

Wah Lee Industrial
Corporation and Subsidiaries

Consolidated Financial
Statements and Independent
Auditors' Report
2024 and 2023 Q3

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INDEPENDENT AUDITORS' REPORT

Wah Lee Industrial Corporation

Preface

We have audited the accompanying consolidated financial statements of Wah Lee Industrial Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months and nine months then ended September 30, 2024 and 2023, the consolidated statements of changes in equity, consolidated statements of cash flows for the nine months then ended, as well as relevant notes to the consolidated statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). The preparation of fairly expressed consolidated financial reports in accordance with the Financial Reporting Standards of the Securities Issuer and IAS 34 “Interim Financial Reporting” as approved by the Financial Supervisory Commission and issued for effect is the responsibility of management, and the responsibility of the accountant is to draw conclusions on the consolidated financial reports based on the results of the review.

Scope

Except as set out in the Fundamental Paragraph of the Retention Conclusions, the Accountant performed the audit in accordance with the Review of Financial Statements, Standard 2410. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures and other review procedures. A review is significantly less in scope than an audit and, accordingly, we may not be able to discern all significant matters that might be identified by an audit, and, accordingly, we cannot express an audit opinion.

Basis for the conclusion of the reservation

As described in note 13 to the consolidated financial report, the financial statements of the non-significant subsidiaries included in the first consolidated financial report for the same period have not been reviewed by the accountants. Its total assets as of September 30, 2024 and 2023 were NT \$7,768,723 thousand and NT \$8,570,250 thousand, respectively, accounting for 15% and 17% of the total consolidated assets, respectively. Total liabilities amounted to NT\$3,115,903 thousand and NT\$4,091,421 thousand, respectively, accounting for 11% and 13% of the total consolidated liabilities. The comprehensive profit and loss for the three and nine months ended September 30, 2024 and 2023 were NT\$87,998 thousand, NT\$65,573 thousand, NT\$177,604 thousand, and NT\$226,446 thousand respectively, accounting for 10%, 5%, 5%, and 8% of the consolidated comprehensive profit and loss, respectively. In addition, as described in note 14 of the consolidated financial report, the investment balance of Wah Lee Industrial Corporation and its subsidiaries under the equity method as of September 30, 2024 and 2023 was NT\$2,118,045 thousand and NT\$2,086,801 thousand, respectively, and for the three and nine months ended September 30, 2024 and 2023, the shares of related party enterprises and joint venture profits and losses recognized under the equity method were NT\$65,701 thousand, NT\$61,180 thousand, NT\$133,332 thousand, and NT\$128,533 thousand, respectively, which are recognized and disclosed on the basis of the financial statements of the invested companies that have not been reviewed by the accountants during the same period.

Retain Conclusion

Based on the results of this auditor's review, apart from the non-critical subsidiaries mentioned in the foundation paragraph of the retention conclusions and the financial statements of the investee companies that partially adopt the equity method, which have been reviewed by the accountants and may have an impact on the consolidated financial reports, it has not been found that the consolidated financial statements have not been prepared in accordance with the financial reporting standards of securities issuers in all material aspects and the International Accounting Standard No. 34 "Interim Financial Report" approved by the Financial Supervisory Commission and issued for effect, which makes it impossible to express the consolidated financial situation of Warwick Enterprises and its subsidiaries as of September 30, 2024 and 2023, consolidated financial performance for the three months ended September 30, 2024 and 2023, and the consolidated financial performance and consolidated cash flow of January 1 to September 30, 2024 and 2023.

Deloitte & Touche Taipei, Taiwan Republic of China

Accountant Chiu-Yen Wu

Accountant Jui-Hsuan Hsu

Document No. approved by Securities and
Futures Commission

Tai-Cai-Zheng-Liu-Tzu No. 0920123784

Document No. approved by Financial Supervisory
Commission

Chin-Kuan-Zheng-Sheng-Tzu No. 1020025513

November 8, 2024

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

The English version of independent auditors' report and the accompanying financial statements are not reviewed nor audited by independent auditors.

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

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

Unit: NTD thousands

Code	Assets	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 4,824,187	9	\$ 6,456,514	13	\$ 4,592,308	9
1110	Financial assets at fair value through profit or loss - current (Note 7)	747,891	1	878,614	2	578,288	1
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	195,500	-	167,000	-	166,000	-
1150	Notes receivable (Note 9)	3,101,746	6	2,750,341	6	2,290,695	5
1170	Accounts receivable, net (Note 9)	18,768,859	36	15,522,445	31	17,641,580	35
1180	Accounts receivable - related parties (Notes 9 and 29)	160,492	-	125,448	-	111,359	-
1197	Finance lease receivable - current (Notes 4 and 10)	6,662	-	-	-	-	-
1200	Other receivables	89,024	-	94,777	-	98,373	-
1210	Other receivables - related parties (Notes 14 and 29)	8,126	-	110,161	-	3,077	-
1220	Current tax assets	2,427	-	1,395	-	14,817	-
130X	Merchandise (Notes 11)	4,971,701	10	4,695,049	9	4,879,309	10
1421	Prepayments for purchases	1,886,626	4	1,779,384	4	2,112,392	4
1476	Other financial assets - current (Notes 12 and 30)	982,165	2	1,976,879	4	2,485,376	5
1479	Other current assets	192,436	-	173,909	-	170,841	-
11XX	Total current assets	<u>35,937,842</u>	<u>68</u>	<u>34,731,916</u>	<u>69</u>	<u>35,144,415</u>	<u>69</u>
	Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	12,352	-	42,453	-	42,683	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	787,750	2	825,350	2	772,812	2
1550	Investments accounted for using the equity method (Notes 14)	8,115,922	16	7,145,056	14	6,919,129	14
1600	Property, plant and equipment (Notes 15, 30 and 31)	6,183,647	12	5,982,073	12	6,520,431	13
1755	Right-of-use assets (Note 16)	484,808	1	510,217	1	570,022	1
1805	Goodwill	177,725	-	177,013	1	177,960	-
1822	Other intangible assets	140,369	-	161,914	-	196,599	-
1840	Deferred tax assets	373,293	1	366,325	1	335,572	1
1915	Prepayments for equipment	143,701	-	53,925	-	6,972	-
1940	Finance lease receivable - non-current (Notes 4 and 10)	19,850	-	-	-	-	-
1980	Other financial assets - non-current (Notes 12 and 30)	148,326	-	159,174	-	234,812	-
1990	Other non-current assets	24,966	-	25,895	-	26,278	-
15XX	Total non-current assets	<u>16,612,709</u>	<u>32</u>	<u>15,449,395</u>	<u>31</u>	<u>15,803,270</u>	<u>31</u>
1XXX	Total assets	<u>\$52,550,551</u>	<u>100</u>	<u>\$50,181,311</u>	<u>100</u>	<u>\$50,947,685</u>	<u>100</u>
	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Note 17)	\$ 9,077,744	17	\$ 9,296,291	19	\$10,028,096	20
2110	Short-term bills payable (Note 17)	-	-	-	-	179,888	-
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	419	-	1,467	-
2130	Contract liabilities - current (Note 23)	483,938	1	550,887	1	531,517	1
2150	Notes payable (Note 19)	1,561,141	3	1,237,384	2	1,128,739	2
2170	Accounts payable (Note 19)	7,665,037	15	7,218,821	14	7,723,670	15
2180	Accounts payable - related parties (Notes 19 and 29)	317,306	1	340,676	1	340,485	1
2219	Other payables (Note 20)	1,255,039	2	1,313,781	3	1,284,978	3
2220	Other payables - related parties (Note 29)	100	-	917	-	356	-
2230	Current tax liabilities	204,057	1	268,235	1	208,307	-
2250	Provisions - current (Note 31)	51,130	-	50,363	-	50,363	-
2280	Lease liabilities - current (Note 16)	89,660	-	93,090	-	101,790	-
2321	Current portion of bonds (Note 18)	-	-	1,996,598	4	2,010,033	4
2322	Current portion of long-term borrowings (Note 17)	176,332	-	171,081	-	167,697	-
2365	Refund liability - current	345,314	1	365,130	1	325,288	1
2399	Other current liabilities	27,246	-	35,540	-	27,218	-
21XX	Total current liabilities	<u>21,254,044</u>	<u>41</u>	<u>22,939,213</u>	<u>46</u>	<u>24,109,892</u>	<u>47</u>
	Non-current liabilities						
2540	Long-term borrowings (Note 17)	4,862,705	9	4,711,028	9	4,747,150	9
2550	Provisions - non-current	59,250	-	59,369	-	69,111	-
2580	Lease liabilities - non-current (Note 16)	428,355	1	449,617	1	500,316	1
2640	Net defined benefit liability - non-current	206,653	-	254,666	-	262,689	1
2645	Guarantee deposits received	3,784	-	3,172	-	3,019	-
2570	Deferred tax liabilities	1,482,348	3	1,340,631	3	1,355,740	3
25XX	Total non-current liabilities	<u>7,043,095</u>	<u>13</u>	<u>6,818,483</u>	<u>13</u>	<u>6,938,025</u>	<u>14</u>
2XXX	Total liabilities	<u>28,297,139</u>	<u>54</u>	<u>29,757,696</u>	<u>59</u>	<u>31,047,917</u>	<u>61</u>
	Equity attributable to owners of the Company (Note 22)						
	Share capital						
3110	Ordinary share capital	2,594,368	5	2,360,203	5	2,360,179	4
3140	Capital collected in advance	-	-	2,190	-	23	-
3100	Total share capital	<u>2,594,368</u>	<u>5</u>	<u>2,362,393</u>	<u>5</u>	<u>2,360,202</u>	<u>4</u>
3200	Capital surplus	<u>3,888,519</u>	<u>7</u>	<u>2,092,166</u>	<u>4</u>	<u>2,090,340</u>	<u>4</u>
	Retained earnings						
3310	Legal reserve	3,179,735	6	2,968,189	6	2,968,189	6
3320	Special reserve	72,302	-	448,559	1	448,559	1
3350	Undistributed earnings	10,906,010	21	10,066,449	20	9,654,094	19
3300	Total retained earnings	<u>14,158,047</u>	<u>27</u>	<u>13,483,197</u>	<u>27</u>	<u>13,070,842</u>	<u>26</u>
3400	Other equity	<u>1,604,565</u>	<u>3</u>	<u>637,262</u>	<u>1</u>	<u>555,714</u>	<u>1</u>
31XX	Total equity attributable to owners of the Company	<u>22,245,499</u>	<u>42</u>	<u>18,575,018</u>	<u>37</u>	<u>18,077,098</u>	<u>35</u>
36XX	Non-controlling interests (Note 22)	<u>2,007,913</u>	<u>4</u>	<u>1,848,597</u>	<u>4</u>	<u>1,822,670</u>	<u>4</u>
3XXX	Total equity	<u>24,253,412</u>	<u>46</u>	<u>20,423,615</u>	<u>41</u>	<u>19,899,768</u>	<u>39</u>
	Total liabilities and equity	<u>\$52,550,551</u>	<u>100</u>	<u>\$50,181,311</u>	<u>100</u>	<u>\$50,947,685</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' report dated November 8, 2024)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended

September 30, 2024 and 2023

Unit: (In Thousands of New Taiwan Dollars, Except Earnings Per Share in New Taiwan Dollars)

Code		Three-month period ended September 30, 2024		Three-month period ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 23 and 29)	\$ 21,412,935	100	\$ 19,019,201	100	\$ 59,818,245	100	\$ 49,564,559	100
5000	OPERATING COSTS (Notes 11,24 and 29)	<u>19,791,253</u>	<u>92</u>	<u>17,471,041</u>	<u>92</u>	<u>55,372,304</u>	<u>93</u>	<u>45,412,481</u>	<u>92</u>
5900	GROSS PROFIT	<u>1,621,682</u>	<u>8</u>	<u>1,548,160</u>	<u>8</u>	<u>4,445,941</u>	<u>7</u>	<u>4,152,078</u>	<u>8</u>
	OPERATING EXPENSES (Notes 9, 24 and 29)								
6100	Selling and marketing expenses	585,237	3	588,423	3	1,805,096	3	1,694,224	3
6200	General and administrative expenses	173,552	1	186,881	1	478,117	1	507,980	1
6450	Expected credit loss recognized	<u>45,198</u>	<u>-</u>	<u>73,980</u>	<u>-</u>	<u>96,456</u>	<u>-</u>	<u>70,987</u>	<u>-</u>
6000	Total operating expenses	<u>803,987</u>	<u>4</u>	<u>849,284</u>	<u>4</u>	<u>2,379,669</u>	<u>4</u>	<u>2,273,191</u>	<u>4</u>
6900	OPERATING INCOME	<u>817,695</u>	<u>4</u>	<u>698,876</u>	<u>4</u>	<u>2,066,272</u>	<u>3</u>	<u>1,878,887</u>	<u>4</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)								
7100	Interest income	27,768	-	61,877	-	103,219	-	120,727	-
7010	Other income	84,117	-	23,348	-	136,966	-	65,227	-
7020	Other gains and losses	(26,353)	-	99,521	1	47,246	-	137,906	-
7050	Financial costs	(120,782)	-	(118,331)	(1)	(341,805)	-	(326,510)	-
7060	Share of profit of associates and joint ventures accounted for using the equity method	<u>231,873</u>	<u>1</u>	<u>229,401</u>	<u>1</u>	<u>552,831</u>	<u>1</u>	<u>535,907</u>	<u>1</u>
7000	Non-operating income and expenses	<u>196,623</u>	<u>1</u>	<u>295,816</u>	<u>1</u>	<u>498,457</u>	<u>1</u>	<u>533,257</u>	<u>1</u>
7900	NET PROFIT	1,014,318	5	994,692	5	2,564,729	4	2,412,144	5
7950	Income tax expenses (Notes 4 and 25)	<u>215,859</u>	<u>1</u>	<u>216,132</u>	<u>1</u>	<u>614,218</u>	<u>1</u>	<u>573,860</u>	<u>1</u>
8200	Net income for this period	<u>798,459</u>	<u>4</u>	<u>778,560</u>	<u>4</u>	<u>1,950,511</u>	<u>3</u>	<u>1,838,284</u>	<u>4</u>
	OTHER COMPREHENSIVE INCOME (Notes 22 and 25)								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(19,689)	-	(73,654)	-	(12,401)	-	199,406	1
8320	Share of other comprehensive income (loss) of associates accounted for using the equity method	27,410	-	158,112	1	730,194	1	682,745	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,243)	-	2,227	-	8,570	-	(7,202)	-
8310		<u>6,478</u>	<u>-</u>	<u>86,685</u>	<u>1</u>	<u>726,363</u>	<u>1</u>	<u>874,949</u>	<u>2</u>

(Continued)

(Concluded)

Code		Three-month period ended September 30, 2024		Three-month period ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	\$ 59,915	-	\$ 345,484	2	\$ 536,261	1	\$ 110,244	-
8370	Share of other comprehensive gain (loss) of associates accounted for using the equity method	(4,425)	-	119,042	-	131,411	-	43,728	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(1,857)	-	(65,753)	-	(93,274)	-	(23,275)	-
8360		<u>53,633</u>	<u>-</u>	<u>398,773</u>	<u>2</u>	<u>574,398</u>	<u>1</u>	<u>130,697</u>	<u>-</u>
8300	Other comprehensive income (loss) for the period, net of income tax	<u>60,111</u>	<u>-</u>	<u>485,458</u>	<u>3</u>	<u>1,300,761</u>	<u>2</u>	<u>1,005,646</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 858,570</u>	<u>4</u>	<u>\$ 1,264,018</u>	<u>7</u>	<u>\$ 3,251,272</u>	<u>5</u>	<u>\$ 2,843,930</u>	<u>6</u>
	NET PROFIT ATTRIBUTABLE TO:								
8610	Owners of the Company	\$ 712,352	3	\$ 712,016	4	\$ 1,726,312	3	\$ 1,690,334	4
8620	Non-controlling Interests	<u>86,107</u>	<u>1</u>	<u>66,544</u>	<u>-</u>	<u>224,199</u>	<u>-</u>	<u>147,950</u>	<u>-</u>
8600		<u>\$ 798,459</u>	<u>4</u>	<u>\$ 778,560</u>	<u>4</u>	<u>\$ 1,950,511</u>	<u>3</u>	<u>\$ 1,838,284</u>	<u>4</u>
	Total comprehensive income attributable to:								
8710	Owners of the Company	\$ 714,674	3	\$ 1,158,533	6	\$ 2,926,463	5	\$ 2,707,374	6
8720	Non-Controlling interests	<u>143,896</u>	<u>1</u>	<u>105,485</u>	<u>1</u>	<u>324,809</u>	<u>-</u>	<u>136,556</u>	<u>-</u>
8700		<u>\$ 858,570</u>	<u>4</u>	<u>\$ 1,264,018</u>	<u>7</u>	<u>\$ 3,251,272</u>	<u>5</u>	<u>\$ 2,843,930</u>	<u>6</u>
	EARNINGS PER SHARE (Note 26)								
9750	Basic	<u>\$ 2.75</u>		<u>\$ 3.02</u>		<u>\$ 6.87</u>		<u>\$ 7.16</u>	
9850	Diluted	<u>\$ 2.73</u>		<u>\$ 2.74</u>		<u>\$ 6.62</u>		<u>\$ 6.50</u>	

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

(Please refer to Deloitte & Touche auditors' report dated November 8, 2024)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2024 and 2023

Unit: NTD thousands

		Equity Attributable to Owners of the Company							Other Equity				
Code		Share capital			Retained Earnings			Exchange differences on translating the financial statements of foreign operations	Unrealized gain on financial assets at FVTOCI	-Total	Total	Non-controlling Interests	Total Equity
		Ordinary share capital	Capital collected in advance	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings						
A1	Balance at January 1, 2024	\$ 2,360,203	\$ 2,190	\$ 2,092,166	\$ 2,968,189	\$ 448,559	\$ 10,066,449	(\$ 559,328)	\$ 1,196,590	\$ 637,262	\$ 18,575,018	\$ 1,848,597	\$ 20,423,615
	Appropriation and distribution for 2023 earnings (Note 22)												
B1	Legal reserve	-	-	-	211,546	-	(211,546)	-	-	-	-	-	-
B3	Special reserve reversed	-	-	-	-	(376,257)	376,257	-	-	-	-	-	-
B5	Cash dividends distributed to the shareholders of the Company	-	-	-	-	-	(1,284,310)	-	-	-	(1,284,310)	-	(1,284,310)
		-	-	-	211,546	(376,257)	(1,119,599)	-	-	-	(1,284,310)	-	(1,284,310)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	27,112	-	-	99,423	-	(99,423)	(99,423)	27,112	-	27,112
D1	Net income for the nine months ended September 30, 2024	-	-	-	-	-	1,726,312	-	-	-	1,726,312	224,199	1,950,511
D3	Other comprehensive income(loss) after tax for the nine months ended September 30, 2024	-	-	-	-	-	-	473,788	726,363	1,200,151	1,200,151	100,610	1,300,761
D5	Total comprehensive income(loss) for the nine months ended September 30, 2024	-	-	-	-	-	1,726,312	473,788	726,363	1,200,151	2,926,463	324,809	3,251,272
I1	Convert the convertible bonds	234,165	(2,190)	1,769,241	-	-	-	-	-	-	2,001,216	-	2,001,216
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(187,939)	(187,939)
O1	Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	22,446	22,446
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	133,425	-	(133,425)	(133,425)	-	-	-
Z1	Balance at September 30, 2024	\$ 2,594,368	\$ -	\$ 3,888,519	\$ 3,179,735	\$ 72,302	\$ 10,906,010	(\$ 85,540)	\$ 1,690,105	\$ 1,604,565	\$ 22,245,499	\$ 2,007,913	\$ 24,253,412
A1	Balance at January 1, 2023	\$ 2,360,179	\$ -	\$ 2,036,714	\$ 2,710,197	\$ 184,623	\$ 9,912,630	(\$ 344,057)	(\$ 104,502)	(\$ 448,559)	\$ 16,755,784	\$ 1,784,868	\$ 18,540,652
	Appropriation and distribution for 2022 earnings (Note 22)												
B1	Legal reserve	-	-	-	257,992	-	(257,992)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	263,936	(263,936)	-	-	-	-	-	-
B5	Cash dividends distributed to the shareholders of the Company	-	-	-	-	-	(1,439,709)	-	-	-	(1,439,709)	-	(1,439,709)
		-	-	-	257,992	263,936	(1,961,637)	-	-	-	(1,439,709)	-	(1,439,709)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	35,313	-	-	-	-	-	-	35,313	-	35,313
D1	Net income for the nine months ended September 30, 2023	-	-	-	-	-	1,690,334	-	-	-	1,690,334	147,950	1,838,284
D3	Other comprehensive income(loss) after tax for the nine months ended September 30, 2023	-	-	-	-	-	-	142,091	874,949	1,017,040	1,017,040	(11,394)	1,005,646
D5	Total comprehensive income(loss) for the nine months ended September 30, 2023	-	-	-	-	-	1,690,334	142,091	874,949	1,017,040	2,707,374	136,556	2,843,930
I1	Convertible corporate bond conversion	-	23	178	-	-	-	-	-	-	201	-	201
M5	Difference between acquisition or disposal of equity price and book value of subsidiary (Note 13)	-	-	18,135	-	-	-	-	-	-	18,135	(120,474)	(102,339)
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(38,280)	(38,280)
O1	Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	60,000	60,000
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	12,767	-	(12,767)	(12,767)	-	-	-
Z1	Balance at September 30, 2023	\$ 2,360,179	\$ 23	\$ 2,090,340	\$ 2,968,189	\$ 448,559	\$ 9,654,094	(\$ 201,966)	\$ 757,680	\$ 555,714	\$ 18,077,098	\$ 1,822,670	\$ 19,899,768

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

(Please refer to Deloitte & Touche auditors' report dated November 8, 2024)

Wah Lee Industrial Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2024 and 2023

Unit: NTD thousands

Code		For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net profit before tax for the period	\$ 2,564,729	\$ 2,412,144
A20010	Adjustments for:		
A20100	Depreciation expenses	308,512	308,133
A20200	Amortization expense	32,215	36,451
A20300	Expected credit loss recognized	96,456	70,987
A20400	Net gain (loss) of financial instruments at FVTPL	(58,183)	(15,084)
A20900	Financial costs	341,805	326,510
A21200	Interest income	(103,219)	(120,727)
A21300	Dividend income	(10,395)	(11,243)
A22300	Share of profit of associates and joint ventures accounted for using the equity method	(552,831)	(535,907)
A22500	Disposals of property, plant and equipment	(4,079)	(863)
A23700	Write-down (Gain from price recovery) of inventories	35,156	(244,824)
A24100	Net unrealized loss on foreign currency exchange	93,688	156,715
A29900	Recognize provisions for losses	1,043	2,228
A29900	Lease modification benefits	(19)	(2,118)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	9,107	5,984
A31130	Notes receivable	(350,028)	(49,807)
A31150	Accounts receivable	(3,350,350)	(3,215,027)
A31160	Accounts receivable - related parties	(35,372)	(13,753)
A31180	Other receivables	(13,996)	(19,356)
A31190	Other receivables - related parties	(4,865)	483
A31200	Merchandise inventories	(316,845)	1,789,521
A31230	Prepayments for purchases	(107,242)	(468,673)
A31240	Other current assets	(18,080)	23,241
A31990	Finance lease receivable	(19,243)	-
A32110	Financial liabilities held for trading	(4,376)	(5,329)
A32125	Contract liabilities	(66,949)	181,402
A32130	Notes payable	323,757	617,027
A32150	Accounts payable	446,216	215,967
A32160	Accounts payable - related parties	(23,370)	(89,540)
A32180	Other payables	(12,317)	(115,935)
A32190	Other payables - related parties	(817)	218
A32200	Refund liabilities	(19,816)	27,260

(Continued)

(Concluded)

Code		For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
A32230	Other current liabilities	(\$ 8,667)	(\$ 3,076)
A32240	Net defined benefit liabilities	(49,061)	(4,200)
A33000	Cash generated from operations	(877,436)	1,258,809
A33100	Interest received	122,968	107,751
A33200	Dividends received	647,644	684,779
A33300	Interest paid	(364,280)	(336,833)
A33500	Income tax paid	(623,383)	(645,159)
AAAA	Net cash generated from (used in) operating activities	(1,094,487)	1,069,347
CASH FLOWS FROM INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,409)	(15,369)
B00020	Disposal of financial assets at fair value through other comprehensive profit or loss	-	184
B00030	Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	18,714
B00100	Acquisition of financial assets at FVTPL	(2,216,315)	(1,223,608)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	2,437,092	1,282,368
B01800	Acquired associate	(59,667)	(24,000)
B02200	Net cash inflow on acquisition of subsidiaries	8,383	-
B02700	Payment for property, plant, and equipment	(511,419)	(392,306)
B02800	Proceeds from disposal of property, plant, and equipment	5,859	8,106
B04500	Acquisition of other intangible assets	(4,969)	(4,912)
B06500	Decrease (increase) in other financial assets	1,005,562	(913,969)
BBBB	Net cash generated from (used in) investing activities	658,117	(1,264,792)
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Increase (Decrease) in short-term borrowings	(488,133)	120,672
C00500	Increase in short-term bills payable	-	150,000
C01600	Proceeds from long-term borrowings	504,058	1,510,311
C01700	Repayment of long-term borrowings	(350,954)	(2,207,680)
C03100	Increase in guarantee deposits received	464	216
C04020	Repayment of the principal portion of lease liabilities	(79,151)	(82,219)
C04500	Distribution of cash dividends	(1,284,310)	(1,439,709)
C05800	Change in non-controlling interests	(187,711)	(80,619)
C09900	Other financing activities	(9)	-
CCCC	Net cash generated from (used in) financing activities	(1,885,746)	(2,029,028)

(Continued)

(Concluded)

<u>Code</u>		<u>For the nine months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2023</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	\$ <u>689,789</u>	\$ <u>101,501</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(1,632,327)	(2,122,972)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>6,456,514</u>	<u>6,715,280</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,824,187</u>	<u>\$ 4,592,308</u>

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

(Please refer to Deloitte & Touche auditors' report dated November 8, 2024)

Wah Lee Industrial Corporation and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024 and 2023

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

1. **ORGANIZATION**

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. **Date and Procedures for Approval of Financial Statements**

The consolidated financial statements were approved by the Board of Directors on November 8, 2024.

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), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the 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. IFRS Accounting Standards Approved by the Financial Supervisory Commission Applicable for 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: Effective for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, comparative periods shall not be restated. Instead, the effects shall be recognized in retained earnings or the cumulative translation adjustment of foreign operations (as appropriate) under equity as of the initial application date, as well as in the affected assets and liabilities.

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

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

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The key changes of the standard are as follow:

- Items in the statement of profit or loss will need to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations.
- The statement shall present the operating profit or loss, profit or loss before financing and income taxes and totals and subtotals of profit or loss.
- Provides enhanced guidance on the principles of aggregation and disaggregation: The Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. The Group shall only label such items as "other" when no more informative label can be found.
- Increase disclosure of management-defined performance measures: When the Group publicly communicate outside the financial statements and discuss with users of the financial statements management's view of an aspect of the Group's overall financial performance, they should disclose in a single note to the financial statements the relevant information about management-defined performance measures. This includes a description of the measure, how it is calculated, a

reconciliation to the most directly comparable subtotal or total specified by IFRS standards, and the related tax and non-controlling interest effects of each reconciling item.

In addition to the aforementioned impacts, as of the date of approval of these consolidated financial statements, the consolidated company is still in the process of evaluating the effects of the amendments to various standards and interpretations on its financial position and financial performance. The relevant impacts will be disclosed upon completion of the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. This consolidated financial report does not contain all IFRS disclosures required by the full annual financial report.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments measured at fair value, and the net defined benefit liabilities 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: quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
- 2) Level 2 input: 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: unobservable inputs for assets or liabilities.

c. Basis of Consolidation

The preparation principles adopted in this consolidated financial report are the same as those used in the 2023 consolidated financial report. For the detailed information of subsidiaries (including the percentage of ownership and main business), refer to Note 13, and Tables 6 and 7.

d. Other significant accounting policies

In addition to the descriptions below, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1) Standard for the Classification of Assets and Liabilities into Current and Non-current

Current assets include:

- (a) Assets held primarily for the purpose of trading
- (b) Assets that are expected to be realized within 12 months after the balance sheet date.
- (c) Assets are cash and cash equivalents (unless the assets are to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than 12 months after the balance sheet date).

Current liabilities include:

- (a) Liabilities held primarily for trading purposes;
- (b) settled within twelve months after the maturity of the debt; and
- (c) that the Company on the balance sheet date does not have in substance the right to defer settlement of the liability for at least 12 months after the balance sheet date.

Assets and liabilities not classified as current assets or current liabilities are classified as non-current assets or non-current liabilities.

2) Lease

When the consolidated company acts as a lessor and enters into equipment lease agreements classified as finance leases, the lease payments include fixed payments and the exercise price of purchase options that the company reasonably expects to exercise. The net investment in the lease is measured at the present value of lease payments receivable and unguaranteed residual value, plus initial direct costs, and is presented as finance lease receivables. Finance income is allocated to each accounting period to reflect a constant periodic rate of return on the Group's net investment in the lease during the lease term.

3) Defined welfare and post-employment benefits

The pension cost during the interim period is calculated on the basis of the actuarial determination pension cost rate at the end of the previous year, from the beginning of the year to the end of the current period, and adjusted for major market fluctuations, major plan revisions, repayments or other major one-time events in the current period.

4) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax during the interim period is assessed on an annual basis and is calculated on the basis of the pre-varnished earnings for the interim period at the tax rate applicable to the expected total annual earnings.

5. **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

For the significant accounting judgments, estimates and key sources of assumption uncertainty used in the consolidated financial statements, please refer to the 2023 Consolidated Financial Statements.

6. **Cash and cash equivalents**

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 1,299	\$ 1,052	\$ 1,218
Demand deposits in banks	4,108,848	5,291,761	3,816,994
Check accounts in banks	19,273	40,494	9,700
Cash equivalents - time deposits with original maturities of 3 months or less	<u>694,767</u>	<u>1,123,207</u>	<u>764,396</u>
	<u>\$ 4,824,187</u>	<u>\$ 6,456,514</u>	<u>\$ 4,592,308</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits (%)	1.28~5.40	1.55~6.73	1.55~5.39

- 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 FVTPL**

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Mandatorily classified at FVTPL			
Hybrid instruments - structured deposits (a)	\$ 653,525	\$ 799,406	\$ 499,705
Non-derivative financial assets - mutual funds	90,104	79,208	78,142
Derivatives instruments (not designated for hedge) (b)			
Foreign exchange forward contracts	<u>4,262</u>	<u>-</u>	<u>441</u>
	<u>\$ 747,891</u>	<u>\$ 878,614</u>	<u>\$ 578,288</u>
<u>Financial assets - non-current</u>			
Mandatorily classified at FVTPL			
Non-derivative financial assets			
Domestic unlisted shares	\$ -	\$ 42,453	\$ 42,683
Domestic limited partnership	<u>12,352</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,352</u>	<u>\$ 42,453</u>	<u>\$ 42,683</u>

(Continued)

(Concluded)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial liabilities - current</u>			
Held for trading			
Derivatives instruments (not designated for hedge) (b)			
Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>419</u>	\$ <u>1,467</u>

- a. The Group entered into 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 year, outstanding foreign exchange forward contracts were as follows:

September 30, 2024

<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
Buy USD/Sell HKD	2024.11~2024.11	USD6,000/HKD46,740
Buy USD/Sell THB	2024.10~2024.10	USD2,000/THB68,160

December 31, 2023

<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
Buy USD/Sell RMB	2024.01	USD1,401/RMB10,000
Buy USD/Sell MYR	2024.01~2024.02	USD200/MYR935

September 30, 2023

<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount (In Thousands)</u>
Buy USD/Sell RMB	2023.10~2023.11	USD14,580/RMB106,500
Buy USD/Sell MYR	2023.10~2024.01	USD1,000/MYR4,622

8. Financial assets at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Domestic investments in equity instruments			
TPEX-listed stocks	<u>\$ 195,500</u>	<u>\$ 167,000</u>	<u>\$ 166,000</u>
<u>Non-current</u>			
Domestic investments in equity instruments			
Listed and Emerging Shares	\$ 360,716	\$ 368,401	\$ 254,187
Unlisted stocks	<u>292,407</u>	<u>315,647</u>	<u>378,341</u>
	<u>653,123</u>	<u>684,048</u>	<u>632,528</u>
Foreign investments in equity instruments			
TWSE-listed stocks	17,398	18,886	16,560
TWSE-unlisted stocks	<u>117,229</u>	<u>122,416</u>	<u>123,724</u>
	<u>134,627</u>	<u>141,302</u>	<u>140,284</u>
	<u>\$ 787,750</u>	<u>\$ 825,350</u>	<u>\$ 772,812</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

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable - unrelated parties			
Notes receivable - operating	\$ 3,101,758	\$ 2,750,427	\$ 2,290,750
Less: Allowance for losses	<u>12</u>	<u>86</u>	<u>55</u>
	<u>\$ 3,101,746</u>	<u>\$ 2,750,341</u>	<u>\$ 2,290,695</u>
Accounts receivable - unrelated parties			
At amortized cost			
Gross carrying amount	\$ 19,035,679	\$ 15,760,854	\$ 17,833,594
Less: Allowance for losses	<u>266,820</u>	<u>238,409</u>	<u>192,014</u>
	<u>\$ 18,768,859</u>	<u>\$ 15,522,445</u>	<u>\$ 17,641,580</u>
Accounts receivable - related parties			
At amortized cost			
Gross carrying amount	\$ 161,322	\$ 125,950	\$ 111,938
Less: Allowance for losses	<u>830</u>	<u>502</u>	<u>579</u>
	<u>\$ 160,492</u>	<u>\$ 125,448</u>	<u>\$ 111,359</u>

For the information on factored notes receivable pledged as collateral for borrowings, refer to Notes 28 and 30.

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 loss allowance of receivables based on the Group's provision matrix:

September 30, 2024

Cost	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1-60 days	Past due by 61-180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01~3	0.5~20	5~40	40~50	50~100	
Gross carrying amount	\$ 21,052,695	\$ 770,761	\$ 128,214	\$ 250,628	\$ 96,461	\$ 22,298,759
Loss allowance (Lifetime ECLs)	(24,408)	(19,242)	(29,961)	(104,208)	(89,843)	(267,662)
Amortized cost	<u>\$ 21,028,287</u>	<u>\$ 751,519</u>	<u>\$ 98,253</u>	<u>\$ 146,420</u>	<u>\$ 6,618</u>	<u>\$ 22,031,097</u>

December 31, 2023

Cost	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1-60 days	Past due by 61-180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01~3	0.5~20	5~40	40~50	50~100	
Gross carrying amount	\$ 17,211,350	\$ 1,024,945	\$ 174,331	\$ 80,696	\$ 145,909	\$ 18,637,231
Loss allowance (Lifetime ECLs)	(20,245)	(18,433)	(20,817)	(46,488)	(133,014)	(238,997)
Amortized cost	<u>\$ 17,191,105</u>	<u>\$ 1,006,512</u>	<u>\$ 153,514</u>	<u>\$ 34,208</u>	<u>\$ 12,895</u>	<u>\$ 18,398,234</u>

September 30, 2023

Cost	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1–60 days	Past due by 61–180 days	Past due over 181 days		
Expected credit loss rate (%)	0.02~5	0.35~30	30~40	40~50	50~100	
Gross carrying amount	\$ 19,155,040	\$ 755,742	\$ 103,145	\$ 64,164	\$ 158,191	\$ 20,236,282
Loss allowance (Lifetime ECLs)	(22,276)	(20,274)	(15,646)	(38,469)	(95,983)	(192,648)
Amortized cost	<u>\$ 19,132,764</u>	<u>\$ 735,468</u>	<u>\$ 87,499</u>	<u>\$ 25,695</u>	<u>\$ 62,208</u>	<u>\$ 20,043,634</u>

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Opening balance	\$238,997	\$181,709
Acquisition of consolidation	19	-
Impairment losses recognized of the period	96,456	70,987
Amounts written off of the period	(75,525)	(60,495)
Foreign exchange translation differences	<u>7,715</u>	<u>447</u>
Ending balance	<u>\$267,662</u>	<u>\$192,648</u>

10. Finance lease receivable

	September 30, 2024
Undiscounted lease payments	
Year 1	\$ 8,139
Year 2	8,139
Year 3	5,567
Year 4	4,485
Year 5	<u>4,147</u>
	30,477
Less: Unearned finance income	(3,965)
Finance lease receivable	<u>\$ 26,512</u>
Current	\$ 6,662
Non-current	<u>19,850</u>
	<u>\$ 26,512</u>

The Group's equipment finance lease agreements have lease terms ranging from 3 to 5 years. The implicit interest rate for financing leases ranges from 3.91% to 7.20%.

The Group measures the allowance for expected credit losses on finance lease receivables based on the expected credit losses over the lease term. Finance lease receivables are secured by the leased equipment. As of the balance sheet date, there were no overdue finance lease receivables. The Group has assessed that the aforementioned finance lease receivables are not impaired.

11. Merchandise inventories

The costs of inventories recognized in cost of goods sold for the three and nine months ended September 30, 2024 and 2023 were NT\$19,435,005 thousand, NT\$17,157,342 thousand, NT\$54,356,810 thousand, and NT\$44,475,552 thousand, respectively, which included the following items:

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Write-down (Gain from price recovery) of inventories	<u>\$ 13,870</u>	<u>(\$140,253)</u>	<u>\$ 35,156</u>	<u>(\$244,824)</u>

The price recovery gains of inventory for the three and nine months ending September 30, 2023 were primarily attributed to destocking.

12. Other financial assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 225,270	\$ 1,060,733	\$ 1,210,471
Structured deposits	243,382	821,012	1,197,247
Pledged deposits	513,473	95,098	77,617
Refundable deposits	<u>40</u>	<u>36</u>	<u>41</u>
	<u>\$ 982,165</u>	<u>\$ 1,976,879</u>	<u>\$ 2,485,376</u>
<u>Non-current</u>			
Pledged deposits	\$ 53,885	\$ 59,165	\$ 120,550
Refundable deposits	<u>94,441</u>	<u>100,009</u>	<u>114,262</u>
	<u>\$ 148,326</u>	<u>\$ 159,174</u>	<u>\$ 234,812</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Deposits in bank (%)	0.48~5.80	0.48~6.00	0.48~5.73

- b. The counterparties of the Group's deposits were banks with good credit and no significant default concerns, hence, there was no expected credit loss.
- c. Refer to Note 30 for information on other financial assets pledged as collateral.

13. Subsidiary

The subsidiaries in the consolidated financial statements

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

Investee company name	Name of subsidiary	Main business	Percentage of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Wah Lee Holding Ltd.	International investment business	100.00	100.00	100.00	Note 1
	Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	Trading business of engineering plastic, composite materials, industrial materials and equipment	53.69	53.69	53.69	
	Wah Lee Japan Corp. (WL Japan)	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 Godogaisha	Solar power generation business	99.99	99.99	99.99	Note 1
	Miyazaki Solar Godogaisha	Solar power generation business	99.99	99.99	99.99	Note 1
	PT. Wah Lee Indonesia (WL Indonesia)	Trading business of industrial raw materials	70.00	70.00	70.00	Note 1
	Wah Lee Vietnam Co., Ltd. (WL Vietnam)	Trading business of industrial raw 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 raw materials	51.00	51.00	51.00	Note 1
	Kingstone Energy Technology Corporation (KS Corp.)	Solar power generation business	94.68	94.68	94.68	Notes 1 and 2
	Wah Heng Energy Technology Corp. (WH Energy)	Solar power generation business	-	-	100.00	Notes 1 and 3
	Evergreen New Energy Corporation	Solar power generation business	100.00	100.00	100.00	Note 1
	Wah Lee Philippines International Corp. (WL Philippines Corp.)	Trading business of industrial raw materials	99.99	99.99	99.99	Note 1
	Wah Lee Philippines Inc. (WL Philippines Inc.)	Trading business of industrial raw materials	99.99	99.99	99.99	Note 1
	Hightech Polymer Sdn. Bhd. (Hightech)	Trading business of industrial raw materials	51.00	51.00	51.00	Note 1
	Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	Agency of semiconductor materials and equipment	100.00	100.00	100.00	Note 1
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial raw materials	99.00	99.00	99.00	Established in May 2023; Note 1
	Advance Hightech Solutions Inc. (Advance Hightech)	Trading business of engineering plastic materials, composite materials, industrial materials, semiconductor materials and equipment.	100.00	100.00	100.00	Established in September 2023; Note 1
	High Tech Gas Company Ltd.(High Tech Gas)	Precision Chemical Materials Manufacturing	60.00	60.00	60.00	Established in September 2023; Note 1
	Innovation Service CO., LTD.	Leasing business	58.33	-	-	Notes 1 and 4
Evergreen New Energy Corporation	Fanxin Development Co., Ltd. (Fanxin)	Solar power generation business	100.00	100.00	100.00	Notes 1 and 5
	Fansheng Development Co., Ltd. (Fansheng)	Solar power generation business	100.00	100.00	100.00	Notes 1 and 5
Wah Lee Holding Ltd.	SHC Holding Ltd.	International investment business	100.00	100.00	100.00	Note 1

(Continued)

(Concluded)

Investee company name	Name of subsidiary	Main business	Percentage of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
Raycong H.K.	Raycong H.K.	Trading business of engineering plastic, composite materials, industrial materials and equipment	46.31	46.31	46.31	
	Regent King International Limited (Regent King)	Trading business of engineering plastic, composite materials, industrial materials and equipment	100.00	100.00	100.00	Note 1
	Dong Guan Hua Gang International Trading Co., Ltd. (Dong Guan Hua Gang)	Sale of industrial raw materials	100.00	100.00	100.00	
	Shanghai Yi Kang Chemicals & Industries Co., Ltd. (Shanghai Yi kang)	Purchase and sale of industrial materials and trade	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
	Raycong (Vietnam) Company Limited (RC Vietnam)	Trading business of industrial raw materials	100.00	100.00	-	Established in November 2023; Note 1
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang Co., Ltd.)	Medical service	77.78	74.87	-	Notes 1 and 6
Shanghai Yi kang	Meditek (Shanghai) Co., Ltd. (Shanghai Meditek)	Import and export business of goods and techniques	70.00	70.00	70.00	Note 1
	Crown Medical Equipment (Shanghai) Co., Ltd. (Shanghai Crown)	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	70.00	75.00	75.00	Notes 1 and 7
Dong Guan Hua Gang	Guangzhou Xingxian Medical Management Consulting Co., Ltd. (Guangzhou Xingxian)	Hospital management, medical equipment repair, wholesale of medical supplies	100.00	100.00	100.00	Note 1
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang Co., Ltd.)	Medical service	22.22	25.13	100.00	Notes 1 and 6
Guangzhou Xingxian	Kaiping Huaxinkang Medical Service Co., Ltd. (Kaiping Huaxinkang)	Medical service	-	90.00	90.00	Notes 1 and 8
Shenzhen Huaying	Xiamen Huashengda Logistics Co., Ltd. (Xiamen Huashengda)	Warehouse logistics	70.00	70.00	70.00	Note 1
KS Corp.	KSA Energy Corporation (KSA Corp.)	Solar power generation business	-	-	100.00	Notes 1 and 3
	KSB Energy Corporation (KSB Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1

(Continued)

(Concluded)

Investee company name	Name of subsidiary	Main business	Percentage of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
	KSC Energy Corporation (KSC Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
WT Industrial	P.T. Wah Tech Indonesia (WT Indonesia)	Trading business of industrial raw materials	66.00	66.00	66.00	Note 1
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial raw materials	1.00	1.00	1.00	Established in May 2023; Note 1
Tranceed Logistics	Cyuancheng Logistics Co., Ltd. (Cyuancheng Logistics)	Freight forwarders and leasing business	100.00	100.00	100.00	Note 1

Note1: It is a non-significant subsidiary whose financial statements have not been reviewed by an accountant.

Note2: In August 2023, the Company purchased a 16.01% equity in Kingstone Energy Technology Corporation from an unrelated party for NT\$102,339 thousand in cash, increasing its ownership to 94.68%.

Note3: On November 1, 2023, the Group sold its 100% equity interests in its subsidiaries, Wah Heng Energy Technology Corp. and KSA Energy Corporation, to the related party, Eternal New Energy Co., Ltd.

Note4: As of September 30, 2023, and December 31, 2023, the Company held a 16.67% ownership in Hong Yi Industrial Corp. In August 2024, the Company increased its capital in Hong Yi Industrial Corp. by NT\$30,000 thousand in cash, raising its ownership to 58.33%, thereby gaining control over the entity.

Note5: To obtain power sales contracts, Evergreen new energy corporation acquired 100% equity in Fanxin Development Co., Ltd.(Fanxin) and Fansheng Development Co., Ltd.(Fansheng) on July 21, 2023, for cash considerations of NT\$125 thousand and NT\$112 thousand, respectively. This equity acquisition transaction was assessed under IFRS 3 "Business Combinations" and determined not to constitute a business. Therefore, it should be accounted for as an asset acquisition.

Note6: Anhua Huixinkang Co., Ltd. received capital increases of RMB 520,000 and RMB 5,000,000 from Raycong H.K. in February 2024 and November 2023 respectively. As of September 30, 2024, Raycong H.K. and Dongguan Huagang International Trading Co., Ltd. hold 77.78% and 22.22% equity in Anhua Huixinkang Co., Ltd. respectively.

Note7: Shanghai Yikang Company sold a 5% equity stake in Fenghuang Xingwah Shouzheng Company to a non-related party in June 2024, reducing its shareholding to 70%.

Note8: Kaiping Huaxinkang was in the completion of the liquidation in April 2024.

14. Investment accounted for using the equity method

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Investments in associates</u>			
Material associates			
CWE Inc.	\$ 5,235,100	\$ 4,501,055	\$ 4,229,417
Associates that are not individually material	<u>2,821,923</u>	<u>2,591,457</u>	<u>2,642,611</u>
	<u>8,057,023</u>	<u>7,092,512</u>	<u>6,872,028</u>
<u>Investment in joint ventures</u>			
Joint ventures that are not individually material	<u>58,899</u>	<u>52,544</u>	<u>47,101</u>
	<u>\$ 8,115,922</u>	<u>\$ 7,145,056</u>	<u>\$ 6,919,129</u>

Refer to Tables 6 and 7 for the main business and location of the investments accounted for using the equity method.

a. Material associates

Company Name	September 30, 2024	December 31, 2023	September 30, 2023
CWE Inc.	28.07%	29.54%	29.44%

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

Company Name	September 30, 2024	December 31, 2023	September 30, 2023
CWE Inc.	<u>\$ 12,091,823</u>	<u>\$ 6,906,786</u>	<u>\$ 6,144,863</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 17,402,659	\$ 15,661,938	\$ 15,814,566
Non-current assets	21,309,178	20,604,238	19,962,106
Current liabilities	(7,548,034)	(9,936,473)	(8,691,336)
Non-current liabilities	<u>(8,004,303)</u>	<u>(6,790,647)</u>	<u>(8,223,989)</u>
Equity	23,159,500	19,539,056	18,861,347
Non-Controlling interests	<u>(4,754,388)</u>	<u>(4,528,075)</u>	<u>(4,722,463)</u>
	<u>\$ 18,405,112</u>	<u>\$ 15,010,981</u>	<u>\$ 14,138,884</u>
Percentage of ownership held by the Company (%)	28.07	29.54	29.44
Equity attributable to the Company	\$ 5,167,673	\$ 4,433,628	\$ 4,161,990
Goodwill	<u>67,427</u>	<u>67,427</u>	<u>67,427</u>
Carrying amount of investment	<u>\$ 5,235,100</u>	<u>\$ 4,501,055</u>	<u>\$ 4,229,417</u>

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating revenues	<u>\$ 4,465,629</u>	<u>\$ 3,974,681</u>	<u>\$ 12,739,454</u>	<u>\$ 12,319,605</u>
Net income for this period	\$ 662,165	\$ 777,928	\$ 1,927,474	\$ 1,999,207
Other comprehensive (loss) income for the year	<u>68,037</u>	<u>757,811</u>	<u>2,685,346</u>	<u>2,600,937</u>
Total comprehensive income for the year	<u>\$ 730,202</u>	<u>\$ 1,535,739</u>	<u>\$ 4,612,820</u>	<u>\$ 4,600,144</u>
Cash dividends received	<u>\$ 387,979</u>	<u>\$ 356,224</u>	<u>\$ 494,929</u>	<u>\$ 500,693</u>

As of December 31, 2023, the Company's dividends receivable were \$106,950 thousand, recognized as other receivables - related parties.

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
The Group's share				
Net income for this period	\$ 104,463	\$ 66,341	\$ 183,781	\$ 136,972
Other comprehensive (loss) income for the year	<u>(6,536)</u>	<u>92,493</u>	<u>142,444</u>	<u>20,999</u>
Total comprehensive income for the year	<u>\$ 97,927</u>	<u>\$ 158,834</u>	<u>\$ 326,225</u>	<u>\$ 157,971</u>

c. Changes in investment in associates and joint ventures

- 1) The Company purchased 1,006 thousand shares of Wah Hong Industrial Corp. from the open market for NT\$34,739 thousand from January 1 to September 30, 2024. As of September 30, 2024, the Company held a 27.13% equity interest in Wah Hong Corp.
 - 2) In March 2023, the Company invested NT\$24,000 thousand in the newly established Perpetual New Energy Co., Ltd., acquiring a 12% stake. In January 2024, the Company participated in a cash capital increase proportionate to its shareholding, increasing the investment by an additional NT\$24,000 thousand. As the Company obtained two directors, it was assessed to have a significant influence on the Company and was classified as an investment under the equity method.
 - 3) In August 2024, the Group invested NT\$928 thousand in the newly established Born Tech Industrial Co., Ltd., acquiring a 49% ownership.
- d. The share of profit or loss and other comprehensive profit or loss enjoyed by the consolidated company on the above equity method of the investee company is partially recognized and disclosed according to the financial statements not reviewed by the

CPAs. The book value of its investments as of September 30, 2024 and 2023 was NT\$2,118,045 thousand and NT\$2,086,801 thousand, respectively, and the shares of affiliated enterprises and joint venture profits recognized under for the three and nine months ended September 30, 2024 and 2023 amounted to NT\$65,701 thousand, NT\$61,180 thousand, NT\$133,332 thousand, and NT\$128,533 thousand, respectively.

15. Property, plant and equipment

For the nine months ended September 30, 2024

	Land	Buildings	Power Generation Equipment	Other	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 2,080,610	\$ 1,079,285	\$ 2,661,882	\$ 1,187,077	\$ 768,676	\$ 7,777,530
Acquisition of consolidation	-	-	-	7,190	-	7,190
Additions	-	388	4,177	103,768	295,811	404,144
Disposals	-	(166)	(13)	(22,586)	(582)	(23,347)
Reclassified	-	150	198,863	22,810	(221,823)	-
Effects of foreign currency exchange differences	<u>1,153</u>	<u>23,464</u>	<u>6,747</u>	<u>12,840</u>	<u>1,539</u>	<u>45,743</u>
Balance at September 30, 2024	<u>\$ 2,081,763</u>	<u>\$ 1,103,121</u>	<u>\$ 2,871,656</u>	<u>\$ 1,311,099</u>	<u>\$ 843,621</u>	<u>\$ 8,211,260</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ -	\$ 417,667	\$ 492,840	\$ 884,950	\$ -	\$ 1,795,457
Acquisition of consolidation	-	-	-	2,351	-	2,351
Depreciation expenses	-	20,292	119,720	90,130	-	230,142
Disposals	-	(166)	(13)	(21,388)	-	(21,567)
Effects of foreign currency exchange differences	<u>-</u>	<u>10,014</u>	<u>2,911</u>	<u>8,305</u>	<u>-</u>	<u>21,230</u>
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 447,807</u>	<u>\$ 615,458</u>	<u>\$ 964,348</u>	<u>\$ -</u>	<u>\$ 2,027,613</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 2,080,610</u>	<u>\$ 661,618</u>	<u>\$ 2,169,042</u>	<u>\$ 302,127</u>	<u>\$ 768,676</u>	<u>\$ 5,982,073</u>
Carrying amount at September 30, 2024	<u>\$ 2,081,763</u>	<u>\$ 655,314</u>	<u>\$ 2,256,198</u>	<u>\$ 346,751</u>	<u>\$ 843,621</u>	<u>\$ 6,183,647</u>

For the nine months ended September 30, 2023

	Land	Buildings	Power Generation Equipment	Other	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 2,084,047	\$ 1,091,245	\$ 3,017,220	\$ 1,130,815	\$ 645,149	\$ 7,968,476
Additions	-	393	62,692	48,587	302,940	414,612
Disposals	-	(369)	(20,820)	(8,834)	-	(30,023)
Reclassified	-	1,634	25,528	5,674	(32,836)	-
Effects of foreign currency exchange differences	<u>(3,663)</u>	<u>2,861</u>	<u>(21,429)</u>	<u>(702)</u>	<u>(108)</u>	<u>(23,041)</u>
Balance at September 30, 2023	<u>\$ 2,080,384</u>	<u>\$ 1,095,764</u>	<u>\$ 3,063,191</u>	<u>\$ 1,175,540</u>	<u>\$ 915,145</u>	<u>\$ 8,330,024</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ -	\$ 395,992	\$ 425,575	\$ 790,559	\$ -	\$ 1,612,126
Depreciation expenses	-	21,474	123,876	81,741	-	227,091
Disposals	-	(369)	(17,485)	(4,926)	-	(22,780)
Effects of foreign currency exchange differences	<u>-</u>	<u>(224)</u>	<u>(6,568)</u>	<u>(52)</u>	<u>-</u>	<u>(6,844)</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 416,873</u>	<u>\$ 525,398</u>	<u>\$ 867,322</u>	<u>\$ -</u>	<u>\$ 1,809,593</u>
Carrying amount at September 30, 2023	<u>\$ 2,080,384</u>	<u>\$ 678,891</u>	<u>\$ 2,537,793</u>	<u>\$ 308,218</u>	<u>\$ 915,145</u>	<u>\$ 6,520,431</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:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Additions	\$404,144	\$414,612
Capitalization of interest and depreciation expense	(8,521)	(8,863)
Increase (decrease) in prepayments for equipment	89,776	(3,240)
Decrease (increase) in payables for equipment	25,901	(7,315)
Decrease (increase) in provisions	119	(2,888)
Cash paid	<u>\$511,419</u>	<u>\$392,306</u>

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

Buildings	
Offices	20-63 years
Office interior decoration	5 years
Power Generation Equipment	7 to 20 years
Other	2 to 15 years

- c. The portion of land in Zilong section of Jiali District, Tainan City, on which the Company is located is designated for farming and grazing lands. Due to legal restrictions, the farming land is registered under the name of related party Tsun-Hsien Chang. However, the Group has signed a contract with the party, agreeing to provide assistance in the future for the transfer registration to be completed under the Group or the designated individual, without charge, and has set a maximum limit of mortgage rights of NT\$200 million to the Group.
- d. Refer to Note 30 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

16. Lease Agreements

- a. Right-of-use assets

For the nine months ended September 30, 2024

	Land	Buildings	Other equipment	Total
Opening balance	\$ 96,256	\$389,397	\$ 24,564	\$510,217
Additions	773	48,291	4,850	53,914
Depreciation expenses	(4,081)	(67,511)	(8,309)	(79,901)
Lease modification	-	-	(1,524)	(1,524)
Effects of foreign currency exchange differences	107	1,676	319	2,102
Ending balance	<u>\$ 93,055</u>	<u>\$371,853</u>	<u>\$ 19,900</u>	<u>\$484,808</u>

For the nine months ended September 30, 2023

	Land	Buildings	Other equipment	Total
Opening balance	\$ 63,168	\$477,285	\$ 23,712	\$564,165
Additions	40,612	59,234	12,010	111,856
Depreciation expenses	(3,368)	(68,220)	(9,454)	(81,042)
Lease modification	-	(24,552)	-	(24,552)
Effects of foreign currency exchange differences	(63)	(321)	(21)	(405)
Ending balance	<u>\$100,349</u>	<u>\$443,426</u>	<u>\$ 26,247</u>	<u>\$570,022</u>

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of lease liabilities			
Current	<u>\$ 89,660</u>	<u>\$ 93,090</u>	<u>\$101,790</u>
Non-current	<u>\$428,355</u>	<u>\$449,617</u>	<u>\$500,316</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.85~2.50	1.85~2.50	1.85~2.50
Building	1.10~5.61	1.10~5.67	1.10~5.00
Other equipment	1.43~4.30	1.43~4.30	1.43~4.80

c. Material leasing activities and terms

The Group leases aforementioned subjects for the use of office and warehouse, for installation of power generation equipment, and transportation equipment, which will expire from November 2024 to April 2045. Upon the end of lease terms, the Group has preferential lease right for the leased property, but there is no right of first refusal.

d. Other lease information

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Expenses relating to short-term leases	<u>\$ 43,701</u>	<u>\$ 40,602</u>	<u>\$110,648</u>	<u>\$122,546</u>
Expenses relating to low-value asset leases	<u>\$ 1,000</u>	<u>\$ 507</u>	<u>\$ 2,371</u>	<u>\$ 1,701</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 5,565</u>	<u>\$ 5,695</u>	<u>\$ 12,245</u>	<u>\$ 8,820</u>
Total cash outflow for leases			<u>\$213,197</u>	<u>\$225,055</u>

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.

17. Borrowings

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank borrowings (Note 30)	\$ 1,148,730	\$ 742,776	\$ 593,281
Unsecured bank borrowings	<u>7,929,014</u>	<u>8,553,515</u>	<u>9,434,815</u>
	<u>\$ 9,077,744</u>	<u>\$ 9,296,291</u>	<u>\$ 10,028,096</u>
Annual interest rate (%)	0.62~6.35	0.59~7.25	0.46~8.80

b. Short-term bills payable - as of September 30, 2023 only

	Amount
Commercial paper payable	
China Bills Finance Corporation	\$180,000
Less: Discounts on short-term bills payable	<u>112</u>
	<u>\$179,888</u>
Annual interest rate (%)	1.40~2.20

c. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured borrowings			
Syndicated bank loans (Note 1)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Less: Syndicated loan fee	<u>2,833</u>	<u>3,583</u>	<u>3,833</u>
	1,997,167	1,996,417	1,996,167
Bank loans (Note 2)	<u>634,658</u>	<u>400,000</u>	<u>400,000</u>
	<u>2,631,825</u>	<u>2,396,417</u>	<u>2,396,167</u>
Secured borrowings (Note 30)			
Bank loans (Note 2)	<u>2,407,212</u>	<u>2,485,692</u>	<u>2,518,680</u>
Less: Portion due within one year	<u>176,332</u>	<u>171,081</u>	<u>167,697</u>
	<u>\$ 4,862,705</u>	<u>\$ 4,711,028</u>	<u>\$ 4,747,150</u>
Annual interest rate (%)			
Syndicated bank loans	2.03	2.03	2.03
Bank loans	1.58~4.10	1.22~2.67	1.22~2.67
Expiration period			
Syndicated bank loans	2027.08	2027.08	2027.08
Bank loans	2025.02~2037.06	2024.02~2037.06	2024.10~2038.08

Note1: The Company signed a syndicated loan agreement with seven banks led by Mega International Commercial Bank Co., Ltd. in August 2022. The main contents of the syndicated loan agreement are as follows:

- (1) The total amount of syndicated bank loans is \$5 billion, divided into credit limit A, credit limit B, credit limit C and credit limit D. The term of credit limit A, credit limit B and credit limit C is 5 years from the initial drawdown date (August 2022) and the fractional reserve and debt recycling is available within the total amount of syndicated loans, and the maximum term of credit limit D is from the date of receipt of corporate bond payments in full, and the drawdown of credit limit D may be made one or multiple times. However, it shall not be drawn on a revolving basis.
- (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, 2023.

Note2: Pursuant to certain bank loan agreements, the Company shall maintain specific financial ratios based on audited annual consolidated financial statements of the Company, and audited parent company only financial statements or individual financial statements of subsidiaries. The Company and its subsidiaries had met the requirement as of December 31, 2023.

18. Corporate bonds payable

	<u>December 31, 2023</u>	<u>September 30, 2023</u>
3rd domestic unsecured convertible bonds	\$ 1,996,598	\$ 2,010,033
Less: Portion due within one year	<u>1,996,598</u>	<u>2,010,033</u>
	<u>\$ -</u>	<u>\$ -</u>

In August 2021, the Company issued its 3rd domestic unsecured convertible bonds, totaling 20,000 units with a par value of NT\$100 thousand each, at an issue price of 100.25% of the par value. The total issuance amount was NT\$2,005,000 thousand, with a coupon rate of 0% and a maturity period of 3 years.

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 originally recognized as a component of the liability is 1.08%.

	<u>For the nine months ended September 30, 2024</u>	<u>For the nine months ended September 30, 2023</u>
Liability component at the beginning of the period	\$ 1,996,598	\$ 1,994,084
Interest charged at an effective interest rate	4,627	16,150
Less: Bonds payable converted into common stock	<u>2,001,225</u>	<u>201</u>
Components of ending liabilities	<u>\$ -</u>	<u>\$ 2,010,033</u>

As of September 30, 2024, the aforementioned unsecured convertible bonds have been applied for conversion into 23,419 thousand ordinary shares of the company.

19. 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.

20. Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Payable for salaries or bonuses	\$ 631,248	\$ 641,817	\$ 645,822
Payable for employees' compensation and remuneration of directors	227,553	280,063	225,353
Payable for freight	43,431	43,383	38,740
Payable for equipment	32,576	58,477	44,481
Payable for interest	29,646	50,508	33,548
Payable for commission	28,584	36,535	28,598
Other	<u>262,001</u>	<u>202,998</u>	<u>268,436</u>
	<u>\$ 1,255,039</u>	<u>\$ 1,313,781</u>	<u>\$ 1,284,978</u>

21. Retirement benefit plans

The defined benefit plan-related pension expenses recognized for the three and nine months ended September 30, 2024 and 2023 were calculated based on the pension cost rate as actuarially determined at December 31, 2023 and 2022, respectively, amounting to NT\$1,158 thousand, NT\$1,236 thousand, NT\$2,607 thousand, and NT\$3,692 thousand, respectively.

22. Equity

a. Ordinary share capital

	September 30, 2024	December 31, 2023	September 30, 2023
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>
Number of issued and fully paid shares (in thousands)	<u>259,437</u>	<u>236,239</u>	<u>236,020</u>
Amount of issued and fully paid shares	<u>\$ 2,594,368</u>	<u>\$ 2,362,393</u>	<u>\$ 2,360,202</u>

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.

The Company's authorized capital includes NT\$100,000 thousand reserved for the issuance of warrants, bond with warrant, or preferred shares with warrants, totaling 10,000 thousand shares.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of share capital	\$ 2,934,483	\$ 1,131,365	\$ 1,114,422
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	56,059	56,059	56,059
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	372,232	395,476	403,129
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	491,504	441,148	448,292
May not be used for any purpose			
Share warrants	-	33,877	34,197
	<u>\$ 3,888,519</u>	<u>\$ 2,092,166</u>	<u>\$ 2,090,340</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 dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as 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. If distribution is to be made by issuing new shares, it shall be resolved

by the shareholders' meeting before distribution. The common share dividends will be distributed after the distribution of preferred share dividends based on the Articles.

The Company's Articles of Incorporation also authorize the board of directors, with the presence of two-thirds or more of the directors and a majority of the attending directors, to decide on the distribution of dividends, bonuses, capital surplus, or legal reserves, in whole or in part, in cash, and report to the shareholders' meeting. If distribution is to be made by issuing new shares, it shall be resolved by the shareholders' meeting.

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 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
Legal reserve	<u>\$ 211,546</u>	<u>\$ 257,992</u>		
Appropriation (Reversal) of special reserve	<u>(\$ 376,257)</u>	<u>\$ 263,936</u>		
Cash dividends to shareholders	<u>\$ 1,284,310</u>	<u>\$ 1,439,709</u>	<u>\$ 5.2</u>	<u>\$ 6.1</u>

The aforementioned cash dividends were approved for distribution by the Board of Directors in March 2024 and March 2023, respectively. The remaining surplus distribution items were also approved by the Annual Shareholders' Meeting in May 2024 and May 2023, respectively.

Additionally, due to the conversion of the Company's third domestic unsecured convertible bonds into common shares, which has resulted in a change in the total outstanding capital stock, the Board of Directors authorized the Chairman to adjust the cash dividend payout ratio based on the resolution of the Board on May 28, 2024. Consequently, the cash dividend for the fiscal year 2023 has been adjusted from NT\$5.20 per share to NT\$4.95 per share, effective July 5, 2024.

d. Other equity items

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Opening balance	<u>(\$559,328)</u>	<u>(\$344,057)</u>
Recognized for the period		
Exchange differences of foreign operations	435,651	121,638
Share from associates accounted for using the equity method	131,411	43,728
Effects of income taxes	<u>(93,274)</u>	<u>(23,275)</u>
Ending balance	<u>(\$ 85,540)</u>	<u>(\$201,966)</u>

2) Unrealized gain on financial assets at FVTOCI

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Opening balance	<u>\$1,196,590</u>	<u>(\$ 104,502)</u>
Recognized for the period		
Unrealized (loss) gain - equity instruments	(12,401)	199,406
Share from associates accounted for using the equity method	730,194	682,745
Effects of income taxes	8,570	(7,202)
Reclassification Adjustment		
Share from associates accounted for using the equity method	(99,423)	-
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Investments in equity instruments designated as at fair value through other comprehensive income	1,113	(62)
Share from associates accounted for using the equity method	<u>(134,538)</u>	<u>(12,705)</u>
Ending balance	<u>\$1,690,105</u>	<u>\$ 757,680</u>

e. Non-Controlling interests

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Opening balance	\$ 1,848,597	\$ 1,784,868
Other comprehensive (loss) income of the period		
Net income for this period	224,199	147,950
Exchange differences of foreign operations	100,610	(11,394)
Cash dividends distributed to non-controlling interests	(187,939)	(38,280)
Increase in non-controlling interests resulting from the sale of subsidiary shares	228	-
Acquisition of non-controlling interests in subsidiaries	-	(120,474)
Increase in non-controlling interests from the acquisition of subsidiaries	<u>22,218</u>	<u>60,000</u>
	<u>\$ 2,007,913</u>	<u>\$ 1,822,670</u>

23. Revenue

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Revenue from contracts with customers				
Revenue from sale of goods	\$ 20,964,081	\$ 18,629,350	\$ 58,591,624	\$ 48,397,017
Other operating revenues	<u>448,854</u>	<u>389,851</u>	<u>1,226,621</u>	<u>1,167,542</u>
	<u>\$ 21,412,935</u>	<u>\$ 19,019,201</u>	<u>\$ 59,818,245</u>	<u>\$ 49,564,559</u>

a. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes receivable	\$ 3,101,746	\$ 2,750,341	\$ 2,290,695	\$ 2,240,943
Accounts receivable, net (including related parties)	<u>18,929,351</u>	<u>15,647,893</u>	<u>17,752,939</u>	<u>14,595,538</u>
	<u>\$ 22,031,097</u>	<u>\$ 18,398,234</u>	<u>\$ 20,043,634</u>	<u>\$ 16,836,481</u>
Contract liabilities				
Sale of goods	<u>\$ 483,938</u>	<u>\$ 550,887</u>	<u>\$ 531,517</u>	<u>\$ 350,115</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 from January 1 to September 30, 2024 and 2023.

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Sale of goods	<u>\$375,495</u>	<u>\$218,802</u>

- b. Disaggregation of revenue from contracts with customers

Please refer to Note 34 for information about the disaggregation of revenue.

24. NET PROFIT

The details of net income before tax includes the following items:

- a. Other income (Note 29)

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Rent income	\$ 2,363	\$ 2,909	\$ 7,603	\$ 11,094
Consulting service income	2,827	1,130	10,354	6,470
Dividend income	5,718	5,100	10,395	11,243
Grants income	39,641	1,468	40,279	1,953
Other income	<u>33,568</u>	<u>12,741</u>	<u>68,335</u>	<u>34,467</u>
	<u>\$ 84,117</u>	<u>\$ 23,348</u>	<u>\$136,966</u>	<u>\$ 65,227</u>

- b. Other gains and losses

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Net gain (loss) of financial instruments at FVTPL	\$ 10,338	\$ 2,087	\$ 58,183	\$ 15,084
Net foreign exchange gains (loss)	(33,475)	99,286	(7,267)	127,223
Gain (loss) on disposal of property, plant, and equipment	1	(255)	4,079	863
Recognize provisions for losses	(294)	(2,228)	(1,043)	(2,228)
Lease modification benefits	-	1,575	19	2,118
Other	<u>(2,923)</u>	<u>(944)</u>	<u>(6,725)</u>	<u>(5,154)</u>
	<u>(\$ 26,353)</u>	<u>\$ 99,521</u>	<u>\$ 47,246</u>	<u>\$137,906</u>

c. Financial costs

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest on bank loans	\$120,414	\$115,496	\$334,636	\$304,586
Amortization of borrowing facility management fee	250	250	750	4,868
Interest on lease liabilities	2,869	3,199	8,782	9,769
Corporate bond discount amortization and interest compensation	-	5,398	4,627	16,150
Less: Amount included in cost of qualifying assets	<u>2,751</u>	<u>6,012</u>	<u>6,990</u>	<u>8,863</u>
	<u>\$120,782</u>	<u>\$118,331</u>	<u>\$341,805</u>	<u>\$326,510</u>
Interest capitalized rate (%)	2.18~2.50	2.02~2.62	2.18~2.50	1.81~2.62

d. Depreciation and amortization

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Property, plant and equipment	\$ 82,363	\$ 75,783	\$230,142	\$227,091
Right-of-use assets	26,107	26,300	79,901	81,042
Intangible assets	11,512	9,013	30,743	34,900
Other non-current assets	501	506	1,472	1,551
Less: Amount included in cost of qualifying assets	<u>510</u>	<u>-</u>	<u>1,531</u>	<u>-</u>
	<u>\$119,973</u>	<u>\$111,602</u>	<u>\$340,727</u>	<u>\$344,584</u>
An analysis of depreciation expense by function				
Operating costs	\$ 77,445	\$ 71,626	\$220,526	\$212,974
Operating expense	<u>30,515</u>	<u>30,457</u>	<u>87,986</u>	<u>95,159</u>
	<u>\$107,960</u>	<u>\$102,083</u>	<u>\$308,512</u>	<u>\$308,133</u>
An analysis of amortization expense by function				
Operating costs	\$ 1,742	\$ 2,302	\$ 5,196	\$ 6,938
Operating expense	<u>10,271</u>	<u>7,217</u>	<u>27,019</u>	<u>29,513</u>
	<u>\$ 12,013</u>	<u>\$ 9,519</u>	<u>\$ 32,215</u>	<u>\$ 36,451</u>

e. Employee benefits expense

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term employee benefits	<u>\$ 408,810</u>	<u>\$ 450,880</u>	<u>\$1,321,067</u>	<u>\$1,263,220</u>
Post-employment benefits				
Defined contribution plans	21,099	18,855	60,751	56,646
Defined benefit plans (Note 21)	<u>1,158</u>	<u>1,236</u>	<u>2,607</u>	<u>3,692</u>
	<u>22,257</u>	<u>20,091</u>	<u>63,358</u>	<u>60,338</u>
	<u>\$ 431,067</u>	<u>\$ 470,971</u>	<u>\$1,384,425</u>	<u>\$1,323,558</u>
An analysis by function				
Operating costs	\$ 42,776	\$ 34,362	\$ 122,583	\$ 105,753
Operating expense	<u>388,291</u>	<u>436,609</u>	<u>1,261,842</u>	<u>1,217,805</u>
	<u>\$ 431,067</u>	<u>\$ 470,971</u>	<u>\$1,384,425</u>	<u>\$1,323,558</u>

f. Compensation of employees and remuneration to directors

The Company accrued compensation of employees and remuneration of directors at the rates no lower than 2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The estimated employee compensation and director remuneration for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
<u>Percentages for estimation</u>				
Employees' compensation (%)	9.00	9.00	9.00	9.00
Director's remuneration (%)	1.15	1.15	1.15	1.15
<u>Amount</u>				
Employees' compensation	<u>\$ 81,810</u>	<u>\$ 82,777</u>	<u>\$201,771</u>	<u>\$199,820</u>
Director's remuneration	<u>\$ 10,454</u>	<u>\$ 10,577</u>	<u>\$ 25,782</u>	<u>\$ 25,533</u>

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on March 14, 2024 and March 16, 2023, were as follows:

	2023		2022	
	Withdrawal Rate (%)	Amount	Withdrawal Rate (%)	Amount
Compensation of employees paid in cash	9	\$248,332	9	\$291,956
Remuneration of directors paid in cash	1.15	31,731	1.15	37,306

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

25. Income taxes

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Current income taxes				
In respect of the current period	\$169,464	\$219,400	\$509,621	\$471,903
Surtax on undistributed earnings	-	-	53,121	30,914
Adjustments for prior years	(<u>4,263</u>)	(<u>897</u>)	(<u>4,566</u>)	(<u>1,306</u>)
	<u>165,201</u>	<u>218,503</u>	<u>558,176</u>	<u>501,511</u>
Deferred tax				
In respect of the current period	<u>50,658</u>	(<u>2,371</u>)	<u>56,042</u>	<u>72,349</u>
	<u>\$215,859</u>	<u>\$216,132</u>	<u>\$614,218</u>	<u>\$573,860</u>

- b. Income tax benefits (expenses) recognized in other comprehensive income

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Deferred tax				
Generated in the current period				
Unrealized gain on financial assets at FVTOCI	(\$ 1,243)	\$ 2,227	\$ 8,570	(\$ 7,202)
Exchange differences on the translation of financial statements of foreign operations	(<u>1,857</u>)	(<u>65,753</u>)	(<u>93,274</u>)	(<u>23,275</u>)
	<u>(\$ 3,100)</u>	<u>(\$ 63,526)</u>	<u>(\$ 84,704)</u>	<u>(\$ 30,477)</u>

c. Income tax assessments

The income tax returns of the Company and the domestic subsidiaries through 2022 have been assessed by the tax authorities.

26. Earnings per share (EPS)

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

a. Net income for this period

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Profit for the year attributable to owners of the Company	\$ 712,352	\$ 712,016	\$1,726,312	\$1,690,334
Effect of convertible corporate bonds	-	5,398	4,627	16,150
Net profit used in computation of diluted EPS	<u>\$ 712,352</u>	<u>\$ 717,414</u>	<u>\$1,730,939</u>	<u>\$1,706,484</u>

b. Number of shares (in thousands)

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Weighted average number of shares outstanding used in computation of basic EPS	259,436	236,018	251,223	236,018
Effect of potentially dilutive shares				
Employees' compensation	1,570	2,146	2,172	3,052
Convertible corporate bonds	<u>1</u>	<u>23,419</u>	<u>8,214</u>	<u>23,419</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>261,007</u>	<u>261,583</u>	<u>261,609</u>	<u>262,489</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 will be 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.

27. Capital risk 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 17.

28. Financial instruments

a. Information on fair values - 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 were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount	\$ -	\$ 1,996,598	\$ 2,010,033
Fair value	\$ -	\$ 1,993,977	\$ 2,005,799

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. Information on fair values - financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2024

Financial assets at FVTPL	Level 1	Level 2	Level 3	Total
Fund beneficiary certificates	\$ 90,104	\$ -	\$ -	\$ 90,104
Structured deposits	-	653,525	-	653,525
Domestic limited partnership	-	-	12,352	12,352
Foreign exchange forward contracts	-	4,262	-	4,262
	<u>\$ 90,104</u>	<u>\$ 657,787</u>	<u>\$ 12,352</u>	<u>\$ 760,243</u>

(Continued)

(Concluded)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 268,047	\$ 288,169	\$ -	\$ 556,216
Unlisted stocks	-	-	409,636	409,636
Foreign listed shares	<u>17,398</u>	<u>-</u>	<u>-</u>	<u>17,398</u>
	<u>\$ 285,445</u>	<u>\$ 288,169</u>	<u>\$ 409,636</u>	<u>\$ 983,250</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificates	\$ 79,208	\$ -	\$ -	\$ 79,208
Structured deposits	-	799,406	-	799,406
Investment in equity instruments				
Unlisted stocks	<u>-</u>	<u>-</u>	<u>42,453</u>	<u>42,453</u>
	<u>\$ 79,208</u>	<u>\$ 799,406</u>	<u>\$ 42,453</u>	<u>\$ 921,067</u>

<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 198,955	\$ 336,446	\$ -	\$ 535,401
Unlisted stocks	-	-	438,063	438,063
Foreign listed shares	<u>18,886</u>	<u>-</u>	<u>-</u>	<u>18,886</u>
	<u>\$ 217,841</u>	<u>\$ 336,446</u>	<u>\$ 438,063</u>	<u>\$ 992,350</u>

<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ 419</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificates	\$ 78,142	\$ -	\$ -	\$ 78,142
Structured deposits	-	499,705	-	499,705
Foreign exchange forward contracts	-	441	-	441
Investment in equity instruments				
Unlisted stocks	<u>-</u>	<u>-</u>	<u>42,683</u>	<u>42,683</u>
	<u>\$ 78,142</u>	<u>\$ 500,146</u>	<u>\$ 42,683</u>	<u>\$ 620,971</u>

<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 196,968	\$ 223,219	\$ -	\$ 420,187
Unlisted stocks	-	-	502,065	502,065
Foreign listed shares	<u>16,560</u>	<u>-</u>	<u>-</u>	<u>16,560</u>
	<u>\$ 213,528</u>	<u>\$ 223,219</u>	<u>\$ 502,065</u>	<u>\$ 938,812</u>

<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 1,467</u>	<u>\$ -</u>	<u>\$ 1,467</u>

There were no transfers between Level 1 and Level 2 fair values during the nine months ended September 30, 2024 and 2023.

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Opening balance	\$480,516	\$530,375
Purchases	19,249	15,369
Transfer out of level 3	(3,887)	(47,852)
Reduction of capital	-	(18,714)
Sale	(67,000)	-
Recognized in Profit or Loss	24,059	(796)
Recognized in Other Comprehensive Income and Loss	(31,728)	66,273
Foreign exchange translation differences	<u>779</u>	<u>93</u>
Ending balance	<u>\$421,988</u>	<u>\$544,748</u>

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

- (a) 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.
- (b) 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.
- (c) Emerging market shares the fair value was assessed by reference to the transaction price supported by observable market prices.

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

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

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
FVTPL			
Mandatorily classified at FVTPL	\$ 760,243	\$ 921,067	\$ 620,971
Financial assets at FVTOCI			
Investment in equity instruments	983,250	992,350	938,812
Measured at amortized cost (Note 1)	28,082,925	27,195,739	27,457,580

(Continued)

(Concluded)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial liabilities</u>			
FVTPL			
Held for trading	\$ -	\$ 419	\$ 1,467
Measured at amortized cost (Note 2)	24,919,188	26,289,749	27,614,111

Note1: Including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties) and other financial assets, etc.

Note2: Including short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion), bonds payable (including current portion) 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 financial 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 32.

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 nine months ended September 30, 2024 and 2023 would have been higher (lower) by NT\$73,421 thousand and NT\$46,139 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 1,631,378	\$ 2,493,393	\$ 2,728,583
Financial liabilities	5,185,557	5,798,113	5,636,057
Cash flow interest rate risk			
Financial assets	4,234,759	5,957,583	4,458,692
Financial liabilities	9,449,239	10,919,592	12,098,913

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 year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have been lower/higher by NT\$39,109 thousand and NT\$57,302 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits and borrowings.

(c) Other price risks

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 shows the exposure to equity price risk at the end of the reporting period. If equity prices had been 1% higher/lower, the pre-tax profit for the nine months ended September 30, 2024 and 2023 would have been higher/lower by NT\$1,025 thousand and NT\$1,208 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 nine months ended September 30, 2024 and 2023 would have been higher/lower by NT\$9,833 thousand and NT\$9,388 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.

There was no concentration of credit risk due to the fact that the customer base was large and unrelated to each other.

3) Liquidity risk

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

The 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 year.

	Less than 1 Year	1-5 Years	5-10 Years	10-20 Years	Total
September 30, 2024					
Non-interest-bearing liabilities	\$ 10,798,623	\$ 3,784	\$ -	\$ -	\$ 10,802,407
Lease liabilities	109,095	206,730	137,696	140,549	594,070
Floating-rate instruments	4,687,608	4,218,243	793,856	15,060	9,714,767
Fixed-rate instruments	4,721,862	3,097	-	-	4,724,959
Financial guarantee liabilities	771,593	-	-	-	771,593
	<u>\$ 21,088,781</u>	<u>\$ 4,431,854</u>	<u>\$ 931,552</u>	<u>\$ 155,609</u>	<u>\$ 26,607,796</u>

(Continued)

(Concluded)

	Less than 1 Year	1-5 Years	5-10 Years	10-20 Years	Total
<u>December 31, 2023</u>					
Non-interest-bearing liabilities	\$ 10,111,579	\$ 3,172	\$ -	\$ -	\$ 10,114,751
Lease liabilities	115,634	215,239	145,720	151,635	628,228
Floating-rate instruments	6,318,064	4,017,594	860,538	19,011	11,215,207
Fixed-rate instruments	5,289,992	-	-	-	5,289,992
Financial guarantee liabilities	544,943	-	-	-	544,943
	<u>\$ 22,380,212</u>	<u>\$ 4,236,005</u>	<u>\$ 1,006,258</u>	<u>\$ 170,646</u>	<u>\$ 27,793,121</u>
<u>September 30, 2023</u>					
Non-interest-bearing liabilities	\$ 10,478,227	\$ 3,019	\$ -	\$ -	\$ 10,481,246
Lease liabilities	127,117	246,452	157,597	183,929	715,095
Floating-rate instruments	7,694,104	4,665,238	119,016	20,369	12,498,727
Fixed-rate instruments	5,067,525	-	-	-	5,067,525
Financial guarantee liabilities	627,044	-	-	-	627,044
	<u>\$ 23,994,017</u>	<u>\$ 4,914,709</u>	<u>\$ 276,613</u>	<u>\$ 204,298</u>	<u>\$ 29,389,637</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 year, 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 year.

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.

	September 30, 2024	December 31, 2023	September 30, 2023
Factoring bank	<u>\$ 1,088,093</u>	<u>\$ 616,943</u>	<u>\$ 395,491</u>
Endorsement transfer to suppliers	<u>\$ 219,044</u>	<u>\$ 231,649</u>	<u>\$ 166,844</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 September 30, 2024, December 31 and September 30, 2023, the face amount of these unsettled bills receivable was NT\$32,606 thousand, NT\$15,582 thousand, and NT\$20,135 thousand, respectively. The unsettled bills receivable will be due in 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.

During the period from January 1 to September 30, 2024 and 2023, 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.

29. **Related Party Transactions**

Except those discussed in Note 15, transactions between the Group and related parties were disclosed as follows:

a. Name of related parties and relationship with the Group

<u>Name of related party</u>	<u>Relations with the Group</u>
CWE Inc.	Associate
Nagase Wahlee Plastics Corp.	Associate
Wah Hong Corp.	Associate
ORC Technology Corp.	Associate
Shanghai Hua Chang Trading Co., Ltd.	Associate
Xiamen JianYuan Rung Logistic Co., Ltd.	Associate
Born Tech Industrial Co., Ltd.	Associate
Eternal New Energy Co., Ltd.	Associate's subsidiary
KSA Corp.	Subsidiaries of associates (as of October 2023)
WH Energy	Subsidiaries of associates (as of October 2023)
ORC Corp.	Joint venture
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
Welo-tech Corp.	Other related party (use equity method for subsidiaries)

(Continued)

(Concluded)

Name of related party	Relations with the Group
Daily Polymer Corp.	Other related parties (The Company is a corporate director of the company.)
Asahi Kasei Wah Lee Hi-Tech Corp.	Other related parties (The Company is a corporate director of the company.)
JingYi Technology Co.	Other related parties (The Company is a corporate director of the company.)
Forcera Materials Co., Ltd.	Other related parties (The Company is a corporate director of the company.)
Tien Li Offshore Wind Technology Co., Ltd.	Other related parties (The Company used to be a corporate director of the company, and it was no longer a related party after an election of all directors in June 2023.)
TaiGene Biotechnology Co., Ltd.	Other related parties (The Company is a corporate supervisor of the company.)
Bao Guang Investment Co., Ltd.	Other related parties (Its person in charge is a relative within the first degree of kinship of the Chairman of the Company and was in the Company's management before May 2023.)
Sin Hao Co., Ltd.	Other related parties (Its person in charge is a relative within the first degree of kinship of a director of the Company. After the director resigned in September 2023, they are no longer a related party.)
Raycon Industries Inc.	Other related parties (Its person in charge is a relative within the first degree of kinship of a director of the Company.)

b. Operating transactions

1) Operating Revenue

Categories of related parties	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Revenue from sale of goods				
Associates and their subsidiaries	\$ 127,537	\$ 93,256	\$ 380,334	\$ 258,477
Other related parties	<u>4,937</u>	<u>12,701</u>	<u>13,123</u>	<u>49,702</u>
	<u>\$ 132,474</u>	<u>\$ 105,957</u>	<u>\$ 393,457</u>	<u>\$ 308,179</u>
Other operating revenues				
Associates and their subsidiaries	\$ 1,719	\$ 5,121	\$ 8,320	\$ 14,977
Other related parties	<u>2,631</u>	<u>1,669</u>	<u>6,531</u>	<u>4,884</u>
	<u>\$ 4,350</u>	<u>\$ 6,790</u>	<u>\$ 14,851</u>	<u>\$ 19,861</u>

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

2) Purchase of goods

Categories of related parties	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Associates and their subsidiaries	\$ 105,468	\$ 63,211	\$ 303,227	\$ 209,893
Other related parties	<u>325,135</u>	<u>260,880</u>	<u>853,913</u>	<u>697,767</u>
	<u>\$ 430,603</u>	<u>\$ 324,091</u>	<u>\$ 1,157,140</u>	<u>\$ 907,660</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 expenses

Categories of related parties	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Associates and their subsidiaries	\$ 216	\$ -	\$ 671	\$ -
Other related parties	<u>2,915</u>	<u>2,839</u>	<u>8,641</u>	<u>8,344</u>
	<u>\$ 3,131</u>	<u>\$ 2,839</u>	<u>\$ 9,312</u>	<u>\$ 8,344</u>

4) Receivables from related parties

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Accounts receivable - related parties</u>			
Associates and their subsidiaries	\$ 155,521	\$ 124,054	\$ 100,097
Other related parties	<u>5,801</u>	<u>1,896</u>	<u>11,841</u>
	161,322	125,950	111,938
Less: Allowance for losses	<u>830</u>	<u>502</u>	<u>579</u>
	<u>\$ 160,492</u>	<u>\$ 125,448</u>	<u>\$ 111,359</u>
<u>Other receivables - related parties</u>			
Associates and their subsidiaries			
CWE Inc.	\$ -	\$ 106,950	\$ -
Others	<u>7,794</u>	<u>2,696</u>	<u>2,546</u>
	7,794	109,646	2,546
Other related parties	<u>332</u>	<u>515</u>	<u>531</u>
	<u>\$ 8,126</u>	<u>\$ 110,161</u>	<u>\$ 3,077</u>

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

5) Payables to related parties

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Accounts payable - related parties</u>			
Associates and their subsidiaries	\$ 84,975	\$ 72,792	\$ 68,614
Other related parties	<u>232,331</u>	<u>267,884</u>	<u>271,871</u>
	<u>\$ 317,306</u>	<u>\$ 340,676</u>	<u>\$ 340,485</u>
<u>Other payables - related parties</u>			
Associates and their subsidiaries	\$ 81	\$ 892	\$ 331
Other related parties	<u>19</u>	<u>25</u>	<u>25</u>
	<u>\$ 100</u>	<u>\$ 917</u>	<u>\$ 356</u>

The outstanding payables to related parties are unsecured.

c. Disposal of property, plant and equipment - only from January 1 to September 30, 2024

<u>Categories of related parties</u>	<u>Disposal proceeds</u>	<u>Disposal of gains and losses</u>
Associate	<u>\$ 589</u>	<u>\$ 7</u>

d. Other income

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Associate	\$ 4,279	\$ 3,778	\$ 16,525	\$ 13,417
Other related parties	4,390	3,954	5,585	5,019
Key management personnel	-	-	-	24
	<u>\$ 8,669</u>	<u>\$ 7,732</u>	<u>\$ 22,110</u>	<u>\$ 18,460</u>

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

e. Lease agreement - Rental expenses

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Associates and their subsidiaries	\$ 139	\$ 46	\$ 229	\$ 143
Other related parties	<u>18</u>	<u>55</u>	<u>54</u>	<u>202</u>
	<u>\$ 157</u>	<u>\$ 101</u>	<u>\$ 283</u>	<u>\$ 345</u>

f. Endorsements and guarantees

Categories of related parties	September 30, 2024	December 31, 2023	September 30, 2023
Associate			
Amount endorsed	<u>\$ 1,385,422</u>	<u>\$ 1,923,776</u>	<u>\$ 1,974,309</u>
Amount utilized	<u>\$ 738,987</u>	<u>\$ 529,361</u>	<u>\$ 606,909</u>
Other related parties			
Amount endorsed	<u>\$ 66,280</u>	<u>\$ 25,194</u>	<u>\$ 75,582</u>
Amount utilized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

g. Remuneration of key management personnel

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term employee benefits	\$ 35,967	\$ 36,136	\$ 80,889	\$ 85,926
Post-employment benefits	<u>26</u>	<u>204</u>	<u>331</u>	<u>611</u>
	<u>\$ 35,993</u>	<u>\$ 36,340</u>	<u>\$ 81,220</u>	<u>\$ 86,537</u>

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

30. Assets Pledged as Collateral

The Group provided the following assets as collateral for borrowings and performance guarantee:

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 1,307,137	\$ 848,592	\$ 562,335
Other financial assets - current	513,473	95,098	77,617
Other financial assets - non-current	53,885	59,165	120,550
Property, plant and equipment			
Freehold land	1,753,025	1,751,872	1,751,646
Buildings	280,107	385,114	392,853
Power Generation Equipment	1,979,409	2,049,688	1,868,535
Others	<u>31,373</u>	<u>35,167</u>	<u>43,138</u>
	<u>\$ 5,918,409</u>	<u>\$ 5,224,696</u>	<u>\$ 4,816,674</u>

31. Significant contingent liabilities and unrecognized commitments

Significant contingent liabilities and unrecognized commitments of the Group as of September 30, 2024 were as follows:

- The Group's unused letters of credit for the purchase of merchandise amounted to NT\$105,687 thousand.
- The unrecognized commitments for acquisition of property, plant and equipment were NT\$1,737,888 thousand.
- Company A filed a lawsuit with the court against KS Corp. for failing to fulfill its obligation of placing orders under a purchase agreement and demanded compensation of NT\$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 NT\$50,363 thousand in 2021. As of the date the consolidated financial statements were approved, the case is still under trial, and the outcome of the final trial is highly uncertain.

- d. 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., taking into account legal advice, believes that there are circumstances for which it cannot be held liable, and therefore, the determination of related breach penalties can be waived. Therefore, the financial statements do not include an estimated loss for related breach penalties. The lawsuit was filed in May 2023, and KS Corp. won in the first instance. The second instance appealed by Company B is currently under review.

32. 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 Value
<u>September 30, 2024</u>				
Monetary financial assets				
USD	\$ 316,481	31.650	(USD: NTD)	\$ 10,016,636
USD	127,184	7.767	(USD: HKD)	4,025,377
USD	23,844	7.022	(USD: RMB)	754,658
USD	1,101	24,921	(USD: VND)	34,840
USD	6,031	32.073	(USD: THB)	190,866
USD	1,431	4.265	(USD: MYR)	45,290
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	206,614	31.650	(USD: NTD)	6,539,313
RMB	173,552	0.1424	(RMB: USD)	782,214
RMB	1,241,280	1.1060	(RMB: HKD)	5,594,535
JPY	642,257	0.2223	(JPY: NTD)	142,773
HKD	1,244,711	4.075	(HKD: NTD)	5,072,196
HKD	1,073,489	0.1288	(HKD: USD)	4,374,466
THB	307,278	0.9868	(THB: NTD)	303,222
MYR	21,658	7.421	(MYR: NTD)	160,723
Monetary financial liabilities				
USD	206,534	31.650	(USD: NTD)	6,536,800
USD	11,839	7.767	(USD: HKD)	374,693
USD	19,673	7.022	(USD: RMB)	588,630
USD	1,533	24,921	(USD: VND)	48,519
USD	4,258	32.073	(USD: THB)	134,765
USD	1,331	4.265	(USD: MYR)	42,137
<u>December 31, 2023</u>				
Monetary financial assets				
USD	267,162	30.705	(USD: NTD)	8,203,214
USD	101,765	7.815	(USD: HKD)	3,124,704
USD	22,162	7.106	(USD: RMB)	680,495
USD	737	24,564	(USD: VND)	22,641
USD	1,498	34.052	(USD: THB)	45,982
USD	1,453	4.789	(USD: MYR)	44,613

(Continued)

(Concluded)

	Foreign Currency			
	Amount		Exchange Rate	Carrying Value
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	\$ 16,842	30.705	(USD: NTD)	\$ 517,130
RMB	161,809	4.3211	(RMB: NTD)	699,192
RMB	1,272,023	1.0998	(RMB: HKD)	5,496,559
JPY	598,996	0.2172	(JPY: NTD)	130,102
HKD	2,157,470	3.929	(HKD: NTD)	8,476,701
THB	269,481	0.9017	(THB: NTD)	242,991
MYR	19,540	6.411	(MYR: NTD)	125,272
Monetary financial liabilities				
USD	222,277	30.705	(USD: NTD)	6,825,021
USD	7,227	7.815	(USD: HKD)	221,898
USD	18,995	7.106	(USD: RMB)	583,240
USD	2,541	24,564	(USD: VND)	78,028
USD	1,107	34.052	(USD: THB)	33,993
USD	1,240	4.789	(USD: MYR)	38,079
September 30, 2023				
Monetary financial assets				
USD	308,439	32.27	(USD: NTD)	9,953,333
USD	100,192	7.827	(USD: HKD)	3,233,204
USD	25,366	7.304	(USD: RMB)	818,574
USD	710	24,634	(USD: VND)	22,897
USD	1,244	36.579	(USD: THB)	40,141
USD	2,100	4.909	(USD: MYR)	67,778
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	16,293	32.27	(USD: NTD)	525,787
RMB	182,384	4.4179	(RMB: NTD)	805,751
RMB	1,233,168	1.0715	(RMB: HKD)	5,447,995
JPY	588,447	0.2162	(JPY: NTD)	127,222
HKD	2,183,836	4.1230	(HKD: NTD)	9,003,954
THB	266,240	0.8822	(THB: NTD)	234,877
MYR	19,285	6.574	(MYR: NTD)	126,782
Monetary financial liabilities				
USD	256,580	32.27	(USD: NTD)	8,279,831
USD	9,097	7.827	(USD: HKD)	293,555
USD	22,731	7.304	(USD: RMB)	733,533
USD	2,972	24,634	(USD: VND)	95,911
USD	1,472	36.579	(USD: THB)	47,502
USD	2,221	4.909	(USD: MYR)	71,669

For the three and nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange were a loss of NT\$33,475 thousand, a gain of NT\$99,286 thousand, a loss of NT\$7,267 thousand, and a gain of NT\$127,223 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.

33. Additional Disclosures

- a. Information about significant transactions
 - 1) Lending Funds to Other Parties: 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: None.
 - 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 4.
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
 - 9) Trading in derivative instruments: Note 7, in addition, the Group incurred a net gain of NT\$9,215 thousand on foreign exchange forward contracts during the nine months ended September 30, 2023.
 - 10) Others: Intercompany relationships and significant intercompany transactions: Table 9.
- b. Information on investees: Table 6.
- 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 7.
 - 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 8.

- (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 8.
- (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 year 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 as of and for the period during the nine-month ended September 30, 2024 and September 30, 2024 were as follows:

Transaction Party	Line Item	Amount
Shanghai Yi kang	Other income	\$ 23,367
Shanghai Yi kang	Operating expenses	165,833
Shanghai Yi kang	Other receivables	28,864
Shanghai Yi kang	Other payables	73,186

- d. Information on 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 10.

34. 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 Huagang 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 13 for details.

Segment revenue and results

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

	The Company	Raycong	Shanghai Yikang	Other	Adjustment and Elimination	Total
For the nine months ended September 30, 2024						
Revenue from External Customers	\$34,047,706	\$10,179,634	\$11,412,225	\$4,178,680	\$-	\$59,818,245
Inter-segment revenue	<u>1,250,591</u>	<u>60,123</u>	<u>306,761</u>	<u>127,656</u>	<u>(1,745,131)</u>	-
Segment revenue	<u>\$35,298,297</u>	<u>\$10,239,757</u>	<u>\$11,718,986</u>	<u>\$4,306,336</u>	<u>(\$1,745,131)</u>	<u>\$59,818,245</u>
Departmental operating income	\$737,836	\$265,675	\$759,208	\$208,290	\$95,263	\$2,066,272
Interest income	31,907	138,993	8,708	6,891	(83,280)	103,219
Other income	179,303	4,637	51,425	10,648	(109,047)	136,966
Other gains and losses	25,333	(19,216)	10,058	33,627	(2,556)	47,246
Financial costs	(316,082)	(41,059)	(32,502)	(34,621)	82,459	(341,805)
Segment profit before tax	658,297	349,030	796,897	224,835	(17,161)	2,011,898
Income tax expense	(288,034)	(126,663)	(204,269)	(31,170)	35,918	(614,218)
Segment profit after tax	<u>\$370,263</u>	<u>\$222,367</u>	<u>\$592,628</u>	<u>\$193,665</u>	<u>\$18,757</u>	<u>1,397,680</u>
Share of profit and loss of associates under the equity method						<u>552,831</u>
Consolidated net profit						<u>\$1,950,511</u>
September 30, 2024						
Identifiable assets	<u>\$20,562,089</u>	<u>\$11,920,842</u>	<u>\$8,961,902</u>	<u>\$7,032,047</u>	<u>(\$4,219,976)</u>	<u>\$44,256,904</u>
Goodwill						177,725
Investment accounted for using the equity method						<u>8,115,922</u>
Total assets						<u>\$52,550,551</u>
For the nine months ended September 30, 2023						
Revenue from External Customers	\$28,053,838	\$8,956,683	\$8,678,344	\$3,875,694	\$-	\$49,564,559
Inter-segment revenue	<u>1,285,040</u>	<u>64,410</u>	<u>214,301</u>	<u>109,076</u>	<u>(1,672,827)</u>	-
Segment revenue	<u>\$29,338,878</u>	<u>\$9,021,093</u>	<u>\$8,892,645</u>	<u>\$3,984,770</u>	<u>(\$1,672,827)</u>	<u>\$49,564,559</u>
Departmental operating income	\$747,215	\$290,608	\$480,379	\$251,528	\$109,157	\$1,878,887
Interest income	13,278	120,751	14,651	32,233	(60,186)	120,727
Other income	170,435	5,862	13,827	13,199	(138,096)	65,227
Other gains and losses	90,128	5,363	(5,385)	45,528	2,272	137,906
Financial costs	(264,087)	(37,534)	(20,022)	(67,134)	62,267	(326,510)
Segment profit before tax	756,969	385,050	483,450	275,354	(24,586)	1,876,237
Income tax expense	(304,536)	(88,820)	(134,497)	(46,037)	30	(573,860)
Segment profit after tax	<u>\$452,433</u>	<u>\$296,230</u>	<u>\$348,953</u>	<u>\$229,317</u>	<u>(\$24,556)</u>	<u>1,302,377</u>
Share of profit and loss of associates under the equity method						<u>535,907</u>
Consolidated net profit						<u>\$1,838,284</u>
September 30, 2023						
Identifiable assets	<u>\$19,613,283</u>	<u>\$11,163,865</u>	<u>\$7,576,647</u>	<u>\$7,728,338</u>	<u>(\$2,231,537)</u>	<u>\$43,850,596</u>
Goodwill						177,960
Investment accounted for using the equity method						<u>6,919,129</u>
Total assets						<u>\$50,947,685</u>

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

LENDING FUNDS TO OTHER PARTIES

For the nine months ended September 30, 2024

Unit: NTD thousands

No.	Financing Company	Counterparty	Current Account	Related Party	Maximum Balance for the Year	Ending balance (Note 1)	Amount utilized (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)	Remarks
													Item	Value			
1	Shanghai Yi kang	Fenghuang Xingwah Shouzheng	Other receivables - related parties	Yes	\$ 38,636	\$ 38,310	\$ 29,296	5.31	Short-term financing	-	Operating capital	\$ -	-	\$ -	\$ 1,292,721	\$ 1,292,721	
1	Shanghai Yi kang	Shanghai Meditek	Other receivables - related parties	Yes	113,635	112,678	22,536	4.75	Short-term financing	-	Operating capital	-	-	-	1,292,721	1,292,721	
2	Shenzhen Huaying	Xiamen Huashengda	Other receivables - related parties	Yes	9,091	9,014	-	4.00	Short-term financing	-	Operating capital	-	-	-	29,186	29,186	
3	Dong Guan Hua Gang	Guangzhou Xingxian	Other receivables - related parties	Yes	22,727	22,536	-	4.00	Short-term financing	-	Operating capital	-	-	-	741,251	741,251	
3	Dong Guan Hua Gang	Anhua Huixinkang Co., Ltd.	Other receivables - related parties	Yes	22,727	22,536	13,521	4.00	Short-term financing	-	Operating capital	-	-	-	741,251	741,251	
6	Wah Lee Holding Ltd.	The Company	Other receivables - related parties	Yes	722,370	696,300	696,300	-	Short-term financing	-	Operating capital	-	-	-	1,800,317	1,800,317	
7	Raycong H.K.	RC Vietnam	Other receivables - related parties	Yes	16,418	15,825	9,495	6.00	Short-term financing	-	Operating capital	-	-	-	3,778,665	3,778,665	
7	Raycong H.K.	The Company	Other receivables - related parties	Yes	2,995,150	2,848,500	2,848,500	5.22	Short-term financing	-	Operating capital	-	-	-	3,778,665	3,778,665	

Note1: USD is converted by the spot exchange of US\$1=NT\$31.65; RMB is converted by the spot exchange RMB1=\$4.5070; and HKD is converted by the spot exchange HKD1=NT\$4.0751.

Note2: The individual and aggregate financing limit for the parent company and subsidiaries by Shanghai Yi Kang Co., Ltd., Huaying (SZ) Co., Ltd., Dong Guan Hua Gang Co., Ltd. and Wah Lee Holding Ltd. included in the consolidated financial statements of the parent company shall not exceed 30% of the parent company's equity.

Note3: The individual and aggregate financing limit for the parent company and the subsidiaries by Raycong H.K. included in the consolidated financial statements of the parent company shall not exceed 40% of the parent company's equity.

Note4: It was eliminated on consolidation.

TABLE 2**Wah Lee Industrial Corporation and Subsidiaries****Endorsements and guarantees****For the nine months ended September 30, 2024****Unit: NTD thousands**

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 Year	Outstanding Endorsement/ Guarantee at The End of the Year (Note 6)	Amount utilized (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	Remarks
		Company Name	Relationship											
0	The Company	WL Singapore	Subsidiary of the Company	\$ 6,673,650	\$ 584,100	\$ -	\$ -	\$ -	-	\$ 22,245,499	Y	N	N	
0	The Company	WL Vietnam.	Subsidiary of the Company	6,673,650	979,377	538,050	29,449	-	2.42	22,245,499	Y	N	N	
0	The Company	Regent King	Subsidiary of the Company	6,673,650	97,635	31,650	-	-	0.14	22,245,499	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	4,449,100	97,635	31,650	-	-	0.14	22,245,499	Y	N	N	
0	The Company	WL Philippines Corp.	Subsidiary of the Company	4,449,100	32,835	31,650	-	-	0.29	22,245,499	Y	N	N	
0	The Company	Sakuragawa Solar Godogaisha	Subsidiary of the Company	4,449,100	64,608	64,608	17,656	-	0.86	22,245,499	Y	N	N	
0	The Company	Miyazaki Solar Godogaisha	Subsidiary of the Company	4,449,100	192,192	192,192	135,837	-	0.25	22,245,499	Y	N	N	
0	The Company	WL India	Subsidiary of the Company	4,449,100	65,670	54,939	-	-	0.30	22,245,499	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yi kang, and Dong Guan Hua Gang	Subsidiary of the Company	4,449,100	150,000	150,000	61,078	-	0.67	22,245,499	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	4,449,100	159,579	113,940	-	-	0.51	22,245,499	Y	N	N	
0	The Company	WT Industrial	Subsidiary of the Company	4,449,100	4,000	-	-	-	-	22,245,499	Y	N	N	
0	The Company	Hightech	Subsidiary of the Company	4,449,100	722,370	696,300	60,637	-	3.13	22,245,499	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	4,449,100	790,000	467,000	215,991	-	2.10	22,245,499	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	4,449,100	1,158,986	911,520	518,528	-	4.10	22,245,499	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	4,449,100	66,280	66,280	-	-	0.30	22,245,499	N	N	N	
1	Shanghai Yi kang	Shanghai Meditek	Subsidiary of the Company	861,814	190,907	189,298	68,013	-	4.39	2,154,535	Y	N	Y	
2	KS Corp.	KSA Corp.	Companies with which the Company has business transactions.	176,094	6,902	6,902	4,468	-	0.91	352,188	N	N	N	
3	Dong Guan Hua Gang	Guangzhou Xingxian	Subsidiary of the Company	741,251	186,953	94,649	17,251	-	3.83	1,235,418	Y	N	Y	
4	Raycong H.K.	Dong Guan Hua Gang	Subsidiary of the Company	1,889,332	306,624	303,840	156,864	-	3.22	4,723,331	Y	N	Y	
4	Raycong H.K.	Xiamen Huashengda	Subsidiary of the Company	1,889,332	32,835	31,650	17,153	-	0.34	4,723,331	Y	N	Y	

Note1: 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.

Note2: 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.

Note3: The limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of Dongguan Huagang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Dongguan Huagang.

Note4: 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..

Note5: KS Corp. does not endorse guarantees for project contract performance bonds in excess of 50% of its paid-in capital for a single enterprise. The total amount of endorsed guarantees shall not exceed 100% of its paid-in capital.

Note6: USD was converted by spot exchange of US\$1=NT\$31.65 ; JPY was converted by spot exchange of JPY\$1=NT\$0.2223; RMB was converted by spot exchange of RMB\$1=NT\$4.5071; THB was converted by spot exchange of THB\$1=NT\$0.9868; and HKD was converted by spot exchange of HKD\$1=NT\$4.075.

TABLE 3**Wah Lee Industrial Corporation and Subsidiaries****Marketable securities held at the end of the period****September 30, 2024****Unit: NTD thousands**

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	End of this period				Remarks
				Number of shares/units	Carrying Value	Percentage of Ownership (%)	Fair value	
The Company	Stock							
	Chang Wah Technology Co. Ltd.	Associate's subsidiary	Financial assets at FVTOCI - current	5,000,000	<u>\$195,500</u>	0.53	<u>\$195,500</u>	
	Daily Polymer Corp.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	2,467,564	\$ 72,547	2.96	\$ 72,547	
	Wah Yuen Technology Holding Limited	-	Financial assets at FVTOCI - non-current	1,968,180	107,121	0.75	107,121	
	JingYi Technology Co.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	2,066,432	54,819	16.94	54,819	
	High Power Optoelectronics Inc.	-	Financial assets at FVTOCI - non-current	67,991	-	0.12	-	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	9,497	90,474	19.38	90,474	
	Forcera Materials Co., Ltd.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	2,354,773	121,459	8.35	121,459	
	Univision Technology Holdings	-	Financial assets at FVTOCI - non-current	38,794,190	-	9.10	-	
	Minima Co., Ltd.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	3,600,000	71,412	9.12	71,412	
	TaiGene Biotechnology Co., Ltd.	The Company is the supervisor of the company	Financial assets at FVTOCI - non-current	2,300,000	13,592	6.57	13,592	
	Shilian Fine Chemicals Co., Ltd.	-	Financial assets at FVTOCI - non-current	11,871,585	10,553	4.57	10,553	
	CDIB Capital Group.	-	Financial assets at FVTOCI - non-current	1,128,571	36,032	2.86	36,032	
	Darco Water Technologies Ltd.	-	Financial assets at FVTOCI - non-current	7,649,782	17,398	8.15	17,398	
	Eleocom Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,500,000	-	10.71	-	

(Continued)

(Concluded)

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	End of this period				Remarks
				Number of shares/units	Carrying Value	Percentage of Ownership (%)	Fair value	
Shenzhen Huaying SHC Holding Ltd. Wah Lee Holding Ltd.	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,018,811	\$ 27,610	1.35	\$ 27,610	
	Locus Cell Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,000,000	139,100	2.50	139,100	
	Phoenix II Venture Capital Co., Ltd.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	1,000,000	15,525	2.34	15,525	
					<u>\$777,642</u>		<u>\$777,642</u>	
	CDIB-Innolux II L.P.	-	Financial assets mandatorily classified as at fair value through profit or loss - non-current	-	<u>\$ 12,352</u>	0.94	<u>\$ 12,352</u>	
	Shanghai Junxiong Logistics Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	<u>\$ 10,108</u>	19.90	<u>\$ 10,108</u>	
	Guangzhou Yonguang Optoelectronics Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	<u>\$ -</u>	12.82	<u>\$ -</u>	
	Mutual funds							
	JPMorgan Funds-Multi-Revenue Fund-A (acc) - USD	-	Financial assets at FVTPL - current	7,737	\$ 57,814	-	\$ 57,814	
	JPMorgan Funds-Income Fund A (dist) - USD	-	Financial assets at FVTPL - current	31,586	32,290	-	32,290	
					<u>\$ 90,104</u>		<u>\$ 90,104</u>	

TABLE 4

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 nine months ended September 30, 2024

Unit: NTD thousands

Buyer/Seller	Transaction Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
									Balance	% of Total Notes/Accounts Receivable (Payable)	
			Purchase/Sale	Amount	% of Total Purchase/Sale	Credit period	Unit price	Credit period			
The Company	Shanghai Yi kang	Subsidiary	Sales	\$ 345,300	1	30 to 120 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	\$ 70,076	-	Note
	Raycong H.K.	Subsidiary	Sales	259,198	-	30 to 90 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	92,054	-	Note
	Dong Guan Hua Gang	Subsidiary	Sales	237,588	1	30 to 120 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	59,185	-	Note
	Hightech	Subsidiary	Sales	137,832	-	30 to 60 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	30,572	-	Note
	CWE Inc.	Associate accounted for using the equity method	Sales	245,193	-	90 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	104,859	1	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the Company	Purchase of goods	(753,575)	(1)	105 days after monthly closing	No comparable transactions with third party	The payment terms do not significantly differ from those of regular suppliers.	(203,097)	(2)	
	Nagase Wahlee Plastics Corp.	Associate accounted for using the equity method	Purchase of goods	(118,797)	-	60 to 90 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	(23,429)	-	
Raycong H.K.	Dong Guan Hua Gang	Subsidiary	Sales	417,652	1	30 to 180 days after monthly closing	Normal trade terms	The payment terms do not significantly differ from those of regular customers.	65,428	-	Note

Note: It was eliminated on consolidation.

TABLE 5

Wah Lee Industrial Corporation and Subsidiaries

Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital

September 30, 2024

Unit: NTD thousands

Company Name of Accounts Receivable	Transaction Party	Relationship	Ending Balance (Notes 1 and 2)	Turnover Rate (times)	Overdue receivable from related party		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	CWE Inc.	Associate accounted for using the equity method	\$ 104,859	2.30	\$ -	-	\$ 76,622	\$ -
	Raycong H.K.	Subsidiary	129,060	3.23	-	-	47,052	-
Raycong H.K.	The Company	Parent company	2,944,133		-	-	768	-
Wah Lee Holding Ltd.	The Company	Parent company	696,300		-	-	-	-

Note1: Including accounts receivable and other receivables, with the latter mainly consisting of loans receivable.

Note2: Receivables from subsidiary were eliminated on consolidation.

TABLE 6

Wah Lee Industrial Corporation and Subsidiaries

INFORMATION ON INVESTEEES
For the nine months ended September 30, 2024
Unit: NTD thousands

Investee 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)	Remarks
				End of this period	December 31, 2023						
The Company	Wah Lee Holding Ltd.	BVI	International investment business	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 6,062,538	\$ 359,525	\$ 376,158	Subsidiary
The Company	Raycong H.K.	Hong Kong	Trading business of engineering plastic, composite materials, industrial materials and equipment	304,113	304,113	56,000,000	53.69	5144,827	641,789	363,881	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	28.07	5,235,100	1,256,243	369,050	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	708,530	120,551	48,220	Associate
The Company	Wah Hong Corp.	Taiwan	Manufacturing of LCD material, BMC (bulk molding compound) material and molded product	977,962	943,223	27,135,978	27.13	1,261,626	284,314	77,621	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	66,152	(7,054)	(2,469)	Associate
The Company	WL Japan	Japan	Trading business of synthetic resin, industrial plastic, molding machine, and electromechanical parts	21,490	21,490	1,500	83.33	3,844	(42)	(35)	Subsidiary
The Company	WL Korea	South Korea	Trading business of synthetic resin, industrial plastic, molding machine, and electromechanical parts	18,856	18,856	147,000	100.00	3,402	(55)	(55)	Subsidiary
The Company	Sakuragawa Solar Godogaisha	Japan	Solar power generation business	46,008	46,008	-	99.99	94,974	6,925	6,925	Subsidiary
The Company	Miyazaki Solar Godogaisha	Japan	Solar power generation business	82,103	82,103	-	99.99	43,955	2,395	2,395	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial raw materials	48,261	48,261	1,610,000	70.00	27,937	(347)	(243)	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial raw materials	16,293	16,293	-	100.00	47,872	6,368	6,368	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	195,492	23,362	14,796	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial raw materials	200,000	200,000	7,650	51.00	303,222	67,217	34,281	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	763,392	763,392	33,346,604	94.68	867,397	48,674	42,659	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial raw materials	7,755	7,755	127,495	99.99	5,453	(312)	(312)	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial raw materials	7,747	7,747	126,997	99.99	13,479	4,436	4,435	Subsidiary
The Company	ORC Corp.	Taiwan	Trading business and service of exposure machine and parts	4,000	4,000	400,000	40.00	58,899	15,886	6,355	Joint Venture
The Company	ENE Corp.	Taiwan	Solar power generation business	130,000	130,000	13,000,000	100.00	119,261	(3,694)	(3,694)	Subsidiary
The Company	Hightech	Malaysia	Trading business of industrial raw materials	205,335	205,335	7,650,000	51.00	241,745	28,201	9,994	Subsidiary
The Company	WL Singapore	Singapore	Agency of semiconductor materials and equipment	435,145	435,145	1,600,000	100.00	530,170	20,540	20,540	Subsidiary
The Company	Perpetual New Energy Co., Ltd.	Taiwan	Renewable energy self-use power generation and energy technology business	48,000	24,000	4,800,000	12.00	47,310	(1,378)	(165)	Associate
The Company	WL India	India	Trading business of industrial raw materials	14,575	14,575	3,861,000	99.00	10,236	(1,666)	(1,649)	Subsidiary
The Company	Advance Hightech	United States	Trading business of engineering plastic materials, composite materials, industrial materials, semiconductor materials and equipment.	38,628	38,628	1,200,000	100.00	19,650	(15,375)	(15,375)	Subsidiary
The Company	High Tech Gas	Taiwan	Chemical Materials Manufacturing	90,000	90,000	9,000,000	60.00	89,331	(1,164)	(698)	Subsidiary
The Company	Hong Yi Industrial Corp.	Taiwan	Leasing business	35,000	5,000	3,500,000	58.33	30,954	(261)	(2,934)	Subsidiary
Tranceed Logistics	Cyuancheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	44,205	1,448	1,302	Subsidiary
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	51,130	51,130	5,113,000	100.00	52,780	442	442	Subsidiary
KS Corp.	KSC Corp.	Taiwan	Solar power generation business	54,000	54,000	5,400,000	100.00	2,563	-	-	Subsidiary
ENE Corp.	Fanxin	Taiwan	Solar power generation business	44,825	44,825	4,500,000	100.00	44,690	(37)	(37)	Subsidiary
ENE Corp.	Fansheng	Taiwan	Solar power generation business	31,812	31,812	3,200,000	100.00	31,675	(40)	(40)	Subsidiary
Wah Lee Holding Ltd.	SHC Holding Ltd.	Republic of Mauritius	International investment business	43,892	43,892	1,290,000	100.00	777,741	52,412	52,412	Subsidiary
Wah Lee Holding Ltd.	Raycong H.K.	Hong Kong	Trading business of engineering plastic, composite materials, industrial materials and equipment	943,164	943,164	48,296,655	46.31	4,374,466	641,789	297,193	Subsidiary

(Continued)

(Concluded)

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Note 1: The share of profit (loss) recognized for three months ended September 30, 2024 included eliminated unrealized gains or losses and amortization of investment premium.

Note2: The share of profit (loss) of subsidiaries are eliminated on consolidation.

Note3: Please refer to Table 7 for the information on investees in mainland China.

TABLE 7

Wah Lee Industrial Corporation and Subsidiaries

Information on Investments in Mainland China

For the nine months ended September 30, 2024

Unit: NTD thousands

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income Loss of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) recognized for this year (Note 1)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Remarks
					Outward	Inward							
Dongguan Huagang	Sale of industrial materials	\$ 1,174,777	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	\$ 189,786	100.00	\$ 189,786	\$ 2,465,212	\$ 425,949	Upon the completion of the liquidation in April 2024.
Shanghai Yikang	Purchase and sale of industrial materials and trade	1,023,741	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	597,562	70.00	418,294	3,036,121	-	
Shenzhen Huaying	Supply chain management and consultancy service	24,887	Invested through the third region, Raycong H.K.	-	-	-	-	(5,110)	100.00	(5,110)	97,288	42,174	
Shanghai Hua Chang Trading Co., Ltd.	International trading and trading consulting; trading agent and commercial simple processing within enterprises in the bonded area	75,960	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	179,433	30.00	53,830	723,982	56,137	
Shanghai Meditek	Import and export of goods and technology	13,521	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(17,189)	49.00	(8,423)	917	-	
Shanghai Crown	Trading business of medical devices and equipment	15,009	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	867	48.98	(560)	(3,621)	-	
Fenghuang Xingwah Shouzheng	Medical devices manufacturing technology developing and consulting	22,535	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(5,315)	49.00	(2,710)	1,120	-	
Guangzhou Xingxian	Hospital management, medical equipment repair, wholesale of medical supplies	22,535	Invested through Chinese corporation, Dongguan Huagang	-	-	-	-	(15,865)	100.00	(15,865)	38,605	-	
Anhua Huixinkang Co., Ltd.	Medical service	20,282	Reinvested through Raycong H.K. and Dongguan Huagang in Mainland China.	-	-	-	-	(3,669)	100.00	(3,669)	12,939	-	
Kaiping Huaxinkang	Medical service	-	Invested through Chinese corporation, Guangjou Xingxian	-	-	-	-	-	-	-	-	-	
Xiamen Huashengda	Warehouse logistics	13,521	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(2,929)	70.00	(2,050)	1,793	-	
Xiamen JianYuan Rung Logistic Co., Ltd.	Warehouse logistics	36,057	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	1,537	30.00	462	10,102	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehouse logistics	9,014	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(705)	30.00	(212)	3,115	-	

Investee company name	Accumulated Outward Remittance for Investment in Mainland China at the end of the period (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)
WAH LEE INDUSTRIAL CORP.	\$ 384,343	\$ 2,495,938	\$ -

Note1: The disclosure of investment gains and losses this period are based on the following:

1. Dongguan Huagang and Shanghai Yikang: Audited by the CPAs of the parent company in Taiwan
2. Others are based on unaudited financial statements.

Note2: The difference of \$2,111,595 thousand between accumulated outward remittance for investment in mainland China and investment amount authorized by investment commission, MOEA is due to investment of \$1,354,096 thousand (USD8,488 thousand, HKD267,000 thousand and RMB3,500 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.

Note3: According to the revised "Principles Governing the Review of Investments or Technical Cooperation in Mainland China" issued by the Ministry of Economic Affairs on August 29, 2008 (MOEA Jing-Shen-Zi No. 0970460680), the Company has obtained certification from the Industrial Bureau of the Ministry of Economic Affairs, confirming that the Company meet the business scope of an operational headquarters. Therefore, there is no upper limit on the investment amount in Mainland China.

TABLE 8

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 nine months ended September 30, 2024

Unit: NTD thousands

Buyer/Seller	Information on investments in mainland China	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Remarks
			Amount (Note)	%		Payment Terms	Comparison with Normal Transactions	Amount	Percentage (%)		
The Company	Shanghai Yikang	Sales	\$ 345,300	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	\$ 70,076	-	\$ 5,042	Note
	Dongguan Huagang	Sales	237,588	-	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	59,185	-	492	Note
Raycong H.K.	Dongguan Huagang	Sales	417,652	1	Normal trade terms	30 to 180 days after monthly closing	The terms with related parties are not significantly different from those to third parties	65,428	-	-	Note

Note: It was eliminated on consolidation.

TABLE 9**Wah Lee Industrial Corporation and Subsidiaries****Intercompany relationships and significant intercompany transactions****For the nine months ended September 30, 2024****Unit: NTD thousands**

No.	Trader	Counterparty	Relationship	Transaction Details			
				Item	Amount	Transaction Details	% of Total Sales or Assets
0	The Company	Shanghai Yikang	Parent to subsidiary	Operating revenues	\$ 345,300	According to the contract	1
0	The Company	Shanghai Yikang	Parent to subsidiary	Other income	23,367	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Other receivables	28,864	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Accounts receivable, net	70,076	According to the contract	-
0	The Company	Dongguan Huagang	Parent to subsidiary	Operating revenues	237,588	According to the contract	-
0	The Company	Dongguan Huagang	Parent to subsidiary	Accounts receivable, net	59,185	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other income	40,300	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other receivables	37,006	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Operating revenues	259,198	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Accounts receivable, net	92,054	According to the contract	-
0	The Company	KS Corp.	Parent to subsidiary	Advance sales receipts	53,457	According to the contract	-
0	The Company	Tranceed Logistics	Parent to subsidiary	Other income	22,367	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Other receivables	10,391	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Operating revenues	89,547	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Accounts receivable, net	23,965	According to the contract	-
0	The Company	WL Philippines Inc	Parent to subsidiary	Operating revenues	29,371	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Operating revenues	38,981	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Accounts receivable, net	19,406	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Operating revenues	87,163	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Accounts receivable, net	18,742	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Operating revenues	137,832	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Accounts receivable, net	30,572	According to the contract	-
0	The Company	Advance Hightech	Parent to subsidiary	Operating revenues	20,197	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Other operating revenues	165,833	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Operating Revenue	12,997	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Accounts receivable, net	74,414	According to the contract	-
1	Shanghai Yikang	Dongguan Huagang	Subsidiary to subsidiary	Operating revenues	89,655	According to the contract	-
1	Shanghai Yikang	Dongguan Huagang	Subsidiary to subsidiary	Accounts receivable, net	10,649	According to the contract	-
1	Shanghai Yikang	Raycong H.K.	Subsidiary to subsidiary	Operating revenues	20,258	According to the contract	-
1	Shanghai Yikang	Fenghuang Xingwah Shouzheng	Parent to subsidiary	Other receivables	30,028	According to the contract	-
1	Shanghai Yikang	Guangzhou Xingxian	Subsidiary to subsidiary	Operating revenues	13,560	According to the contract	-
1	Shanghai Yikang	Meditek (Shanghai)	Parent to subsidiary	Other receivables	26,625	According to the contract	-

(Continued)

(Concluded)

No.	Trader	Counterparty	Relationship	Transaction Details			
				Item	Amount	Transaction Details	% of Total Sales or Assets
2	Dongguan Huagang	The Company	Parent to subsidiary	Operating revenues	\$ 19,086	According to the contract	-
2	Dongguan Huagang	Shanghai Yikang	Subsidiary to subsidiary	Operating revenues	15,672	According to the contract	-
2	Dongguan Huagang	Anhua Huixinkang Co., Ltd.	Parent to subsidiary	Other receivables	13,568	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to Parent	Interest income	83,305	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to Parent	Other receivables	2,943,358	According to the contract	6
3	Raycong H.K.	Dongguan Huagang	Parent to subsidiary	Operating revenues	417,652	According to the contract	1
3	Raycong H.K.	Dongguan Huagang	Parent to subsidiary	Accounts receivable, net	65,428	According to the contract	-
4	WL Singapore	The Company	Subsidiary to Parent	Operating Revenue	17,163	According to the contract	-
5	Tranceed Logistics	Cyuancheng Logistics	Parent to subsidiary	Other operating revenues	12,204	According to the contract	-
5	Tranceed Logistics	The Company	Subsidiary to Parent	Other operating revenues	99,442	According to the contract	-
5	Tranceed Logistics	The Company	Subsidiary to Parent	Accounts receivable, net	39,575	According to the contract	-
6	Wah Lee Holding Ltd.	The Company	Subsidiary to Parent	Other receivables	696,300	According to the contract	1

TABLE 10

WAH LEE INDUSTRIAL CORPORATION

Information on Major Shareholders September 30, 2024

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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.