

**Wah Lee Industrial Corporation and
Subsidiaries**

**Consolidated Financial Statements for the Years
Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

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DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The entities required to be included in the consolidated financial statements of affiliates of Wah Lee Industrial Corporation for the year ended December 31, 2024 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,, are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No.10, “Consolidated Financial Statements”. In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Wah Lee Industrial Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Wah Lee Industrial Corporation

By

Tsun-Hsien Chang
Chairman

March 12, 2025

Independent Auditors' Report

Wah Lee Industrial Corporation:

Audit Opinion

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 December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audit results and the audit reports of other CPAs (please refer to the Other Matters section), the above consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretative announcements approved and issued by the Financial Supervisory Commission, in all material respects. They are adequate to fairly present the consolidated financial position of Wah Lee Industrial Corp. and subsidiaries as of December 31, 2024 and 2023, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2024, and 2023.

Basis for Audit Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing. Our responsibilities under these standards will be further explained in the "CPA's Responsibility for Auditing the Consolidated Financial Statements" section. The firm to which we belong has ensured that its personnel comply with independence regulations and, in accordance with the Norm of Professional Ethics for Certified Public Accountants, maintains an independent stance from Wah Lee Industrial Corp. and its subsidiaries while fulfilling all other responsibilities under these standards. Based on our audit results and the audit reports from other CPAs, we believe that sufficient and appropriate audit evidence has been obtained to serve as the basis for expressing the audit opinion.

Key Audit Matters

The key audit matters refer to the most important matters in the audit of Wah Lee Industrial Corp.'s and its subsidiaries' consolidated financial statements for 2024, as determined by our professional judgment. These matters have been considered in the course of auditing the overall consolidated financial statements and in forming the audit opinion. We do not express a separate opinion on

these matters.

The key audit matters concerning the consolidated financial statements of Wah Lee Industrial Corp. and its subsidiaries for 2024 are outlined as follows:

Occurrence of revenue from specific customers

The net operating revenue from specific customers of the Company and its subsidiaries for the year ended December 31, 2024 showed significant growth over the past year. In addition, based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

Refer to Note 4 to the financial statements for the related accounting policy on revenue recognition.

The main audit procedures that we performed to address the occurrence of the revenue from specific customers were as follows:

1. We obtained an understanding and tested the design and operating effectiveness of the internal controls relevant to shipment and revenue recognition.
2. We obtained detailed information on the sales revenue of specific customers. We selected samples and checked the shipping and collection documents. We also verified the occurrence of recorded revenue from specific customers against the supporting documents and confirmed that the payer is the same as the buyer.

Other Matters

The financial statements of some investees accounted for using the equity method in the Company and its subsidiaries' consolidated financial statements for the years ended December 31, 2024 and 2023 were audited by other independent auditors; accordingly, our opinion insofar as it relates to the amounts and information disclosed, is based solely on the reports of other independent auditors. The carrying values of the investments accounted for using the equity method as of December 31, 2024 and 2023 were NT\$726,265 thousand and NT\$686,672 thousand, respectively, both representing 1% of total consolidated assets; the amounts of the share of profit of associates for the years ended December 31, 2024 and 2023 were NT\$67,319 thousand and NT\$57,386 thousand, representing 2% of the consolidated profit before income tax.

We have also audited the parent company only financial statements of Wah Lee Industrial Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material. If, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu-Yen Wu

CPA 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

March 12, 2025

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

December 31, 2024, and December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 4,666,206	9	\$ 6,456,514	13
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	651,731	1	878,614	2
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	167,000	-	167,000	-
1150	Notes receivable (Note 9 and 31)	3,052,721	6	2,750,341	6
1170	Accounts receivable, net (Note 5 and 9)	18,282,520	35	15,522,445	31
1180	Accounts receivable - related parties (Notes 5, 9, and 30)	140,852	-	125,448	-
1197	Finance lease receivables - current (Notes 4 and 10)	6,722	-	-	-
1200	Other receivables	79,957	-	94,777	-
1210	Other receivables - related parties (Notes 30)	149,095	-	110,161	-
1220	Current tax assets (Note 25)	2,818	-	1,395	-
130X	Merchandise (Notes 4, 5, and 11)	5,717,740	11	4,695,049	9
1421	Prepayments for purchases	2,092,020	4	1,779,384	4
1476	Other financial assets - current (Notes 12 and 31)	734,779	2	1,976,879	4
1479	Other current assets	181,964	1	173,909	-
11XX	Total current assets	35,926,125	69	34,731,916	69
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	57,815	-	42,453	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	663,704	1	825,350	2
1550	Investments accounted for using the equity method (Notes 4 and 14)	7,893,447	15	7,145,056	14
1600	Property, plant and equipment (Notes 4, 15, 31, and 32)	6,254,491	12	5,982,073	12
1755	Right-of-use assets (Note 4 and 16)	507,976	1	510,217	1
1805	Goodwill (Note 4)	178,443	1	177,013	1
1822	Other intangible assets	133,929	-	161,914	-
1840	Deferred tax assets (Notes 4 and 25)	398,916	1	366,325	1
1915	Prepayments for equipment	159,303	-	53,925	-
1940	Finance lease receivables - non-current (Notes 4 and 10)	18,168	-	-	-
1980	Other financial assets - non-current (Notes 12 and 31)	160,444	-	159,174	-
1990	Other non-current assets	23,089	-	25,895	-
15XX	Total non-current assets	16,449,725	31	15,449,395	31
1XXX	Total assets	\$ 52,375,850	100	\$ 50,181,311	100
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note 17)	\$ 7,815,694	15	\$ 9,296,291	19
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	20,218	-	419	-
2130	Contract liabilities - current (Note 23)	458,873	1	550,887	1
2150	Notes payable (Note 19)	1,689,445	3	1,237,384	2
2170	Accounts payable (Note 19)	8,168,135	16	7,218,821	14
2180	Accounts payable - related parties (Notes 19 and 30)	363,749	1	340,676	1
2219	Other payables (Note 20)	1,293,340	3	1,313,781	3
2220	Other payables - related parties (Note 30)	4,778	-	917	-
2230	Current tax liabilities (Note 25)	244,620	-	268,235	1
2250	Provisions - current (Notes 4 and 32)	65,413	-	50,363	-
2280	Lease liabilities - current (Notes 4 and 16)	86,849	-	93,090	-
2321	Current portion of company bonds (Notes 4 and 18)	-	-	1,996,598	4
2322	Current portion of long-term borrowings (Note 17)	174,984	-	171,081	-
2365	Refund liability - current	403,170	1	365,130	1
2399	Other current liabilities	31,880	-	35,540	-
21XX	Total current liabilities	20,821,148	40	22,939,213	46
	Non-current Liabilities				
2540	Long-term borrowings (Note 17)	4,886,594	9	4,711,028	9
2550	Provisions - non-current (Note 4)	58,880	-	59,369	-
2580	Lease liabilities - non-current (Notes 4 and 16)	455,825	1	449,617	1
2640	Net defined benefit liability - non-current (Notes 4 and 21)	167,797	-	254,666	-
2645	Guarantee deposits received	4,048	-	3,172	-
2570	Deferred tax liabilities (Notes 4 and 25)	1,466,031	3	1,340,631	3
25XX	Total non-current liabilities	7,039,175	13	6,818,483	13
2XXX	Total liabilities	27,860,323	53	29,757,696	59
	Equity attributable to owners of the Company (Note 22)				
3110	Ordinary share capital	2,594,368	5	2,360,203	5
3140	Share capital collected in advance	-	-	2,190	-
3100	Total share capital	2,594,368	5	2,362,393	5
3200	Capital Surplus	3,905,495	7	2,092,166	4
	Retained Earnings				
3310	Legal reserve	3,179,735	6	2,968,189	6
3320	Special reserve	72,302	-	448,559	1
3350	Undistributed earnings	11,473,192	22	10,066,449	20
3300	Total retained earnings	14,725,229	28	13,483,197	27
3400	Other Equity	1,312,715	3	637,262	1
31XX	Total equity attributable to owners of the Company	22,537,807	43	18,575,018	37
36XX	Non-controlling interests (Note 22)	1,977,720	4	1,848,597	4
3XXX	Total equity	24,515,527	47	20,423,615	41
	Total liabilities and equity	\$ 52,375,850	100	\$ 50,181,311	100

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

(Please refer to Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Tsuen-Hsien Chang

Manager: Tsuen-Hsien Chang

Chief Accounting Officer: Kuo-Ping Li

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, except earnings per share in one New Taiwan Dollars

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 23 and 30)	\$ 80,030,914	100	\$ 66,782,410	100
5000	Operating costs (Notes 11, 24, and 30)	<u>74,072,856</u>	<u>93</u>	<u>61,256,065</u>	<u>92</u>
5900	Gross Profit	<u>5,958,058</u>	<u>7</u>	<u>5,526,345</u>	<u>8</u>
	Operating expenses (Notes 9, 24, and 30)				
6100	Selling and marketing expenses	2,488,296	3	2,259,583	4
6200	General and administrative expenses	636,897	1	642,186	1
6450	Expected credit loss recognized	<u>166,641</u>	<u>-</u>	<u>123,021</u>	<u>-</u>
6000	Total operating expenses	<u>3,291,834</u>	<u>4</u>	<u>3,024,790</u>	<u>5</u>
6900	Operating Income	<u>2,666,224</u>	<u>3</u>	<u>2,501,555</u>	<u>3</u>
	Non-operating income and expenses (Notes 24 and 30)				
7100	Interest income	140,489	-	172,514	-
7010	Other income	170,275	-	113,659	-
7020	Other gains and losses	39,523	-	125,011	-
7050	Financial costs	(445,635)	-	(453,732)	-
7060	Share of profit of associates and joint ventures accounted for using the equity method	<u>703,194</u>	<u>1</u>	<u>619,605</u>	<u>1</u>
7000	Total	<u>607,846</u>	<u>1</u>	<u>577,057</u>	<u>1</u>
7900	Income before Tax	3,274,070	4	3,078,612	4
7950	Income tax expenses (Notes 4 and 25)	<u>734,219</u>	<u>1</u>	<u>762,437</u>	<u>1</u>

(Continued)

(Concluded)

Code		2024		2023	
		Amount	%	Amount	%
8200	Net profit for the current year	<u>\$ 2,539,851</u>	<u>3</u>	<u>\$ 2,316,175</u>	<u>3</u>
	Other comprehensive income (Notes 22 and 25)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	38,142	-	7,660	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(164,820)	-	253,282	-
8320	Share of other comprehensive gain (loss) of associates accounted for using the equity method	466,147	-	1,094,617	2
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	3,382	-	(11,627)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	652,166	1	(214,402)	-
8370	Share of other comprehensive gain (loss) of associates accounted for using the equity method	153,342	-	(57,276)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(120,016)	-	18,349	-
8300	Other Comprehensive Income for the Year (net of tax)	<u>1,028,343</u>	<u>1</u>	<u>1,090,603</u>	<u>2</u>
8500	Total comprehensive income for the year	<u>\$ 3,568,194</u>	<u>4</u>	<u>\$ 3,406,778</u>	<u>5</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 2,252,904	3	\$ 2,113,717	3
8620	Non-controlling Interests	286,947	-	202,458	-
8600		<u>\$ 2,539,851</u>	<u>3</u>	<u>\$ 2,316,175</u>	<u>3</u>

(Continued)

(Concluded)

Code		2024		2023	
		Amount	%	Amount	%
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 3,201,795	4	\$ 3,242,378	5
8720	Non-controlling Interests	<u>366,399</u>	<u>-</u>	<u>164,400</u>	<u>-</u>
8700		<u>\$ 3,568,194</u>	<u>4</u>	<u>\$ 3,406,778</u>	<u>5</u>
	Earnings per share (Note 26)				
9750	Basic	<u>\$ 8.89</u>		<u>\$ 8.96</u>	
9850	Diluted	<u>\$ 8.62</u>		<u>\$ 8.13</u>	

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

(Please refer to Deloitte & Touche auditors' report dated March 12, 2025)

Chairman:
Tsuen-Hsien Chang

Manager:
Tsuen-Hsien Chang

Chief Accounting Officer:
Kuo-Ping Li

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

From January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to the owners of the Company											
								Other Equity					
		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
Code		Ordinary share capital	Share capital collected in advance	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings						
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												
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	-	-	20,516	-	-	(41,101)	-	-	-	(20,585)	-	(20,585)
D1	Net profit for 2023	-	-	-	-	-	2,113,717	-	-	-	2,113,717	202,458	2,316,175
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	6,219	(215,271)	1,337,713	1,122,442	1,128,661	(38,058)	1,090,603
D5	Total comprehensive income for 2023	-	-	-	-	-	2,119,936	(215,271)	1,337,713	1,122,442	3,242,378	164,400	3,406,778
I1	Convertible corporate bonds conversion	24	2,190	16,801	-	-	-	-	-	-	19,015	-	19,015
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 13)	-	-	18,135	-	-	-	-	-	-	18,135	(120,474)	(102,339)
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(40,197)	(40,197)
O1	Increase in non-controlling Interests (Note 22)	-	-	-	-	-	-	-	-	-	-	60,000	60,000
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,621	-	(36,621)	(36,621)	-	-	-
Z1	Balance at December 31, 2023	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												
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	-	-	34,921	-	-	99,423	-	(99,423)	(99,423)	34,921	-	34,921
D1	Net profit for 2024	-	-	-	-	-	2,252,904	-	-	-	2,252,904	286,947	2,539,851
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	32,153	606,040	310,698	916,738	948,891	79,452	1,028,343
D5	Total comprehensive income for 2024	-	-	-	-	-	2,285,057	606,040	310,698	916,738	3,201,795	366,399	3,568,194
I1	Convertible corporate bonds conversion	234,165	(2,190)	1,769,241	-	-	-	-	-	-	2,001,216	-	2,001,216
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 13)	-	-	9,167	-	-	-	-	-	-	9,167	(40,175)	(31,008)
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(219,319)	(219,319)
O1	Increase in non-controlling Interests (Note 22)	-	-	-	-	-	-	-	-	-	-	22,218	22,218
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	141,862	-	(141,862)	(141,862)	-	-	-
Z1	Balance at December 31, 2024	\$ 2,594,368	\$ -	\$ 3,905,495	\$ 3,179,735	\$ 72,302	\$ 11,473,192	\$ 46,712	\$ 1,266,003	\$ 1,312,715	\$ 22,537,807	\$ 1,977,720	\$ 24,515,527

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

(Please refer to Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Tsuen-Hsien Chang

Manager: Tsuen-Hsien Chang

Chief Accounting Officer: Kuo-Ping Li

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Code		2024	2023
	Cash flows from operating activities		
A10000	Pre-tax net profit for the current year	\$ 3,274,070	\$ 3,078,612
A20010	Adjustments for:		
A20100	Depreciation expenses	411,652	408,101
A20200	Amortization expenses	41,555	47,860
A20300	Expected credit loss recognized	166,641	123,021
A20400	Net gain (loss) of financial instruments at FVTPL	(39,919)	(15,789)
A20900	Financial costs	445,635	453,732
A21200	Interest income	(140,489)	(172,514)
A21300	Dividend income	(19,588)	(13,231)
A22300	Share of profit of associates and joint ventures accounted for using the equity method	(703,194)	(619,605)
A22500	Net loss (profit) on disposal of property, plant and equipment	(4,287)	47,137
A22900	Provisions for reversal losses	15,329	1,587
A23200	Disposal of subsidiaries, gain on investments accounted for using the equity method	-	(160,945)
A23700	Write-down (Gain from price recovery) of inventories	40,947	(234,848)
A23800	Impairment loss on non-financial assets	4,134	-
A24100	Net unrealized loss (gain) on foreign currency exchange	188,088	(67,916)
A29900	Lease modification benefits	(2,127)	(2,342)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	12,414	7,187
A31130	Notes receivable	(301,042)	(509,484)
A31150	Accounts receivable	(2,936,586)	(1,148,255)
A31160	Accounts receivable - related parties	(15,677)	(27,765)
A31180	Other receivables	(6,000)	(9,930)
A31190	Other receivables - related parties	(7,302)	332
A31200	Merchandise inventories	(1,068,564)	1,975,005
A31230	Prepayments for purchases	(312,636)	(135,665)
A31240	Other current assets	(7,608)	10,698
A31990	Finance lease receivables	(17,621)	-

(Continued)

(Concluded)

Code		2024	2023
A32110	Financial liabilities held for trading	(\$ 4,840)	(\$ 7,726)
A32125	Contract liabilities	(92,014)	200,772
A32130	Notes payable	452,061	725,672
A32150	Accounts payable	949,314	(288,882)
A32160	Accounts payable - related parties	23,073	(89,349)
A32180	Other payables	(3,309)	(73,757)
A32190	Other payables - related parties	3,861	5,313
A32200	Provision	-	(38,380)
A32200	Refund liabilities	38,040	67,102
A32230	Other current liabilities	(4,036)	5,246
A32240	Net defined benefit liabilities	(49,998)	(4,216)
A33000	Cash generated from operations	329,977	3,536,778
A33100	Interest received	163,452	153,708
A33200	Dividends received	654,693	686,768
A33300	Interest paid	(473,790)	(444,319)
A33500	Income tax paid	(777,028)	(764,066)
AAAA	Net cash generated from (used in) operating activities	(102,696)	3,168,869
Cash flow from investing activities			
B00010	Purchase of financial assets at fair value through other comprehensive income	(6,409)	(15,369)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	185
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	(2,846,660)	(1,797,576)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	3,110,561	1,538,054
B01800	Acquired associate	(59,667)	(24,000)
B02200	Net cash inflow from acquisition of subsidiaries	8,383	-
B02300	Net cash inflow from disposal of subsidiaries	-	344,271
B02700	Payment for property, plant, and equipment	(656,348)	(587,379)
B02800	Proceeds from disposal of property, plant, and equipment	6,205	6,541
B04500	Acquisition of other intangible assets	(7,505)	(15,547)
B06500	Decrease (increase) in other financial assets	1,240,830	(380,491)
BBBB	Net cash generated from (used in) investing activities	789,390	(912,597)

(Continued)

(Concluded)

Code		2024	2023
	Cash flow from financing activities		
C00200	Increase (Decrease) in short-term borrowings	(\$ 1,814,632)	\$ 158,916
C00500	Decrease in short-term bills payable	-	(30,000)
C01600	Proceeds from long-term borrowings	578,608	1,542,381
C01700	Repayment of long-term borrowings	(394,690)	(2,273,397)
C03000	Increase in guarantee deposits received	728	369
C04020	Repayment of the principal portion of lease liabilities	(100,612)	(102,141)
C04500	Distributed cash dividends	(1,284,310)	(1,439,709)
C05800	Changes in non-controlling Interests	(250,327)	(82,536)
C09900	Other fundraising activities	(9)	-
CCCC	Net cash used in financing activities	(3,265,244)	(2,226,117)
DDDD	Effect of exchanges rate changes on the balance of cash and cash equivalents	788,242	(288,921)
EEEE	Net decrease in cash and cash equivalents	(1,790,308)	(258,766)
E00100	Cash and cash equivalents at the beginning of the year	6,456,514	6,715,280
E00200	Cash and cash equivalents at the ending of the year	\$ 4,666,206	\$ 6,456,514

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

(Please refer to Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Tsuen-Hsien Chang

Manager: Tsuen-Hsien Chang

Chief Accounting Officer:
Kuo-Ping Li

Wah Lee Industrial Corporation and Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to December 31, 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 March 12, 2025.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRS Accounting Standards endorsed by the FSC is 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 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" related to the application guidance on the classification of financial assets.	January 1, 2026 (Note 2)

Note 1: Applicable for the annual reporting period starting from January 1, 2025. Upon

the initial application of the amendment, the comparative period should not be recompiled. Instead, the impact should be recognized in the retained earnings or the foreign currency exchange differences of foreign operations (where appropriate) under equity items on the date of initial application, and the related affected assets and liabilities.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2026, but the company may also choose to apply in advance starting from January 1, 2025. Upon the initial application of the amendment, it should be applied retrospectively, but the comparative period does not need to be recompiled. The impact of the initial application should be recognized as of the date of initial application. However, if a company fails to exercise foresight when it is able to recompile, it may choose to recompile the comparative period.

As of the date of approval of the consolidated financial statement, the Group has assessed that the amendments to the above standards and interpretations and it will not have a significant impact on its financial position and financial performance.

- c. New IFRS Accounting Standards 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 1)
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" related to the application guidance on the derecognition of financial liabilities.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	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: Disclosure"	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 will replace IAS 1 "Presentation in Financial Statements." The main changes in this standard include:

- The income statement should categorize the revenue and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should report operating profit or loss, pre-financing profit or loss before tax, as well as subtotals and totals of the profit or loss.
- Provide guidance to strengthen aggregation and disaggregation regulations: The Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other matters, and classify and aggregate them based on common characteristics, so that each individual item reported in the main financial statements has at least one similar characteristic. Items with dissimilar characteristics should be further disaggregated in the main financial statements and notes. The Group will only label such items as "Other" when no more informative labels can be found.
- Enhancing the disclosure of performance measures defined by management: When the Group engages publicly beyond of the financial statements or communicates with financial statement users regarding management's perspective on a particular aspect of the Group's overall financial performance, it should disclose, in a single note in the financial statements, information related to the performance measures defined by management. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals defined by IFRS Accounting Standards, as well as the impact of related adjustments on income tax and non-controlling interests.

Aside from the aforementioned impacts, as of the date the consolidated financial statements were approved, the Group is continuously assessing the possible impact of the application of the above standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations

Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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 inputs: Inputs, other than quoted prices within level 1 that are observable for the assets or liabilities, 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. The standards for classifying assets and liabilities as current or non-current

Current assets include:

- 1) Assets primarily held for trading purposes.
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash and cash equivalents (excluding those that are restricted for use in exchange or settling liabilities beyond 12 months after the balance sheet date)

Current liabilities include:

- 1) Liabilities primarily held for trading purposes.
- 2) The liability due for settlement within 12 months after the balance sheet date; and
- 3) 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 or liabilities that do not fall under the above categories of current assets or current liabilities are classified as non-current assets or non-current liabilities.

d. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the company (subsidiaries). The consolidated statement of comprehensive income includes the operating income and expenses of acquired or disposed subsidiaries from the acquisition date or up to the disposal date of the current period. The financial statements of the subsidiaries have been appropriately adjusted to align their accounting policies with those of the parent companies. In the preparation of the consolidated financial statements, all transactions account balances, revenues, and expenses between entities have been fully eliminated. The total comprehensive income of the subsidiary is attributable to the owners of the Company as well as to non-controlling interests, even in cases where the non-controlling interests result in a deficit balance.

When changes in the Group's ownership interest in a subsidiary do not result in the loss of control, they are treated as equity transactions. The carrying amounts of the Group and

non-controlling interests have been adjusted to reflect changes in their respective interests in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the gain or loss on disposal is the difference between: (1) the fair value of the consideration received and (2) the total carrying value of the former subsidiary's assets, liabilities, and non-controlling interests at the loss of control date. The accounting treatment of all amounts recognized in other comprehensive income related to the subsidiary shall follow the same basis as that required when the Group directly disposes of the related assets or liabilities.

For the detailed information of subsidiaries (including the percentage of ownership and main business), refer to Note 13, and Tables 6 and 7.

e. business combination

Business combinations are accounted for using the acquisition method. Acquisition-related costs are recognized as expense in the period in which they are incurred and services are received.

Goodwill is measured as the excess of the fair value of the consideration transferred and the amount of non-controlling interest in the acquiree over the net amount of identifiable assets acquired and liabilities assumed at the acquisition date. If, after reassessment, the net amount of identifiable assets acquired and liabilities assumed at the acquisition date still exceeds the total of the consideration transferred and the non-controlling interest in the acquiree, the difference is recognized as a gain recognized in bargain purchase transaction and is immediately recognized in profit or loss.

The non-controlling interests to which the acquiree hold current ownership rights and are entitled to proportionately benefit from the net assets of the acquiree upon liquidation, are measured based on their proportionate share of the recognized amount of the identifiable net assets of the acquiree.

f. Foreign Currency Amount

When preparing the financial statements, transactions in currencies other than the individual functional currency (foreign currencies) are recorded using the exchange rate on the transaction date to convert them into the functional currency.

The monetary items denominated in foreign currencies are translated at the closing exchange rate at each balance sheet date. The exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the year in which they occur.

Non-monetary items denominated in foreign currencies measured at fair value are translated at the exchange rate on the date when the fair value is determined. The resulting exchange differences are recognized in profit or loss for the year, except for those whose fair value changes are recognized in other comprehensive income, in which case the exchange differences are recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies measured at historical cost are

translated at the exchange rate on the transaction date and are not retranslated thereafter.

When preparing the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates whose operating country or functional currency is different from that of the parent company) are translated into NT\$ using the exchange rate at the balance sheet date. Revenue and expense items are translated using the average exchange rate for the period. The resulting exchange differences are recognized in other comprehensive income. (separately attributed to the Company's owners and non-controlling interests)

Goodwill arising from the acquisition of foreign operations, as well as fair value adjustments made to the carrying amounts of assets and liabilities of the acquired foreign operations, are considered as assets and liabilities of the foreign operations. They are translated at the closing exchange rate on each balance sheet date, with any resulting exchange differences recognized in other comprehensive income.

g. Merchandise inventories

Merchandise inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, this is done on an individual item basis. Net realizable value refers to the estimated selling price under normal conditions, less the selling expenses. The cost of inventory is calculated using the weighted average method.

h. Investment in associates and joint ventures

An associate refers to an entity over which the Group has significant influence, but is not a subsidiary or a joint venture. A joint venture refers to a joint agreement where the Group and another company have joint control and rights to the net assets.

The Group applies the equity method for its investments in associates and joint ventures.

Under the equity method, investments in associates and joint ventures are initially recognized at cost. The carrying amount is subsequently adjusted based on the Group's share of the associates' and joint ventures' profit or loss, other comprehensive income, and dividends received. Furthermore, changes in the equity of associates and joint ventures are recognized based on the ownership percentage.

The acquisition cost surpasses the net fair value of identifiable assets and liabilities of the associates and joint ventures as of the acquisition date is recognized as goodwill. This goodwill is included into the carrying amount of the investment and is not subject to amortization. Conversely, if the fair value of the identifiable assets and liabilities of the associates and joint ventures exceeds the acquisition cost, the excess is recognized as income for the current year.

When associates and joint ventures issue new shares and the Group does not subscribe to them in proportion to its ownership, resulting in a change in the ownership percentage and consequently affecting the net value of equity invested, the increase or decrease is adjusted against the capital surplus and the investment accounted for using the equity method. However, if the Group does not subscribe or acquire shares in proportion to its ownership, resulting in a decrease in its ownership interest in the associate or joint venture, the amount related to the associate and joint venture recognized in other comprehensive income is reclassified proportionally based on the reduction. The accounting treatment

basis for this reclassification is the same as if the associate or joint venture directly disposed of the related assets or liabilities. If the adjustment requires a reduction in the capital surplus and the capital surplus from the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When assessing impairment, the Group treats the overall carrying amount of the investment (including goodwill) as a single asset, comparing the recoverable amount with the carrying amount to conduct the impairment test. The recognized impairment loss is not allocated to any asset that constitutes the carrying amount of the investment, including goodwill. Any reversal of impairment loss is recognized in accordance with subsequent increase in the recoverable amount of the investment.

The gains and losses from upstream, downstream and lateral transactions between the Group, associates and joint ventures are only recognized in the consolidated financial statements to the extent that they are unrelated to the Group's equity interest in the associates and joint ventures.

i. Property, Plant, and Equipment

Property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Self-owned land is not subject to depreciation.

Property, plant, and equipment under construction are recognized at cost, less accumulated impairment losses. Cost includes professional service fees and borrowing costs that meet the capitalization rules. These assets are classified into the appropriate category of property, plant, and equipment and depreciation begins when they are completed and ready for their intended use.

Property, plant, and equipment are depreciated on a straight-line basis over their useful lives, with each significant component being depreciated separately. The Group reviews the estimated useful life, residual value, and depreciation method at least at the end of each year and defers the impact of any changes in accounting estimates.

Upon derecognition of property, plant, and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill acquired in a business combination is recognized at the amount determined on the acquisition date as the cost, and subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units or groups of cash-generating units (hereinafter referred to as "cash-generating units") that are expected to benefit from the synergies of the business combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually (and whenever there is an indication that the unit may be impaired) by comparing the carrying amount of the unit, including goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business

combination during the year, the unit must undergo an impairment test before the end of the year. If the recoverable amount of a cash-generating unit to which goodwill has been allocated is lower than its carrying amount, the impairment loss is first applied to reduce the carrying amount of the allocated goodwill of that cash-generating unit, and then proportionately applied to reduce the carrying amounts of the other assets within that unit. Any impairment loss is recognized directly as an expense in the current period. The impairment loss of goodwill cannot be reversed in subsequent periods.

When disposing of an operation within a cash-generating unit to which goodwill has been allocated, the amount of goodwill related to the disposed operation is included in the carrying amount of the operation to determine the gain or loss on disposal.

k. Impairment of property, plant, and equipment, and right-of-use assets

The Group assesses whether there are any indications that property, plant, and equipment, or right-of-use assets may be impaired on each balance sheet date. If any signs of impairment are present, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonable and consistent basis.

The recoverable amount is defined as the greater of the fair value less selling costs and its value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of that asset or cash-generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized in profit or loss.

When impairment losses are subsequently reversed, the carrying amount of the asset or cash-generating unit shall be increased to the revised recoverable amount. However, the increased carrying amount must not exceed the carrying amount that would have been determined for the asset or cash-generating unit had no impairment loss been recognized in prior years (less depreciation). Reversal of impairment losses is recognized in profit and loss.

l. Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet of the Group when the company becomes a party to the contractual terms of the instrument.

At initial recognition of financial assets and financial liabilities, if the financial asset or financial liability is not measured at fair value through profit or loss, it is measured at fair value plus any directly attributable transaction costs incurred in acquiring or issuing the financial asset or financial liability. Transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1) Financial assets

The standard practice of financial assets is recognized and derecognized based on the transaction date.

(a) Measurement Categories

The types of financial assets held by the Group are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity investments measured at fair value through other comprehensive income

i. Financial assets at FVTPL

Financial assets measured at fair value through profit or loss are financial assets that are mandatorily measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value, and remeasurement gains or losses recognized in other gains and losses.

ii. Financial assets measured at amortized cost.

If the financial assets invested by the Group simultaneously meet the following two conditions, they shall be classified as financial assets measured at amortized cost:

- i) This model is designed to hold financial assets with the purpose of receiving contractual cash flows.
- ii) The contractual terms specify cash flows on designated dates, which are exclusively allocated for the payment of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost subsequent to initial recognition are determined by the total carrying amount calculated using the effective interest method, less any impairment losses. Any gains or losses resulting from foreign currency exchange are recognized in profit or loss. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset.

Cash equivalents include time deposits that are acquired within three months from the date of acquisition, highly liquid, convertible to fixed amounts of cash at any time, and have minimal risk of value fluctuation. These are used to meet short-term cash commitments.

iii. Investments in equity instruments designated as at fair value through other comprehensive income

At initial recognition, the Group may make an irrevocable decision to designate equity investments that are not held for trading and not acquired in a business combination or for a consideration, to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are recorded at fair value. Subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. Upon the disposal of investments, accumulated gains and

losses are directly transferred to retained earnings and are not reclassified as profit or loss.

Dividends from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed, unless the dividends clearly represent a recovery of a portion of the investment cost.

(b) Impairment of financial assets

The Group evaluates impairment losses on financial assets measured at amortized cost based on expected credit losses as of each balance sheet date.

The accounts receivable and finance lease receivables should be recognized with an allowance for expected credit losses based on the duration of the receivable. Other financial assets are initially assessed for whether there has been a significant increase in credit risk since initial recognition. If there has been no significant increase, an allowance for losses is recognized based on the 12-month expected credit losses. If there has been a significant increase, an allowance for losses is recognized based on the lifetime expected credit losses.

Expected credit loss refers to the weighted average credit loss calculated based on the probability of default occurrence. The 12-month expected credit losses represent the expected credit losses arising from possible defaults of the financial instrument within the 12 months following the reporting date, while lifetime expected credit losses represent the expected credit losses arising from all possible defaults of the financial instrument over its expected lifetime.

For the purpose of internal credit risk management, and without considering any collateral held, the Group determines that the following situations represent a default of the financial asset:

- i. There is information, either internal or external, indicating that the debtor is no longer capable of repaying the debt.
- ii. Overdue for more than 180 days, unless there is reasonable and verifiable information indicating that a subsequent default criteria is more appropriate.

Impairment losses on all financial assets are recognized by decreasing the carrying amount in the allowance account.

(c) Derecognition of the financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when the financial asset has been transferred and substantially all of the risks and compensation of ownership of the asset have been transferred to another entity.

If the Group has neither transferred nor retained almost all of the risks and returns of ownership of the financial assets, but retains control over the assets, the assets shall continue to be recognized within the scope of its ongoing involvement, and recognize any amounts that may need to be paid as related

liabilities. If the Group retains almost all of the risks and returns of ownership of the financial assets, the assets shall continue to be recognized, and the amount received shall be recognized as a secured loan.

When financial assets measured at amortized cost are derecognized, the difference between its carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income is derecognized, the accumulated gains or losses are directly transferred to retained earnings and are not reclassified to profit or loss.

2) Equity Instruments

The debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments.

The equity instruments issued by the Group are recognized at the amount acquired, less any directly attributable issuance costs.

3) Financial liabilities

(a) Subsequent evaluation

The financial liabilities held by the Group, excluding derivative instruments, are measured at amortized cost using the effective interest method.

(b) Derecognition of the financial liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Convertible corporate bonds

The compound financial instruments (convertible corporate bonds) issued by the Group are classified into financial liabilities and equity at initial recognition based on the substance of the contractual arrangement and the definitions of financial liabilities and equity instruments. The components are separately recognized as financial liabilities and equity.

At initial recognition, the fair value of the liability component is estimated using the market interest rates of comparable non-convertible instruments, and is subsequently measured at amortized cost using the effective interest method until conversion or maturity. The liability component with embedded non-equity derivative instrument is measured at fair value.

The conversion rights classified as equity is equal to the overall fair value of the compound instrument minus the fair value of the liability component, which is determined separately and will not be subject to subsequent remeasurement. When the conversion right is exercised, the related liability component and the equity amount will be reclassified to share capital and capital surplus. If the conversion

rights of convertible corporate bonds are not exercised by the maturity date, the amount recognized in equity will be reclassified as a capital surplus.

The related transaction costs of issuing convertible bonds are allocated to the liability (included in the carrying amount of the liability) and equity components of that instrument based on their proportion of the total proceeds.

5) Derivatives

The derivative instruments employed by the Group are foreign exchange forward contracts, which are used to manage the currency risk of the Group.

Derivative instruments are initially recognized at fair value upon the signing of the contract and subsequently remeasured at fair value on the balance sheet date, with any gains or losses arising from subsequent measurements being directly recognized in profit or loss. When the fair value of derivative instruments is positive, it is classified as a financial asset; conversely, when the fair value is negative, it is classified as a financial liability.

m. Provision

The amount recognized as a provision (including various fees collected by the government in accordance with the law) is the best estimate of the expenditure required to settle the obligation as of the balance sheet date, considering the risks and uncertainties. Provisions are measured at the present value of the estimated cash flows related to settle the obligation.

n. Revenue Recognition

After identifying the performance obligations in customer contracts, the Group allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods comes from the sale of composite materials, engineering and functional plastics, semiconductor processing materials, and other products. In accordance with the contract, when the goods are shipped or delivered to the customer's designated location, and the customer has the right to set the price and use of the goods, is responsible for resale, and bears the risk of obsolescence. The Group recognizes revenue and accounts receivable at that time.

2) Service Income

Commission income is recognized by the Group when acting as an agent to provide product brokerage services on behalf of customers, and revenue is recognized when control of the goods is transferred and there are no further obligations. Other service income is recognized upon the satisfaction of performance obligations as income.

o. Lease

The Group evaluates whether the contract is (or includes) a lease on the contract establishment date.

1) The Group serves as the Lessor.

When the lease agreement transfer almost all the risks and returns associated with the ownership of the asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under finance leases, lease payments include fixed payments and the exercise price of a purchase option that is reasonably assured to be exercised. The net investment in lease is measured at the present value of the lease payments receivable and the unguaranteed residual value, plus initial direct costs, and is expressed as finance lease receivables. Finance income is allocated to each accounting period to reflect a constant rate of return on the Group's net amount of lease investment that has not yet matured during the period.

2) The Group serves as the Lessee.

Except for leases of low-value assets that are eligible for the recognition exemption and short-term leases are recognized as expenses on a straight-line basis over the lease term, all other leases are recognized as right-of-use assets and lease liabilities at the lease commencement date.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with adjustments made for any remeasurement of the lease liabilities. The right-of-use assets are presented separately in the consolidated balance sheet.

The right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease until the expiration of the lease term.

Lease liabilities are initially measured at the present value of lease payments. If the implicit interest rate of the lease is readily determinable, lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate of interest is used.

Subsequently, lease liabilities are measured using the effective interest method on an amortized cost basis, and interest expense is allocated over the lease term. If there is a change in the lease term, the Group will remeasure the lease liability and adjust the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount will be recognized in profit or loss. The lease liabilities are presented separately in the consolidated balance sheet.

Lease payments that are not dependent on changes in an index or rate are recognized as an expense in the period in which they occur in the lease agreement.

p. Cost of Borrowing

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are included as part of the cost of the asset, until the asset is ready for its intended use and almost all necessary activities have been completed.

Except for the above, all other borrowing costs are recognized as expenses in the period in which they are incurred.

q. Government Subsidy

Government subsidies are recognized only when it is reasonably assured that the Group will comply with the conditions attached to the subsidies and that the subsidies will be received.

Government subsidies related to income are recognized as other income on a systematic basis over the period in which the related costs, intended to be compensated, are recognized as expenses by the Group.

r. Employee Benefits

1) Short-term employee benefits

Liabilities related to short-term employee benefits are measured at the expected non-discounted amount to be paid in exchange for employee services.

2) Post-employment benefits

Contributions to a defined contribution pension plan are recognized as an expense during the period in which the employee provides services.

The defined benefit cost of the defined benefit retirement plan (includes service cost, net interest, and remeasurement amounts) is calculated using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefit expenses when incurred. Remeasurements are recognized in other comprehensive income when incurred and are included in retained earnings, with no subsequent reclassification to profit or loss.

The net defined benefit liability is the deficit of the defined benefit retirement plan.

s. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current income taxes

The Company calculates the current income (loss) based on the regulations established by the respective tax reporting jurisdictions, which is used to calculate the income tax payable (recoverable).

The additional income tax on undistributed earnings, calculated in accordance with Taiwan's Income Tax Act, is recognized in the year in which the shareholders' meeting resolution is passed.

Adjustments to income taxes payable from previous years are included in the current income tax.

2) Deferred tax

Deferred tax is calculated based on the temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and tax base for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when it is probable that there will be taxable income available to decrease the temporary differences.

Taxable temporary differences related to investments in subsidiaries and associates are recognized as deferred income tax liabilities, except when the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are recognized as deferred tax assets only if it is probable that there will be sufficient taxable income to realize the temporary differences, and the temporary differences are expected to reverse within the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date, and for those assets where it is no longer probable that sufficient taxable income will be available to recover all or part of the asset, the carrying amount is decreased. Deferred income tax assets that were originally not recognized are also reviewed at each balance sheet date, and the carrying amount is increased when it becomes probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured using the tax rate expected to apply when the liability is settled or the asset is realized, based on the tax rates and tax laws that are enacted or substantively enacted at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences resulting from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities at the balance sheet date.

The Group has applied the exceptions for the recognition and disclosure of deferred income tax assets and liabilities related to Pillar 2 income tax. Therefore, the Group neither recognizes nor discloses any related information regarding deferred income tax assets and liabilities related to Pillar 2 income tax.

3) Current and Deferred Taxes

Current and deferred taxes are recognized in profit or loss. However, current and deferred income taxes related to items recognized in other comprehensive income or directly in equity are recorded separately in other comprehensive income or directly in equity.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

When adopting accounting policies, if relevant information is not readily available from other sources, the management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from estimates.

Key Sources of Estimation Uncertainties includes:

a. **Estimated Impairment of Accounts Receivable**

The estimated impairment of accounts receivable is based on the Group's assumptions regarding default rates and expected loss rates. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and select input values for the impairment assessment. If future actual cash flows are lower than expected, it could result in significant impairment losses.

b. **Inventory Impairment**

The net realizable value of inventory is the estimated selling price in the normal course of business, less any estimated selling expenses. This estimate is based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly impact the outcome of these estimates.

6. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand	\$ 1,291	\$ 1,052
Demand deposits in banks	4,130,348	5,291,761
Check accounts in banks	24,750	40,494
Cash equivalents- bank time deposits with original maturities of 3 months or less	<u>509,817</u>	<u>1,123,207</u>
	<u>\$4,666,206</u>	<u>\$6,456,514</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time deposits (%)	0.70~4.35	1.55~6.73

- 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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets - current</u>		
Mandatorily classified at FVTPL		
Hybrid instruments -		
structured deposits (a)	\$560,849	\$799,406
Non-derivative financial		
assets - mutual funds	<u>90,882</u>	<u>79,208</u>
	<u>\$651,731</u>	<u>\$878,614</u>
<u>Financial assets - non-current</u>		
Mandatorily classified at FVTPL		
Non-derivative financial		
assets		
Domestic		
unlisted shares	\$ -	\$ 42,453
Domestic		
Limited Partnership	12,947	-
Foreign		
Limited Partnership	<u>44,868</u>	<u>-</u>
	<u>\$ 57,815</u>	<u>\$ 42,453</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivatives instruments		
(not designated for hedge)		
(b)		
Foreign		
exchange forward contracts	<u>\$ 20,218</u>	<u>\$ 419</u>

- 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.
- 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:

December 31, 2024

Currency	Maturity Date	Notional Amount (In Thousands)
Buy RMB/Sell USD	2025.05~2025.11	RMB157,189/USD22,429
Buy THB/Sell USD	2025.01	THB33,602/USD1,000

December 31, 2023

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

8. Financial assets at FVTOCI

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Domestic investments in equity instruments		
TPEX-listed stocks	<u>\$167,000</u>	<u>\$167,000</u>
<u>Non-current</u>		
Domestic investments in equity instruments		
Listed and Emerging Shares	\$293,546	\$368,401
Unlisted stocks	<u>247,859</u>	<u>315,647</u>
	<u>541,405</u>	<u>684,048</u>
Foreign investments in equity instruments		
TWSE-listed stocks	13,291	18,886
TWSE-unlisted stocks	<u>109,008</u>	<u>122,416</u>
	<u>122,299</u>	<u>141,302</u>
	<u>\$663,704</u>	<u>\$825,350</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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable - unrelated parties		
Notes receivable - operating	\$ 3,052,773	\$ 2,750,427
Less: Allowance for losses	<u>52</u>	<u>86</u>
	<u>\$ 3,052,721</u>	<u>\$ 2,750,341</u>
Accounts receivable - unrelated parties		
At amortized cost		
Gross carrying amount	\$ 18,616,680	\$ 15,760,854
Less: Allowance for losses	<u>334,160</u>	<u>238,409</u>
	<u>\$18,282,520</u>	<u>\$15,522,445</u>
Accounts receivable - related parties		
At amortized cost		
Gross carrying amount	\$ 141,627	\$ 125,950
Less: Allowance for losses	<u>775</u>	<u>502</u>
	<u>\$ 140,852</u>	<u>\$ 125,448</u>

For the information on factored notes receivable pledged as collateral for borrowings, refer to Notes 29 and 31.

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:

December 31, 2024

	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	100	
Gross carrying amount	\$ 20,059,189	\$ 1,222,980	\$ 193,640	\$ 238,462	\$ 96,809	\$ 21,811,080
Loss allowance (Lifetime ECLs)	(25,805)	(47,814)	(69,605)	(94,954)	(96,809)	(334,987)
Amortized cost	\$ 20,033,384	\$ 1,175,166	\$ 124,035	\$ 143,508	\$ -	\$ 21,476,093

December 31, 2023

	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	\$ 17,191,105	\$ 1,006,512	\$ 153,514	\$ 34,208	\$ 12,895	\$ 18,398,234

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

	2024	2023
Beginning Year Balance	\$238,997	\$181,709
Acquisition of consolidation	19	-
Allocation for the Current Year	166,641	123,021
Write-off for the Current Year	(80,760)	(60,656)
Foreign exchange translation differences	10,090	(5,077)
Year-end balance	<u>\$334,987</u>	<u>\$238,997</u>

10. Finance lease receivables

	December 31, 2024
Undiscounted lease payments	
Year 1	\$ 8,139
Year 2	8,139
Year 3	4,654
Year 4	4,485
Year 5	<u>3,025</u>
	28,442
Less: Unearned finance income	(3,552)
Finance lease receivables	<u>\$ 24,890</u>
Current	\$ 6,722
Non-current	<u>18,168</u>
	<u>\$ 24,890</u>

The Group has signed equipment financial leasing agreements, with financial leasing terms from 3 to 5 years. The implicit interest rate for finance leases is between 3.91% and 7.20%.

The Group measures the allowance for losses on finance lease receivables based on lifetime ECLs. Finance lease receivables are secured by the leased equipment. As of the balance sheet date, there are no overdue finance lease receivables. The Group has assessed the above finance lease receivables and determined that there is no impairment.

11. Merchandise inventories

The cost of goods sold related to inventory in 2024 and 2023 were \$72,712,507 thousand and \$60,022,011 thousand respectively, which included the following items:

	<u>2024</u>	<u>2023</u>
Write-down (Gain from price recovery) of inventories	<u>\$ 40,947</u>	<u>(\$234,848)</u>

The price recovery gains of inventory in 2023 were primarily attributed to destocking.

12. Other financial assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 87,677	\$ 1,060,733
Structured deposits	44,868	821,012
Pledged deposits	602,194	95,098
Refundable deposits	<u>40</u>	<u>36</u>
	<u>\$ 734,779</u>	<u>\$ 1,976,879</u>
<u>Non-current</u>		
Pledged deposits	\$ 67,473	\$ 59,165
Refundable deposits	<u>92,971</u>	<u>100,009</u>
	<u>\$ 160,444</u>	<u>\$ 159,174</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deposits in bank (%)	1.10~5.50	0.48~6.00

- 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 31 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 (%)		Remarks
			December 31, 2024	December 31, 2023	
The Company	Wah Lee Holding Ltd.	International investment	100.00	100.00	
	Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	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	
	Wah Lee Korea Ltd. (WL Korea)	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	100.00	100.00	
	Sakuragawa Solar Godogaisha	Solar power generation business	99.99	99.99	
	Miyazaki Solar Godogaisha	Solar power generation business	99.99	99.99	
	PT. Wah Lee Indonesia (WL Indonesia)	Trading business of industrial materials	70.00	70.00	
	Wah Lee Vietnam Co., Ltd. (WL Vietnam)	Trading business of industrial materials	100.00	100.00	
	Tranceed Logistics Co., Ltd. (Tranceed Logistics)	Freight forwarders and leasing business	63.33	63.33	
	Wah Tech Industrial Co., Ltd. (WT Industrial)	Trading business of industrial materials	51.00	51.00	
	Kingstone Energy Technology Corporation (KS Corp.)	Solar power generation business	99.57	94.68	Note 1
	Wah Heng Energy Technology Corp. (WH Energy)	Solar power generation business	-	-	Note 27
	Evergreen New Energy Corporation	Solar power generation business	100.00	100.00	
	Wah Lee Philippines International Corp. (WL Philippines Corp.)	Trading business of industrial materials	99.99	99.99	
	Wah Lee Philippines Inc. (WL Philippines Inc.)	Trading business of industrial materials	99.99	99.99	
	Hightech Polymer Sdn. Bhd. (Hightech)	Trading business of industrial materials	51.00	51.00	
	Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	Agency of semiconductor materials and equipment	100.00	100.00	
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial materials	99.00	99.00	Established in May 2023
	Advance Hightech Solutions Inc. (Advance Hightech)	Selling and distributing engineering plastics, high-performance composite materials, industrial materials, and semiconductor materials and equipment.	100.00	100.00	Established in September 2023
	High Tech Gas Co., Ltd. (High Tech Gas)	Precision Chemical Material Manufacturing	60.00	60.00	Established in September 2023
	Innovation Service Co., Ltd.	Leasing business	58.33	16.67	Note 2
	Fanxin Development Co., Ltd. (Fanxin)	Solar power generation business	100.00	100.00	Note 3
	Fansheng Development Co., Ltd. (Fansheng)	Solar power generation business	100.00	100.00	Note 3
	SHC Holding Ltd.	International investment	100.00	100.00	
	Raycong H.K.	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	46.31	46.31	
	Regent King International Limited (Regent King)	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	100.00	100.00	

(Continued)

(Concluded)

Investee company name	Name of subsidiary	Main business	Percentage of Ownership (%)		Remarks
			December 31, 2024	December 31, 2023	
Raycong H.K.	Dong Guan Hua Gang International Trading Co., Ltd. (Dong Guan Hua Gang)	Trading business of industrial materials	100.00	100.00	
	Shanghai Yikang Chemicals and Industries Co., Ltd. (Shanghai Yikang)	Trading business of industrial materials	70.00	70.00	
	Huaying Supply Chain Management (Shenzhen) Co., Ltd. (Shenzhen Huaying)	Supply chain management and consultancy service	100.00	100.00	
	Raycong (Vietnam) Company Limited (RC Vietnam)	Trading business of industrial materials	100.00	100.00	Established in November 2023
Shanghai Yikang	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang)	Medical Service	77.78	74.87	Note 4
	Meditek (Shanghai) Co.,Ltd. (Shanghai Meditek)	Import and export business of goods and techniques	70.00	70.00	
	Crown Medical Equipment (Shanghai) Co., Ltd. (Shanghai Crown)	Trading business of medical devices and equipment	69.97	69.97	
	Fenghuang Xingwah Shouzheng Health Management Co., Ltd (Fenghuang Xingwah Shouzheng)	Medical devices manufacturing technology developing and consulting	70.00	75.00	Note 5
Dongguan Hua Gang	Guangzhou Xingxian Medical Management Consulting Co., Ltd. (Guangzhou Xingxian)	Medical consulting	100.00	100.00	
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang)	Medical Service	22.22	25.13	Note 4
Guangzhou Xingxian	Kaiping Huaxinkang Medical Service Co., Ltd. (Kaiping Huaxinkang)	Medical Service	-	90.00	Note 6
Shenzhen Huaying	Xiamen Huashengda Logistics Co., Ltd. (Xiamen Huashengda)	Warehouse logistics	70.00	70.00	
KS Corp.	KSA Energy Corporation (KSA Corp.)	Solar power generation business	-	-	Note 27
	KSB Energy Corporation (KSB Corp.)	Solar power generation business	100.00	100.00	
	KSC Energy Corporation (KSC Corp.)	Solar power generation business	100.00	100.00	
WT Industrial	P.T. Wah Tech Indonesia (WT Indonesia)	Trading business of industrial materials	66.00	66.00	
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial materials	1.00	1.00	Established in May 2023
Tranceed Logistics.	Cyuan Cheng Logistics Co., Ltd. (Cyuan Cheng Logistics)	Freight forwarders and leasing business	100.00	100.00	

Note 1: In December 2024 and August 2023, the company acquired shares of Kingstone Energy Technology Corporation from a non-related party for a cash consideration of NT\$31,236 thousand and NT\$102,339 thousand, resulting in an increase in ownership to 99.57%. As the aforementioned transaction did not change the controlling interest of the Company in Kingstone Energy Technology Corporation, the Company processed it as an equity transaction and increased the capital surplus by NT\$9,167 thousand and NT\$18,135 thousand in 2024 and 2023, respectively.

Note 2: In August 2024, the Group increased its investment in Innovation Service Co., Ltd. by NT\$30,000 thousand in cash, raising its shareholding ratio to 58.33%, thereby gaining control over the company.

Note 3: To obtain a power purchase agreement, Evergreen New Energy Corporation acquired 100% shares of Fanxin Development Co., Ltd. and Fansheng Development

Co., Ltd. on July 21, 2023, for a consideration of NT\$125 thousand and NT\$112 thousand in cash, respectively. The acquisition of shares is determined to be a non-business combination under IFRS 3 "Business Combinations" and should be accounted for as an acquisition of assets.

Note 4: Anhua Huixinkang Co., Ltd. received capital increases of RMB520,000 and RMB 5,000,000 from Raycong H.K. in February 2024 and November 2023, respectively. As of December 31, 2024, Raycong H.K. and Dongguan Hua Gang held 77.78% and 22.22% of the shares in Anhua Huixinkang Co., Ltd, respectively.

Note 5: Shanghai Yikang sold 5% of its shares in Fenghuang Xingwah Shouzheng to an unrelated party in June 2024, reducing its shareholding ratio to 70%.

Note 6: Kaiping Huaxinkang completed its liquidation in April 2024.

14. Investment accounted for using the equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Investments in associates</u>		
Material associates		
CWE Inc.	\$4,966,134	\$4,501,055
Associates that are not individually material	<u>2,863,808</u>	<u>2,591,457</u>
	<u>7,829,942</u>	<u>7,092,512</u>
<u>Investment in joint ventures</u>		
Joint ventures that are not individually material	<u>63,505</u>	<u>52,544</u>
	<u>\$7,893,447</u>	<u>\$7,145,056</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

<u>Company Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CWE Inc.	28.06%	29.54%

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

<u>Company Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CWE Inc.	<u>\$9,004,549</u>	<u>\$6,906,786</u>

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

	December 31, 2024	December 31, 2023
Current Assets	\$17,507,879	\$ 15,661,938
Non-current assets	20,387,741	20,604,238
Current Liabilities	(7,617,304)	(9,936,473)
Non-current Liabilities	(7,930,349)	(6,790,647)
Equity	22,347,967	19,539,056
Non-controlling Interests	(4,890,272)	(4,528,075)
	<u>\$ 17,457,695</u>	<u>\$ 15,010,981</u>

Percentage of ownership held by the Company (%)	28.06	29.54
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Equity attributable to the Company	\$ 4,898,707	\$ 4,433,628
Goodwill	<u>67,427</u>	<u>67,427</u>
Carrying amount of investment	<u>\$ 4,966,134</u>	<u>\$ 4,501,055</u>

	2024	2023
Operating Revenue	<u>\$ 17,231,404</u>	<u>\$ 16,490,002</u>
Net profit for the current year	\$ 2,519,968	\$ 2,248,755
Other comprehensive (loss) income for the year	<u>1,954,416</u>	<u>3,724,543</u>
Total comprehensive income for the year	<u>\$ 4,474,384</u>	<u>\$ 5,973,298</u>
Cash dividends received	<u>\$ 494,929</u>	<u>\$ 500,693</u>

As of December 31, 2024, and 2023, the dividends not yet received by the Company amounted to NT\$138,532 thousand and NT\$106,950 thousand, respectively, and are recognized under "Other Receivables - Related Parties."

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

	2024	2023
The Group's share		
Net Profit for this Year	\$239,828	\$186,279
Other comprehensive (loss) income for the year	<u>132,885</u>	<u>(27,128)</u>
Total comprehensive income for the year	<u>\$372,713</u>	<u>\$159,151</u>

c. Changes in investment in associates and joint ventures

- 1) In March 2023, the Company invested in the establishment of Perpetual New Energy Co., Ltd. with an investment amount of NT\$24,000 thousand, holding a shareholding ratio of 12%. In January 2024, the Company participated in a cash capital increase based on its shareholding ratio, increasing its investment by

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.

- 2) In 2024, the Company purchased 1,006 thousand shares of Wah Hong Corporation for NT\$34,739 thousand from the public market, increasing its shareholding ratio to 27.13%.
- 3) The Group invested in the establishment of Born Tech Company in August 2024, with an investment of NT\$928,000 and a shareholding ratio of 49%.

15. Property, Plant, and Equipment

2024

	Land	Buildings	Power Generation Equipment	Others	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	8,962	126,996	432,008	568,354
Disposals	-	(166)	(871)	(27,494)	(617)	(29,148)
Reclassified	-	150	238,942	37,210	(276,302)	-
Effects of foreign currency exchange differences	(1,650)	25,783	(9,665)	11,689	1,246	27,403
Balance at December 31, 2024	<u>\$ 2,078,960</u>	<u>\$ 1,105,440</u>	<u>\$ 2,899,250</u>	<u>\$ 1,342,668</u>	<u>\$ 925,011</u>	<u>\$ 8,351,329</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 417,667	\$ 492,840	\$ 884,950	\$ -	\$ 1,795,457
Acquisition of consolidation	-	-	-	2,351	-	2,351
Depreciation expenses	-	27,016	159,825	121,426	-	308,267
Impairment loss	-	-	-	4,134	-	4,134
Disposals	-	(166)	(771)	(26,293)	-	(27,230)
Effects of foreign currency exchange differences	-	9,880	(3,487)	7,466	-	13,859
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 454,397</u>	<u>\$ 648,407</u>	<u>\$ 994,034</u>	<u>\$ -</u>	<u>\$ 2,096,838</u>
Carrying amount at December 31, 2024	<u>\$ 2,078,960</u>	<u>\$ 651,043</u>	<u>\$ 2,250,843</u>	<u>\$ 348,634</u>	<u>\$ 925,011</u>	<u>\$ 6,254,491</u>

2023

	Land	Buildings	Power Generation Equipment	Others	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
Disposal of Subsidiaries (Note 27)	-	-	(577,275)	-	(69,430)	(646,705)
Additions	-	393	142,784	73,155	367,686	584,018
Disposals	-	(369)	(19,513)	(15,813)	(47,750)	(83,445)
Reclassified	-	1,634	118,772	5,675	(126,081)	-
Effects of foreign currency exchange differences	(3,437)	(13,618)	(20,106)	(6,755)	(898)	(44,814)
Balance at December 31, 2023	<u>\$ 2,080,610</u>	<u>\$ 1,079,285</u>	<u>\$ 2,661,882</u>	<u>\$ 1,187,077</u>	<u>\$ 768,676</u>	<u>\$ 7,777,530</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ -	\$ 395,992	\$ 425,575	\$ 790,559	\$ -	\$ 1,612,126
Disposal of Subsidiaries (Note 27)	-	-	(71,327)	-	-	(71,327)
Depreciation expenses	-	28,220	162,182	109,947	-	300,349
Disposals	-	(369)	(17,493)	(11,905)	-	(29,767)
Effects of foreign currency exchange differences	-	(6,176)	(6,097)	(3,651)	-	(15,924)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 417,667</u>	<u>\$ 492,840</u>	<u>\$ 884,950</u>	<u>\$ -</u>	<u>\$ 1,795,457</u>
Net amount at December 31, 2023	<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>

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

	<u>2024</u>	<u>2023</u>
Additions	\$568,354	\$584,018
Capitalization of interest and depreciation expense	(10,807)	(12,882)
Increase in prepayments for equipment	105,378	43,713
Increase in payables for equipment	(7,066)	(21,311)
Decrease (increase) in provisions	<u>489</u>	<u>(6,159)</u>
Cash paid	<u>\$656,348</u>	<u>\$587,379</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	5 to 20 years
Others	2 to 15 years

- c. The Company is located in the Zilong section of Jiali District, Tainan City where a portion of the land is used for agricultural and livestock. Due to the statutory prohibition, the registration of agricultural land rights was registered in the name of Chang Tsuen-Hsien, the related party signed an agreement with the Group. As stipulated in the agreement, the related party will fully cooperate with the Group to transfer the agricultural land right to the Group or a specific person in the future free of charge. The agricultural land has been mortgaged to the Group with a maximum limit of \$200 million.
- d. Refer to Note 31 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

16. Lease Agreements

- a. Right-of-use assets

2024

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Carrying value at the beginning of the year	\$ 96,256	\$389,397	\$ 24,564	\$510,217
Additions	772	123,091	4,844	128,707
Depreciation expenses	(4,024)	(90,185)	(10,737)	(104,946)
Lease modification	(26,337)	(347)	(1,524)	(28,208)
Effects of foreign currency exchange differences	<u>97</u>	<u>1,817</u>	<u>292</u>	<u>2,206</u>

Carrying value at the end of the year <u>2023</u>	<u>\$ 66,764</u>	<u>\$423,773</u>	<u>\$ 17,439</u>	<u>\$507,976</u>
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	Land	Buildings	Other equipment	Total
Carrying value at the beginning of the year	\$ 63,168	\$477,285	\$ 23,712	\$564,165
Disposal of Subsidiaries (Note 27)	(10,542)	(84,722)	-	(95,264)
Additions	43,040	124,200	15,043	182,283
Depreciation expenses	(4,681)	(92,105)	(12,020)	(108,806)
Lease modification	(1,929)	(28,044)	(915)	(30,888)
Effects of foreign currency exchange differences	<u>7,200</u>	<u>(7,217)</u>	<u>(1,256)</u>	<u>(1,273)</u>
Carrying value at the end of the year	<u>\$ 96,256</u>	<u>\$389,397</u>	<u>\$ 24,564</u>	<u>\$510,217</u>

b. Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 86,849</u>	<u>\$ 93,090</u>
Non-current	<u>\$455,825</u>	<u>\$449,617</u>
Discount rate for lease liabilities (%)		
Land	1.85~2.62	1.85~2.50
Buildings	1.10~5.61	1.10~5.67
Other equipment	1.43~4.30	1.43~4.30

c. Material leasing activities and terms

The Group leases abovementioned subjects for the use of office and warehouse, for installation of power generation equipment, and transportation equipment, which will expire from February 2025 to December 2046. At the end of the lease term, the Group has a priority to lease the leasing premises, but no right of first refusal.

d. Other lease information

	<u>2024</u>	<u>2023</u>
Expenses relating to short-term leases	<u>\$154,814</u>	<u>\$162,317</u>
Expenses relating to low-value asset leases	<u>\$ 3,131</u>	<u>\$ 2,441</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 14,116</u>	<u>\$ 11,065</u>
Total cash outflow for leases	<u>\$283,648</u>	<u>\$291,418</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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Secured bank borrowings (Note 31)	\$ 1,111,059	\$ 742,776
Unsecured bank borrowings	<u>6,704,635</u>	<u>8,553,515</u>
	<u>\$ 7,815,694</u>	<u>\$ 9,296,291</u>
Annual interest rate (%)	0.64~6.35	0.59~7.25

b. Long-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured borrowings		
Syndicated bank loans (Note 1)	\$ 2,000,000	\$ 2,000,000
Less: Syndicated loan fee	<u>2,583</u>	<u>3,583</u>
	1,997,417	1,996,417
Bank loans	<u>437,548</u>	<u>400,000</u>
	<u>2,434,965</u>	<u>2,396,417</u>
Secured borrowings (Note 31)		
Bank loans (Note 2)	<u>2,626,613</u>	<u>2,485,692</u>
Less: Portion due within one year	<u>174,984</u>	<u>171,081</u>
	<u>\$ 4,886,594</u>	<u>\$ 4,711,028</u>
Annual interest rate (%)		
Syndicated bank loans	2.21	2.03
Bank loans	1.58~5.28	1.22~2.67
Expiration period		
Syndicated bank loans	2027.08	2027.08
Bank loans	2025.08~2037.06	2024.02~2037.06

Note 1: 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 Company's financial ratios as of December 31, 2024, and 2023 were all in compliance with the requirements of the bank financing contracts.

Note 2: Some of the subsidiary's bank loan agreements require the maintenance of specific financial ratios based on the audited annual parent company only or separate financial statements. The subsidiaries' financial ratios as of December 31, 2024, and 2023 were all in compliance with the requirements of the bank financing contracts.

18. Corporate bonds payable

	December 31, 2024	December 31, 2023
3rd domestic unsecured convertible bonds	\$ -	\$ 1,996,598
Less: Portion due within one year	-	1,996,598
	<u>\$ -</u>	<u>\$ -</u>

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

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%.

	2024	2023
Liability component at the beginning of the year	\$ 1,996,598	\$ 1,994,084
Interest charged at an effective interest rate	4,627	21,529
Less: Conversion of corporate bonds payable into ordinary shares	<u>2,001,225</u>	<u>19,015</u>
Liability component at the end of the year	<u>\$ -</u>	<u>\$ 1,996,598</u>

As of December 31, 2024, the above-mentioned unsecured convertible bonds have been fully converted into 23,419 thousand shares of the Company's common stock.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payable for salaries or bonuses	\$ 683,472	\$ 641,817
Payable for employees' compensation and remuneration of directors	290,077	280,063
Payable for equipment	65,543	58,477
Payable for freight	47,900	43,383
Payable for commission	26,216	36,535
Payable for interest	25,972	50,508
Others	154,160	202,998
	<u>\$ 1,293,340</u>	<u>\$ 1,313,781</u>

21. Retirement benefit plans

a. Defined contribution plans

The pension system applied by the Company and its subsidiaries in Taiwan under the "Labor Pension Act" is a government-managed defined contribution retirement plan, where 6% of an employee's monthly salary is contributed to the individual account at the Bureau of Labor Insurance.

Mandatory provident funds and pension insurance

and retirement insurance premiums paid by foreign subsidiaries according to local government regulations are classified as defined contribution plans.

b. Defined benefit plans

The pension system implemented by the Company under Taiwan's "Labor Standards Act" is a government-managed defined benefit retirement plan. The payment of employees' pensions is calculated based on the years of service and the average salary of the last six months before the approved retirement date. The Company contributes 8% of each employee's monthly salary to the retirement fund, which is deposited into a special account at the Bank of Taiwan under the name of the Labor Pension Reserve Supervision Committee. If, by the end of the year, the estimated balance of the account is insufficient to cover the payments for employees expected to meet retirement conditions in the following year, the shortfall will be addressed with a single payment by the end of March of the following year. The special account is managed by the Bureau of Labor Funds of the Ministry of Labor, and the Company has no right to influence the investment management strategy.

Subsidiaries Raycong H.K. and WT Industrial are required to pay pensions to eligible employees according to the company's pension system, which is classified a defined benefit plan.

The amounts related to the defined benefit plan included in the consolidated balance sheet are presented as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The present value of the defined benefit obligation	\$280,546	\$320,227
The fair value of the plan assets	(<u>112,749</u>)	(<u>65,561</u>)
Net defined benefit liabilities	<u>\$167,797</u>	<u>\$254,666</u>

Changes in the net defined benefit liabilities are as follows:

	<u>The present value of the defined benefit obligation</u>	<u>The fair value of the plan assets</u>	<u>Net defined benefit liabilities</u>
January 1, 2023	<u>\$ 346,115</u>	(<u>\$ 79,603</u>)	<u>\$ 266,512</u>
Service costs			
Current service costs	4,552	-	4,552
Prior service costs	(1,355)	-	(1,355)
Interest expense (income)	<u>4,011</u>	(<u>1,047</u>)	<u>2,964</u>
Recognized in Profit or Loss	<u>7,208</u>	(<u>1,047</u>)	<u>6,161</u>
Remeasurement			
Return on Plan Asset (excluding amounts included in net interest)	-	(547)	(547)
Actuarial Loss - Changes in Financial Assumptions	1,112	-	1,112
Actuarial Gains - Changes in Population Assumptions	(2)	-	(2)
Actuarial Profit - Experience Adjustment	(<u>8,223</u>)	-	(<u>8,223</u>)
Recognized in Other Comprehensive Income and Loss	(<u>7,113</u>)	(<u>547</u>)	(<u>7,660</u>)
Employer Contribution	<u>-</u>	(<u>10,270</u>)	(<u>10,270</u>)
Welfare Payments	(<u>26,013</u>)	<u>25,906</u>	(<u>107</u>)
Foreign currency exchange differences	<u>30</u>	<u>-</u>	<u>30</u>
December 31, 2023	<u>320,227</u>	(<u>65,561</u>)	<u>254,666</u>
Service costs			
Current service costs	1,851	-	1,851
Prior service costs	(114)	-	(114)
Interest expense (income)	<u>3,480</u>	(<u>817</u>)	<u>2,663</u>
Recognized in Profit or Loss	<u>5,217</u>	(<u>817</u>)	<u>4,400</u>

(Continued)

(Concluded)

	The present value of the defined benefit obligation	The fair value of the plan assets	Net defined benefit liabilities
Remeasurement			
Return on Plan Asset (excluding amounts included in net interest)	\$ -	(\$ 6,621)	(\$ 6,621)
Actuarial Gains - Changes in Financial Assumptions	(7,918)	-	(7,918)
Actuarial Profit - Experience Adjustment	(<u>23,603</u>)	<u>-</u>	(<u>23,603</u>)
Recognized in Other Comprehensive Income and Loss	(<u>31,521</u>)	(<u>6,621</u>)	(<u>38,142</u>)
Employer Contribution	<u>-</u>	(<u>53,935</u>)	(<u>53,935</u>)
Welfare Payments	(<u>14,648</u>)	<u>14,185</u>	(<u>463</u>)
Foreign currency exchange differences	<u>1,271</u>	<u>-</u>	<u>1,271</u>
December 31, 2024	<u>\$ 280,546</u>	(<u>\$ 112,749</u>)	<u>\$ 167,797</u>

The Company is exposed to the following risks due to the pension system under the Labor Standards Act:

1) Investment Risk

The Bureau of Labor Funds of the Ministry of Labor invests the labor pension in domestic (foreign) equity securities, debt securities, and bank deposits through self-management and entrusted management methods. However, the allocation amount of the Company's plan assets is calculated based on the earnings that are no less than the local bank's two-year time deposit interest rate.

2) Interest rate risk

A decrease in bond interest rates will increase the present value of the defined benefit obligation. However, the return on debt investments in the plan assets will also increase accordingly, resulting in a partial offsetting effect on the net defined benefit liability.

3) Wage risk

The calculation of the present value of the defined benefit obligation is based on the future salary of the plan participants. Therefore, the increase in the salaries of plan members will lead to an increase in the present value of defined benefit obligations.

The present value of the Company's defined benefit obligations is determined by qualified actuaries. The significant assumptions as of the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount Rate (%)	1.60	1.20
Expected Salary Increase Rate (%)	2.00	2.00

If significant actuarial assumptions experience reasonable potential changes, while all other assumptions remain constant, the extent to which the present value of defined benefit obligations will increase (or decrease) is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount Rate		
0.25% increase	(\$ 4,764)	(\$ 5,455)
0.25% decrease	<u>\$ 4,902</u>	<u>\$ 5,616</u>
Expected rate of salary		
0.25% increase	<u>\$ 4,871</u>	<u>\$ 5,558</u>
0.25% decrease	(<u>\$ 4,757</u>)	(<u>\$ 5,426</u>)

Since actuarial assumptions may be interrelated, the likelihood of a single assumption changing is low. Therefore, the sensitivity analysis provided above may not fully reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected contributions to the plan for the next year	<u>\$ 29,587</u>	<u>\$ 27,784</u>
Average duration of the defined benefit obligation	Seven years	Seven years

22. Equity

a. Share Capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of authorized shares (in thousands)	<u>500,000</u>	<u>500,000</u>
Amount of authorized shares	<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>
Amount of issued and fully paid shares	<u>\$ 2,594,368</u>	<u>\$ 2,362,393</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 reserves NT\$100,000 thousand of capital reserve for the issuance of stock options, bonds with warrants, preferred shares with warrants, totaling 10,000 thousand shares.

b. Capital Surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
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
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	65,226	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
Expired share options	22,374	22,374
Donations	11,867	11,867
May be used only to offset a deficit		
Share of changes in capital surplus of associates	499,313	441,148
May not be used for any purpose		
Share warrants	-	33,877
	<u>\$ 3,905,495</u>	<u>\$ 2,092,166</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, when distributing the dividend through the issuance of new shares, should be resolved in

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

The Articles also provide that distributable dividends, bonuses, capital reserve and legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition, a report of such distribution shall be submitted to the shareholders' meeting. However, the aforementioned distribution to be paid by issuing new shares shall be resolved by the meeting of shareholders.

The Company's dividend policy is stipulated based on its current and future development plans, together with the consideration of the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Earnings distribution to common shareholders shall not be less than 10% of distributable earnings. However, no distribution shall be made if the balance of distributable earnings is less than 1% of paid-in capital. Dividends may be distributed to shareholders in cash or shares, with cash dividends being no 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 (IFRS Accounting Standards)" should be appropriated to or reversed from a special reserve by the Company. On the first-time adoption of IFRS Accounting Standards, 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	\$ 211,546	\$ 257,992		
Appropriation (Reversal) of special reserve	(\$ 376,257)	\$ 263,936		
Cash Dividends	<u>\$1,284,310</u>	<u>\$1,439,709</u>	<u>\$ 5.2</u>	<u>\$ 6.1</u>

The aforementioned cash dividends have been distributed according to the resolution of the Board of Directors in 2024 and March 2023. The remaining earnings distribution items have also been approved at the shareholders' meetings on 2024 and May 2023.

Additionally, due to the conversion of the Company's third domestic unsecured convertible bonds into common stock, which resulted in a change in the total outstanding share capital. The Board of Directors, in its resolution on May 28, 2024, authorized the Chairman to adjust the cash dividend payout ratio. As a result, the cash dividend per share for the 2023 earnings distribution was adjusted from NT\$5.20 per share to NT\$4.95 per share, effective July 5, 2024.

The appropriations of earnings for 2024 were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	<u>\$ 252,634</u>	
Cash Dividends	<u>\$ 1,297,184</u>	<u>\$ 5.0</u>

The cash dividends for 2024 have been distributed according to the resolution of the Board of Directors on March 12, 2025. The remaining earnings distribution items are still subject to approval at the shareholders' meeting scheduled for May 27, 2025.

d. Other equity items

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

	2024	2023
Beginning Year Balance	(\$559,328)	(\$344,057)
Generated in the current year		
Exchange differences of foreign operations	572,714	(176,344)
Share from associates accounted for using the equity method	153,342	(57,276)
Effects of income taxes	(120,016)	18,349
Year-end balance	<u>\$ 46,712</u>	<u>(\$559,328)</u>

2) Unrealized gain on financial assets at FVTOCI

	2024	2023
Balance at the beginning of the year	\$ 1,196,590	(\$ 104,502)
Recognized for the year		
Unrealized (loss) gain - equity instruments	(164,820)	253,282
Share from associates accounted for using the equity method	464,508	1,094,526
Effects of income taxes	11,010	(10,095)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.	(99,423)	-
Share from associates accounted for using the equity method		
Balance at the end of the year	1,113	(62)
Balance at the beginning of the year	(142,975)	(36,559)
Recognized for the year	<u>\$ 1,266,003</u>	<u>\$ 1,196,590</u>

e. Non-controlling Interests

	2024	2023
Balance at the beginning of the year	\$ 1,848,597	\$ 1,784,868
Other comprehensive (loss) income of the year		
Net income for this year	286,947	202,458
Exchange differences on translating the financial statements of foreign operations	79,452	(38,058)
Cash dividends distributed to non-controlling interests	(219,319)	(40,197)
Acquisition of non-controlling interests in subsidiaries	(40,403)	(120,474)
Non-controlling interests arising from acquisition of subsidiaries	228	-
Balance at the beginning of the year	<u>22,218</u>	<u>60,000</u>
	<u>\$1,977,720</u>	<u>\$1,848,597</u>

23. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	\$ 78,405,156	\$ 65,264,988
Other operating revenues	<u>1,625,758</u>	<u>1,517,422</u>
	<u>\$ 80,030,914</u>	<u>\$ 66,782,410</u>

a. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	\$ 3,052,721	\$ 2,750,341	\$ 2,240,943
Accounts receivable, net (including related parties)	<u>18,423,372</u>	<u>15,647,893</u>	<u>14,595,538</u>
	<u>\$21,476,093</u>	<u>\$18,398,234</u>	<u>\$16,836,481</u>
Contract liabilities			
Sale of goods	<u>\$ 458,873</u>	<u>\$ 550,887</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 in 2024 and 2023.

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

	2024	2023
Sale of goods	<u>\$451,990</u>	<u>\$318,462</u>

- b. Disaggregation of revenue from contracts with customers

Please refer to Note 35 for information about the disaggregation of revenue.

24. **Income before tax**

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

- a. Other income (Note 30)

	2024	2023
Rent income	\$ 10,396	\$ 13,364
Consulting service income	13,089	8,296
Dividend income	19,588	13,231
Grants income	48,479	36,507
Other income	<u>78,723</u>	<u>42,261</u>
	<u>\$170,275</u>	<u>\$113,659</u>

- b. Other gains and losses

	2024	2023
Net gain (loss) of financial instruments at FVTPL	\$ 39,919	\$ 15,789
Net foreign exchange gains	21,651	15,948
Gain (loss) on disposal of property, plant, and equipment	4,287	(47,137)
Disposal of subsidiaries' gain on investments (Note 27)	-	160,945
Provisions for reversal losses	(15,329)	(1,587)
Impairment loss	(4,134)	-
Lease modification benefits	2,127	2,342
Others	<u>(8,998)</u>	<u>(21,289)</u>
	<u>\$ 39,523</u>	<u>\$125,011</u>

c. Financial costs

	2024	2023
Interest on bank loans	\$438,279	\$425,459
Amortization of borrowing facility management fee	1,000	5,118
Interest on lease liabilities	10,975	13,454
Corporate bond discount amortization and interest compensation	4,627	21,529
Less: Amount included in cost of qualifying assets	(<u>9,246</u>)	(<u>11,828</u>)
	<u>\$445,635</u>	<u>\$453,732</u>
Capitalized rate (%)	2.18 ~ 2.50	1.81 ~ 2.62

d. Depreciation and amortization

	2024	2023
Property, Plant, and Equipment	\$308,267	\$300,349
Right-of-use assets	104,946	108,806
Intangible Assets	39,591	45,812
Other non-current assets	1,964	2,048
Less: Amount included in cost of qualifying assets	(<u>1,561</u>)	(<u>1,054</u>)
	<u>\$453,207</u>	<u>\$455,961</u>
An analysis of depreciation expense by function		
Operating costs	\$293,304	\$280,922
Operating expense	<u>118,348</u>	<u>127,179</u>
	<u>\$411,652</u>	<u>\$408,101</u>
An analysis of amortization expense by function		
Operating costs	\$ 6,928	\$ 8,862
Operating expense	<u>34,627</u>	<u>38,998</u>
	<u>\$ 41,555</u>	<u>\$ 47,860</u>

e. Employee benefits expense

	2024	2023
Short-term employee benefits	<u>\$ 1,797,503</u>	<u>\$ 1,636,220</u>
Post-employment benefits (Note 21)		
Defined contribution plans	82,074	75,952
Defined benefit plans	<u>4,400</u>	<u>6,161</u>
	<u>86,474</u>	<u>82,113</u>
	<u>\$ 1,883,977</u>	<u>\$ 1,718,333</u>
An analysis by function		
Operating costs	\$ 169,359	\$ 141,870
Operating expense	<u>1,714,618</u>	<u>1,576,463</u>
	<u>\$ 1,883,977</u>	<u>\$ 1,718,333</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 compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's board of directors on March 12, 2025 and March 14, 2024, were as follows:

	2024		2023	
	Withdrawal Rate (%)	Amount	Withdrawal Rate (%)	Amount
Compensation of employees paid in cash	9	\$ 257,211	9	\$ 248,332
Remuneration of directors paid in cash	1.15	32,866	1.15	31,731

If there is a change in the amount after the approval date of the annual consolidated financial statements, the change will be accounted for as a change in an accounting estimate and the adjustment accounted for in the following year.

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:

	2024	2023
Current income taxes		
Generated in the current year	\$702,382	\$665,763
Surtax on undistributed earnings	55,078	31,575
Adjustments for prior years	(5,467)	(1,804)
	<u>751,993</u>	<u>695,534</u>
Deferred tax		
Generated in the current year	(17,774)	66,903
	<u>\$734,219</u>	<u>\$762,437</u>

The reconciliation between accounting income and income tax expense is as follows:

	2024	2023
Income before tax	<u>\$3,274,070</u>	<u>\$3,078,612</u>
Tax is calculated on income before tax at the statutory tax rate applicable in the relevant country	\$ 697,745	\$ 659,360
Expenses and losses not recognized for tax purposes.	6,834	10,694
Income not included in the taxable income.	(161,762)	(149,756)
Deferred tax effect on the subsidiaries' earnings.	99,615	143,247
Other adjustment items	13,988	27,891
Difference in basic tax payable for subsidiaries	204	22,146
Surtax on undistributed earnings	55,078	31,575
Adjustments for prior years	(5,467)	(1,804)
Non-deductible withholding tax	<u>27,984</u>	<u>19,084</u>
	<u>\$ 734,219</u>	<u>\$ 762,437</u>

The income tax rate for profit-seeking enterprises in Taiwan is 20%; the tax rate applicable to subsidiaries in China is 25%; the tax rate applicable to subsidiaries in Singapore is 17%; the tax rate applicable to subsidiaries in Thailand is 20%; the tax rate applicable to subsidiaries in Malaysia is 24%; and the tax amounts arising from other jurisdictions are calculated based on the applicable tax rates in each jurisdiction.

The subsidiaries WL Vietnam, RC Vietnam, Sakuragawa Solar Godogaisha, Miyazaki Solar Godogaisha, Wah Lee Japan Corporation, and WL Korea are registered in Vietnam,

Japan, and South Korea, where the Pillar Two Income Tax Act has come into effect. According to this act, the aforementioned subsidiaries are required to pay supplementary taxes in the country of registration on profits subject to a tax rate lower than the effective rate of 15%. However, in 2024, none of the aforementioned subsidiaries are required to pay supplementary taxes in their respective countries of registration due to profits being taxed at a rate lower than the effective tax rate of 15%.

The subsidiaries Raycong H.K., Regent King, WL Singapore, WT Industrial, Hightech, WL Indonesia, and WT Indonesia are registered in Hong Kong, Singapore, Thailand, Malaysia, and Indonesia, where the Pillar Two Income Tax Act has been legislated and will come into effect from January 1, 2025. Since the act has not yet come into effect as of the balance sheet date, the Group has no impact from the income tax for the current period. According to the act, the aforementioned subsidiaries are required to pay supplementary taxes in their respective countries of registration on profits subject to a tax rate lower than the effective rate of 15%, starting from January 1, 2025. As of December 31, 2024, the Group assessed that the amount of profits in the current year's earnings potentially affected by the act is not significant, and will continue to monitor the impact of the Pillar Two Income Tax Act on its future financial performance.

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

	<u>2024</u>	<u>2023</u>
<u>Deferred tax</u>		
Disposal of unrealized gain on financial assets at FVTOCI	\$ 11,010	(\$ 10,095)
Remeasurement of defined benefit	(7,628)	(1,532)
Exchange differences on the translation of financial statements of foreign operations	(120,016)	18,349
	<u>(\$116,634)</u>	<u>\$ 6,722</u>

c. Income tax expense directly recognized in equity.

	<u>2024</u>	<u>2023</u>
<u>Deferred tax</u>		
Share from associates accounted for using the equity method	<u>\$ -</u>	(<u>\$ 5,791</u>)

d. Current tax assets and liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current tax assets	<u>\$ 2,818</u>	<u>\$ 1,395</u>
Current tax liabilities	<u>\$244,620</u>	<u>\$268,235</u>

e. Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2024

	Beginning Year Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income and Loss	Acquired through business combinations	Foreign currency exchange differences	Year-end balance
<u>Deferred tax assets</u>						
Temporary Differences						
Write-downs of inventories	\$ 46,648	\$ 3,343	\$ -	\$ -	\$ 421	\$ 50,412
Unpaid Bonus	66,565	11,046	-	-	2,094	79,705
Refund liabilities	71,963	1,220	-	-	-	73,183
Defined benefit retirement plans	47,145	(10,062)	(7,628)	-	-	29,455
Foreign investment losses and exchange rate differences	38,397	4,382	853	-	-	43,632
Others	93,839	21,522	-	-	2,300	117,661
	364,557	31,451	(6,775)	-	4,815	394,048
Loss Offset	1,768	1,431	-	1,669	-	4,868
	<u>\$ 366,325</u>	<u>\$ 32,882</u>	<u>(\$ 6,775)</u>	<u>\$ 1,669</u>	<u>\$ 4,815</u>	<u>\$ 398,916</u>
<u>Deferred tax liabilities</u>						
Temporary Differences						
Foreign investment gains and exchange rate differences	\$ 1,308,034	\$ 12,509	\$ 109,859	\$ -	\$ -	\$ 1,430,402
Others	32,597	2,599	-	-	433	35,629
	<u>\$ 1,340,631</u>	<u>\$ 15,108</u>	<u>\$ 109,859</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 1,466,031</u>

2023

	Beginning Year Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income and Loss	Recognized in Equity	Disposal of Subsidiaries	Foreign currency exchange differences	Year-end balance
<u>Deferred tax assets</u>							
Temporary Differences							
Write-downs of inventories	\$ 126,028	(\$ 77,592)	\$ -	\$ -	\$ -	(\$ 1,788)	\$ 46,648
Unpaid Bonus	68,604	(1,169)	-	-	-	(870)	66,565
Refund liabilities	58,872	13,091	-	-	-	-	71,963
Defined benefit retirement plans	50,185	(1,508)	(1,532)	-	-	-	47,145
Foreign investment losses and exchange rate differences	36,911	(2,245)	3,731	-	-	-	38,397
Others	89,015	8,509	-	-	(2,602)	(1,083)	93,839
	429,615	(60,914)	2,199	-	(2,602)	(3,741)	364,557
Loss Offset	560	1,208	-	-	-	-	1,768
	<u>\$ 430,175</u>	<u>(\$ 59,706)</u>	<u>\$ 2,199</u>	<u>\$ -</u>	<u>(\$ 2,602)</u>	<u>(\$ 3,741)</u>	<u>\$ 366,325</u>
<u>Deferred tax liabilities</u>							
Temporary Differences							
Foreign investment gains and exchange rate differences	\$ 1,320,360	(\$ 2,012)	(\$ 4,523)	(\$ 5,791)	\$ -	\$ -	\$ 1,308,034
Others	25,739	9,209	-	-	(2,351)	-	32,597
	<u>\$ 1,346,099</u>	<u>\$ 7,197</u>	<u>(\$ 4,523)</u>	<u>(\$ 5,791)</u>	<u>(\$ 2,351)</u>	<u>\$ -</u>	<u>\$ 1,340,631</u>

f. Amount of deductible temporary differences not recognized as deferred tax assets in the consolidated balance sheet and deduction of losses

	December 31, 2024	December 31, 2023
Loss on valuation on foreign investments	<u>\$ 116,383</u>	<u>\$ 116,383</u>
Loss Offset		
Due in 2030	\$ 104	\$ 104
Due in 2031	432	432
Due in 2032	3,200	3,200
Due in 2033	47,621	47,701
	<u>\$ 51,357</u>	<u>\$ 51,437</u>

g. Information related to unused deduction of losses

As of December 31, 2024, the information related to the subsidiaries' deduction of losses is as follows:

<u>Balance not yet offset</u>	<u>Final offset year</u>
\$ 104	2030
432	2031
10,335	2032
57,925	2033
6,901	2034
<u>\$ 75,697</u>	

h. The total amount of temporary differences of investments for which deferred tax liabilities have not been recognized.

As of December 31, 2024 and 2023, the taxable temporary differences of investments in subsidiaries, for which deferred tax liabilities have not been recognized, were NT\$2,910,118 thousand and NT\$2,343,475 thousand, respectively.

i. Income tax assessments

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

As of the 2023, the subsidiaries Shanghai Yikang and Dongguan Hua Gang have paid their tax to the local tax authorities.

26. Earnings per share

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

a. Net profit for the current year

	<u>2024</u>	<u>2023</u>
Profit for the year attributable to owners of the Company	\$2,252,904	\$2,113,717
Effect of convertible corporate bonds	<u>4,627</u>	<u>21,529</u>
Net profit used in computation of diluted EPS	<u>\$2,257,531</u>	<u>\$2,135,246</u>

b. Number of shares (in thousands)

	2024	2023
Weighted average number of shares outstanding used in computation of basic EPS	253,288	236,037
Effect of potentially dilutive shares		
Employees' compensation	2,541	3,196
Convertible corporate bonds	<u>6,149</u>	<u>23,400</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>261,978</u>	<u>262,633</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. Disposal of Subsidiaries

On November 1, 2023, the Group sold 100% of the shares of its subsidiaries, Wah Heng Energy Technology Corporation and KSA Energy Corporation, to the related party Eternal New Energy Co., Ltd.

a. Analysis of assets and liabilities upon loss of control.

	Wah Heng Energy Technology Corp.	KSA Energy Corporation (KSA Corp.)	Total
Current Assets			
Cash and cash equivalents	\$ 555	\$ 16,881	\$ 17,436
Accounts receivable	1,396	4,853	6,249
Other receivables - related parties	-	17	17
Other current assets	3,361	6,114	9,475
Non-current assets			
Property, Plant, and Equipment	77,753	497,625	575,378
Right-of-use assets	3,101	92,163	95,264
Intangible Assets	7,370	26,249	33,619
Deferred tax assets	400	2,202	2,602
Other financial assets - non-current	14,890	35,767	50,657
Current Liabilities			
Short-term borrowings	-	461,129	461,129
Other payables	647	4,663	5,310
Other payables - related parties	19	4,515	4,534
Current tax liabilities	341	1,425	1,766
Lease liabilities- current	189	5,093	5,282
Non-current Liabilities			
Lease liabilities- non-current	2,932	93,618	96,550
Deferred tax liabilities	340	2,011	2,351
Provisions - non-current	<u>2,001</u>	<u>11,012</u>	<u>13,013</u>
Net assets disposed of	<u>\$ 102,357</u>	<u>\$ 98,405</u>	<u>\$ 200,762</u>

b. Gain on disposal of subsidiary

	Wah Heng Energy Technology Corp.	KSA Energy Corporation (KSA Corp.)	Total
Consideration received	\$ 116,230	\$ 245,477	\$ 361,707
Net assets disposed of	(102,357)	(98,405)	(200,762)
Gain on disposal	<u>\$ 13,873</u>	<u>\$ 147,072</u>	<u>\$ 160,945</u>

The consideration for the above-mentioned equity transaction is based on the evaluation report on market value of equity issued by an external expert.

c. Net cash inflow from disposal of subsidiaries

	Wah Heng Energy Technology Corp.	KSA Energy Corporation (KSA Corp.)	Total
Consideration received in cash	\$ 116,230	\$ 245,477	\$ 361,707
Less: Cash and cash equivalents balance disposed	(555)	(16,881)	(17,436)
	<u>\$ 115,675</u>	<u>\$ 228,596</u>	<u>\$ 344,271</u>

28. 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.

29. 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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount	<u>\$ -</u>	<u>\$ 1,996,598</u>
Fair value	<u>\$ -</u>	<u>\$ 1,993,977</u>

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

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificates	\$ 90,882	\$ -	\$ -	\$ 90,882
Structured deposits	-	560,849	-	560,849
Domestic Limited Partnership	-	-	12,947	12,947
Foreign Limited Partnership	-	-	44,868	44,868
	<u>\$ 90,882</u>	<u>\$ 560,849</u>	<u>\$ 57,815</u>	<u>\$ 709,546</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 224,000	\$ 236,546	\$ -	\$ 460,546
Unlisted stocks	-	-	356,867	356,867
Foreign listed shares	13,291	-	-	13,291
	<u>\$ 237,291</u>	<u>\$ 236,546</u>	<u>\$ 356,867</u>	<u>\$ 830,704</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	\$ -	\$ 20,218	\$ -	\$ 20,218

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<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	-	-	42,453	42,453
	<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>

There were no transfers between Level 1 and Level 2 fair values in 2024 and 2023.

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

	<u>2024</u>	<u>2023</u>
Beginning Year Balance	\$480,516	\$530,375
Purchases	64,117	15,369
Transferred from Level 3.	(3,887)	(116,443)
Reduction of capital	-	(18,714)
Sale	(67,000)	-
Recognized in Profit or Loss	24,654	(1,026)
Recognized in Other Comprehensive Income and Loss	(84,371)	71,200
Foreign exchange translation differences	<u>653</u>	<u>(245)</u>
Year-end balance	<u>\$414,682</u>	<u>\$480,516</u>

3) Valuation techniques and inputs for fair value measurement by levels

- (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 and limited partnership equity investments held by the Group is measured using the market approach, based on the price-book ratio of the comparable companies or by the latest net asset value estimation.

c. Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified at FVTPL	\$ 709,546	\$ 921,067
FVTOCI		
Investment in equity instruments	830,704	992,350
Measured at amortized cost (Note 1)	27,266,574	27,195,739
<u>Financial liabilities</u>		
FVTPL		
Held for trading	20,218	419
Measured at amortized cost (Note 2)	24,400,767	26,289,749

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

Note 2: Including short-term borrowings, 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 market risks as follows:

(a) Foreign currency risk

The Group engages in foreign currency trades, which expose it to foreign currency risk. For the carrying amounts of the monetary assets and liabilities (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) denominated in non-functional currencies as of the balance sheet date, please refer to Note 33.

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 profit before tax in 2024 and 2023 would have been higher (lower) by NT\$44,541 thousand and NT\$43,414 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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
Financial assets	\$ 1,225,878	\$ 2,493,393
Financial liabilities	3,311,655	5,798,113
Cash flow interest rate risk		
Financial assets	4,241,389	5,957,583
Financial liabilities	10,108,291	10,919,592

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 profit before tax in 2024 and 2023 would have been lower/higher by NT\$58,669 thousand and NT\$49,620 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 2024 and 2023 would have been higher/lower by NT\$1,487 thousand and NT\$1,217 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for 2024 and 2023 would have been higher/lower by NT\$8,307 thousand and NT\$9,924 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 to 5 years	5 to 10 years	10 to 20 years	Total
December 31, 2024					
Non-interest-bearing liabilities	\$ 11,519,447	\$ 4,048	\$ -	\$ -	\$ 11,523,495
Lease liabilities	100,787	221,996	166,244	117,987	607,014
Floating-rate instruments	5,330,507	4,257,827	774,735	13,691	10,376,760
Fixed-rate instruments	2,792,144	2,300	-	-	2,794,444
Financial guarantee liabilities	810,512	-	-	-	810,512
	<u>\$ 20,553,397</u>	<u>\$ 4,486,171</u>	<u>\$ 940,979</u>	<u>\$ 131,678</u>	<u>\$ 26,112,225</u>
December 31, 2023					
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>

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.

	December 31, 2024	December 31, 2023
Factoring bank	<u>\$ 1,068,592</u>	<u>\$ 616,943</u>
Endorsement transfer to suppliers	<u>\$ 156,915</u>	<u>\$ 231,649</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 December 31, 2024 and 2023, the face amount of these unsettled bills receivable was NT\$55,127 thousand and NT\$15,582 thousand, respectively. The unsettled bills receivable will be due in 1-6 months respectively. 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.

In 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 year or cumulatively.

30. Related Party Transactions

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 affiliated companies (which were subsidiaries before October 2023)
WH Energy	Subsidiaries of affiliated companies (which were subsidiaries before 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)
Daily Polymer Corp.	Other related parties (The Company is a corporate director of the company.)

<u>Name of related party</u>	<u>Relations with the Group</u>
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, and it was no longer a related party after the resignation of the director in September 2023.)
Raycon Industries Inc.	Other related parties (Its person in charge is a relative within the second degree of kinship of a Chair of the Company.)

b. Operating transactions

1) Operating Revenue

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Revenue from sale of goods		
Associates and their subsidiaries	\$508,939	\$360,633
Other related parties	<u>19,712</u>	<u>51,590</u>
	<u>\$528,651</u>	<u>\$412,223</u>
Other operating revenues		
Associates and their subsidiaries	\$ 9,670	\$ 19,693
Other related parties	<u>9,314</u>	<u>6,642</u>
	<u>\$ 18,984</u>	<u>\$ 26,335</u>

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

2) Purchase of goods

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Associates and their subsidiaries	\$ 442,411	\$ 278,732
Other related parties	<u>1,207,076</u>	<u>958,338</u>
	<u>\$ 1,649,487</u>	<u>\$ 1,237,070</u>

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

3) Operating expense

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Associates and their subsidiaries	\$ 880	\$ 194
Other related parties	<u>11,630</u>	<u>11,491</u>
	<u>\$ 12,510</u>	<u>\$ 11,685</u>

This includes transactions such as commissions, shipping fees, rent, service fees, import/export fees, and other transactions.

4) Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts receivable - related parties</u>		
Associates and their subsidiaries	\$136,475	\$124,054
Other related parties	<u>5,152</u>	<u>1,896</u>
	141,627	125,950
Less: Allowance for losses	<u>775</u>	<u>502</u>
	<u>\$ 140,852</u>	<u>\$ 125,448</u>
<u>Other receivables - related parties</u>		
Associates and their subsidiaries		
CWE Inc.	\$138,532	\$106,950
Others	<u>10,200</u>	<u>2,696</u>
	148,732	109,646
Other related parties	<u>363</u>	<u>515</u>
	<u>\$149,095</u>	<u>\$110,161</u>

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

5) Contract liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Categories of related parties</u>		
Associates and their subsidiaries	<u>\$ 20,282</u>	<u>\$ 20,978</u>

6) Payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts payable - related parties</u>		
Associates and their subsidiaries	\$118,777	\$ 72,792
Other related parties	<u>244,972</u>	<u>267,884</u>
	<u>\$363,749</u>	<u>\$340,676</u>
<u>Other payables - related parties</u>		
Associates and their subsidiaries	\$ 4,769	\$ 892
Other related parties	<u>9</u>	<u>25</u>
	<u>\$ 4,778</u>	<u>\$ 917</u>

The outstanding payables to related parties are unsecured.

c. For the disposal of subsidiary's equity transactions, please refer to Note 27.

d. Disposals of property, plant and equipment- only in 2024

<u>Categories of related parties</u>	<u>Disposal price</u>	<u>Loss on disposal</u>
Associates and their subsidiaries	<u>\$ 626</u>	<u>\$ 9</u>

e. Other income

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Associates and their subsidiaries	\$ 24,262	\$ 17,175
Other related parties	<u>7,015</u>	<u>5,680</u>
	<u>\$ 31,277</u>	<u>\$ 22,855</u>

Other income includes rental income received from related parties, management consulting service income, endorsement and guarantee income, and compensation for the Company's directors.

f. Endorsements and guarantees

<u>Categories of related parties</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associates and their subsidiaries		
Amount endorsed	<u>\$ 1,418,110</u>	<u>\$ 1,923,776</u>
Amount utilized	<u>\$ 714,299</u>	<u>\$ 529,361</u>
Other related parties		
Amount endorsed	<u>\$ 66,280</u>	<u>\$ 25,194</u>
Amount utilized	<u>\$ 41,086</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:

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 106,411	\$ 99,719
Post-employment benefits	<u>442</u>	<u>40,814</u>
	<u>\$ 106,853</u>	<u>\$ 140,533</u>

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

31. Assets Pledged as Collateral

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 1,225,507	\$ 848,592
Other financial assets - current	602,194	95,098
Other financial assets - non-current	67,473	59,165
Property, Plant, and Equipment		
Freehold land	1,750,222	1,751,872
Buildings	278,041	385,114
Power Generation Equipment	1,940,294	2,049,688
Others	<u>23,530</u>	<u>35,167</u>
	<u>\$ 5,887,261</u>	<u>\$ 5,224,696</u>

32. Significant Contingent Liabilities and Unrecognized Commitments

Significant commitments and contingencies of the Group as of December 31, 2024 were as follows:

- The Group's unused letters of credit for the purchase of merchandise amounted to NT\$85,069 thousand.

- b. The unrecognized commitments for acquisition of property, plant and equipment were NT\$1,422,047 thousand.
- c. Company A filed a lawsuit against its subsidiary, Kingstone Energy Technology Corporation for failing to fulfill its procurement obligations under a supply contract, requesting a damage compensation of NT\$50,363 thousand. In October 2020, a judgment entered in the first instance was announced that Company A won the case; Kingstone Energy Technology Corporation appealed and recognized the related loss provision of NT\$50,363 thousand in 2021. As of the date the 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 and confiscated the guarantee deposit. KS Corp., based on the advice from the legal counsel, believed that there were unavoidable reasons for it to waive the default penalty. Therefore, KS Corp. derecognized the aforementioned guarantee deposit and related construction in progress and recorded losses in 2020, but no loss related to the default penalty was recognized. In addition, KS Corp. has filed a lawsuit against the request of Company B. The lawsuit was ruled in favor of Kingstone Energy Technology Corporation (KS Corp.) in the first instance judgment in May 2023. Company B has filed an appeal and it is currently under review.

33. 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
<hr/>				
December 31, 2024				
<hr/>				
Monetary financial assets				
USD	\$ 299,756	32.785	(USD: NTD)	\$ 9,827,505
USD	135,002	7.765	(USD: HKD)	4,426,038
USD	21,585	7.307	(USD: RMB)	707,670
USD	677	25,815	(USD: VND)	22,196
USD	6,249	34.069	(USD: THB)	204,861
USD	1,322	4.640	(USD: MYR)	43,333
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	202,183	32.785	(USD: NTD)	6,628,553
RMB	167,301	0.1369	(RMB: USD)	750,643
RMB	1,268,774	1.0627	(RMB: HKD)	5,692,728
JPY	639,811	0.2099	(JPY: NTD)	134,296
HKD	1,230,658	4.222	(HKD: NTD)	5,195,838
HKD	1,061,369	0.1288	(HKD: USD)	4,481,100
THB	299,693	0.9623	(THB: NTD)	288,395
MYR	20,321	7.066	(MYR: NTD)	143,586
Monetary financial liabilities				
USD	292,084	32.785	(USD: NTD)	9,575,962
USD	11,437	7.765	(USD: HKD)	374,968
USD	19,926	7.307	(USD: RMB)	653,265
USD	1,716	25,815	(USD: VND)	56,255
USD	2,553	34.069	(USD: THB)	83,706
USD	1,017	4.640	(USD: MYR)	33,351
<hr/>				
December 31, 2023				
<hr/>				
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
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

(Continued)

(Continued)

(Concluded)

	Foreign Currency Amount	Exchange Rate	Carrying Value
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

The Group's net foreign exchange gains (including realized and unrealized) for 2024 and 2023 were NT\$21,651 thousand and NT\$15,948 thousand, respectively. Due to the variety of foreign currencies involved in foreign currency transactions and functional currencies of the Group's entities, it is not possible to separately disclose the exchange gains and losses for each foreign currency that has a significant impact.

34. Additional Disclosures

a. Information about significant transactions

- 1) Financing provided to others: Table 1.
- 2) Endorsements/Guarantees provided: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: 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 loss of NT\$12,354 thousand from derivative transactions in 2024.
- 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 year, 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 year: Table 8.
 - (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: 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 year and the purposes: Table 2.
 - (e) The highest balance, the end of year 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 current 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 December 31, 2024 were as follows:

Transaction Party	Line Item	Amount
Shanghai Yikang	Other income	\$ 31,064
Shanghai Yikang	Operating Expenses	225,361
Shanghai Yikang	Other receivables	30,967
Shanghai Yikang	Other payables	79,687

- 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.

35. Segment Information

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

- Wah Lee Industrial Corporation ("Wah Lee") is mainly engaged in the import/export and agency business of composite materials, engineering plastic, printed circuit board, semiconductor, and computer related manufacturing materials and equipment.
- Raycong H.K., Dongguan Hua Gang and its subsidiary ("Raycong") are mainly engaged in the trade of engineering plastic, composite materials and equipment.
- Shanghai Yikang and its subsidiary ("Yikang") are mainly engaged in trade of manufacturing materials and import/export business.
- Others - Other subsidiaries which were below the quantitative threshold were not listed as reportable segments. Please refer to Note 13 for details.

Segment revenue and results

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

	The Company	Raycong	Shanghai Yikang	Others	Adjustment and Elimination	Total
2024						
Revenue from External Customers	\$ 45,042,936	\$ 14,526,354	\$ 14,877,806	\$ 5,583,818	\$ -	\$ 80,030,914
Inter-segment revenue	1,775,123	80,209	393,535	187,249	(2,436,116)	-
Segment revenue	<u>\$ 46,818,059</u>	<u>\$ 14,606,563</u>	<u>\$ 15,271,341</u>	<u>\$ 5,771,067</u>	<u>(\$ 2,436,116)</u>	<u>\$ 80,030,914</u>
Departmental operating income	\$ 947,019	\$ 360,141	\$ 966,752	\$ 262,999	\$ 129,313	\$ 2,666,224
Interest income	53,181	189,402	10,837	10,053	(122,984)	140,489
Other income	240,200	5,411	68,866	8,703	(152,905)	170,275
Other gains and losses	21,427	(16,246)	9,743	23,840	759	39,523
Financial costs	(426,615)	(54,179)	(43,263)	(46,107)	124,529	(445,635)
Segment profit before tax	835,212	484,529	1,012,935	259,488	(21,288)	2,570,876
Income tax expense	(314,912)	(152,684)	(262,251)	(40,467)	36,095	(734,219)
Segment profit after tax	<u>\$ 520,300</u>	<u>\$ 331,845</u>	<u>\$ 750,684</u>	<u>\$ 219,021</u>	<u>\$ 14,807</u>	<u>1,836,657</u>
Share of profit or loss of associates under the equity method						703,194
Consolidated net profit						<u>\$ 2,539,851</u>
December 31, 2024						
Identifiable assets	<u>\$ 21,145,653</u>	<u>\$ 12,537,311</u>	<u>\$ 8,698,843</u>	<u>\$ 6,862,633</u>	<u>(\$ 4,940,480)</u>	<u>\$ 44,303,960</u>
Goodwill						178,443
Investment accounted for using the equity method						<u>7,893,447</u>
Total assets						<u>\$ 52,375,850</u>
2023						
Revenue from External Customers	\$ 37,493,837	\$ 12,295,675	\$ 11,871,769	\$ 5,121,129	\$ -	\$ 66,782,410
Inter-segment revenue	1,734,027	88,681	318,629	144,281	(2,285,618)	-
Segment revenue	<u>\$ 39,227,864</u>	<u>\$ 12,384,356</u>	<u>\$ 12,190,398</u>	<u>\$ 5,265,410</u>	<u>(\$ 2,285,618)</u>	<u>\$ 66,782,410</u>
Departmental operating income	\$ 992,292	\$ 410,729	\$ 673,655	\$ 295,270	\$ 129,609	\$ 2,501,555
Interest income	25,130	162,545	19,799	43,077	(78,037)	172,514
Other income	207,443	6,607	52,132	14,791	(167,314)	113,659
Other gains and losses	45,089	4,364	(7,549)	102,893	(19,786)	125,011
Financial costs	(367,918)	(52,135)	(28,596)	(84,463)	79,380	(453,732)
Segment profit before tax	902,036	532,110	709,441	371,568	(56,148)	2,459,007
Income tax expense	(365,464)	(124,244)	(193,871)	(79,062)	204	(762,437)
Segment profit after tax	<u>\$ 536,572</u>	<u>\$ 407,866</u>	<u>\$ 515,570</u>	<u>\$ 292,506</u>	<u>(\$ 55,944)</u>	<u>1,696,570</u>
Share of profit or loss of associates under the equity method						<u>\$ 619,605</u>
Consolidated net profit						<u>\$ 2,316,175</u>
December 31, 2023						
Identifiable assets	<u>\$ 18,230,628</u>	<u>\$ 10,632,738</u>	<u>\$ 7,773,471</u>	<u>\$ 6,758,637</u>	<u>(\$ 536,232)</u>	<u>\$ 42,859,242</u>
Goodwill						177,013
Investment accounted for using the equity method						<u>7,145,056</u>
Total assets						<u>\$ 50,181,311</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.

b. Revenue from main products and services

The revenue analysis of the Group's main products and services is as follows:

	2024	2023
Information and Communication		
Technology	\$ 22,465,456	\$ 19,119,118
Flat-panel Displays	22,943,534	19,212,160
Semiconductors	21,085,450	17,148,976
Printed Circuit		
Boards/Motherboards	8,021,939	6,017,479
Green Energy	931,996	1,480,853
Others	4,582,539	3,803,824
	<u>\$80,030,914</u>	<u>\$66,782,410</u>

c. Regional Information

The revenue from external customers of the Group, categorized by the customer's location and non-current assets based on the location of the assets, is presented as follows:

	Revenue from External		Non-current assets	
	Customers		December 31,	December 31,
	2024	2023	2024	2023
Taiwan	\$ 21,137,815	\$ 17,494,320	\$ 6,233,194	\$ 5,844,565
China	39,543,347	33,615,528	440,689	455,223
Others	19,349,752	15,672,562	404,905	434,236
	<u>\$ 80,030,914</u>	<u>\$ 66,782,410</u>	<u>\$ 7,078,788</u>	<u>\$ 6,734,024</u>

Non-current assets do not include investments accounted for using the equity method, financial instruments, deferred tax assets, goodwill, and lease payments receivables.

d. Information on Important Customer

There was no revenue from a single customer that accounted for more than 10% of the Group's net operating revenue for 2024 and 2023.

TABLE 1

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

LENDING FUNDS TO OTHER PARTIES

For the period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Current Year	Year-end 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	Aggregate Financing Limit	Remarks
													Name	Value			
1	Shanghai Yikang	Fenghuang Xingwah Shouzheng	Other receivables - related parties	Yes	\$ 42,625	\$ 42,625	\$ 30,510	4.76	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,335,346	\$ 1,335,346	Note 2
1	Shanghai Yikang	Shanghai Meditek	Other receivables - related parties	Yes	113,635	112,170	62,142	4.75	Short-term financing	-	Operating capital	-	-	-	1,335,346	1,335,346	Note 2
2	Shenzhen Huaying	Xiamen Huashengda	Other receivables - related parties	Yes	9,091	8,974	-	4.00	Short-term financing	-	Operating capital	-	-	-	28,734	28,734	Note 2
3	Dongguan Hua Gang	Guangzhou Xingxian	Other receivables - related parties	Yes	22,727	22,434	-	4.00	Short-term financing	-	Operating capital	-	-	-	741,810	741,810	Note 2
3	Dongguan Hua Gang	Anhua Huixinkang Co., Ltd.	Other receivables - related parties	Yes	22,727	22,434	13,460	4.00	Short-term financing	-	Operating capital	-	-	-	741,810	741,810	Note 2
3	Dongguan Hua Gang	The Company	Other receivables - related parties	Yes	674,775	673,020	673,020	3.10	Short-term financing	-	Operating capital	-	-	-	741,810	741,810	Note 2
6	Wah Lee Holding Ltd.	The Company	Other receivables - related parties	Yes	754,055	754,055	721,270	-	Short-term financing	-	Operating capital	-	-	-	1,821,149	1,821,149	Note 2
7	Raycong H.K.	RC Vietnam	Other receivables - related parties	Yes	16,418	16,393	-	-	Short-term financing	-	Operating capital	-	-	-	3,870,775	3,870,775	Note 3
7	Raycong H.K.	The Company	Other receivables - related parties	Yes	2,955,150	2,950,650	2,950,650	4.40	Short-term financing	-	Operating capital	-	-	-	3,870,775	3,870,775	Note 3

Note 1: RMB is converted by the spot exchange RMB1=NT\$4.4868; and HKD is converted by the spot exchange HKD1=NT\$4.222

Note 2: The individual and aggregate financing limit for the parent company and subsidiaries included in the consolidated financial statements of the parent company shall not exceed 30% of the parent company's equity.

Note 3: The individual and aggregate financing limit for the parent company and subsidiaries included in the consolidated financial statements of the parent company shall not exceed 40% of the parent company's equity.

Note 4: It was eliminated on consolidation.

TABLE 2

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS AND GUARANTEES

For the period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Benefit of Each Party (Note 1-6)	Maximum Amount Endorsed/Guaranteed for the Current Year	Outstanding Endorsement/Guarantee at The End of the Year (Note 7)	Amount utilized (Note 7)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 1-6)	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	\$ 6,761,342	\$ 584,100	\$ -	\$ -	\$ -	-	\$ 22,537,807	Y	N	N	
0	The Company	WL Vietnam.	Subsidiary of the Company	6,761,342	979,377	488,496	40,326	-	2.17	22,537,807	Y	N	N	
0	The Company	Regent King	Subsidiary of the Company	6,761,342	97,635	32,785	-	-	0.15	22,537,807	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	4,507,561	97,635	65,570	-	-	0.29	22,537,807	Y	N	N	
0	The Company	WL Philippines Corp.	Subsidiary of the Company	4,507,561	32,835	-	-	-	-	22,537,807	Y	N	N	
0	The Company	Sakuragawa Solar Godogaisha	Subsidiary of the Company	4,507,561	64,608	61,005	14,026	-	0.27	22,537,807	Y	N	N	
0	The Company	Miyazaki Solar Godogaisha	Subsidiary of the Company	4,507,561	192,192	181,471	124,739	-	0.81	22,537,807	Y	N	N	
0	The Company	WL India	Subsidiary of the Company	4,507,561	65,670	55,499	-	-	0.25	22,537,807	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yikang, and Dongguan Hua Gang	Subsidiary of the Company	4,507,561	150,000	150,000	63,454	-	0.67	22,537,807	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	4,507,561	159,579	150,811	-	-	0.67	22,537,807	Y	N	N	
0	The Company	WT Industrial	Subsidiary of the Company	4,507,561	4,000	-	-	-	-	22,537,807	Y	N	N	
0	The Company	Hightech	Subsidiary of the Company	4,507,561	722,370	360,635	42,467	-	1.60	22,537,807	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	4,507,561	790,000	467,000	187,203	-	2.08	22,537,807	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	4,507,561	1,158,986	944,208	523,062	-	4.20	22,537,807	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	4,507,561	66,280	66,280	41,086	-	0.29	22,537,807	N	N	N	
1	Shanghai Yikang	Shanghai Meditek	Subsidiary of the Company	890,231	190,907	188,446	34,568	-	4.23	2,225,577	Y	N	Y	
2	KS Corp.	KSA Corp.	Companies that the Company has business relations with	176,094	6,902	6,902	4,034	-	0.92	352,188	N	N	N	
3	Dongguan Hua Gang	Guangzhou Xingxian	Subsidiary of the Company	741,810	186,953	94,223	8,668	-	3.81	1,236,349	Y	N	Y	
4	Raycong H.K.	Dongguan Hua Gang	Subsidiary of the Company	1,935,388	478,661	478,661	169,287	-	4.95	4,838,469	Y	N	Y	
4	Raycong H.K.	RC Vietnam	Subsidiary of the Company	1,935,388	32,785	32,785	1,639	-	0.34	4,838,469	Y	N	N	
4	Raycong H.K.	Xiamen Huashengda	Subsidiary of the Company	1,935,388	32,835	32,785	17,493	-	0.34	4,838,469	Y	N	Y	
5	Cyuan Cheng Logistics Co., Ltd.	Tranceed Logistics	Parent company of the Company	55,000	25,000	25,000	-	-	55.67	55,000	N	Y	N	

Note 1: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of the Company. If the Company directly or indirectly holds 100% of the equity of the endorsee or guarantee, the limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of the Company. The maximum total amount of endorsement/guarantee shall not exceed 100% of the equity of the Company.

Note 2: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Shanghai Yikang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Shanghai Yikang.

Note 3: The limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of Dongguan Hua Gang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Dongguan Hua Gang.

Note 4: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Raycong H.K.. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Raycong H.K..

Note 5: The endorsement and guarantee amount provided by Kingstone Energy Technology Corporation, not related to undertaking projects, shall not exceed 50% of the paid-in capital for a single enterprise. The total amount of endorsement and guarantee shall not exceed 100% of the paid-in capital.

Note 6: The credit limit for Cyuan Cheng Logistic Co., Ltd, both for a single enterprise and for external guarantees is equal to its paid-in capital multiplied by 100%.

Note 7: USD was converted by spot exchange of USD\$1=NT\$32.785; JPY was converted by spot exchange of JPY\$1=NT\$0.2099; RMB was converted by spot exchange of RMB\$1=NT\$4.4868; THB was converted by spot exchange of THB\$1=NT\$0.9623; and HKD was converted by spot exchange of HKD\$1=NT\$4.222.

TABLE 3

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD

December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	End of the Year				Remarks
				Number of shares/units	Carrying Value	Shareholding percentage (%)	Fair value	
The Company	Stock							
	Chang Wah Technology Co. Ltd.	Associate's subsidiary	Financial assets at FVTOCI - current	5,000,000	\$ 167,000	0.53	\$ 167,000	
	Daily Polymer Corp.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,467,564	\$ 57,000	2.96	\$ 57,000	
	Wah Yuen Technology Holding Limited	-	Financial assets at FVTOCI - non-current	1,968,180	99,658	0.75	99,658	
	JingYi Technology Co.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,066,432	49,280	16.94	49,280	
	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	83,179	19.38	83,179	
	Forcera Materials Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,354,773	117,998	8.35	117,998	
	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	52,775	9.12	52,775	
	TaiGene Biotechnology Co., Ltd.	The Company is the supervisor of the company	Financial assets at FVTOCI - non-current	2,300,000	14,264	6.57	14,264	
	Shilian Fine Chemicals Co., Ltd.	-	Financial assets at FVTOCI - non-current	11,871,585	5,529	4.57	5,529	
	CDIB Capital Group.	-	Financial assets at FVTOCI - non-current	4,310,643	29,055	2.86	29,055	
	Darco Water Technologies Ltd.	-	Financial assets at FVTOCI - non-current	7,649,782	13,291	8.15	13,291	
	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 the Year				Remarks
				Number of shares/units	Carrying Value	Shareholding percentage (%)	Fair value	
Shenzhen Huaying	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,018,811	\$ 18,848	1.35	\$ 18,848	
	Locus Cell Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,000,000	99,700	2.50	99,700	
	Phoenix II Venture Capital Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - non-current	1,000,000	13,777	2.34	13,777	
					<u>\$ 654,354</u>		<u>\$ 654,354</u>	
	CDIB-Innolux II L.P.	-	Financial assets mandatorily classified as at fair value through profit or loss - non-current	-	<u>\$ 12,947</u>	0.94	<u>\$ 12,947</u>	
	Shanghai Junxiong Logistics Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	<u>\$ 9,350</u>	19.90	<u>\$ 9,350</u>	
	SHC Holding Ltd.	-	Financial assets at FVTOCI - non-current	-	<u>\$ -</u>	12.82	<u>\$ -</u>	
	Wah Lee Holding Ltd.							
	Mutual funds							
	JPMorgan Funds- Multi-Revenue Fund-A (acc) - USD	-	Financial assets at FVTPL - current	7,737	\$ 58,822	-	\$ 58,822	
Shanghai Yikang	JPMorgan Funds-Income Fund A (dist) - USD	-	Financial assets at FVTPL - current	31,586	32,060	-	32,060	
					<u>\$ 90,882</u>		<u>\$ 90,882</u>	
	Shanghai CoStone Private Investment Fund Partnership	-	Financial assets mandatorily classified as at fair value through profit or loss - non-current	-	<u>\$ 44,868</u>	6.85	<u>\$ 44,868</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 period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Buyer/Seller	Transaction Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase/Sale	Amount	% of Total	Credit period			Balance	% of Total	
							Unit price	Credit period			
The Company	Shanghai Yikang	Subsidiary	Sales	\$ 508,156	1	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	\$ 104,481	1	Note
	Raycong H.K.	Subsidiary	Sales	389,694	1	30 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	90,996	1	Note
	Dongguan Hua Gang	Subsidiary	Sales	340,333	1	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	32,774	-	Note
	Hightech	Subsidiary	Sales	176,879	-	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	22,017	-	Note
	WT Industrial	Subsidiary	Sales	111,453	-	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	7,995	-	Note
	WL Singapore	Subsidiary	Sales	115,929	-	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	12,882	-	Note
	CWE Inc.	Associate accounted for using the equity method	Sales	331,471	1	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	92,966	1	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the Company	Purchase of goods	(1,070,216)	(2)	105 days after monthly closing	No comparable transactions with third party	The terms with related parties are not significantly different from those with third parties	(220,773)	(5)	
	Nagase Wahlee Plastics Corp.	Associate accounted for using the equity method	Purchase of goods	(174,736)	-	60 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(30,884)	-	
Raycong H.K.	Dongguan Hua Gang	Subsidiary	Sales	584,598	18	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	118,980	10	Note
Shanghai Yikang	Dongguan Hua Gang	Brother-sister corporation	Sales	107,195	1	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	7,303	-	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

December 31, 2024

Unit: In Thousands of New Taiwan Dollars

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	Shanghai Yikang	Subsidiary	\$ 135,448	4.12	\$ -	-	\$ 94,692	\$ -
	Raycong H.K.	Subsidiary	142,901	3.42	-	-	93,633	-
	CWE Inc.	Associate accounted for using the equity method	231,498	1.62	-	-	203,990	-
Dongguan Hua Gang	The Company	Parent company	682,175	-	-	-	5,029	-
Raycong H.K.	The Company	Parent company	2,967,991	-	-	-	137	-
	Dongguan Hua Gang	Subsidiary	118,980	5.13	-	-	97,302	-
Wah Lee Holding Ltd.	The Company	Parent company	721,270	-	-	-	-	-

Note 1: Including accounts receivable and other receivables. Other receivables are mainly dividends receivable.

Note 2: Receivables from subsidiary were eliminated on consolidation.

TABLE 6

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

For the period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Investee company name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of shares	Percentage (%)	Carrying amount (Note 2)	Net Income Loss of the Investee	Investment Gain (Loss) recognized for this year (Note 1 and 2)	Remarks
				End of this year	End of last year						
The Company	Wah Lee Holding Ltd.	BVI	International investment	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 6,130,388	\$ 483,047	\$ 499,761	Subsidiary
The Company	Raycong H.K.	Hong Kong	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	304,113	304,113	56,000,000	53.69	5,266,626	865,424	484,053	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	28.06	4,966,134	1,592,225	463,366	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	726,265	165,427	67,319	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	1,263,711	309,842	84,549	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	71,051	6,945	2,430	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	3,620	(54)	(45)	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	3,126	(72)	(72)	Subsidiary
The Company	Sakuragawa Solar Godogaisha	Japan	Solar power generation business	46,008	46,008	-	99.99	89,474	6,719	6,719	Subsidiary
The Company	Miyazaki Solar Godogaisha	Japan	Solar power generation business	82,103	82,103	-	99.99	41,202	2,097	2,097	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial materials	48,261	48,261	1,610,000	70.00	27,276	(326)	(228)	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial materials	16,293	16,293	-	100.00	45,925	4,427	4,427	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	203,749	36,400	23,053	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial materials	200,000	200,000	7,650	51.00	288,395	95,986	48,953	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	794,628	763,392	35,067,582	99.57	891,713	33,541	26,572	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial materials	7,755	7,755	127,495	99.99	5,436	(350)	(350)	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial materials	7,747	7,747	126,997	99.99	15,095	5,968	5,967	Subsidiary
The Company	ORC Corp.	Taiwan	Trading business and service of exposure machine and parts	4,000	4,000	400,000	40.00	63,505	25,931	10,961	Joint Ventures
The Company	Evergreen New Energy Corporation	Taiwan	Solar power generation business	130,000	130,000	13,000,000	100.00	117,434	(5,521)	(5,521)	Subsidiary
The Company	Hightech	Malaysia	Trading business of industrial materials	205,335	205,335	7,650,000	51.00	223,145	31,190	10,056	Subsidiary
The Company	WL Singapore	Singapore	Agency of semiconductor materials and equipment	435,145	435,145	1,600,000	100.00	555,172	26,848	26,848	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	46,554	(7,673)	(921)	Associate
The Company	WL India	India	Trading business of industrial materials	14,575	14,575	3,861,000	99.00	9,860	(2,151)	(2,129)	Subsidiary
The Company	Advance Hightech	United States	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	38,628	38,628	1,200,000	100.00	14,447	(21,184)	(21,184)	Subsidiary
The Company	High Tech Gas	Taiwan	Chemical Materials Manufacturing	90,000	90,000	9,000,000	60.00	88,964	(1,776)	(1,065)	Subsidiary
The Company	Innovation Service Co., Ltd.	Taiwan	Leasing business	35,000	5,000	3,500,000	58.33	30,875	(395)	(3,012)	Subsidiary
Tranceed Logistics	Cyuan Cheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	44,971	2,067	2,067	Subsidiary
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	51,130	51,130	5,113,000	100.00	52,483	145	145	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	44,353	(374)	(374)	Subsidiary
ENE Corp.	Fansheng	Taiwan	Solar power generation business	31,812	31,812	3,200,000	100.00	31,420	(295)	(295)	Subsidiary
Wah Lee Holding Ltd.	SHC Holding Ltd.	Republic of Mauritius	International investment	43,892	43,892	1,290,000	100.00	746,005	74,005	74,005	Subsidiary
Wah Lee Holding Ltd.	Raycong H.K.	Hong Kong	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	943,164	943,164	48,296,655	46.31	4,481,100	865,424	400,752	Subsidiary

(Continued)

(Concluded)

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Note 1: The investment gains and losses recognized for the year include the elimination of unrealized gains and losses and the amortization of investment premiums.

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

Note 3: 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 period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Investee Company	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 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, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Remarks
					Outward	Inward							
Dongguan Hua Gang	Trading business of industrial materials	\$ 1,169,492	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	\$ 202,836	100.00	\$ 202,836	\$ 2,466,872	\$ 425,949	The liquidation was completed in April 2024.
Shanghai Yikang	Trading business of industrial materials	1,019,135	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	759,294	70.00	531,506	3,136,292	-	
Shenzhen Huaying	Supply chain management and consultancy service	24,775	Invested through the third region, Raycong H.K.	-	-	-	-	(5,471)	100.00	(5,471)	95,781	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	78,684	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	244,057	30.00	73,217	740,092	104,915	
Shanghai Meditek	Import and export of goods and technology	13,460	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(27,260)	49.00	(13,358)	(4,027)	-	
Shanghai Crown	Trading business of medical devices and equipment	14,941	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	648	48.98	(667)	(3,712)	-	
Fenghuang Xingwah Shouzheng	Medical device manufacturing technology development and consulting business	22,434	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(7,275)	49.00	(3,670)	156	-	
Guangzhou Xingxian	Medical consulting	22,434	Invested through Chinese corporation, Dongguan Hua Gang	-	-	-	-	(20,004)	100.00	(20,004)	34,260	-	
Anhua Huixinkang	Medical Service	20,191	Invested through the third region Raycong H.K. and through Chinese corporation, Dongguan Hua Gang	-	-	-	-	(5,697)	100.00	(5,697)	10,852	-	
Kaiping Huaxinkang	Medical Service	-	Invested through Chinese corporation, Guangzhou Xingxian	-	-	-	-	-	-	-	-	-	
Xiamen Huashengda	Warehouse logistics	13,460	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(4,477)	70.00	(3,134)	701	-	
Xiamen Jian Yuan Rong Logistic Co., Ltd.	Warehouse logistics	35,894	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	3,507	30.00	1,052	10,650	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehouse logistics	8,974	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(1,073)	30.00	(322)	2,990	-	

Investee company name	Accumulated Outward Remittance for Investment in Mainland China at the end of the year (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 Corporation	\$ 384,343	\$ 2,495,938	\$ -

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

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

Note 2: 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 \$1,354,095 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.

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

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 period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Buyer/Seller	Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Remarks
			Amount	Percentage (%)		Payment Terms	Comparison with Normal Transactions	Amount	Percentage (%)		
The Company	Shanghai Yikang	Sales	\$ 508,156	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	\$ 104,481	1	\$ 5,695	Note
	Dongguan Hua Gang	Sales	340,333	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	32,774	-	1,130	Note
Raycong H.K.	Dongguan Hua Gang	Sales	584,598	18	Normal trade terms	30 to 180 days after monthly closing	The terms with related parties are not significantly different from those to third parties	118,980	10	-	Note

Note: It was eliminated on consolidation.

TABLE 9

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS:

For the period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

No.	Trader	Counterparty	Relationship	Transaction Details			
				Item	Amount	Transaction Details	% of Total Sales or Assets
0	The Company	Shanghai Yikang	Parent to subsidiary	Operating Revenue	\$ 508,156	According to the contract	1
0	The Company	Shanghai Yikang	Parent to subsidiary	Net accounts receivable	104,481	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Other income	31,064	According to the contract	-
0	The Company	Shanghai Yikang	Parent to subsidiary	Other receivables	30,967	According to the contract	-
0	The Company	Dongguan Hua Gang	Parent to subsidiary	Operating Revenue	340,333	According to the contract	1
0	The Company	Dongguan Hua Gang	Parent to subsidiary	Net accounts receivable	32,774	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Operating Revenue	389,694	According to the contract	1
0	The Company	Raycong H.K.	Parent to subsidiary	Net accounts receivable	90,996	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other receivables	51,905	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other income	53,639	According to the contract	-
0	The Company	KS Corp.	Parent to subsidiary	Contract liabilities	70,224	According to the contract	-
0	The Company	Tranceed Logistics	Parent to subsidiary	Other income	31,218	According to the contract	-
0	The Company	Tranceed Logistics	Parent to subsidiary	Other receivables	13,704	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Operating Revenue	111,453	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Other income	12,756	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Other receivables	13,313	According to the contract	-
0	The Company	WL Philippines Inc	Parent to subsidiary	Operating Revenue	39,333	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Operating Revenue	58,753	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Net accounts receivable	23,122	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Operating Revenue	115,929	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Net accounts receivable	12,882	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Operating Revenue	176,879	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Net accounts receivable	22,017	According to the contract	-
0	The Company	Advance Hightech	Parent to subsidiary	Operating Revenue	27,820	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Other operating revenues	225,361	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Operating Revenue	15,256	According to the contract	-
1	Shanghai Yikang	The Company	Subsidiary to Parent	Net accounts receivable	83,771	According to the contract	-
1	Shanghai Yikang	Dongguan Hua Gang	Subsidiary to subsidiary	Operating Revenue	107,195	According to the contract	-
1	Shanghai Yikang	Raycong H.K.	Subsidiary to Parent	Operating Revenue	24,660	According to the contract	-
1	Shanghai Yikang	Fenghuang Xingwah Shouzheng	Parent to subsidiary	Other receivables	31,647	According to the contract	-
1	Shanghai Yikang	Guangzhou Xingxian	Subsidiary to subsidiary	Operating Revenue	13,914	According to the contract	-

(Continued)

(Concluded)

No.	Trader	Counterparty	Relationship	Transaction Details			
				Item	Amount	Transaction Details	% of Total Sales or Assets
1	Shanghai Yikang	Meditek Shanghai	Parent to subsidiary	Other receivables	\$ 67,058	According to the contract	-
2	Dongguan Hua Gang	The Company	Subsidiary to Parent	Other receivables	675,972	According to the contract	1
2	Dongguan Hua Gang	The Company	Subsidiary to Parent	Operating Revenue	28,889	According to the contract	-
2	Dongguan Hua Gang	Shanghai Yikang	Subsidiary to subsidiary	Operating Revenue	19,790	According to the contract	-
2	Dongguan Hua Gang	Anhua Huixinkang	Parent to subsidiary	Other receivables	13,637	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to Parent	Interest income	121,073	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to Parent	Other receivables	2,956,541	According to the contract	6
3	Raycong H.K.	Dongguan Hua Gang	Parent to subsidiary	Operating Revenue	584,598	According to the contract	1
3	Raycong H.K.	Dongguan Hua Gang	Parent to subsidiary	Net accounts receivable	118,980	According to the contract	-
4	Tranceed Logistics	The Company	Subsidiary to Parent	Other operating revenues	134,202	According to the contract	-
4	Tranceed Logistics	The Company	Subsidiary to Parent	Net accounts receivable	12,631	According to the contract	-
4	Tranceed Logistics	Cyuan Cheng Logistics	Parent to subsidiary	Other operating revenues	17,370	According to the contract	-
5	Wah Lee Holding Ltd.	The Company	Subsidiary to Parent	Other receivables	721,270	According to the contract	1

TABLE 10

WAH LEE INDUSTRIAL CORPORATION

INFORMATION ON MAJOR SHAREHOLDERS

December 31, 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.