by \$409 thousand. WL Green Corp. had completed liquidation in April 2021.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2022	December 31, 2021	June 30, 2021
<hr/> Investments in associates <hr/>			
Material associates			
Chang Wah Electromaterials Inc.	\$ 3,284,421	\$ 3,194,774	\$ 2,365,682
Associates that are not individually material	<u>2,653,213</u>	<u>2,746,022</u>	<u>2,836,280</u>
	5,937,634	5,940,796	5,201,962
<hr/> Investments in joint ventures <hr/>			
Joint ventures that are not individually material	<u>21,299</u>	<u>15,938</u>	<u>4,000</u>
	<u>\$ 5,958,933</u>	<u>\$ 5,956,734</u>	<u>\$ 5,205,962</u>

Refer to Tables 7 and 8 for the main business and location of the investments accounted for using the equity method.

a. Material associates

Name of Associate	June 30, 2022	December 31, 2021	June 30, 2021
Chang Wah Electromaterials Inc. (CWE Inc.)	29.00%	28.71%	28.83%

In the first half of 2021, the Company's ownership percentage in CWE Inc. decreased as the bondholders of CWE Inc. converted the bonds into ordinary shares. Due to the change in ownership, the Company increased the capital surplus by \$144,813 thousand, transferred the unrealized gain on financial assets at FVTOCI of \$34,133 thousand to retained earnings and transferred exchange differences on translating the financial statements of foreign operations of \$3,121 thousand to loss on disposal of investments accounted for using the equity method.

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	June 30, 2022	December 31, 2021	June 30, 2021
CWE Inc.	<u>\$ 6,600,038</u>	<u>\$ 7,698,395</u>	<u>\$ 6,530,772</u>

The summarized financial information below represents amounts shown in the financial statements of CWE Inc. prepared for the equity accounting purpose:

	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	\$ 15,783,004	\$ 14,718,903	\$ 12,379,118
Noncurrent assets	16,842,979	15,589,692	13,747,124
Current liabilities	(11,065,162)	(8,323,087)	(8,486,035)
Noncurrent liabilities	<u>(5,699,617)</u>	<u>(7,264,541)</u>	<u>(7,201,365)</u>
Equity	15,861,204	14,720,967	10,438,842
Non-controlling interests	<u>(4,769,093)</u>	<u>(3,826,423)</u>	<u>(2,466,067)</u>
	<u>\$ 11,092,111</u>	<u>\$ 10,894,544</u>	<u>\$ 7,972,775</u>
Percentage of ownership held by the Group (%)	29.00	28.71	28.83
Equity attributable to the Group	\$ 3,216,994	\$ 3,127,347	\$ 2,298,255
Goodwill	<u>67,427</u>	<u>67,427</u>	<u>67,427</u>
Carrying amount	<u>\$ 3,284,421</u>	<u>\$ 3,194,774</u>	<u>\$ 2,365,682</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Operating revenue	<u>\$ 5,820,157</u>	<u>\$ 4,900,716</u>	<u>\$11,474,910</u>	<u>\$ 9,495,330</u>
Net profit for the period	\$ 931,104	\$ 473,204	\$ 1,850,149	\$ 817,182
Other comprehensive income for the period	<u>(1,134,789)</u>	<u>(87,806)</u>	<u>(1,014,154)</u>	<u>765,324</u>
Total comprehensive income for the period	<u>\$ (203,685)</u>	<u>\$ 385,398</u>	<u>\$ 835,995</u>	<u>\$ 1,582,506</u>
Cash dividends received	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,203</u>	<u>\$ 51,455</u>

As of June 30, 2022, December 31, 2021 and June 30, 2021, the Company's dividends receivable from CWE Inc. were \$320,602 thousand, \$75,203 thousand and \$201,330 thousand, respectively, recognized as other receivables - related parties.

b. Aggregate information of associates and joint ventures that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
The Group's share of				
Net profit for the period	\$ 62,918	\$ 89,808	\$ 132,132	\$ 200,763
Other comprehensive loss for the period	<u>(68,730)</u>	<u>(17,008)</u>	<u>17,728</u>	<u>(24,426)</u>
Total comprehensive income for the period	<u>\$ (5,812)</u>	<u>\$ 72,800</u>	<u>\$ 149,860</u>	<u>\$ 176,337</u>

c. Changes in investment in associates and joint ventures

- 1) In May 2021, KS Corp. invested \$44,820 thousand in Huahsuan Green Energy Co., Ltd. (HGE Co.), and as of June 30, 2022, KS Corp. held 64.99% equity of HGE Co. However, since the Group does not have control over HGE Co., the Group accounts for it as an associate.
 - 2) The Company sold all of its equity of Eco Energy Corp. to an unrelated party in September 2021 for \$97,840 thousand and recognized a gain on disposal of \$12,319 thousand, which included the transfer of capital surplus from long-term equity investments of \$14,950 thousand to the gain.
 - 3) KS Corp. sold all of its equity of Eco Energy Corp. to a related party, Open Sky Technology Corp., in September 2021 for \$97,840 thousand and recognized a gain on disposal of \$12,319 thousand, which included the transfer of capital surplus from long-term equity investments of \$14,950 thousand to the gain.
- d. The carrying values of investments accounted for using the equity method of \$2,097,193 thousand and \$2,226,416 thousand as of June 30, 2022 and 2021, respectively, and the share of the profit of associates and joint ventures recognized under the equity method of \$54,686 thousand, \$102,330 thousand, \$116,824 thousand and \$191,557 thousand for the three months and six months ended June 30, 2022 and 2021, respectively, were recognized based on unreviewed financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

For six months ended June 30, 2022

	Freehold Land	Buildings	Power Generation Equipment	Other Equipment	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 840,140	\$ 1,068,002	\$ 2,186,906	\$ 1,054,623	\$ 943,161	\$ 6,092,832
Additions	1,245,738	-	16,899	47,329	329,631	1,639,597
Disposals	-	-	-	(3,555)	(15,465)	(19,020)
Reclassified	-	-	653,374	(9,893)	(643,481)	-
Effect of foreign currency exchange differences	(5,042)	17,565	(29,497)	5,201	433	(11,340)
Balance at June 30, 2022	<u>\$ 2,080,836</u>	<u>\$ 1,085,567</u>	<u>\$ 2,827,682</u>	<u>\$ 1,093,705</u>	<u>\$ 614,279</u>	<u>\$ 7,702,069</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ -	\$ 358,728	\$ 296,830	\$ 696,470	\$ -	\$ 1,352,028
Depreciation expense	-	15,433	75,411	51,124	-	141,968
Disposals	-	-	-	(3,525)	-	(3,525)
Reclassified	-	-	4,808	(4,808)	-	-
Effect of foreign currency exchange differences	-	4,968	(7,256)	2,871	-	583
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 379,129</u>	<u>\$ 369,793</u>	<u>\$ 742,132</u>	<u>\$ -</u>	<u>\$ 1,491,054</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 840,140</u>	<u>\$ 709,274</u>	<u>\$ 1,890,076</u>	<u>\$ 358,153</u>	<u>\$ 943,161</u>	<u>\$ 4,740,804</u>
Carrying amount at June 30, 2022	<u>\$ 2,080,836</u>	<u>\$ 706,438</u>	<u>\$ 2,457,889</u>	<u>\$ 351,573</u>	<u>\$ 614,279</u>	<u>\$ 6,211,015</u>

For six months ended June 30, 2021

	Freehold Land	Buildings	Power Generation Equipment	Other Equipment	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 744,230	\$ 1,044,017	\$ 1,973,680	\$ 894,191	\$ 303,192	\$ 4,959,310
Additions	-	127	33,726	59,884	371,963	465,700
Disposals	-	-	(10,556)	(7,640)	-	(18,196)
Reclassified	-	7,733	-	4,964	-	12,697
Effect of foreign currency exchange differences	(5,472)	(7,631)	(32,010)	(3,400)	-	(48,513)
Balance at June 30, 2021	<u>\$ 738,758</u>	<u>\$ 1,044,246</u>	<u>\$ 1,964,840</u>	<u>\$ 947,999</u>	<u>\$ 675,155</u>	<u>\$ 5,370,998</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 326,536	\$ 208,522	\$ 638,674	\$ -	\$ 1,173,732
Depreciation expense	-	14,516	51,203	37,886	-	103,605
Disposals	-	-	(10,556)	(5,235)	-	(15,791)
Reclassified	-	4,992	-	2,013	-	7,005
Effect of foreign currency exchange differences	-	(2,196)	(5,695)	(2,559)	-	(10,450)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 343,848</u>	<u>\$ 243,474</u>	<u>\$ 670,779</u>	<u>\$ -</u>	<u>\$ 1,258,101</u>
Carrying amount at June 30, 2021	<u>\$ 738,758</u>	<u>\$ 700,398</u>	<u>\$ 1,721,366</u>	<u>\$ 277,220</u>	<u>\$ 675,155</u>	<u>\$ 4,112,897</u>

- a. Reconciliation of the additions to property, plant and equipment and the cash paid stated in the statements of cash flows is as follows:

	<u>For the Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>
Additions to property, plant and equipment	\$ 1,639,597	\$ 465,700
Increase (decrease) in prepayments for equipment	(16,899)	146,988
Increase in payables for equipment	(17,648)	(16,549)
Increase in provision	(11,492)	(5,428)
Capitalization interest and depreciation	<u>(4,497)</u>	<u>(4,173)</u>
Cash paid	<u>\$ 1,589,061</u>	<u>\$ 586,538</u>

- b. Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	
Office	20-63 years
Office interior decoration	5-11 years
Power generation equipment	7-20 years
Others	2-15 years

- c. On January 25, 2022, the board of directors approved the proposal to purchase the land located in the Zilong section of Jiali District, Tainan City from an unrelated party for \$1.2 billion to build the Southern Logistics Center. In May 2022, the transfer registration has been completed, but due to the statutory prohibition, the agricultural land rights were registered in the name of the related party, Tsun-Hsien Chang, who signed an agreement with the Group. The agreement stipulated that the related party will fully cooperate with the Group to transfer the agricultural land right to the Group or a specific person in the future free of charge. The agricultural land has been mortgaged to the Group with a maximum limit of \$200 million.

- d. Refer to Note 29 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

For six months ended June 30, 2022

	Land	Buildings	Other Equipment	Total
Balance at January 1, 2022	\$ 41,098	\$ 599,828	\$ 16,926	\$ 657,852
Additions	-	36,509	16,102	52,611
Depreciation expense	(1,366)	(49,461)	(6,033)	(56,860)
Lease modification	-	(99,429)	-	(99,429)
Effects of foreign currency exchange differences	<u>61</u>	<u>1,507</u>	<u>85</u>	<u>1,653</u>
Balance at June 30, 2022	<u>\$ 39,793</u>	<u>\$ 488,954</u>	<u>\$ 27,080</u>	<u>\$ 555,827</u>

For six months ended June 30, 2021

	Land	Buildings	Other Equipment	Total
Balance at January 1, 2021	\$ 30,216	\$ 585,551	\$ 8,478	\$ 624,245
Additions	-	26,206	14,156	40,362
Depreciation expense	(1,027)	(41,518)	(4,266)	(46,811)
Effects of foreign currency exchange differences	<u>(34)</u>	<u>(879)</u>	<u>(4)</u>	<u>(917)</u>
Balance at June 30, 2021	<u>\$ 29,155</u>	<u>\$ 569,360</u>	<u>\$ 18,364</u>	<u>\$ 616,879</u>

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amount			
Current	<u>\$ 102,419</u>	<u>\$ 95,358</u>	<u>\$ 80,875</u>
Noncurrent	<u>\$ 481,282</u>	<u>\$ 595,710</u>	<u>\$ 558,134</u>

Range of discount rate (%) for lease liabilities was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Land	1.85	1.85	1.85
Buildings	1.10-4.80	1.10-4.80	1.43-4.80
Other equipment	0.98-4.80	0.98-4.80	0.98-4.80

c. Material leasing activities and terms

The Group leases abovementioned subjects for the use of office and warehouse, for installation of power generation equipment, and transportation equipment, which will expire from August 2022 to March 2043. The Group does not have bargain purchase options to acquire the leasehold subjects at the end of the lease terms.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	\$ 33,345	\$ 26,692	\$ 59,373	\$ 54,312
Expenses relating to low-value asset leases	\$ 326	\$ 1,235	\$ 986	\$ 2,348
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 2,495	\$ 8,871	\$ 2,741	\$ 10,732
Total cash outflow for leases			\$ 119,997	\$ 106,928

The Group's leases of certain subjects qualify as short-term or low-value asset leases, and the Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. BORROWINGS

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Secured bank loans (Note 29)	\$ 906,695	\$ 996,221	\$ 293,550
Unsecured bank loans	<u>7,514,829</u>	<u>7,290,738</u>	<u>7,004,152</u>
	<u>\$ 8,421,524</u>	<u>\$ 8,286,959</u>	<u>\$ 7,297,702</u>
Annual interest rate (%)	0.56-4.05	0.53-3.85	0.53-5.31

b. Short-term bills payable

	June 30, 2022	December 31, 2021	June 30, 2021
Short-term bills payable			
China Bills Finance Corporation	\$ 30,000	\$ 30,000	\$ 130,000
Mega Bills Finance Corporation	<u>-</u>	<u>30,000</u>	<u>30,000</u>
	30,000	60,000	160,000
Less: Discount on short-term bills payable	<u>239</u>	<u>178</u>	<u>74</u>
	<u>\$ 29,761</u>	<u>\$ 59,822</u>	<u>\$ 159,926</u>
Annual interest rate (%)	1.79	1.64-1.79	0.40-1.79

c. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured borrowings			
Syndicated bank loans (Note 1)	\$ 1,497,822	\$ 1,298,149	\$ 1,797,981
Less: Syndicated loan fee	<u>2,160</u>	<u>2,880</u>	<u>3,600</u>
	1,495,662	1,295,269	1,794,381
Bank loans (Note 2)	<u>1,234,538</u>	<u>1,071,676</u>	<u>1,497,722</u>
	<u>2,730,200</u>	<u>2,366,945</u>	<u>3,292,103</u>
Secured borrowings (Note 29)			
Syndicated bank loans (Note 3)	1,361,861	1,205,724	1,013,386
Bank loans	1,134,282	373,316	552,758
Other loans	-	-	236
Less: Syndicated loan fee	<u>5,185</u>	<u>6,251</u>	<u>11,048</u>
	<u>2,490,958</u>	<u>1,572,789</u>	<u>1,555,332</u>
Less: Current portion	<u>131,281</u>	<u>376,940</u>	<u>402,659</u>
	<u>\$ 5,089,877</u>	<u>\$ 3,562,794</u>	<u>\$ 4,444,776</u>
Annual interest rate (%)			
Syndicated bank loans	0.80-1.97	0.62-1.85	0.66-1.85
Bank loans	0.88-2.99	0.88-1.69	0.87-1.43
Other loans	-	-	3.00
Expiration period			
Syndicated bank loans	2024.01-2024.10	2024.01-2024.10	2024.01-2024.10
Bank loans	2022.09-2037.06	2022.06-2037.06	2021.10-2037.06
Other loans	-	-	2021.08

Note 1: The Company signed a syndicated loan agreement with eleven banks led by Bank of Taiwan in December 2018. The main contents of the syndicated loan agreement are as follows:

- 1) The total amount of syndicated bank loans is \$3.6 billion, which is a medium-term cyclical loan and commercial paper issued with insurance quotation. The term of the loan is 5 years from the initial drawdown date (January 2019). Fractional reserve and debt recycling is available within the total amount of syndicated loans.
- 2) Pursuant to the bank loan agreement, the Group should maintain certain financial ratios which should be calculated based on audited annual consolidated financial statements. The Group had met the requirement as of December 31, 2021.

Note 2: Pursuant to certain bank loan agreements, the Group should maintain certain financial ratios which should be calculated based on audited annual and unreviewed semiannual consolidated financial statements. The Group had met the requirement as of June 30, 2022 and December 31, 2021.

Note 3: The subsidiaries KS Corp., KSA Corp. and KSB Corp. signed a syndicated loan agreement with five banks led by Bank SinoPac in September 2019, and the new borrowers, KSD Corp. and KSC Crop., were added in April 2021. The main contents of the syndicated loan agreement are as follows:

- 1) The total amount of syndicated bank loans is \$4 billion, divided into credit limit A, credit limit B and credit limit C, which are nonrevolving credit.
 - a) The total amount of credit limit A is \$2.628 billion, which has to be fully paid off in 36 months after the initial drawdown date.
 - b) The total amount of credit limit B is \$2.628 billion, the first repayment will be made 6 months after the initial drawdown date and subsequent repayment will be made every 3 months, for a total of 19 periods. The repaid amount for period 1 through period 19 is 34% of the principal and the repaid amount for period 19 is 66% of the principal. Application for extension is acceptable.
 - c) The total amount of credit limit C is \$1.715 billion, the first repayment will be made 3 months after the initial drawdown date and subsequent repayment will be made every three months, for a total of 20 periods. The repaid amount for period 1 through period 20 is 36% of the principal and the repaid amount for period 20 is 64% of the principal. Application for extension is acceptable.
- 2) Pursuant to bank loan agreements, each individual borrower should maintain certain financial ratios which should be calculated based on audited annual and unreviewed semiannual standalone financial statements. Each individual borrower had met the requirement as of June 30, 2022 and December 31, 2021.

17. BONDS PAYABLE

	June 30, 2022	December 31, 2021	June 30, 2021
3rd domestic unsecured convertible bonds	<u>\$ 1,983,389</u>	<u>\$ 1,972,752</u>	<u>\$ -</u>

In August 2021, the Company issued its 3rd domestic three-year unsecured zero-coupon convertible bonds with an aggregate principal amount of \$2,005,000 thousand (100.25% of the face value) and a par value of \$100 thousand per bond certificate.

Bondholders have the right to convert the bonds into ordinary shares of the Company at the current conversion price per share from three months after the issuance date to the maturity date, except during the book closure period. The conversion price at the time of issuance was \$105.3 per share. In the case of ex-right or ex-dividends, the conversion price shall be adjusted according to the conversion price adjustment formula. As of June 30, 2022, the conversion price was \$91.7 per share.

If the closing price of the Company's common shares continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Company has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the date 40 days prior to the maturity date.

The amount of the face value of the convertible bonds plus interest compensation (1.5075%) has to be fully paid off in cash by the Company on the maturity date.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options; the effective interest rate of liability component was 1.08%.

	Amounts
Proceeds from issuance (less transaction costs of \$5,307 thousand)	\$ 1,999,693
Redemption of options	200
Equity component	<u>(34,200)</u>
Liability component at the date of issue	1,965,693
Interest charged at an effective interest rate	<u>7,059</u>
Liability component at December 31, 2021	1,972,752
Interest charged at an effective interest rate for six months ended June 30, 2022	<u>10,637</u>
Liability component at June 30, 2022	<u><u>\$ 1,983,389</u></u>

18. NOTES AND ACCOUNTS PAYABLE

Notes and accounts payable (including related parties) are mainly related to operating activities. Trading conditions are negotiated separately. The Group has formulated a financial risk management policy, in order to ensure all payables are paid within the pre-agreed credit period, therefore no interest is required.

19. OTHER PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Payable for salaries and bonuses	\$ 589,265	\$ 587,407	\$ 705,264
Payable for employees' compensation and remuneration to directors	522,707	372,114	402,471
Payable for commission	69,793	98,082	43,642
Payable for freight	41,170	48,316	27,264
Payable for equipment	73,339	55,691	23,420
Payable for business tax	18,717	17,093	38,623
Others	<u>191,111</u>	<u>185,209</u>	<u>255,969</u>
	<u><u>\$ 1,506,102</u></u>	<u><u>\$ 1,363,912</u></u>	<u><u>\$ 1,496,653</u></u>

20. RETIREMENT BENEFIT PLANS

For the three months and six months ended June 30, 2022 and 2021, the pension expenses of defined benefit plan were \$833 thousand, \$310 thousand, \$1,667 thousand and \$1,331 thousand, respectively, and these were calculated based on the pension cost rate determine by the actuarial calculation on December 31, 2021 and 2020, respectively.

21. EQUITY

a. Share capital

	June 30, 2022	December 31, 2021	June 30, 2021
Number of authorized shares (in thousands)	<u>\$ 500,000</u>	<u>500,000</u>	<u>500,000</u>
Amount of authorized shares	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Number of issued and fully paid shares (in thousands)	<u>236,018</u>	<u>236,018</u>	<u>231,390</u>
Amount of issued and fully paid shares	<u>\$ 2,360,179</u>	<u>\$ 2,360,179</u>	<u>\$ 2,313,901</u>
			(Concluded)

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends. Based on the Company's articles of incorporation (the "Articles"), part of authorized shares can be issued as preferred shares.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of share capital	\$ 1,114,241	\$ 1,114,241	\$ 1,160,519
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	37,924	37,924	-
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition from associates accounted for using the equity method	403,129	1,808	1,808
Expired share options	22,374	22,374	22,374
Donations	11,867	11,867	11,867
May be used only to offset a deficit			
Share of changes in capital surplus of associates	446,276	467,878	281,369
May not be used for any purpose			
Share warrants	<u>34,200</u>	<u>34,200</u>	<u>-</u>
	<u>\$ 2,070,011</u>	<u>\$ 1,690,292</u>	<u>\$ 1,477,937</u>

Note: 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).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles before the amendment, 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 a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the Company's total issued capital, 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 the distribution of dividends and bonuses to shareholders. The common share dividends will be distributed after the distribution of preferred share dividends based on the Articles.

The amendments to the Articles which have been resolved in the meeting of shareholders held on May 27, 2022 provide that distributable dividends, bonuses, capital reserve and legal reserve in whole or in part may be paid in cash 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. However, the aforementioned distribution to be paid by issuing new shares shall be resolved by the meeting of shareholders.

The dividend policy of the Company is based on the current and future development plans, investment environment, capital requirements and competition in the domestic and foreign markets, as well as the benefits of shareholders, etc. The dividends to shareholders shall be not less than 10% of the distributable earnings each year, but if the distributable earnings are less than 1% of the Company's paid-in capital, the Company should not make appropriation for dividends. The dividends to shareholders can be paid in cash or/and issued shares, but cash dividends shall be not less than 50% of the total dividends.

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.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company. On the first-time adoption of IFRSs, the Company appropriated to the special reserve \$72,302 thousand.

The appropriations of earnings for 2021 and 2020 had been approved in the shareholders' meetings on May 27, 2022 and July 28, 2021, respectively; the amounts were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Legal reserve	\$ 298,157	\$ 183,957		
Special reserve	\$ (451,995)	\$ (343,469)		
Cash dividends to shareholders	\$ 1,604,922	\$ 1,018,117	\$ 6.8	\$ 4.4

As of July 28, 2021, the transfer of the amount of \$46,278 thousand from the capital surplus to share capital was approved in the shareholders' meeting, where share dividends equivalent to \$0.2 per share were issued, and capital increased by 4,628 thousand new ordinary shares.

As of June 30, 2022, the cash dividends of year 2021 had not been paid and recognized as dividends payable.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	<u>For the Six Months Ended June 30</u>	
	2022	2021
Balance at January 1	\$ (678,629)	\$ (583,633)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	219,154	(118,171)
Share from associates accounted for using the equity method	78,033	(35,832)
Income tax	(46,883)	24,846
Reclassification adjustment		
Share from the disposal of associates accounted for using the equity method	<u>-</u>	<u>3,121</u>
Balance at June 30	<u>\$ (428,325)</u>	<u>\$ (709,669)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	<u>For the Six Months Ended June 30</u>	
	2022	2021
Balance at January 1	\$ 494,006	\$ (52,985)
Recognized for the period		
Unrealized gain (loss) - equity instruments	(195,941)	88,497
Share from associates accounted for using the equity method	(354,585)	244,047
Income tax	(226)	(2,151)
Reclassification adjustment		
Share from the disposal of associates accounted for using the equity method	-	(34,133)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Share from associates accounted for using the equity method	<u>(58,162)</u>	<u>(149,328)</u>
Balance at June 30	<u>\$ (114,908)</u>	<u>\$ 93,947</u>

e. Non-controlling interests

	<u>For the Six Months Ended June 30</u>	
	2022	2021
Balance at January 1	\$ 2,018,519	\$ 2,030,451
Other comprehensive income during the period		
Net Profit	134,151	154,898
Exchange differences on translating the financial statements of foreign operations	35,499	(32,203)
Non-controlling interests arising from acquisition of subsidiaries	-	1,464
Acquisition of non-controlling interests in subsidiaries	<u>-</u>	<u>(1,511)</u>
Balance at June 30	<u>\$ 2,188,169</u>	<u>\$ 2,153,099</u>

22. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from sale of goods	\$ 17,985,056	\$ 16,559,068	\$ 37,174,739	\$ 32,591,599
Other operating revenue	<u>351,174</u>	<u>306,766</u>	<u>671,377</u>	<u>557,775</u>
	<u>\$ 18,336,230</u>	<u>\$ 16,865,834</u>	<u>\$ 37,846,116</u>	<u>\$ 33,149,374</u>

a. Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Notes receivable (including related parties)	\$ 2,409,456	\$ 1,787,044	\$ 1,991,911	\$ 2,406,695
Net accounts receivable (including related parties)	<u>16,615,306</u>	<u>16,871,481</u>	<u>15,293,169</u>	<u>15,225,203</u>
	<u>\$ 19,024,762</u>	<u>\$ 18,658,525</u>	<u>\$ 17,285,080</u>	<u>\$ 17,631,898</u>
Contract liabilities				
Sale of goods	<u>\$ 834,467</u>	<u>\$ 562,914</u>	<u>\$ 664,614</u>	<u>\$ 345,351</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the date the Group fulfills its performance obligation and the date the customer's payment is received. There are no significant changes for the six months ended June 30, 2022 and 2021.

Revenue recognized in the current reporting period from the contract liabilities at the beginning of the period was as follows:

	For the Six Months Ended June 30	
	2022	2021
Sale of goods	<u>\$ 425,267</u>	<u>\$ 261,204</u>

b. Disaggregation of revenue

Refer to Note 33 for information about the disaggregation of revenue.

23. NET PROFIT

The details of net profit were as follows:

a. Other income (Note 28)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Rental income	\$ 4,274	\$ 5,879	\$ 9,533	\$ 12,121
Consulting service income	7,231	3,722	12,654	7,630
Dividends	3,440	1,840	4,882	1,840
Government grants	22,795	40,876	23,117	40,876
Others	<u>10,843</u>	<u>8,572</u>	<u>22,023</u>	<u>19,764</u>
	<u>\$ 48,583</u>	<u>\$ 60,889</u>	<u>\$ 72,209</u>	<u>\$ 82,231</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Net gain of financial instruments at FVTPL	\$ 3,443	\$ 1,368	\$ 753	\$ 4,692
Loss on disposal of investment under the equity method	-	(3,121)	-	(3,121)
Net foreign exchange gain	47,122	13,459	100,554	795
Gain (loss) on disposals of property, plants and equipment	(15,351)	3,025	(15,221)	3,340
Loss provision (recognized) reversed	17,158	(15,551)	17,158	(15,551)
Others	<u>12,930</u>	<u>(8,006)</u>	<u>7,980</u>	<u>(17,316)</u>
	<u>\$ 65,302</u>	<u>\$ (8,826)</u>	<u>\$ 111,224</u>	<u>\$ (27,161)</u>

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on bank loans	\$ 55,178	\$ 35,284	\$ 98,380	\$ 78,325
Syndicated loan fee amortization	893	763	1,786	1,494
Interest on lease liabilities	3,148	3,641	7,117	7,432
Interest on convertible bonds	5,325	-	10,637	-

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Less: Amounts included in cost of qualifying assets	\$ 2,145	\$ 509	\$ 2,967	\$ 1,240
	<u>\$ 62,399</u>	<u>\$ 39,179</u>	<u>\$ 114,953</u>	<u>\$ 86,011</u>
Capitalized rate (%)	1.68-1.85	1.85	1.43-1.85	1.85 (Concluded)
d. Depreciation and amortization				
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Property, plant and equipment	\$ 71,685	\$ 52,686	\$ 141,968	\$ 103,605
Right-of-use assets	25,893	24,838	56,860	46,811
Intangible assets	10,481	10,644	21,048	20,410
Other noncurrent assets	526	598	1,082	1,222
Less: Amount included in cost of qualifying assets	<u>(1,912)</u>	<u>1,466</u>	<u>1,530</u>	<u>2,933</u>
	<u>\$ 110,497</u>	<u>\$ 87,300</u>	<u>\$ 219,428</u>	<u>\$ 169,115</u>
An analysis of depreciation by function				
Operating costs	\$ 67,017	\$ 48,490	\$ 132,297	\$ 93,612
Operating expenses	<u>32,473</u>	<u>27,568</u>	<u>65,001</u>	<u>53,871</u>
	<u>\$ 99,490</u>	<u>\$ 76,058</u>	<u>\$ 197,298</u>	<u>\$ 147,483</u>
An analysis of amortization by function				
Operating costs	\$ 2,333	\$ 2,393	\$ 4,697	\$ 4,815
Operating expenses	<u>8,674</u>	<u>8,849</u>	<u>17,433</u>	<u>16,817</u>
	<u>\$ 11,007</u>	<u>\$ 11,242</u>	<u>\$ 22,130</u>	<u>\$ 21,632</u>
e. Employee benefits expense				
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	<u>\$ 453,129</u>	<u>\$ 447,828</u>	<u>\$ 903,867</u>	<u>\$ 871,888</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Post-employment benefits (Note 20)				
Defined contribution plans	\$ 15,446	\$ 11,358	\$ 30,470	\$ 25,021
Defined benefit plans	<u>833</u>	<u>310</u>	<u>1,667</u>	<u>1,331</u>
	<u>16,279</u>	<u>11,668</u>	<u>32,137</u>	<u>26,352</u>
	<u>\$ 469,408</u>	<u>\$ 459,496</u>	<u>\$ 936,004</u>	<u>\$ 898,240</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 32,921	\$ 31,258	\$ 64,419	\$ 56,117
Operating expenses	<u>436,487</u>	<u>428,238</u>	<u>871,585</u>	<u>842,123</u>
	<u>\$ 469,408</u>	<u>\$ 459,496</u>	<u>\$ 936,004</u>	<u>\$ 898,240</u>

(Concluded)

f. Compensation of employees and remuneration to directors

The Company accrued compensation of employees and remuneration to directors at the rates between 9% and 13% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration to directors. For the three months and six months ended June 30, 2022 and 2021, the compensation of employees and the remuneration to directors were accrued as follows.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Estimated rate				
Compensation of employees (%)	9.02	9.28	9.00	9.25
Remuneration to directors (%)	1.15	1.19	1.14	1.18
Amounts				
Compensation of employees	<u>\$ 85,158</u>	<u>\$ 76,267</u>	<u>\$ 170,915</u>	<u>\$ 146,073</u>
Remuneration to directors	<u>\$ 10,881</u>	<u>\$ 9,745</u>	<u>\$ 21,839</u>	<u>\$ 18,665</u>

The appropriations of compensation of employees and remuneration to directors for 2021 and 2020 approved by the board of directors on March 22, 2022 and March 26, 2021, respectively, were as follows:

	For the Year Ended December 31			
	2021		2020	
	Withdrawal Rate (%)	Amount	Withdrawal Rate (%)	Amount
Compensation of employees paid in cash	9	\$ 329,953	9	\$ 210,798
Remuneration to directors paid in cash	1.15	42,161	1.15	26,935

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration to directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

24. INCOME TAX

- a. The major components of income tax expense recognized in profit or loss:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 181,154	\$ 173,157	\$ 369,785	\$ 345,862
Income tax on unappropriated earnings	81,479	-	81,479	-
Adjustments for prior periods	<u>(4,817)</u>	<u>9,722</u>	<u>(3,275)</u>	<u>12,083</u>
	257,816	182,879	447,989	357,945
Deferred tax				
In respect of the current period	<u>26,127</u>	<u>58,972</u>	<u>65,979</u>	<u>88,768</u>
	<u>\$ 283,943</u>	<u>\$ 241,851</u>	<u>\$ 513,968</u>	<u>\$ 446,713</u>

- b. Income tax benefit (expense) recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
<u>Deferred tax</u>				
In respect of the current period				
Unrealized loss on financial assets at FVTOCI	\$ (336)	\$ (258)	\$ (226)	\$ (2,151)
Translations of foreign operations	<u>22,168</u>	<u>19,203</u>	<u>(46,883)</u>	<u>24,846</u>
	<u>\$ 21,832</u>	<u>\$ 18,945</u>	<u>\$ (47,109)</u>	<u>\$ 22,695</u>

- c. Income tax assessments

The income tax returns of the Company and the domestic subsidiaries through 2020 have been assessed by the tax authorities.

25. EARNINGS PER SHARE (EPS)

The information of the change in basic and diluted EPS for the three months and six months ended June 30, 2021 that was adjusted retrospectively due to the issuance of bonus shares on September 10, 2021 was as follows:

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended June 30	For the Six Months Ended June 30	For the Three Months Ended June 30	For the Six Months Ended June 30
Basic EPS (NT\$)	<u>\$ 2.77</u>	<u>\$ 5.35</u>	<u>\$ 2.71</u>	<u>\$ 5.24</u>
Diluted EPS (NT\$)	<u>\$ 2.75</u>	<u>\$ 5.25</u>	<u>\$ 2.69</u>	<u>\$ 5.15</u>

Earnings and weighted average number of shares outstanding used in the computation of EPS were as follows:

a. Net profit for the period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Profit for the period attributable to owners of the Company	\$ 656,693	\$ 640,547	\$ 1,424,957	\$ 1,237,739
Convertible bonds	<u>6,125</u>	<u>-</u>	<u>11,637</u>	<u>-</u>
Net profit used in computation of diluted EPS	<u>\$ 662,818</u>	<u>\$ 640,547</u>	<u>\$ 1,436,594</u>	<u>\$ 1,237,739</u>

b. Weighted average number of shares outstanding (in thousands)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Weighted average number of shares outstanding used in computation of basic EPS	236,018	236,018	236,018	236,018
Effect of potentially dilutive shares				
Employees' compensation	2,025	1,875	3,374	4,206
Convertible bonds	<u>20,387</u>	<u>-</u>	<u>20,387</u>	<u>-</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>258,430</u>	<u>237,893</u>	<u>259,779</u>	<u>240,224</u>

The Company offers to settle the employees' compensation in cash or shares; thus, the Company assumes that the entire amount of the compensation will 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 EPS, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt and equity.

The key management personnel of the Group periodically reviews the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements, except those discussed in Note 16.

27. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values, except for bonds payable.

The carrying amount and fair value of the bonds payable on June 30, 2022, December 31, 2021 and June 30, 2021 were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amount	\$ 1,983,389	\$ 1,972,752	\$ -
Fair value	\$ 1,962,600	\$ 1,969,200	\$ -

The fair value of the bonds payable based on Level 3 fair value measurement was determined using the binomial option pricing model, where the significant and unobservable input was historical volatility.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 71,075	\$ -	\$ -	\$ 71,075
Structured deposits	-	253,903	-	253,903
Foreign exchange forward contracts	-	2,134	-	2,134
Redemption option of convertible bands	-	-	200	200
	<u>\$ 71,075</u>	<u>\$ 256,037</u>	<u>\$ 200</u>	<u>\$ 327,312</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 181,854	\$ 48,582	\$ -	\$ 230,436
Unlisted shares	-	-	495,065	495,065
Foreign listed shares	<u>22,887</u>	<u>-</u>	<u>-</u>	<u>22,887</u>
	<u>\$ 204,741</u>	<u>\$ 48,582</u>	<u>\$ 495,065</u>	<u>\$ 748,388</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 10</u> (Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 75,401	\$ -	\$ -	\$ 75,401
Structured deposits	-	86,867	-	86,867
Foreign exchange forward contracts	-	336	-	336
Redemption options of convertible bonds	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>
	<u>\$ 75,401</u>	<u>\$ 87,203</u>	<u>\$ 1,200</u>	<u>\$ 163,804</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 241,532	\$ 86,913	\$ -	\$ 328,445
Unlisted shares	-	-	592,407	592,407
Foreign listed shares	<u>23,477</u>	<u>-</u>	<u>-</u>	<u>23,477</u>
	<u>\$ 265,009</u>	<u>\$ 86,913</u>	<u>\$ 592,407</u>	<u>\$ 944,329</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 127</u>

June 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 75,065	\$ -	\$ -	\$ 75,065
Structured deposits	-	73,355	-	73,355
Foreign exchange forward contracts	-	404	-	404
	<u>\$ 75,065</u>	<u>\$ 73,759</u>	<u>\$ -</u>	<u>\$ 148,824</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 183,409	\$ 113,937	\$ -	\$ 297,346
Unlisted shares	-	-	558,362	558,362
Foreign listed shares	<u>37,266</u>	<u>-</u>	<u>-</u>	<u>37,266</u>
	<u>\$ 220,675</u>	<u>\$ 113,937</u>	<u>\$ 558,362</u>	<u>\$ 892,974</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>

There were no transfers between Level 1 and Level 2 for the six months ended June 30, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial assets

	<u>For the Six Months Ended June 30</u>	
	2022	2021
Balance at January 1	\$ 593,607	\$ 504,180
Purchases	5,000	60,000
Reduction of capital	(5,000)	(15,000)
Recognized in profit or loss	(1,000)	-
Recognized in other comprehensive income	<u>(97,342)</u>	<u>9,182</u>
Balance at June 30	<u>\$ 495,265</u>	<u>\$ 558,362</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Structured deposits	Based on the financial product information provided by financial institutions, the valuation method was based on the rate of return of the deposit principal and its linked targets.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
Derivative financial assets	The estimated future cash flows were based on the observable forward exchange rate at the end of the year and the exchange rate stipulated in the contract, and are discounted separately at rates that reflects the credit risk of each counterparty.
Emerging market shares	The fair value was assessed by reference to the transaction price supported by observable market prices.
	(Concluded)

4) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Investments in equity instruments

The fair value of the unlisted shares held by the Group was measured using the market approach based on the price-book ratio of comparable companies or by the latest net value of the investees.

b) Redemption options of convertible bonds

The fair value of redemption options of convertible bonds was determined using the binomial option pricing model where the significant and unobservable input was historical volatility.

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets			
FVTPL			
Mandatorily classified at FVTPL	\$ 327,312	\$ 163,804	\$ 148,824
FVTOCI			
Equity instruments	748,388	944,329	892,974
Measured at amortized cost (Note 1)	26,291,879	25,046,443	22,085,950
Financial liabilities			
FVTPL			
Held for trading	10	127	6
Measured at amortized cost (Note 2)	25,754,342	24,630,287	21,003,900

Note 1: Including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties) and other financial assets, etc.

Note 2: Including short-term borrowings, short-term bills payable, notes payable (including related parties), accounts payable (including related parties), other payables, long-term borrowings (including current portion), bonds payable and guarantee deposits received, etc.

d. Financial risk management objectives and policies

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude

of risks. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities expose it primarily to the market risks as follows:

a) Foreign currency risk

The Group had foreign currency trades, which exposed the Group to foreign currency risk, and the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the USD.

The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 1%. The sensitivity analysis included only the outstanding foreign currency denominated monetary items at the balance sheet date. Had the functional currency weakened (strengthened) by 1% against the USD, the pre-tax profit for the six months ended June 30, 2021 and 2020 would have been higher (lower) by \$9,331 thousand and lower (higher) by \$640 thousand, respectively.

b) Interest rate risk

The Group was exposed to interest rate risk because 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:

	June 30, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	\$ 2,939,436	\$ 2,912,045	\$ 918,471
Financial liabilities	8,640,971	7,267,678	6,115,950
Cash flow interest rate risk			
Financial assets	3,356,246	3,120,623	3,323,881
Financial liabilities	7,598,562	7,682,657	6,828,122

Sensitivity analysis

The sensitivity analysis below shows the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole reporting period.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2022 and 2021 would have been lower/higher by \$21,212 thousand and \$17,521 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities and mutual funds. The Group manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk was mainly concentrated on equity instruments of unlisted shares.

Sensitivity analysis

The sensitivity analysis below shows the exposure to equity price risk at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the six months ended June 30, 2022 and 2021 would have been higher/lower by \$711 thousand and \$751 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2022 and 2021 would have been higher/lower by \$7,484 thousand and \$8,930 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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. At the end of the reporting period, the Group's maximum exposure to credit risk could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and credit exposure is controlled by setting credit limits of counterparties annually.

The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

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.

Liquidity risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had 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 tables included both interest and principal cash flows. Specifically, liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of the counterparties 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 at the end of the reporting period.

	Less than 1 Year	1-5 Years	5-10 Years	10-20 Years	Total
<u>June 30, 2022</u>					
Non-interest bearing liabilities	\$ 11,701,014	\$ 2,418	\$ -	\$ -	\$ 11,703,432
Variable interest rate liabilities	5,371,914	2,358,734	23,129	-	7,753,777
Lease liabilities	113,015	249,031	131,044	146,772	639,862
Fixed interest rate liabilities	3,304,220	4,843,859	126,250	31,228	8,305,557
Financial guarantee contracts	<u>1,108,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108,159</u>
	<u>\$ 21,598,322</u>	<u>\$ 7,454,042</u>	<u>\$ 280,423</u>	<u>\$ 178,000</u>	<u>\$ 29,510,787</u>
<u>December 31, 2021</u>					
Non-interest bearing liabilities	\$ 10,368,386	\$ 2,634	\$ -	\$ -	\$ 10,371,020
Variable interest rate liabilities	5,758,191	1,890,859	149,835	43,138	7,842,023
Lease liabilities	107,058	262,270	170,891	241,940	782,159
Fixed interest rate liabilities	3,042,252	3,630,355	-	-	6,672,607
Financial guarantee contracts	<u>1,083,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083,487</u>
	<u>\$ 20,359,374</u>	<u>\$ 5,786,118</u>	<u>\$ 320,726</u>	<u>\$ 285,078</u>	<u>\$ 26,751,296</u>
<u>June 30, 2021</u>					
Non-interest bearing liabilities	\$ 8,698,174	\$ 2,063	\$ -	\$ -	\$ 8,700,237
Variable interest rate liabilities	4,668,852	1,363,260	591,017	320,652	6,943,781
Lease liabilities	92,586	255,610	164,885	222,847	735,928
Fixed interest rate liabilities	3,085,728	2,323,670	-	-	5,409,398
Financial guarantee contracts	<u>978,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>978,315</u>
	<u>\$ 17,523,655</u>	<u>\$ 3,944,603</u>	<u>\$ 755,902</u>	<u>\$ 543,499</u>	<u>\$ 22,767,659</u>

The amounts included above for financial guarantee contracts were the maximum amounts the Group could be required to settle under the arrangement with an option to demand the full guaranteed amount if that amount is claimed by the counterparty of the financial guarantee contract. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

The amounts included above for variable interest rate non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates at the end of the reporting period.

e. Transfers of financial assets

1) Recognition of notes receivable that had been transferred

The Group discounted commercial acceptance bills to banks and transferred a portion of commercial acceptance bills in China to some of its suppliers in order to settle the accounts payable to these banks or suppliers. If these commercial acceptance bills are not recoverable at maturity, banks or suppliers have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these commercial acceptance bills, it continues to recognize the full carrying amounts of these commercial acceptance bills and treats these commercial acceptance bills that have been transferred as collateral.

	June 30, 2022	December 31, 2021	June 30, 2021
Discounted to banks	<u>\$ 817,535</u>	<u>\$ 846,749</u>	<u>\$ 293,550</u>
Endorsement transfer to suppliers	<u>\$ 278,215</u>	<u>\$ 182,199</u>	<u>\$ 171,075</u>

2) Derecognition of notes receivable that had been transferred

The Group transferred a portion of its banker's acceptance bills in China to some of its suppliers in order to settle the accounts payable to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated accounts payable. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amount of the transferred but unsettled bills receivable, and as of June 30, 2022, December 31, 2021 and June 30, 2021, the face amount of these unsettled bills receivable were \$34,274 thousand, \$39,167 thousand and \$35,697 thousand, respectively. The unsettled bills receivable will be due in 1-6 months, and 1-7 months and 1-6 months. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair value of its continuing involvement is not significant.

For the six months ended June 30, 2022 and 2021, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

28. RELATED PARTY TRANSACTIONS

Except those discussed in Note 14, transactions between the Group and related parties were disclosed as follows:

a. Name of related parties and relation

Related Party	Relationship with the Group
CWE Inc.	Associate
Nagase Wahlee Plastics Corp.	Associate
Wah Hong Corp.	Associate
ORC Technology Corp.	Associate
ORC Electrical Machinery Corp.	Associate (Joint Venture)
Shanghai Hua Chang Trading Co., Ltd.	Associate
Xiamen JianYuan Rung Logistic Co., Ltd.	Associate
Eco Energy Corporation	Associate (became an unrelated party after selling shares in September 2021)
Huahsuan Green Energy Corp.	Associate
Shanghai Chang Wah Electromaterials Inc.	Associate's subsidiary
Chang Wah International Trade (Shenzhen) Co., Ltd.	Associate's subsidiary
Chang Wah Technology Co. Ltd.	Associate's subsidiary
SIP Chang Hong Optoelectronics Ltd.	Associate's subsidiary
Sun Hong Optronics Ltd.	Associate's subsidiary
Wah Ma Chemical Sdn. Bhd.	Associate's subsidiary

(Continued)

Related Party	Relationship with the Group
Chih-Yuan, Chen	Key management personnel
Bao Guang Investment Co., Ltd.	Key management personnel (Director of the Company)
Open sky Technology Corp.	Other related party (adopt equity method for subsidiaries before September 2021)
Welo-tech Corp.	Other related party (adopt equity method for subsidiaries)
Daily Polymer Corp.	Other related party
Asahi Kasei Wah Lee Hi-tech Corp.	Other related party
JingYi Technology Co.	Other related party
Forcera Materials Co., Ltd.	Other related party
Tien Li Offshore Wind Technology Co., Ltd.	Other related party
Taigene Biotechnology Co., Ltd.	Other related party
Sin Hao Co., Ltd.	Other related party
Raycon Industries Inc.	Other related party

(Concluded)

b. Operating transactions

1) Operating revenues

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Sale of goods				
Associates and their subsidiaries	\$ 97,087	\$ 87,887	\$ 215,253	\$ 190,494
Other related parties	<u>2,198</u>	<u>9,857</u>	<u>2,260</u>	<u>14,051</u>
	<u>\$ 99,285</u>	<u>\$ 97,744</u>	<u>\$ 217,513</u>	<u>\$ 204,545</u>
Other operating revenues				
Associates	\$ 10,210	\$ 3,191	\$ 16,089	\$ 6,019
Other related parties	<u>2,444</u>	<u>2,243</u>	<u>4,881</u>	<u>24,802</u>
	<u>\$ 12,654</u>	<u>\$ 5,434</u>	<u>\$ 20,970</u>	<u>\$ 30,821</u>

The selling prices and collection terms of sales to related parties were similar to third parties.

2) Purchase of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Associates and their subsidiaries	\$ 122,202	\$ 175,833	\$ 329,395	\$ 319,117
Other related parties	<u>374,291</u>	<u>335,700</u>	<u>738,960</u>	<u>660,562</u>
	<u>\$ 496,493</u>	<u>\$ 511,533</u>	<u>\$ 1,068,355</u>	<u>\$ 979,679</u>

The prices of purchases from related parties were made under arm's length terms and there were no similar transactions with third parties for comparison; payment terms were similar to third parties.

3) Operating expense

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Commission				
Associates and their subsidiaries	\$ -	\$ 405	\$ -	\$ 405
Other related parties	<u>-</u>	<u>52</u>	<u>35</u>	<u>87</u>
	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ 35</u>	<u>\$ 492</u>
Service expense				
Other related parties	<u>\$ 2,630</u>	<u>\$ 2,527</u>	<u>\$ 5,141</u>	<u>\$ 5,080</u>

4) Receivables from related parties

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Accounts receivable - related parties</u>			
Associates and their subsidiaries	\$ 109,074	\$ 114,154	\$ 88,957
Other related parties	<u>3,424</u>	<u>3,179</u>	<u>10,676</u>
	112,498	117,333	99,633
Less: Allowance for impairment loss	<u>214</u>	<u>138</u>	<u>93</u>
	<u>\$ 112,284</u>	<u>\$ 117,195</u>	<u>\$ 99,540</u>
<u>Other receivables - related parties</u>			
Associates and their subsidiaries			
CWE Inc.	\$ 320,602	\$ 75,203	\$ 201,330
Nagase Wahlee Plastics Corp.	172,239	224	104,033
Others	72,124	10,175	2,821
Other related parties	<u>274</u>	<u>696</u>	<u>5,388</u>
	<u>\$ 565,239</u>	<u>\$ 86,298</u>	<u>\$ 313,572</u>

The outstanding receivables from related parties are unsecured. Other receivables - related parties included dividends receivable.

5) Payables to related parties

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Notes payable - related parties</u>			
Associates	\$ <u>-</u>	\$ <u>-</u>	\$ <u>779</u>
<u>Accounts payable - related parties</u>			
Associates and their subsidiaries	\$ 101,442	\$ 144,638	\$ 143,992
Other related parties	<u>251,996</u>	<u>423,243</u>	<u>241,969</u>
	<u>\$ 353,438</u>	<u>\$ 567,881</u>	<u>\$ 385,961</u>
<u>Other payables</u>			
Associates	\$ -	\$ 2,432	\$ -
Other related parties	<u>698</u>	<u>445</u>	<u>5,440</u>
	<u>\$ 698</u>	<u>\$ 2,877</u>	<u>\$ 5,440</u>

The outstanding payables to related parties are unsecured.

6) Contract liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Related Party Category			
Associates	\$ <u>-</u>	\$ <u>-</u>	\$ <u>27,872</u>

c. Acquisitions of property, plant and equipment - only for the six months ended June 30, 2021

	For the Three Months Ended June 30, 2021	For the Six Months Ended June 30, 2021
Related Party Category		
Associates		
Eco Energy Corporation	\$ 6,030	\$ 19,924
ORC Technology Corp.	<u>127,104</u>	<u>127,104</u>
	<u>\$ 133,134</u>	<u>\$ 147,028</u>

The purchase price of the real estate purchased from ORC Technology Corp. was determined based on the independent professional appraisal report.

d. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Associates	\$ 5,604	\$ 3,658	\$ 9,422	\$ 5,116
Other related parties	865	709	1,719	1,464
Key management personnel	<u>11</u>	<u>-</u>	<u>35</u>	<u>24</u>
	<u>\$ 6,480</u>	<u>\$ 4,367</u>	<u>\$ 11,176</u>	<u>\$ 6,604</u>

Other income included rental income, consulting service income and endorsement income, etc.

e. Endorsements and guarantees

Related Party Category	June 30, 2022	December 31, 2021	June 30, 2021
Associates and their subsidiaries			
Amount endorsed	<u>\$ 1,732,124</u>	<u>\$ 1,422,096</u>	<u>\$ 1,385,652</u>
Amount utilized	<u>\$ 1,073,885</u>	<u>\$ 1,044,320</u>	<u>\$ 942,618</u>
Other related parties			
Amount endorsed	<u>\$ 25,194</u>	<u>\$ 25,194</u>	<u>\$ 25,194</u>
Amount utilized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

f. Remuneration of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 35,391	\$ 34,430	\$ 74,995	\$ 70,783
Post-employment benefits	<u>133</u>	<u>203</u>	<u>330</u>	<u>407</u>
	<u>\$ 35,524</u>	<u>\$ 34,633</u>	<u>\$ 75,325</u>	<u>\$ 71,190</u>

The remuneration of directors and other key management was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL

The Group provided the following assets as collateral for part of borrowings and performance guarantee.

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	\$ 1,095,750	\$ 1,028,948	\$ 464,625
Other financial assets - current	3,694	2,000	2,000
Other financial assets - noncurrent	114,482	109,392	90,034

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Property, plant and equipment			
Freehold land	\$ 1,702,760	\$ 457,022	\$ 457,022
Buildings	454,748	396,944	402,813
Power generation equipment	1,670,944	1,613,580	1,420,769
Other	<u>6,320</u>	<u>-</u>	<u>180</u>
	<u>\$ 5,048,698</u>	<u>\$ 3,607,886</u>	<u>\$ 2,837,443</u>
			(Concluded)

In addition to the above assets as collateral, the Group also provided the shares of some subsidiaries as collateral for borrowings, please refer to Table 2.

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of June 30, 2022 were as follows:

- The Group's unused letters of credit for purchase of merchandise amounted to \$510,340 thousand.
- The unrecognized commitments for acquisition of property, plant and equipment was \$326,917 thousand.
- Company A filed a lawsuit with the Taipei District Court against KS Corp. for failing to fulfill its obligation of placing orders under a purchase agreement and demanded compensation of \$50,363 thousand. In October 2020, a judgment entered in the first instance was announced that Company A won the case; KS Corp. appealed and recognized the related loss provision of \$50,363 thousand in 2021. As of the date the consolidated financial statements were authorized for issue, the case is still under trial, and the outcome of the final trial is highly uncertain.
- Company B filed a letter to KS Corp. in November 2020 to terminate a lease agreement, requested KS Corp. to pay a default penalty of \$41,704 thousand and confiscate the guarantee deposit. KS Corp., based on the advice from the legal counsel, believed that there were unavoidable reasons for it to waive the default penalty. Therefore, KS Corp. derecognized the aforementioned guarantee deposit and related construction in progress and recorded losses in 2020, but no loss related to the default penalty was recognized. In addition, KS Corp. has filed a lawsuit against the request of company B.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency Amount	Exchange Rate	Carrying Amount
June 30, 2022			
Monetary financial assets			
USD	\$ 268,969	29.72 (USD:NTD)	\$ 7,993,764
USD	33,965	7.8458 (USD:HKD)	1,009,437
USD	27,384	6.7031 (USD:RMB)	813,839
USD	1,024	23,587.30 (USD:VND)	30,422
USD	2,076	35.09 (USD:THB)	61,712
			(Continued)

	Foreign Currency Amount	Exchange Rate		Carrying Amount
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	\$ 13,767	29.72	(USD:NTD)	\$ 409,161
RMB	217,061	4.4338	(RMB:NTD)	962,399
RMB	1,603,437	1.1705	(RMB:HKD)	7,109,269
JPY	542,167	0.2182	(JPY:NTD)	118,301
HKD	2,126,405	3.7880	(HKD:NTD)	8,054,821
THB	246,314	0.8469	(THB:NTD)	208,603
Monetary financial liabilities				
USD	257,117	29.72	(USD:NTD)	7,641,529
USD	12,029	7.8458	(USD: HKD)	357,512
USD	19,856	6.7031	(USD: RMB)	590,130
USD	10,386	23,587.30	(USD: VND)	308,679
USD	2,631	35.09	(USD: THB)	78,193
<hr/> December 31, 2021 <hr/>				
Monetary financial assets				
USD	292,094	27.68	(USD:NTD)	8,085,151
USD	36,294	7.7994	(USD:HKD)	1,004,607
USD	22,031	6.3730	(USD:RMB)	609,806
USD	1,593	23,066.67	(USD:VND)	44,091
USD	1,161	33.16	(USD:THB)	32,132
Nonmonetary financial assets				
Investments accounted for using the equity method				
USD	12,820	27.68	(USD:NTD)	354,854
RMB	204,192	4.3433	(RMB:NTD)	886,869
RMB	1,509,154	1.2238	(RMB:HKD)	6,556,083
JPY	514,233	0.2405	(JPY:NTD)	123,673
HKD	2,082,458	3.5490	(HKD:NTD)	7,391,983
THB	223,415	0.8347	(THB:NTD)	186,484
Monetary financial liabilities				
USD	290,212	27.68	(USD:NTD)	8,033,055
USD	19,581	7.7994	(USD:HKD)	541,991
USD	23,049	6.3730	(USD:RMB)	638,007
USD	9,090	23,066.67	(USD:VND)	251,602
USD	1,940	33.16	(USD:THB)	53,705
<hr/> June 30, 2021 <hr/>				
Monetary financial assets				
USD	255,029	27.86	(USD:NTD)	7,105,110
USD	40,046	7.7669	(USD:HKD)	1,115,668
USD	24,978	6.4565	(USD:RMB)	695,900
USD	1,488	23,216.67	(USD:VND)	41,446
USD	988	31.86	(USD:THB)	27,800
(Continued)				

(Continued)

	Foreign Currency Amount		Exchange Rate	Carrying Amount
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	\$ 12,490	27.86	(USD:NTD)	\$ 347,981
RMB	184,650	4.315	(RMB:NTD)	796,770
RMB	1,412,273	1.203	(RMB:HKD)	6,094,001
JPY	498,447	0.2521	(JPY:NTD)	125,659
HKD	1,919,351	3.587	(HKD:NTD)	6,884,713
THB	213,288	0.8744	(THB:NTD)	186,499
Monetary financial liabilities				
USD	262,241	27.86	(USD:NTD)	7,306,024
USD	24,679	7.7669	(USD: HKD)	687,553
USD	24,886	6.4565	(USD: RMB)	693,325
USD	11,659	23,216.67	(USD: VND)	324,821
USD	1,371	31.86	(USD: THB)	38,183
(Concluded)				

For the three months and six months ended June 30, 2022 and 2021, realized and unrealized foreign exchange were net gain \$47,122 thousand, \$13,459 thousand, \$100,554 thousand and \$795 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

32. ADDITIONAL DISCLOSURES

a. Information about significant transactions

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: Table 2
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 4
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6
- 9) Trading in derivative instruments: Note 7, in addition, the Group incurred a net gain of \$3,789 thousand on foreign exchange forward contracts for the six months ended June 30, 2022.

10) Intercompany relationships and significant intercompany transactions: Table 10

b Information on investees: Table 7

c. 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, 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 8
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 9
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 9
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

The Company's other significant transactions with investee companies in mainland China for the six months ended and as of June 30, 2022 were as follow:

Trade Partners	Account	Amount
Shanghai Yikang	Other income	\$ 14,220
Shanghai Yikang	Commission expenses	71,527
Shanghai Yikang	Other receivables	42,278
Shanghai Yikang	Other payables	53,808

- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 11.

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is distinguished by operating area and categories of merchandise and service. The Group's reportable segments were as follows:

- Wah Lee Industrial Corporation (“Wah Lee”) is mainly engaged in the import/export and agency business of composite materials, engineering plastic, printed circuit board, semiconductor, and computer related manufacturing materials and equipment.
- Raycong H.K., Dongguan Hua Gang and its subsidiary (“Raycong”) are mainly engaged in the trade of engineering plastic, composite materials and equipment.
- Shanghai Yikang and its subsidiary (“Yikang”) are mainly engaged in trade of manufacturing materials and import/export business.
- Others - Other subsidiaries which were below the quantitative threshold were not listed as reportable segments. Please refer to Note 12 for details.

Segment revenues and results

The following was an analysis of the Group’s revenue and results from operations by reportable segment:

	Wah Lee	Raycong	Yikang	Others	Adjustment and Elimination	Total
For the six months ended June 30, 2022						
Revenue from external customers	\$ 21,270,973	\$ 6,897,335	\$ 7,154,167	\$ 2,523,641	\$ -	\$ 37,846,116
Inter-segment revenue	<u>1,528,800</u>	<u>56,361</u>	<u>173,135</u>	<u>51,927</u>	<u>(1,810,223)</u>	<u>-</u>
Segment revenue	<u>\$ 22,799,773</u>	<u>\$ 6,953,696</u>	<u>\$ 7,327,302</u>	<u>\$ 2,575,568</u>	<u>\$ (1,810,223)</u>	<u>\$ 37,846,116</u>
Segment income	\$ 559,055	\$ 259,487	\$ 464,803	\$ 151,387	\$ 64,408	\$ 1,499,140
Interest income	386	5,930	41,398	811	(10)	48,515
Other income	110,054	3,995	28,861	6,269	(76,970)	72,209
Other gains and losses	112,129	(8,807)	6,141	(800)	2,561	111,224
Finance costs	<u>(50,942)</u>	<u>(9,982)</u>	<u>(25,194)</u>	<u>(29,561)</u>	<u>726</u>	<u>(114,953)</u>
Profit before income tax	730,682	250,623	516,009	128,106	(9,285)	1,616,135
Income tax expense	<u>(301,588)</u>	<u>(55,867)</u>	<u>(131,234)</u>	<u>(25,416)</u>	<u>137</u>	<u>(513,968)</u>
Net profit after tax	<u>\$ 429,094</u>	<u>\$ 194,756</u>	<u>\$ 384,775</u>	<u>\$ 102,690</u>	<u>\$ (9,148)</u>	<u>1,102,167</u>
Share of profit or loss of associates under the equity method						<u>456,941</u>
Consolidated net profit						<u>\$ 1,559,108</u>
June 30, 2022						
Identifiable assets	<u>\$ 19,996,237</u>	<u>\$ 6,826,412</u>	<u>\$ 10,271,381</u>	<u>\$ 6,588,980</u>	<u>\$ (787,378)</u>	<u>\$ 42,895,632</u>
Goodwill						112,370
Investment accounted for using the equity method						<u>5,958,933</u>
Total assets						<u>\$ 48,966,935</u>

(Continued)

	Wah Lee	Raycong	Yikang	Others	Adjustment and Elimination	Total
<u>For the six months ended June 30, 2021</u>						
Revenue from external customers	\$ 17,324,391	\$ 7,037,514	\$ 6,716,458	\$ 2,071,011	\$ -	\$ 33,149,374
Inter-segment revenue	<u>1,956,661</u>	<u>30,464</u>	<u>130,975</u>	<u>109,621</u>	<u>(2,227,721)</u>	<u>-</u>
Segment revenue	<u>\$ 19,281,052</u>	<u>\$ 7,067,978</u>	<u>\$ 6,847,433</u>	<u>\$ 2,180,632</u>	<u>\$ (2,227,721)</u>	<u>\$ 33,149,374</u>
Segment income	\$ 410,013	\$ 333,040	\$ 521,689	\$ 164,326	\$ 54,767	\$ 1,483,835
Interest income	384	3,701	9,170	774	-	14,029
Other income	89,424	1,872	51,015	2,417	(62,497)	82,231
Other gains and losses	(40,218)	5,420	3,900	3,737	-	(27,161)
Finance costs	<u>(31,693)</u>	<u>(18,030)</u>	<u>(13,913)</u>	<u>(22,375)</u>	<u>-</u>	<u>(86,011)</u>
Profit before income tax	427,910	326,003	571,861	148,879	(7,730)	1,466,923
Income tax expense	<u>(177,321)</u>	<u>(84,693)</u>	<u>(155,665)</u>	<u>(29,012)</u>	<u>(22)</u>	<u>(446,713)</u>
Net profit after tax	<u>\$ 250,589</u>	<u>\$ 241,310</u>	<u>\$ 416,196</u>	<u>\$ 119,867</u>	<u>\$ (7,752)</u>	\$ 1,020,210
Share of profit or loss of associates under the equity method						<u>372,427</u>
Consolidated net profit						<u>\$ 1,392,637</u>
<u>June 30, 2021</u>						
Identifiable assets	<u>\$ 16,917,224</u>	<u>\$ 7,067,885</u>	<u>\$ 6,882,973</u>	<u>\$ 5,675,716</u>	<u>\$ (996,384)</u>	\$ 35,577,414
Goodwill						111,389
Investment accounted for using the equity method						<u>5,205,962</u>
Total assets						<u>\$ 40,894,765</u> (Concluded)

Segment profit represented the profit before tax earned by each segment without share of profits of associates. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than interests in associates accounted for using the equity method.

TABLE 1

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE SIX MONTHS ENDED JUNE 30, 2022 (In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance (Note 1)	Actual Amount Drawn (Notes 1 and 4)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-Term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 2 and 3)	Aggregate Financing Limit (Notes 2 and 3)	Note
													Item	Value			
0	The Company	KS Corp.	Other receivables - related parties	Yes	\$ 150,000	\$ 150,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	\$ -	\$ -	\$ 249,511	\$ 1,559,761	
1	Shanghai Yikang	Fenghuang Xingwah Shouzheng	Other receivables - related parties	Yes	18,060	17,735	11,006	5.92	Short-term financing	-	Operating capital	-	-	-	1,694,348	1,694,348	
1	Shanghai Yikang	Shanghai Yadi	Other receivables - related parties	Yes	111,520	110,845	62,073	5.10	Short-term financing	-	Operating capital	-	-	-	1,694,348	1,694,348	
2	Shenzhen Huaying	Xiamen Hua Chen Da	Other receivables - related parties	Yes	9,030	8,868	3,547	4.00	Short-term financing	-	Operating capital	-	-	-	65,368	65,368	
3	Dongguan Hua Gang	Guangjou Shing Shian	Other receivables - related parties	Yes	22,575	22,169	17,735	4.00	Short-term financing	-	Operating capital	-	-	-	881,369	881,369	

Note 1: RMB is converted by the spot exchange RMB1 = NT\$4.4338.

Note 2: The aggregate financing limit for the subsidiaries in need of short-term financing shall not exceed 10% of the Company's equity; the financing limit for each counterparty shall not exceed 5% of the Company's equity and shall not exceed 40% of each counterparty's equity.

Note 3: The individual and aggregate financing limit for the subsidiaries included in the consolidated financial statements of the parent company shall not exceed 30% of the financing company's equity.

Note 4: It was eliminated on consolidation.

TABLE 2

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)**

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement /Guarantee Given on Benefit of Each Party (Notes 1-5)	Maximum Amount Endorsed /Guaranteed During the Period	Outstanding Endorsement /Guarantee at The End of the Period (Note 6)	Actual Borrowing Amount (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1-5)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Relationship											
0	The Company	WL Singapore	Subsidiary of the Company	\$ 4,679,282	\$ 812,950	\$ 490,380	\$ 89,160	\$ -	3.14	\$15,597,605	Y	N	N	
0	The Company	WL Vietnam	Subsidiary of the Company	4,679,282	466,604	466,604	198,540	-	2.99	15,597,605	Y	N	N	
0	The Company	Sakuragawa Solar Ltd.	Subsidiary of the Company	3,119,521	70,683	63,417	55,168	-	0.41	15,597,605	Y	N	N	
0	The Company	Miyazaki Solar Ltd.	Subsidiary of the Company	3,119,521	210,261	188,647	179,370	-	1.21	15,597,605	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	3,119,521	59,440	59,440	20,804	-	0.38	15,597,605	Y	N	N	
0	The Company	KS Corp.	Subsidiary of the Company	3,119,521	277,081	277,081	277,081	277,081	1.78	15,597,605	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yikang and Dongguan Hua Gang	Subsidiary of the Company	3,119,521	120,000	120,000	96,733	-	0.77	15,597,605	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	3,119,521	138,533	92,132	7,736	-	0.59	15,597,605	Y	N	N	
0	The Company	Shanghai Yikang	Subsidiary of the Company	3,119,521	147,375	-	-	-	-	15,597,605	Y	N	Y	
0	The Company	WT Industrial	Subsidiary of the Company	3,119,521	405,475	396,349	192,966	-	2.54	15,597,605	Y	N	N	
0	The Company	Nagase Wahlee Plastics Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	3,119,521	1,390,000	790,000	400,266	-	5.06	15,597,605	N	N	N	
0	The Company	Shanghai Hua Chang Trading Co., Ltd.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	3,119,521	1,720,735	942,124	673,619	-	6.04	15,597,605	N	N	Y	
0	The Company	Asahi Kasei Wah Lee Hi-tech Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	3,119,521	50,388	25,194	-	-	0.16	15,597,605	N	N	N	
1	Shanghai Yikang	Shanghai Yadi	Subsidiary of the Company	1,129,566	126,420	124,146	48,360	-	2.20	2,823,914	Y	N	Y	
2	KS Corp.	KSA Corp.	Subsidiary of the Company	2,113,128	500,000	500,000	137,525	61,300	80.16	3,521,880	Y	N	N	
2	KS Corp.	KSA Corp.	Subsidiary of the Company	176,094	1,382	1,382	1,025	-	0.22	352,188	Y	N	N	

(Continued)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement /Guarantee Given on Benefit of Each Party (Notes 1-5)	Maximum Amount Endorsed /Guaranteed During the Period	Outstanding Endorsement /Guarantee at The End of the Period (Note 6)	Actual Borrowing Amount (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1-5)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Relationship											
2	KS Corp.	KSB Corp.	Subsidiary of the Company	\$ 2,113,128	\$ 200,000	\$ 200,000	\$ 16,701	\$ 11,130	32.06	\$ 3,521,880	Y	N	N	
2	KS Corp.	KSC Corp.	Subsidiary of the Company	2,113,128	1,500,000	1,500,000	-	1,000	240.47	3,521,880	Y	N	N	
2	KS Corp.	KSD Corp.	Subsidiary of the Company	2,113,128	500,000	500,000	193,170	67,000	80.16	3,521,880	Y	N	N	
3	Dongguan Hua Gang	Guangjou Shing Shian	Subsidiary of the Company	881,369	182,270	182,270	57,353	-	6.20	1,468,948	Y	N	Y	
4	Raycong H.K.	Xiamen Hua Chen Da	Subsidiary of the Company	1,610,964	29,720	29,720	8,782	-	0.37	4,027,411	Y	N	Y	

(Concluded)

- Note 1: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of the Company. If the Company directly or indirectly holds 100% of the equity of the endorsee or guarantee, the limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of the Company. The maximum total amount of endorsement/guarantee shall not exceed 100% of the equity of the Company.
- Note 2: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Shanghai Yikang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Shanghai Yikang.
- Note 3: The limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of Dongguan Hua Gang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Dongguan Hua Gang.
- Note 4: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Raycong H.K.. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Raycong H.K..
- Note 5: The limit on endorsement/guarantee given to each party, based on the construction project, shall not exceed 600% of the paid-in capital of KS Corp.; the maximum total amount of endorsement/guarantee shall not exceed 1000% of the paid-in capital of KS Corp. The limit on endorsement/guarantee given to each party, not based on the construction project, shall not exceed 50% of the paid-in capital of KS Corp. The total amount of endorsement/guarantee shall not exceed 100% of the paid-in capital of KS Corp.
- Note 6: USD is converted by spot exchange USD1=NT\$29.72; JPY is converted by spot exchange JPY1=NT\$0.2182; RMB is converted by spot exchange RMB=NT\$4.4338; THB is converted by spot exchange THB1=NT\$0.8469; HKD is converted by spot exchange HKD1=NT\$3.788.

TABLE 3**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****JUNE 30, 2022****(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	JUNE 30, 2022				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	Chang Wah Technology Co. Ltd.	Associate's subsidiary	Financial assets at FVTOCI - current	2,000,000	<u>\$ 150,400</u>	-	<u>\$ 150,400</u>	
	Daily Polymer Corp.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	2,154,410	\$ 31,454	3.01	\$ 31,454	
	Wah Yuen Technology Holding Limited	-	Financial assets at FVTOCI - noncurrent	1,968,180	78,290	0.75	78,290	
	JingYi Technology Co.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	2,066,432	79,414	16.94	79,414	
	High Power Optoelectronics Inc.	-	Financial assets at FVTOCI - noncurrent	67,991	-	0.12	-	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	9,497	74,907	19.38	74,907	
	Forcera Materials Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	2,102,476	33,022	8.83	33,022	
	Univision Technology Holdings	-	Financial assets at FVTOCI - noncurrent	38,794,190	-	9.10	-	
	Minima Technology Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	3,600,000	60,061	9.17	60,061	
	TaiGene Biotechnology Co., Ltd.	The Company is the supervisor of the company	Financial assets at FVTOCI - noncurrent	2,300,000	11,135	6.57	11,135	
	Shilian Fine Chemicals Co., Ltd.	-	Financial assets at FVTOCI - noncurrent	11,871,585	56,562	4.57	56,562	
	CDIB Capital Group.	-	Financial assets at FVTOCI - noncurrent	3,000,000	39,225	2.86	39,225	
	Darco Water Technologies Ltd.	-	Financial assets at FVTOCI - noncurrent	7,649,782	22,887	8.15	22,887	
	Eleocom Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	1,500,000	-	10.71	-	
	Tien Li Offshore Wind Technology Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	956,344	48,582	1.47	48,582	
	Locus Cell Co., Ltd.	-	Financial assets at FVTOCI - noncurrent	5,000,000	48,604	2.50	48,604	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	JUNE 30, 2020				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
SHC Holding Ltd.	Phoenix II Venture Capital Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - noncurrent	1,000,000	\$ 8,969	2.34	\$ 8,969	
	Hong Yi Industrial Corp.	-	Financial assets at FVTOCI - noncurrent	500,000	4,876	16.67	4,876	
					<u>\$ 597,988</u>		<u>\$ 597,988</u>	
	Guangzhou Yonguang Optoelectronics Co., Ltd.	-	Financial assets at FVTOCI - noncurrent	-	\$ -	12.82	\$ -	
Wah Lee Holding Ltd.	Mutual funds							
	JPMorgan Funds-Multi-Revenue Fund-A (acc) - USD	-	Financial assets at FVTPL - current	7,737	\$ 44,974	-	\$ 44,974	
	JPMorgan Funds-Income Fund A (dist) - USD	-	Financial assets at FVTPL - current	29,187	26,101	-	26,101	
					<u>\$ 71,075</u>		<u>\$ 71,075</u>	

(Concluded)

TABLE 4

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer if Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
The Company	13 parcels of lands in Jiali District	2022.01.25	\$ 1,200,000	Fully paid	Natural person	Unrelated party	Not applicable	Not applicable	Not applicable	\$ -	Based on an expert appraiser's appraisal report reviewed by a Certified Public Accountant	Land for construction of southern logistics center for operational needs	No

TABLE 5

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			(Purchase) Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Raycong H.K.	Subsidiary	Sales	\$ 318,293	1	30 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	\$ 99,791	1	Note
	Shanghai Yikang	Subsidiary	Sales	490,053	1	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	213,852	2	Note
	Dongguan Hua Gang	Subsidiary	Sales	358,795	1	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	50,105	-	Note
	WL Vietnam	Subsidiary	Sales	102,358	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	60,423	1	Note
	CWE Inc.	Associate accounted for using the equity method	Sales	142,670	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	73,803	1	
	Nagase Wahlee Plastics.	Associate accounted for using the equity method	Purchase	(133,614)	(1)	60 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(31,755)	(1)	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the Company	Purchase	(659,518)	(3)	105 days after monthly closing	No comparable transactions with third party	The terms with related parties are not significantly different from those with third parties	(219,172)	(5)	
Raycong H.K.	Dongguan Hua Gang	Subsidiary	Sales	319,390	14	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	138,552	11	Note

Note: It was eliminated on consolidation.

TABLE 6**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****JUNE 30, 2022****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Shanghai Yikang	Subsidiary	\$ 256,130	4.20	\$ -		\$ 148,495	\$ -
	Raycong H.K.	Subsidiary	143,417	2.91	-		58,834	-
	CWE Inc.	Associate accounted for using the equity method	394,405	1.06	-		361,734	-
	Nagase Wahlee Plastics	Associate accounted for using the equity method	172,564	0.02	-		448	-
Raycong H.K.	Dongguan Hua Gang	Subsidiary	138,552	6.26	-		-	-

Note 1: Including accounts receivable and other receivables. Other receivables are mainly service revenue and dividends from related parties.

Note 2: Receivables from subsidiary were eliminated on consolidation.

TABLE 7**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES****INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)**

Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of Shares	%	Carrying Amount (Note 2)	Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				June 30, 2022	December 31, 2021						
The Company	Wah Lee Holding Ltd.	BVI	International investment business	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 5,205,941	\$ 298,026	\$ 298,089	Subsidiary
The Company	Raycong H.K.	Hong Kong	Trading business of engineering plastic, composite materials and equipment	304,113	304,113	56,000,000	53.69	4,324,657	467,661	251,175	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	29.00	3,284,421	1,130,892	324,809	Associate
The Company	Nagase Wahlee Plastics Corp.	Taiwan	Trading business of synthetic resin product and related material, agency of domestic and international products distribution quotation and bidding business	20,810	20,810	4,000,000	40.00	697,632	109,047	43,619	Associate
The Company	Wah Hong Corp.	Taiwan	Manufacturing of LCD material, BMC (bulk molding compound) material and molded product	943,032	943,032	26,122,978	26.52	1,062,592	164,779	43,699	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	72,366	(12,400)	(4,223)	Associate
The Company	WL Japan	Japan	Trading business of synthetic resin, industrial plastic, molding machine, electromechanical parts	21,490	21,490	1,500	83.33	3,860	(37)	(31)	Subsidiary
The Company	WL Korea	South Korea	Trading business of synthetic resin, industrial plastic, molding machine, electromechanical parts	18,856	18,856	147,000	100.00	3,611	1,470	1,470	Subsidiary
The Company	Sakuragawa Solar Ltd.	Japan	Solar power generation business	46,008	46,008	-	99.99	79,533	4,583	4,583	Subsidiary
The Company	Miyazaki Solar Ltd.	Japan	Solar power generation business	82,103	82,103	-	99.99	34,907	1,945	1,945	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial materials	48,261	48,261	1,610,000	70.00	34,943	(1,542)	(1,079)	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial materials	16,293	16,293	-	100.00	63,573	1,112	1,112	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	154,116	23,791	15,067	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial materials	200,000	200,000	7,650	51.00	216,308	38,460	15,762	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	661,053	661,053	27,708,077	78.67	663,168	(5,093)	(6,777)	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial materials	7,755	7,755	127,495	99.99	6,097	(148)	(148)	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial materials	7,747	7,747	126,997	99.99	5,095	1,407	1,407	Subsidiary
The Company	WH Energy	Taiwan	Solar power generation business	90,000	90,000	9,000,000	100.00	91,087	760	760	Subsidiary
The Company	ORC Co.	Taiwan	Trading business of industrial materials	4,000	4,000	400,000	40.00	21,299	16,756	5,361	Joint Venture
The Company	Evergreen New Energy Corporation	Taiwan	Solar power generation business	50,000	500	5,000,000	100.00	49,264	(736)	(736)	Subsidiary
Tranceed Logistics	Cyuan Cheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	40,361	(251)	(349)	Subsidiary
KS Corp.	KSA Corp.	Taiwan	Solar power generation business	55,000	55,000	6,130,000	100.00	69,593	1,516	1,516	Subsidiary
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	10,000	10,000	1,113,000	100.00	11,707	220	220	Subsidiary
KS Corp.	KSC Corp.	Taiwan	Solar power generation business	54,000	1,000	5,400,000	100.00	50,325	(3,246)	(3,246)	Subsidiary
KS Corp.	KSD Corp.	Taiwan	Solar power generation business	127,000	67,000	12,700,000	100.00	128,415	2,636	2,636	Subsidiary
KS Corp.	HGE Co.	Taiwan	Solar power generation business	44,820	44,820	4,482,000	64.99	40,868	(2,840)	(1,846)	Associate

(Continued)

Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of Shares	%	Carrying Amount (Note 2)	Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				June 30, 2022	December 31, 2021						
Wah Lee Holding Ltd.	SHC Holding Ltd.	Mauritius	International investment business	\$ 43,892	\$ 43,892	1,290,000	100.00	\$ 959,032	\$ 56,739	\$ 56,739	Subsidiary
Wah Lee Holding Ltd.	WL Singapore	Singapore	Agency of semiconductor materials and equipment	51,639	51,639	1,600,000	100.00	420,723	27,245	27,245	Subsidiary
Wah Lee Holding Ltd.	Raycong H.K.	Hong Kong	Trading business of engineering plastic, composite materials and equipment	943,164	943,164	48,296,655	46.31	3,729,947	467,661	216,560	Subsidiary
Wah Lee Holding Ltd.	Regent King	Hong Kong	Trading business of engineering plastic, composite materials and equipment	39	39	10,000	100.00	3,367	198	198	Subsidiary
WT Industrial	WT Indonesia	Indonesia	Trading business of industrial materials	3,953	3,953	18,150	66.00	3,765	(138)	(91)	Subsidiary
WL Singapore	Gishine Tech Pte. Ltd.	Singapore	Research and development of environmental protection and cleaning technology	-	-	-	49.00	-	-	-	Associate

(Concluded)

Note 1: The share of profit (loss) recognized included eliminated unrealized gains or losses and amortization of investment premium.

Note 2: The share of profit (loss) of subsidiaries are eliminated on consolidation.

Note 3: Please refer to Table 8 for information on investments in mainland China.

TABLE 8

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA FOR THE SIX MONTHS ENDED JUNE 30, 2022 (In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022	Note
					Outward	Inward							
Dongguan Hua Gang	Trading business of industrial materials	\$ 1,155,965	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	\$ 145,363	100.00	\$ 145,363	\$ 2,932,669	\$ -	
Shanghai Yikang	Trading business of industrial materials	1,007,091	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	385,016	70.00	269,511	3,971,859	-	
Shenzhen Huaying	Supply chain management and consultancy service	24,482	Invested through the third region, Raycong H.K.	-	-	-	-	1,105	100.00	1,105	217,893	-	
Shanghai Wah Chang Trading Co., Ltd.	International trading and trading consulting; trading agent and commercial simple processing within enterprises in the bonded area	71,328	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	155,117	30.00	46,535	768,265	-	
Shanghai Yadi	Import and export of goods and technology	13,301	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(1,971)	49.00	(966)	19,292	-	
Shanghai Lihuang	Medical devices and equipment	14,764	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(2,316)	48.98	(2,122)	4,243	-	
Fenghuang Xinwah Shouzheng	Medical devices manufacturing technology developing and consulting	22,169	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(1,646)	52.50	(864)	9,871	-	
Guangjou Shing Shian	Hospital management, medical equipment repair, wholesale of medical supplies	22,169	Invested through Chinese corporation, Dongguan Hua Gang	-	-	-	-	2,468	100.00	2,468	54,447	-	
Kaiping Huaxinkang	Medical service	1	Invested through Chinese corporation, Guangjou Shing Shian	-	-	-	-	-	90.00	-	-	-	
Xiamen Hua Chen Da	Warehouse logistics	13,301	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(1,883)	70.00	(1,318)	5,038	-	
Xiamen Jian Yuan Rong Logistics Ltd.	Warehouse logistics	35,470	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(2,270)	30.00	(681)	8,807	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehouse logistics	8,868	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(1,107)	30.00	(332)	2,683	-	

(Continued)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2022 (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
The Company	\$ 384,343	\$ 2,480,528	\$ -

Note 1: The disclosure of investment gains and losses this period is based on the following:

1. Dongguan Hua Gang and Shanghai Yikang: reviewed by the Company's CPA.
2. Others are based on unreviewed financial statements.

Note 2: The difference of \$2,096,185 thousand between accumulated outward remittance for investment in mainland China and investment amount authorized by investment commission, MOEA is due to investment of \$1,338,686 thousand (USD8,488 thousand and HKD267,000 thousand) through Raycong H.K., investment of \$111,175 thousand (USD3,572 thousand) through Wah Yuen Technology Holding Limited, transferred capital from retained earnings of \$434,385 thousand (USD13,790 thousand) of Shanghai Yikang, investment of \$14,500 thousand (USD500 thousand) through SHC Holding Ltd., investment without significant influence of \$42,644 thousand and the invested amount of \$154,795 thousand which had already been liquidated but not yet revoked.

Note 3: Under the "Principles Governing the Review of Investments or Technical Cooperation in Mainland China" issued by the Investment Commission on August 29, 2008, the Company had obtained the certificate issued by the Industrial Bureau of the Ministry of Economic Affairs in accordance with the business scope of the operating headquarters; thus, the amount that can be invested in companies located in mainland China is unlimited.

(Concluded)

TABLE 9

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)**

Company Name	Investee Company	Transaction Type	(Purchase)/ Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
			Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
The Company	Shanghai Yikang	Sales	\$ 490,053	1	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	\$ 213,852	2	\$ 815	Note
		Purchase	(36,235)	-	Normal trade terms	120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	(2,743)	-	-	Note
	Dongguan Hua Gang	Sales	358,795	1	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	50,105	-	308	Note
Raycong H.K.	Dongguan Hua Gang	Sales	319,390	14	Normal trade terms	30 to 180 days after monthly closing	The terms with related parties are not significantly different from those to third parties	138,552	11	-	Note
	Dongguan Hua Gang	Purchase	(23,805)	-	Normal trade terms	30 to 180 days after monthly closing	The terms with related parties are not significantly different from those to third parties	(7,687)	1	-	Note

Note: It was eliminated on consolidation.

TABLE 10

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE SIX MONTHS ENDED JUNE 30, 2022 (In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	WL Singapore	Parent to subsidiary	Operating revenue	\$ 56,028	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Accounts receivable	16,699	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Operating revenue	102,358	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Accounts receivable	60,423	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Operating revenue	73,443	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Accounts receivable	15,669	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Other receivables	13,657	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Operating revenue	490,053	According to the contract	1.00
0	The Company	Shanghai Yikang	Parent to subsidiary	Accounts receivable	213,852	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Other income	14,220	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Other receivables	42,278	According to the contract	-
0	The Company	Tranceed Logistics	Parent to subsidiary	Other income	15,640	According to the contract	-
0	The Company	Tranceed Logistics	Parent to subsidiary	Other receivables	10,023	According to the contract	-
0	The Company	Dongguan Hua Gang	Parent to subsidiary	Operating revenue	358,795	According to the contract	1.00
0	The Company	Dongguan Hua Gang	Parent to subsidiary	Accounts receivable	50,105	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Operating revenue	318,293	According to the contract	1.00
0	The Company	Raycong H.K.	Parent to subsidiary	Accounts receivable	99,791	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other income	26,258	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other receivables	43,626	According to the contract	-
0	The Company	KS Corp.	Parent to subsidiary	Operating revenue	78,253	According to the contract	-
0	The Company	KS Corp.	Parent to subsidiary	Accounts receivable	82,368	According to the contract	-
0	The Company	KS Corp.	Parent to subsidiary	Other receivables	11,708	According to the contract	-
0	The Company	KSA Corp.	Parent to subsidiary	Operating revenue	23,682	According to the contract	-
0	The Company	KSA Corp.	Parent to subsidiary	Accounts receivable	12,170	According to the contract	-
0	The Company	WL Philippines Inc.	Parent to subsidiary	Operating revenue	27,895	According to the contract	-
0	The Company	WL Philippines Inc.	Parent to subsidiary	Accounts receivable	2,625	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Operating revenue	107,762	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Accounts receivable	56,551	According to the contract	-
1	Shanghai Yikang	Shanghai Yadi	Parent to subsidiary	Other receivables	63,407	According to the contract	-
1	Shanghai Yikang	Fenghuang Xinwah Shouzheng	Parent to subsidiary	Other receivables	11,341	According to the contract	-
1	Shanghai Yikang	Dongguan Hua Gang	Subsidiary to subsidiary	Operating revenue	60,333	According to the contract	-
1	Shanghai Yikang	Dongguan Hua Gang	Subsidiary to subsidiary	Accounts receivable	18,789	According to the contract	-
2	Raycong H.K.	Dongguan Hua Gang	Parent to subsidiary	Operating revenue	319,390	According to the contract	1.00
2	Raycong H.K.	Dongguan Hua Gang	Parent to subsidiary	Accounts receivable	138,552	According to the contract	-
3	Dongguan Hua Gang	Shanghai Yikang	Subsidiary to subsidiary	Operating revenue	35,377	According to the contract	-
3	Dongguan Hua Gang	Shanghai Yikang	Subsidiary to subsidiary	Accounts receivable	24,972	According to the contract	-
3	Dongguan Hua Gang	Raycong H.K.	Subsidiary to Parent	Operating revenue	23,805	According to the contract	-
3	Dongguan Hua Gang	Raycong H.K.	Subsidiary to Parent	Accounts receivable	7,687	According to the contract	-

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
3	Dongguan Hua Gang	Guangjou Shing Shian	Parent to subsidiary	Other receivables	\$ 18,342	According to the contract	-
4	Tranceed Logistics	The Company	Subsidiary to Parent	Operating revenue	49,356	According to the contract	-
4	Tranceed Logistics	The Company	Subsidiary to Parent	Accounts receivable	27,366	According to the contract	-
5	Shenzhen Huaying	Dongguan Hua Gang	Subsidiary to subsidiary	Operating revenue	25,181	According to the contract	-
5	Shenzhen Huaying	Dongguan Hua Gang	Subsidiary to subsidiary	Accounts receivable	3,987	According to the contract	-
6	KS Corp.	KSD Corp.	Parent to subsidiary	Other receivables	15,050	According to the contract	-
7	WT Industrial	WL Vietnam	Subsidiary to subsidiary	Operating revenue	19,183	According to the contract	-
7	WT Industrial	WL Vietnam	Subsidiary to subsidiary	Accounts receivable	19,513	According to the contract	-
8	WL Indonesia	WT Indonesia	Subsidiary to subsidiary	Operating revenue	44,195	According to the contract	-
8	WL Indonesia	WT Indonesia	Subsidiary to subsidiary	Accounts receivable	26,597	According to the contract	-

(Concluded)

TABLE 11

WAH LEE INDUSTRIAL CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS

JUNE 30, 2022

[illegible]

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.