

**Wah Lee Industrial Corporation and
Subsidiaries**

**Consolidated Financial Statements with
Independent Auditors' Report
2025 and 2024 Q2**

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Independent Auditors' Report

Wah Lee Industrial Corporation:

Introduction

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 June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three and six months then ended June 30, 2025 and 2024, the consolidated statements of changes in equity, consolidated statements of cash flows for the six months then ended, as well as relevant notes to the consolidated statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). The preparation of fairly expressed consolidated financial reports in accordance with the Financial Reporting Standards of the Securities Issuer and IAS 34 “Interim Financial Reporting” as approved by the Financial Supervisory Commission and issued for effect is the responsibility of management, and the responsibility of the accountant is to draw conclusions on the consolidated financial reports based on the results of the review.

Scope of Review

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

Basis for the Qualified Conclusion

As described in note 13 to the consolidated financial report, the financial statements of the non-material subsidiaries included in the first consolidated financial report for the same period have not been reviewed by the CPAs. Its total assets as of June 30, 2025 and 2024 were NT\$7,374,020 thousand and NT\$7,479,789 thousand, respectively, accounting for 15% and 14% of the total consolidated assets, respectively. Total liabilities amounted to NT\$3,165,483 thousand and NT\$3,065,576 thousand, respectively, accounting for 11% and 10% of the total consolidated liabilities. The comprehensive profit and loss for the three and six months ended June 30, 2025 and 2024 were NT\$57,844 thousand, NT\$79,405 thousand, NT\$111,236 thousand, and NT\$89,606 thousand respectively, accounting for (5%), 9%, (17%), and 4% of the consolidated comprehensive profit and loss, respectively. In addition, as described in note 14 of the consolidated financial report, the investment balance of Wah Lee Industrial Corporation and

its subsidiaries under the equity method as of June 30, 2025 and 2024 was NT\$2,201,250 thousand and NT\$2,107,329 thousand, respectively, and for the three and six months ended June 30, 2025 and 2024, the shares of associates and joint venture profits and losses recognized under the equity method were NT\$46,143 thousand, NT\$40,204 thousand, NT\$110,355 thousand, and NT\$67,631 thousand, respectively, which are recognized and disclosed on the basis of the financial statements of the invested companies that have not been reviewed by the CPAs during the same period.

Qualified Conclusion

Based on the results of this auditor's review, apart from the non-critical subsidiaries mentioned in the foundation paragraph of the retention conclusions and the financial statements of the investee companies that partially adopt the equity method, which have been reviewed by the CPAs and may have an impact on the consolidated financial reports, it has not been found that the consolidated financial statements have not been prepared in accordance with the financial reporting standards of securities issuers in all material aspects and the International Accounting Standard No. 34 "Interim Financial Report" approved by the Financial Supervisory Commission and issued for effect, which makes it impossible to express the consolidated financial situation of Warwick Enterprises and its subsidiaries as of June 30, 2025 and 2024, consolidated financial performance for the three months ended June 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flow of January 1 to June 30, 2025 and 2024.

Deloitte & Touche
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August 8, 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

June 30, 2025, December 31, 2024, and June 30, 2024

Unit: NT\$ thousand

Code	Assets	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	\$ 5,554,026	11	\$ 4,666,206	9	\$ 5,120,147	10
1110	Financial assets at fair value through profit or loss - current (Note 7)	482,962	1	651,731	1	445,237	1
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	152,750	-	167,000	-	194,000	1
1150	Notes receivable (Notes 9 and 30)	2,897,379	6	3,052,721	6	3,054,657	6
1160	Notes receivable - net from related parties (Notes 9 and 29)	1,204	-	-	-	-	-
1170	Accounts receivable, net (Note 9)	16,709,577	34	18,282,520	35	19,099,043	36
1180	Accounts receivable - related parties (Notes 9 and 29)	164,458	-	140,852	-	145,897	-
1197	Finance lease receivables - non-current (Note 10)	12,540	-	6,722	-	-	-
1200	Other receivables	94,612	-	79,957	-	58,998	-
1210	Other receivables - related parties (Notes 14 and 29)	451,616	1	149,095	-	487,410	1
1220	Current tax assets	7,387	-	2,818	-	9,495	-
130X	Merchandise (Note 11)	5,106,789	10	5,717,740	11	4,799,093	9
1421	Prepayments for purchases	1,751,787	4	2,092,020	4	2,273,283	4
1476	Other financial assets - current (Notes 12 and 30)	447,986	1	734,779	2	697,018	1
1479	Other current assets	134,215	-	181,964	1	165,981	-
11XX	Total current assets	33,969,288	68	35,926,125	69	36,550,259	69
	Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	54,743	-	57,815	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	615,906	1	663,704	1	812,721	2
1550	Investments accounted for using the equity method (Note 14)	7,127,376	14	7,893,447	15	7,877,951	15
1600	Property, plant and equipment (Notes 15, 30, and 31)	6,441,767	13	6,254,491	12	6,182,551	12
1755	Right-of-use assets (Note 16)	605,044	1	507,976	1	492,331	1
1805	Goodwill	176,052	1	178,443	1	178,116	-
1822	Other intangible assets	115,459	-	133,929	-	143,966	-
1840	Deferred tax assets	435,925	1	398,916	1	387,493	1
1915	Prepayments for equipment	21,637	-	159,303	-	77,841	-
1940	Finance lease receivables - non-current (Note 10)	32,574	-	18,168	-	-	-
1980	Other financial assets - non-current (Notes 12 and 30)	163,001	1	160,444	-	143,150	-
1990	Other non-current assets	21,491	-	23,089	-	23,123	-
15XX	Total non-current assets	15,810,975	32	16,449,725	31	16,319,243	31
1XXX	Total assets	\$ 49,780,263	100	\$ 52,375,850	100	\$ 52,869,502	100
	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings (Note 17)	\$ 7,101,528	14	\$ 7,815,694	15	\$ 8,610,963	16
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	10,453	-	20,218	-	9	-
2130	Contract liabilities - current (Note 23)	474,137	1	458,873	1	566,891	1
2150	Notes payable (Note 19)	1,546,508	3	1,689,445	3	1,236,132	2
2170	Accounts payable (Note 19)	7,351,292	15	8,168,135	16	7,915,620	15
2180	Accounts payable - related parties (Notes 19 and 29)	357,837	1	363,749	1	417,462	1
2216	Dividends payable (Note 22)	1,375,015	3	-	-	1,284,310	3
2219	Other payables (Note 20)	1,366,589	3	1,293,340	3	1,417,272	3
2220	Other payables - related parties (Note 29)	2,942	-	4,778	-	1,215	-
2230	Current tax liabilities	352,455	1	244,620	-	300,304	1
2250	Provisions - current (Note 31)	64,649	-	65,413	-	51,123	-
2280	Lease liabilities - current (Note 16)	96,131	-	86,849	-	87,868	-
2321	Current portion of company bonds (Note 18)	-	-	-	-	7,397	-
2322	Current portion of long-term borrowings (Note 17)	180,836	-	174,984	-	173,602	-
2365	Refund liability - current	409,901	1	403,170	1	409,820	1
2399	Other current liabilities	31,188	-	31,880	-	23,597	-
21XX	Total current liabilities	20,721,461	42	20,821,148	40	22,503,585	43
	Non-current Liabilities						
2540	Long-term borrowings (Note 17)	4,952,225	10	4,886,594	9	4,880,610	9
2550	Provisions - non-current	57,410	-	58,880	-	59,250	-
2580	Lease liabilities - non-current (Note 16)	545,880	1	455,825	1	436,736	1
2640	Net defined benefit liability - non-current	163,593	-	167,797	-	207,287	-
2645	Guarantee deposits received	3,780	-	4,048	-	3,335	-
2570	Deferred tax liabilities	1,182,322	3	1,466,031	3	1,445,547	3
25XX	Total non-current liabilities	6,905,210	14	7,039,175	13	7,032,765	13
2XXX	Total liabilities	27,626,671	56	27,860,323	53	29,536,350	56
	Equity attributable to owners of the Company (Note 22)						
	Share capital						
3110	Ordinary share capital	2,594,368	5	2,594,368	5	2,507,671	5
3140	Share capital collected in advance (Note 18)	-	-	-	-	85,842	-
3100	Total share capital	2,594,368	5	2,594,368	5	2,593,513	5
3200	Capital surplus	3,848,917	8	3,905,495	7	3,849,902	8
	Retained earnings						
3310	Legal reserve	3,432,369	7	3,179,735	6	3,179,735	6
3320	Special reserve	72,302	-	72,302	-	72,302	-
3350	Undistributed earnings	10,746,253	22	11,473,192	22	10,071,485	19
3300	Total retained earnings	14,250,924	29	14,725,229	28	13,323,522	25
3400	Other equity	(262,380)	(1)	1,312,715	3	1,724,416	3
31XX	Total equity attributable to owners of the Company	20,431,829	41	22,537,807	43	21,491,353	41
36XX	Non-controlling interests (Note 22)	1,721,763	3	1,977,720	4	1,841,799	3
3XXX	Total equity	22,153,592	44	24,515,527	47	23,333,152	44
	Total liabilities and equity	\$ 49,780,263	100	\$ 52,375,850	100	\$ 52,869,502	100

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

(Please refer to Deloitte & Touche auditors' report dated August 8, 2025)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and six months ended June 30, 2025 and 2024

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

Code		Three-month period ended June 30, 2025		Three-month period ended June 30, 2024		For the six months ended June 30, 2025		Six-month period ended June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 23 and 29)	\$ 20,225,838	100	\$ 21,154,439	100	\$ 38,825,133	100	\$ 38,405,310	100
5000	Operating costs (Notes 11, 24, and 29)	<u>18,656,363</u>	<u>92</u>	<u>19,651,661</u>	<u>93</u>	<u>35,863,716</u>	<u>92</u>	<u>35,581,051</u>	<u>93</u>
5900	Gross Profit	<u>1,569,475</u>	<u>8</u>	<u>1,502,778</u>	<u>7</u>	<u>2,961,417</u>	<u>8</u>	<u>2,824,259</u>	<u>7</u>
	Operating expenses (Notes 9, 24, and 29)								
6100	Selling and marketing expenses	628,748	3	639,167	3	1,229,706	3	1,219,859	3
6200	General and administrative expenses	159,290	1	150,969	1	317,742	1	304,565	1
6450	Expected credit loss recognized	<u>79,611</u>	<u>1</u>	<u>22,407</u>	<u>-</u>	<u>166,872</u>	<u>1</u>	<u>51,258</u>	<u>-</u>
6000	Total operating expenses	<u>867,649</u>	<u>5</u>	<u>812,543</u>	<u>4</u>	<u>1,714,320</u>	<u>5</u>	<u>1,575,682</u>	<u>4</u>
6900	Operating Income	<u>701,826</u>	<u>3</u>	<u>690,235</u>	<u>3</u>	<u>1,247,097</u>	<u>3</u>	<u>1,248,577</u>	<u>3</u>
	Non-operating income and expenses (Notes 24 and 29)								
7100	Interest income	36,444	-	38,551	-	68,515	-	75,451	-
7010	Other income	28,193	-	24,291	-	52,509	-	52,849	-
7020	Other gains and losses	(75,114)	-	41,013	-	(35,165)	-	73,599	-
7050	Financial costs	(82,272)	-	(111,870)	-	(167,190)	-	(221,023)	-
7060	Share of profit of associates and joint ventures accounted for using the equity method	<u>83,322</u>	<u>-</u>	<u>197,598</u>	<u>1</u>	<u>253,208</u>	<u>1</u>	<u>320,958</u>	<u>1</u>
7000	Non-operating income and expenses	<u>(9,427)</u>	<u>-</u>	<u>189,583</u>	<u>1</u>	<u>171,877</u>	<u>1</u>	<u>301,834</u>	<u>1</u>
7900	Income Before Tax	692,399	3	879,818	4	1,418,974	4	1,550,411	4
7950	Income tax expenses (Notes 4 and 25)	<u>200,450</u>	<u>1</u>	<u>224,276</u>	<u>1</u>	<u>346,132</u>	<u>1</u>	<u>398,359</u>	<u>1</u>
8200	Net income for this period	<u>491,949</u>	<u>2</u>	<u>655,542</u>	<u>3</u>	<u>1,072,842</u>	<u>3</u>	<u>1,152,052</u>	<u>3</u>
	Other Comprehensive Income (Notes 22 and 25)								
	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(12,555)	-	33,940	-	(53,502)	-	7,288	-
8320	Share of other comprehensive income (loss) of associates accounted for using the equity method	992	-	41,557	-	(280,684)	(1)	702,784	2
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,526)</u>	<u>-</u>	<u>701</u>	<u>-</u>	<u>3,765</u>	<u>-</u>	<u>9,813</u>	<u>-</u>
8310		<u>(14,089)</u>	<u>-</u>	<u>76,198</u>	<u>-</u>	<u>(330,421)</u>	<u>(1)</u>	<u>719,885</u>	<u>2</u>

(Continued)

(Concluded)

Code		Three-month period ended June 30, 2025		Three-month period ended June 30, 2024		For the six months ended June 30, 2025		Six-month period ended June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating the financial statements of foreign operations	(\$ 1,544,611)	(8)	\$ 128,745	1	(\$ 1,317,605)	(4)	\$ 476,346	1
8370	Share of other comprehensive gain (loss) of associates accounted for using the equity method	(405,214)	(2)	30,784	-	(347,968)	(1)	135,836	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>293,358</u>	<u>2</u>	<u>(24,614)</u>	<u>-</u>	<u>251,837</u>	<u>1</u>	<u>(91,417)</u>	<u>-</u>
8360		<u>(1,656,467)</u>	<u>(8)</u>	<u>134,915</u>	<u>1</u>	<u>(1,413,736)</u>	<u>(4)</u>	<u>520,765</u>	<u>1</u>
8300	Other Comprehensive Income (net of tax)	<u>(1,670,556)</u>	<u>(8)</u>	<u>211,113</u>	<u>1</u>	<u>(1,744,157)</u>	<u>(5)</u>	<u>1,240,650</u>	<u>3</u>
8500	Total comprehensive income (loss) for the period	<u>(\$ 1,178,607)</u>	<u>(6)</u>	<u>\$ 866,655</u>	<u>4</u>	<u>(\$ 671,315)</u>	<u>(2)</u>	<u>\$ 2,392,702</u>	<u>6</u>
	Net profit attributable to:								
8610	Owners of the Company	\$ 426,949	2	\$ 581,302	3	\$ 930,404	3	\$ 1,013,960	3
8620	Non-controlling Interests	<u>65,000</u>	<u>-</u>	<u>74,240</u>	<u>-</u>	<u>142,438</u>	<u>-</u>	<u>138,092</u>	<u>-</u>
8600		<u>\$ 491,949</u>	<u>2</u>	<u>\$ 655,542</u>	<u>3</u>	<u>\$ 1,072,842</u>	<u>3</u>	<u>\$ 1,152,052</u>	<u>3</u>
	Total comprehensive income attributable to:								
8710	Owners of the Company	(\$ 1,068,190)	(5)	\$ 780,839	4	(\$ 674,385)	(2)	\$ 2,211,789	6
8720	Non-controlling Interests	<u>(110,417)</u>	<u>(1)</u>	<u>85,816</u>	<u>-</u>	<u>3,070</u>	<u>-</u>	<u>180,913</u>	<u>-</u>
8700		<u>(\$ 1,178,607)</u>	<u>(6)</u>	<u>\$ 866,655</u>	<u>4</u>	<u>(\$ 671,315)</u>	<u>(2)</u>	<u>\$ 2,392,702</u>	<u>6</u>
	Earnings per share (Note 26)								
9750	Basic	<u>\$ 1.65</u>		<u>\$ 2.29</u>		<u>\$ 3.59</u>		<u>\$ 4.10</u>	
9850	Diluted	<u>\$ 1.64</u>		<u>\$ 2.24</u>		<u>\$ 3.56</u>		<u>\$ 3.90</u>	

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

(Please refer to Deloitte & Touche auditors' report dated August 8, 2025)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2025 and 2024

Unit: NT\$ thousand

		Equity attributable to the owners of the Company											
		Retained Earnings						Other Equity					
Code		Ordinary share capital	Share capital collected in advance	Capital Surplus	Legal reserve	Special reserve	Undistributed 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
A1	Balance at January 1, 2025	\$ 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
	Appropriation and distribution for 2024 earnings (Note 22)												
B1	Legal reserve	-	-	-	252,634	-	(252,634)	-	-	-	-	-	-
B5	Cash dividends distributed to the shareholders of the Company	-	-	-	-	-	(1,375,015)	-	-	-	(1,375,015)	-	(1,375,015)
		-	-	-	252,634	-	(1,627,649)	-	-	-	(1,375,015)	-	(1,375,015)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(56,578)	-	-	-	-	-	-	(56,578)	-	(56,578)
D1	Net income for the six months ended June 30, 2025	-	-	-	-	-	930,404	-	-	-	930,404	142,438	1,072,842
D3	Other comprehensive income (loss) after tax for the six months ended June 30, 2025	-	-	-	-	-	-	(1,274,368)	(330,421)	(1,604,789)	(1,604,789)	(139,368)	(1,744,157)
D5	Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	930,404	(1,274,368)	(330,421)	(1,604,789)	(674,385)	3,070	(671,315)
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(259,027)	(259,027)
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(29,694)	-	29,694	29,694	-	-	-
Z1	Balance at June 30, 2025	\$ 2,594,368	\$ -	\$ 3,848,917	\$ 3,432,369	\$ 72,302	\$ 10,746,253	(\$ 1,227,656)	\$ 965,276	(\$ 262,380)	\$ 20,431,829	\$ 1,721,763	\$ 22,153,592
A1	Balance at January 1, 2024	\$ 2,360,203	\$ 2,190	\$ 2,092,166	\$ 2,968,189	\$ 448,559	\$ 10,066,449	(\$ 559,328)	\$ 1,196,590	\$ 637,262	\$ 18,575,018	\$ 1,848,597	\$ 20,423,615
	Appropriation and distribution for 2023 earnings (Note 22)												
B1	Legal reserve	-	-	-	211,546	-	(211,546)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	(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	-	-	(4,965)	-	-	39,519	-	(39,519)	(39,519)	(4,965)	-	(4,965)
D1	Net income for the six months ended June 30, 2024	-	-	-	-	-	1,013,960	-	-	-	1,013,960	138,092	1,152,052
D3	Other comprehensive income (loss) after tax for the six months ended June 30, 2024	-	-	-	-	-	-	477,944	719,885	1,197,829	1,197,829	42,821	1,240,650
D5	Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	1,013,960	477,944	719,885	1,197,829	2,211,789	180,913	2,392,702
I1	Convertible corporate bonds conversion (Note 18)	147,468	83,652	1,762,701	-	-	-	-	-	-	1,993,821	-	1,993,821
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(187,939)	(187,939)
Q1	Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	71,156	-	(71,156)	(71,156)	-	-	-
O1	Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	228	228
Z1	Balance at June 30, 2024	\$ 2,507,671	\$ 85,842	\$ 3,849,902	\$ 3,179,735	\$ 72,302	\$ 10,071,485	(\$ 81,384)	\$ 1,805,800	\$ 1,724,416	\$ 21,491,353	\$ 1,841,799	\$ 23,333,152

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

(Please refer to Deloitte & Touche auditors' report dated August 8, 2025)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2025 and 2024

Unit: NT\$ thousand

Code		Six-months period ended June 30, 2025	For the six months ended June 30, 2024
	Cash flows from operating activities		
A10000	Net profit before tax for the period	\$ 1,418,974	\$ 1,550,411
A20010	Adjustments for:		
A20100	Depreciation expenses	214,972	200,552
A20200	Amortization expenses	17,498	20,202
A20300	Expected credit loss recognized	166,872	51,258
A20400	Net gain of financial instruments at FVTPL	(12,624)	(47,845)
A20900	Financial costs	167,190	221,023
A21200	Interest income	(68,515)	(75,451)
A21300	Dividend income	(6,971)	(4,677)
A22300	Share of profit of associates and joint ventures accounted for using the equity method	(253,208)	(320,958)
A22500	Net loss (gain) on disposal of property, plant and equipment	1,251	(4,078)
A23700	Write-downs of inventories	52,791	21,286
A24100	Net unrealized loss (gain) on foreign currency borrowing exchange	(194,125)	191,880
A22900	Provisions for reversal losses	(774)	-
A29900	Others	-	730
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	5,021	6,875
A31130	Notes receivable	155,303	(304,294)
A31140	Notes receivable - related parties	(1,204)	-
A31150	Accounts receivable	1,442,367	(3,629,137)
A31160	Accounts receivable - related parties	(22,966)	(27,907)
A31180	Other receivables	(19,474)	12,526
A31190	Other receivables - related parties	(1,631)	(3,692)
A31200	Merchandise inventories	568,884	(128,608)
A31230	Prepayments for purchases	340,233	(493,899)
A31240	Other current assets	47,749	7,928
A31990	Finance lease receivables	(20,224)	-
A32110	Financial liabilities held for trading	(14,090)	(638)

(Continued)

(Concluded)

Code		Six-months period ended June 30, 2025	For the six months ended June 30, 2024
A32125	Contract liabilities	\$ 15,264	\$ 16,004
A32130	Notes payable	(142,937)	(1,252)
A32150	Accounts payable	(816,843)	696,799
A32160	Accounts payable - related parties	(5,912)	76,786
A32180	Other payables	104,451	126,561
A32190	Other payables - related parties	(1,836)	298
A32200	Refund liabilities	6,731	44,690
A32230	Other current liabilities	(692)	(11,943)
A32240	Net defined benefit liabilities	(2,230)	(47,827)
A33000	Cash generated from operations	3,139,295	(1,856,397)
A33100	Interest received	71,191	98,704
A33200	Dividends received	147,447	111,577
A33300	Interest paid	(171,268)	(213,299)
A33500	Income tax paid	(319,678)	(369,006)
AAAA	Net cash generated from (used in) operating activities	<u>2,866,987</u>	<u>(2,228,421)</u>
Cash flow from investing activities			
B00010	Purchase of financial assets at fair value through other comprehensive income	-	(6,409)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	7,764	-
B00100	Acquisition of financial assets at FVTPL	(4,614,259)	(648,227)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	4,723,127	1,173,577
B01800	Acquired associate	(117,174)	(58,739)
B02400	Proceeds from capital reduction of investments accounted for using equity method	12,000	-
B02700	Payment for property, plant, and equipment	(295,373)	(397,259)
B02800	Proceeds from disposal of property, plant, and equipment	4,220	5,849
B04500	Acquisition of other intangible assets	(103)	(132)
B06500	Decrease in other financial assets	<u>284,236</u>	<u>1,295,885</u>
BBBB	Net cash generated from investing activities	<u>4,438</u>	<u>1,364,545</u>
Cash flow from financing activities			
C00200	Decrease in short-term borrowings	(192,629)	(1,000,075)
C01600	Proceeds from long-term borrowings	168,594	464,000
C01700	Repayment of long-term borrowings	(77,043)	(280,803)

(Continued)

(Concluded)

<u>Code</u>		<u>Six-months period ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
C03000	Increase (decrease) in guarantee deposits received	(\$ 268)	\$ 163
C04020	Repayment of the principal portion of lease liabilities	(51,565)	(53,999)
C05800	Change in non-controlling interests	(259,027)	(187,711)
C09900	Other fundraising activities	<u>-</u>	<u>(7)</u>
CCCC	Net cash used in financing activities	<u>(411,938)</u>	<u>(1,058,432)</u>
DDDD	Effect of exchanges rate changes on the balance of cash and cash equivalents	<u>(1,571,667)</u>	<u>585,941</u>
EEEE	Net increase (decrease) in cash and cash equivalents	887,820	(1,336,367)
E00100	Cash and cash equivalents at the beginning of the period	<u>4,666,206</u>	<u>6,456,514</u>
E00200	Cash and cash equivalents at the ending of the period	<u>\$ 5,554,026</u>	<u>\$ 5,120,147</u>

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

(Please refer to Deloitte & Touche auditors' report dated August 8, 2025)

Wah Lee Industrial Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(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 August 8, 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)

Amendment to IAS 21, "Lack of Exchangeability"

The application of the amendment to IAS 21, "Lack of Exchangeability" will not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC is applicable for 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
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

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

- Items in the statement of profit or loss will need to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations.
- The statement shall present the operating profit or loss, profit or loss before financing and income taxes and totals and subtotals of profit or loss.
- Provides enhanced guidance on the principles of aggregation and disaggregation: The Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. The Group shall only label such items as "other" when no more informative label can be found.

- Increase disclosure of management-defined performance measures: When the Group publicly communicate outside the financial statements and discuss with users of the financial statements management's view of an aspect of the Group's overall financial performance, they should disclose in a single note to the financial statements the relevant information about management-defined performance measures. This includes a description of the measure, how it is calculated, a reconciliation to the most directly comparable subtotal or total specified by IFRS standards, and the related tax and non-controlling interest effects of each reconciling item.

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

4. Summary of Significant Accounting Policies

a. Statement of Compliance

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

Governing the Preparation of Financial Reports by Securities Issuers, and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. This consolidated financial report does not contain all IFRS Accounting Standards disclosures required by the full annual financial report.

b. Basis of Preparation

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

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

- 1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.

- 2) Level 2 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. Basis of Consolidation

The preparation principles adopted in this consolidated financial report are the same as those used in the 2024 consolidated financial report. For the detailed information of subsidiaries (including the percentage of ownership and main business), please refer to Note 13, and Tables 6 and 7.

d. Other Significant Accounting Policies

In addition to the descriptions below, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1) Defined welfare and post-employment benefits

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

2) Income tax expense

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

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

For the significant accounting judgments, estimates and key sources of assumption uncertainty used in the consolidated financial statements, please refer to the 2024 Consolidated Financial Statements.

6. Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,156	\$ 1,291	\$ 1,237
Demand deposits in banks	5,050,542	4,130,348	4,844,904
Check accounts in banks	18,202	24,750	20,545
Cash equivalents- bank time deposits with original maturities of 3 months or less	<u>484,126</u>	<u>509,817</u>	<u>253,461</u>
	<u>\$ 5,554,026</u>	<u>\$ 4,666,206</u>	<u>\$ 5,120,147</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits in banks (%)	0.70~4.35	0.70~4.35	1.55~6.41

- 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets - current</u>			
Mandatorily classified at FVTPL			
Hybrid instruments - structured deposits (a)	\$ 396,633	\$ 560,849	\$ 357,143
Non-derivative financial assets - mutual funds	86,259	90,882	87,631
Derivatives instruments (not designated for hedge) (b)			
Foreign exchange forward contracts	<u>70</u>	<u>-</u>	<u>463</u>
	<u>\$ 482,962</u>	<u>\$ 651,731</u>	<u>\$ 445,237</u>
<u>Financial assets - non-current</u>			
Mandatorily classified at FVTPL			
Non-derivative financial assets			
Domestic limited partnership	\$ 12,107	\$ 12,947	\$ -
Foreign limited partnership	<u>42,636</u>	<u>44,868</u>	<u>-</u>
	<u>\$ 54,743</u>	<u>\$ 57,815</u>	<u>\$ -</u>
<u>Financial liabilities - current</u>			
Held for trading			
Derivatives instruments (not designated for hedge) (b)			
Foreign exchange forward contracts	<u>\$ 10,453</u>	<u>\$ 20,218</u>	<u>\$ 9</u>

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

At the end of the year, outstanding foreign exchange forward contracts were as follows:

June 30, 2025

Currency	Maturity Date	Notional Amount (In Thousands)
Buy HKD/Sell USD	2025.07	HKD383,484/USD49,000
Buy RMB/Sell USD	2025.11	RMB150,000/USD21,429
Buy THB/Sell USD	2025.07	THB65,109/USD2,000

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

June 30, 2024

Currency	Maturity Date	Notional Amount (In Thousands)
Buy USD/Sell RMB	2024.07~2024.08	USD2,418/RMB17,500
Buy USD/Sell MYR	2024.07~2024.08	USD 300/MYR1,411

8. Financial assets at FVTOCI

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Domestic investments in equity instruments			
TPEx-listed stocks	<u>\$ 152,750</u>	<u>\$ 167,000</u>	<u>\$ 194,000</u>
<u>Non-current</u>			
Domestic investments in equity instruments			
Listed and emerging shares	\$ 292,094	\$ 293,546	\$ 369,970
Unlisted stocks	<u>221,120</u>	<u>247,859</u>	<u>314,445</u>
	<u>513,214</u>	<u>541,405</u>	<u>684,415</u>
Foreign investments in equity instruments			
TWSE-listed stocks	24,457	13,291	18,299
TWSE-unlisted stocks	<u>78,235</u>	<u>109,008</u>	<u>110,007</u>
	<u>102,692</u>	<u>122,299</u>	<u>128,306</u>
	<u>\$ 615,906</u>	<u>\$ 663,704</u>	<u>\$ 812,721</u>

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

9. Notes receivable and accounts receivable, net

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable - unrelated parties			
Notes receivable - operating	\$ 2,897,470	\$ 3,052,773	\$ 3,054,721
Less: Allowance for losses	<u>91</u>	<u>52</u>	<u>64</u>
	<u>\$ 2,897,379</u>	<u>\$ 3,052,721</u>	<u>\$ 3,054,657</u>
Notes receivable - related parties			
Notes receivable - operating	<u>\$ 1,204</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts receivable - unrelated parties			
At amortized cost			
Gross carrying amount	\$ 17,173,813	\$ 18,616,680	\$ 19,379,129
Less: Allowance for losses	<u>464,236</u>	<u>334,160</u>	<u>280,086</u>
	<u>\$ 16,709,577</u>	<u>\$ 18,282,520</u>	<u>\$ 19,099,043</u>
Accounts receivable - related parties			
At amortized cost			
Gross carrying amount	\$ 164,593	\$ 141,627	\$ 153,857
Less: Allowance for losses	<u>135</u>	<u>775</u>	<u>7,960</u>
	<u>\$ 164,458</u>	<u>\$ 140,852</u>	<u>\$ 145,897</u>

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

The main credit period of sales of goods was 60-90 days. No interest was charged on receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on receivables are estimated using a provision matrix prepared by reference to the past default records of the customer, the customer's current financial position, and economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of receivables based on the Group's provision matrix:

June 30, 2025

Cost	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1-60 days	Past due by 61-180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01~3	0.5~20	5~40	40~50	100	
Gross carrying amount	\$ 18,999,302	\$ 634,645	\$ 182,612	\$ 98,058	\$ 322,463	\$ 20,237,080
Loss allowance (Lifetime ECLs)	(33,343)	(21,895)	(39,303)	(47,458)	(322,463)	(464,462)
Amortized cost	<u>\$ 18,965,959</u>	<u>\$ 612,750</u>	<u>\$ 143,309</u>	<u>\$ 50,600</u>	<u>\$ -</u>	<u>\$ 19,772,618</u>

December 31, 2024

Cost	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1–60 days	Past due by 61–180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01~3	0.5~20	5~40	40~50	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	<u>\$ 20,033,384</u>	<u>\$ 1,175,166</u>	<u>\$ 124,035</u>	<u>\$ 143,508</u>	<u>\$ -</u>	<u>\$ 21,476,093</u>

June 30, 2024

Cost	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1–60 days	Past due by 61–180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01~3	0.5~20	5~40	40~50	100	
Gross carrying amount	\$ 21,301,040	\$ 745,877	\$ 277,400	\$ 133,756	\$ 129,634	\$ 22,587,707
Loss allowance (Lifetime ECLs)	(20,314)	(21,356)	(49,946)	(66,860)	(129,634)	(288,110)
Amortized cost	<u>\$ 21,280,726</u>	<u>\$ 724,521</u>	<u>\$ 227,454</u>	<u>\$ 66,896</u>	<u>\$ -</u>	<u>\$ 22,299,597</u>

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

	Six-months period ended June 30, 2025	Six-months period ended June 30, 2024
Opening balance	\$334,987	\$238,997
Impairment losses recognized of the period	166,872	51,258
Amounts written off of the period	(500)	(10,862)
Foreign exchange translation differences	(36,897)	8,717
Ending balance	<u>\$464,462</u>	<u>\$288,110</u>

10. Finance lease receivables

	June 30, 2025	December 31, 2024
Undiscounted lease payments		
Year 1	\$ 15,471	\$ 8,139
Year 2	13,813	8,139
Year 3	10,273	4,654
Year 4	8,728	4,485
Year 5	<u>3,880</u>	<u>3,025</u>
	52,165	28,442
Less: Unearned finance income	(7,051)	(3,552)
Finance lease receivables	<u>\$ 45,114</u>	<u>\$ 24,890</u>
Current	\$ 12,540	\$ 6,722
Non-current	<u>32,574</u>	<u>18,168</u>
	<u>\$ 45,114</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 8.81%.

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 costs of inventories recognized in cost of goods sold for the three and six months ended June 30, 2025 and 2024 were NT\$18,311,844 thousand, NT\$19,305,730 thousand, NT\$35,189,708 thousand, and NT\$34,921,805 thousand, respectively, which included the following items:

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Write-downs of inventories	<u>\$ 33,650</u>	<u>\$ 7,152</u>	<u>\$ 52,791</u>	<u>\$ 21,286</u>

12. Other financial assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 70,876	\$ 87,677	\$ 267,908
Structured deposits	20,445	44,868	200,893
Pledged deposits	356,625	602,194	228,177
Refundable deposits	<u>40</u>	<u>40</u>	<u>40</u>
	<u>\$ 447,986</u>	<u>\$ 734,779</u>	<u>\$ 697,018</u>
<u>Non-current</u>			
Pledged deposits	\$ 74,051	\$ 67,473	\$ 48,396
Refundable deposits	<u>88,950</u>	<u>92,971</u>	<u>94,754</u>
	<u>\$ 163,001</u>	<u>\$ 160,444</u>	<u>\$ 143,150</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Deposits in banks (%)	1.10~4.50	1.10~5.50	0.48~5.80

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

13. Subsidiary

The subsidiaries in the consolidated financial statements

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

Investee company name	Name of subsidiary	Main business	Percentage of ownership (%)			Specify details
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Wah Lee Holding Ltd.	International investment	100.00	100.00	100.00	Note 1
	Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	Trading business of engineering plastic, composite materials and equipment	53.69	53.69	53.69	
	Wah Lee Japan Corp. (WL Japan)	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	83.33	83.33	83.33	Note 1
	Wah Lee Korea Ltd. (WL Korea)	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	100.00	100.00	100.00	Note 1
	Sakuragawa Solar Godogaisha	Solar power generation business	99.99	99.99	99.99	Note 1
	Miyazaki Solar Godogaisha	Solar power generation business	99.99	99.99	99.99	Note 1
	PT. Wah Lee Indonesia (WL Indonesia)	Trading business of industrial materials	70.00	70.00	70.00	Note 1
	Wah Lee Vietnam Co., Ltd. (WL Vietnam)	Trading business of industrial materials	100.00	100.00	100.00	Note 1
	Tranceed Logistics Co., Ltd. (Tranceed Logistics)	Freight forwarders and leasing business	63.33	63.33	63.33	Note 1
	Wah Tech Industrial Co., Ltd. (WT Industrial)	Trading business of industrial materials	51.00	51.00	51.00	Note 1
	Kingstone Energy Technology Corporation (KS Corp.)	Solar power generation business	99.57	99.57	94.68	Notes 1 and 2
	Evergreen New Energy Corporation	Solar power generation business	100.00	100.00	100.00	Note 1
	Wah Lee Philippines International Corp. (WL Philippines Corp.)	Trading business of industrial materials	99.99	99.99	99.99	Note 1
	Wah Lee Philippines Inc. (WL Philippines Inc.)	Trading business of industrial materials	99.99	99.99	99.99	Note 1
	Hightech Polymer Sdn. Bhd. (Hightech)	Trading business of industrial materials	51.00	51.00	51.00	Note 1
	Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	Agency of semiconductor materials and equipment	100.00	100.00	100.00	Note 1
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial materials	99.00	99.00	99.00	Note 1
	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	100.00	Note 1
	High Tech Gas Company Ltd. (High Tech Gas)	Chemical Materials Manufacturing	60.00	60.00	60.00	Note 1
	Innovation Service Co., Ltd.	Leasing business	58.33	58.33	16.67	Notes 1 and 3
	Fanxin Development Co., Ltd. (Fanxin)	Solar power generation business	100.00	100.00	100.00	Note 1
	Fansheng Development Co., Ltd. (Fensheng)	Solar power generation business	100.00	100.00	100.00	Note 1
	Evergreen New Power Corporation	Engaging in the business of the energy/engineering service companies	100.00	-	-	Established in February 2025; Note 1
Evergreen New Energy Corporation						
Wah Lee Holding Ltd.	SHC Holding Ltd.	International investment	100.00	100.00	100.00	Note 1
	Raycong H.K.	Trading business of engineering plastic, composite materials and equipment	46.31	46.31	46.31	

Investee company name	Name of subsidiary	Main business	Percentage of ownership (%)			Specify details
			June 30, 2025	December 31, 2024	June 30, 2024	
	Regent King International Limited (Regent King)	Trading business of engineering plastic, composite materials and equipment	100.00	100.00	100.00	Note 1
Raycong H.K.	Dong Guan Hua Gang International Trading Co., Ltd. (Dong Guan Hua Gang)	Trading business of industrial materials	100.00	100.00	100.00	
	Shanghai Yi Kang Chemicals and Industries Co., Ltd. (Shanghai Yi Kang)	Trading business of industrial materials	70.00	70.00	70.00	
	Huaying Supply Chain Management (Shenzhen) Co., Ltd. (Shenzhen Huaying)	Supply chain management and consultancy service	100.00	100.00	100.00	Note 1
	Raycong (Vietnam) Company Limited (RC Vietnam)	Trading business of industrial materials	100.00	100.00	100.00	Note 1
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang)	Medical service	70.00	77.78	77.78	Notes 1 and 5
Shanghai Yi Kang	Meditek (Shanghai) Co.,Ltd. (Shanghai Meditek)	Import and export business of goods and techniques	70.00	70.00	70.00	Note 1
	Crown Medical Equipment (Shanghai) Co., Ltd. (Shanghai Crown)	Trading business of medical devices and equipment	69.97	69.97	69.97	Note 1
	Fenghuang Xingwah Shouzheng Health Management Co., Ltd (Fenghuang Xingwah Shouzheng)	Medical devices manufacturing technology developing and consulting	70.00	70.00	70.00	Notes 1 and 4
Dong Guan Hua Gang	Guangzhou Xingxian Medical Management Consulting Co., Ltd. (Guangzhou Xingxian)	Medical consulting	100.00	100.00	100.00	Note 1
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang)	Medical service	30.00	22.22	22.22	Notes 1 and 5
Guangzhou Xingxian	Kaiping Huaxinkang Medical Service Co., Ltd. (Kaiping Huaxinkang)	Medical service	-	-	90.00	The liquidation was completed in April 2024; Note 1
Shenzhen Huaying	Xiamen Huashengda Logistics Co., Ltd. (Xiamen Huashengda)	Warehouse logistics	70.00	70.00	70.00	Note 1
KS Corp.	KSB Energy Corporation (KSB Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
	KSC Energy Corporation (KSC Corp.)	Solar power generation business	100.00	100.00	100.00	Note 1
WT Industrial	P.T. Wah Tech Indonesia (WT Indonesia)	Trading business of industrial materials	66.00	66.00	66.00	Note 1
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial materials	1.00	1.00	1.00	Note 1
Tranceed Logistics	Cyuan Cheng Logistics Co., Ltd. (Cyuan Cheng Logistics)	Freight forwarders and leasing business	100.00	100.00	100.00	Note 1

Note 1: It is a non-significant subsidiary whose financial statements have not been reviewed by an accountant.

Note 2: In December 2024, the Group acquired shares of KS Corp. from a non-related party for a cash consideration of NT\$31,236 thousand, resulting in an increase in ownership to 99.57%.

Note 3: 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 4: Shanghai Yi kang sold 5% of its shares in Fenghuang Xingwah Shouzheng to an unrelated party in June 2024, reducing its shareholding ratio to 70%.

Note 5: Anhua Huixinkang Company increased its capital by RMB 500 thousand in June 2025 through Dong Guan Hua Gang Company. As of June 30, 2025, Raycong H.K. and Dong Guan Hua Gang Company respectively hold 70% and 30% equity stakes in Anhua Huixinkang Company.

14. Investment accounted for using the equity method

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Investments in associates</u>			
Material associates			
CWE Inc.	\$ 4,269,515	\$ 4,966,134	\$ 5,039,866
Associates that are not individually material	<u>2,780,179</u>	<u>2,863,808</u>	<u>2,786,910</u>
	<u>7,049,694</u>	<u>7,829,942</u>	<u>7,826,776</u>
<u>Investment in joint ventures</u>			
Joint ventures that are not individually material	<u>77,682</u>	<u>63,505</u>	<u>51,175</u>
	<u>\$ 7,127,376</u>	<u>\$ 7,893,447</u>	<u>\$ 7,877,951</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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
CWE Inc.	28.08%	28.06%	29.01%

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

<u>Company Name</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
CWE Inc.	<u>\$ 7,520,283</u>	<u>\$ 9,004,549</u>	<u>\$ 8,974,864</u>

The Company's shareholding ratio in CWE Inc. is calculated based on the number of issued ordinary shares outstanding, minus the number of treasury shares, to reflect the actual share of equity held by the Company.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 18,374,403	\$ 17,507,879	\$ 16,910,588
Non-current assets	19,335,446	20,387,741	21,891,330
Current liabilities	(8,568,747)	(7,617,304)	(9,147,860)
Non-current liabilities	(10,058,157)	(7,930,349)	(7,735,615)
Equity	19,082,945	22,347,967	21,918,443
Non-controlling interests	(4,118,019)	(4,890,272)	(4,776,203)
	<u>\$ 14,964,926</u>	<u>\$ 17,457,695</u>	<u>\$ 17,142,240</u>
Percentage of ownership held by the Company (%)	28.08	28.06	29.01
Equity attributable to the Company	\$ 4,202,088	\$ 4,898,707	\$ 4,972,439
Goodwill	<u>67,427</u>	<u>67,427</u>	<u>67,427</u>
Carrying amount of investment	<u>\$ 4,269,515</u>	<u>\$ 4,966,134</u>	<u>\$ 5,039,866</u>

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-months period ended June 30, 2025	Six-months period ended June 30, 2024
Operating revenue	<u>\$4,747,063</u>	<u>\$4,254,691</u>	<u>\$9,250,934</u>	<u>\$8,273,825</u>
Net income for this period	\$ 122,416	\$ 720,234	\$ 669,989	\$ 1,265,309
Other comprehensive (loss) income for the year	(947,453)	151,737	(1,694,765)	2,617,309
Total comprehensive income for the year	(825,037)	871,971	(1,024,776)	3,882,618
Cash dividends received	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,532</u>	<u>\$ 106,950</u>

As of June 30, 2025, December 31 and June 30, 2024, the Company's dividends receivable were NT\$395,804 thousand, NT\$138,532 thousand, and NT\$387,979 thousand, respectively, recognized as other receivables - related parties.

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

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-months period ended June 30, 2025	Six-months period ended June 30, 2024
The Group's share				
Net income for this period	\$ 52,498	\$ 50,410	\$ 129,171	\$ 79,317
Other comprehensive (loss) income for the year	(256,771)	65,721	(259,172)	148,980
Total comprehensive income for the year	(\$ 204,273)	\$ 116,131	(\$ 130,001)	\$ 228,297

c. Changes in investment in associates and joint ventures

- 1) In January 2025, the Group invested NT\$117,174 thousand in Shanghai Guojia International Logistics Co., Ltd. (Shanghai Guojia Co., Ltd.), acquiring a 20% shareholding.
 - 2) In March 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 27.54%.
 - 3) In January 2024, the Company increased its investment in Perpetual New Energy Co., Ltd. by NT\$24,000 thousand, and in May 2025, the Company received a capital reduction and share refund of NT\$12,000 thousand, maintaining shareholding ratio of 12%. 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.
- d. The share of profit or loss and other comprehensive profit or loss enjoyed by the consolidated company on the above equity method of the investee company is partially recognized and disclosed according to the financial statements not reviewed by the CPAs. The book value of its investments as of June 30, 2025 and 2024 was NT\$2,201,250 thousand and NT\$2,107,329 thousand, respectively, and the shares of profit or loss from associates and joint ventures recognized for the three and six months ended June 30, 2025 and 2024 amounted to profit NT\$46,143 thousand, NT\$40,2049 thousand, NT\$110,355 thousand, and NT\$67,631 thousand, respectively.

15. Property, Plant, and Equipment

Six-month period ended June 30, 2025

	Land	Buildings	Power generation equipment	Others	Property under construction and equipment to be inspected	Total
<u>Cost</u>						
Balance at January 1, 2025	\$ 2,078,960	\$ 1,105,440	\$ 2,899,250	\$ 1,342,668	\$ 925,011	\$ 8,351,329
Additions	-	2,217	4,956	29,332	368,440	404,945
Disposals	-	-	(5,891)	(26,427)	(28)	(32,346)
Reclassified	-	1,131	52,262	9,317	(62,710)	-
Effects of foreign currency exchange differences	(1,470)	(56,069)	(8,629)	(27,246)	(3,913)	(97,327)
Balance at June 30, 2025	<u>\$ 2,077,490</u>	<u>\$ 1,052,719</u>	<u>\$ 2,941,948</u>	<u>\$ 1,327,644</u>	<u>\$ 1,226,800</u>	<u>\$ 8,626,601</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2025	\$ -	\$ 454,397	\$ 648,407	\$ 994,034	\$ -	\$ 2,096,838
Depreciation expenses	-	13,391	82,710	64,796	-	160,897
Disposals	-	-	(2,492)	(24,383)	-	(26,875)
Effects of foreign currency exchange differences	-	(24,470)	(3,905)	(17,651)	-	(46,026)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 443,318</u>	<u>\$ 724,720</u>	<u>\$ 1,016,796</u>	<u>\$ -</u>	<u>\$ 2,184,834</u>
Carrying amount at December 31, 2024 and January 1, 2025	<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>
Carrying amount at June 30, 2025	<u>\$ 2,077,490</u>	<u>\$ 609,401</u>	<u>\$ 2,217,228</u>	<u>\$ 310,848</u>	<u>\$ 1,226,800</u>	<u>\$ 6,441,767</u>

Six-month period ended June 30, 2024

Cost	Land	Buildings	Power generation equipment	Others	Property under construction and equipment to be inspected	Total
Balance at January 1, 2024	\$ 2,080,610	\$ 1,079,285	\$ 2,661,882	\$ 1,187,077	\$ 768,676	\$ 7,777,530
Additions	-	171	3,242	58,668	286,497	348,578
Disposals	-	(166)	-	(13,474)	(573)	(14,213)
Reclassified	-	150	116,763	22,810	(139,723)	-
Effects of foreign currency exchange differences	(3,504)	21,992	(20,502)	8,562	1,162	7,710
Balance at June 30, 2024	<u>\$ 2,077,106</u>	<u>\$ 1,101,432</u>	<u>\$ 2,761,385</u>	<u>\$ 1,263,643</u>	<u>\$ 916,039</u>	<u>\$ 8,119,605</u>
Accumulated depreciation						
Balance at January 1, 2024	\$ -	\$ 417,667	\$ 492,840	\$ 884,950	\$ -	\$ 1,795,457
Depreciation expenses	-	13,515	75,373	58,891	-	147,779
Disposals	-	(166)	-	(12,276)	-	(12,442)
Effects of foreign currency exchange differences	-	8,440	(7,349)	5,169	-	6,260
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 439,456</u>	<u>\$ 560,864</u>	<u>\$ 936,734</u>	<u>\$ -</u>	<u>\$ 1,937,054</u>
Carrying amount at June 30, 2024	<u>\$ 2,077,106</u>	<u>\$ 661,976</u>	<u>\$ 2,200,521</u>	<u>\$ 326,909</u>	<u>\$ 916,039</u>	<u>\$ 6,182,551</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:

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Additions	\$404,945	\$348,578
Capitalization of interest and depreciation expense	(5,540)	(5,260)
Increase (decrease) in prepayments for equipment	(137,666)	23,916
Decrease in other payables	32,164	29,906
Decrease in provisions	1,470	119
Cash paid	<u>\$295,373</u>	<u>\$397,259</u>

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

Buildings	
Offices	20 to 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 30 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

16. Lease Agreements

- a. Right-of-use assets

Six-month period ended June 30, 2025

	Land	Buildings	Other equipment	Total
Opening balance	\$ 66,764	\$423,773	\$ 17,439	\$507,976
Additions	34,803	117,895	1,627	154,325
Depreciation expenses	(2,250)	(46,847)	(4,978)	(54,075)
Effects of foreign currency exchange differences	(207)	(2,564)	(411)	(3,182)
Ending balance	<u>\$ 99,110</u>	<u>\$492,257</u>	<u>\$ 13,677</u>	<u>\$605,044</u>

Six-month period ended June 30, 2024

	Land	Buildings	Other equipment	Total
Opening balance	\$ 96,256	\$389,397	\$ 24,564	\$510,217
Additions	610	30,109	4,791	35,510
Depreciation expenses	(2,706)	(45,378)	(5,710)	(53,794)
Lease modification	-	-	(1,524)	(1,524)
Effects of foreign currency exchange differences	84	1,580	258	1,922
Ending balance	<u>\$ 94,244</u>	<u>\$375,708</u>	<u>\$ 22,379</u>	<u>\$492,331</u>

- b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 96,131</u>	<u>\$ 86,849</u>	<u>\$ 87,868</u>
Non-current	<u>\$545,880</u>	<u>\$455,825</u>	<u>\$436,736</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.85~2.67	1.85~2.50	1.85~2.50
Buildings	1.10~5.61	1.10~5.61	1.10~5.61
Other equipment	1.43~4.30	1.43~4.30	1.43~4.30

c. Material leasing activities and terms

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

d. Other lease information

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Expenses relating to short-term leases	<u>\$ 42,427</u>	<u>\$ 33,255</u>	<u>\$ 81,427</u>	<u>\$ 66,947</u>
Expenses relating to low-value asset leases	<u>\$ 181</u>	<u>\$ 727</u>	<u>\$ 1,198</u>	<u>\$ 1,371</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,470</u>	<u>\$ 3,734</u>	<u>\$ 8,174</u>	<u>\$ 6,680</u>
Total cash outflow for leases			<u>\$ 148,144</u>	<u>\$ 134,910</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

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank borrowings (Note 30)	<u>\$ 1,073,012</u>	<u>\$ 1,111,059</u>	<u>\$ 943,301</u>
Unsecured bank borrowings	<u>6,028,516</u>	<u>6,704,635</u>	<u>7,667,662</u>
	<u>\$ 7,101,528</u>	<u>\$ 7,815,694</u>	<u>\$ 8,610,963</u>
Annual interest rate (%)	0.93~5.47	0.64~6.35	0.60~7.25

b. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings			
Syndicated bank loans (Note 1)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Less: Syndicated loan fee	<u>2,083</u>	<u>2,583</u>	<u>3,083</u>
	1,997,917	1,997,417	1,996,917
Bank loans	<u>405,736</u>	<u>437,548</u>	<u>594,600</u>
	<u>2,403,653</u>	<u>2,434,965</u>	<u>2,591,517</u>
Secured borrowings (Note 30)			
Bank loans (Note 2)	<u>2,729,408</u>	<u>2,626,613</u>	<u>2,462,695</u>
Portion due within one year	<u>\$ 180,836</u>	<u>\$ 174,984</u>	<u>\$ 173,602</u>
	<u>\$ 4,952,225</u>	<u>\$ 4,886,594</u>	<u>\$ 4,880,610</u>
Annual interest rate (%)			
Syndicated bank loans	2.23	2.21	2.03
Bank loans	1.92~4.10	1.58~5.28	1.39~2.80
Expiration period			
Syndicated bank loans	116.08	116.08	116.08
Bank loans	114.08~126.06	114.08~126.06	113.08~126.06

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 NT\$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 Company should maintain certain financial ratios which should be calculated based on audited

annual consolidated financial statements. The Company had met the requirement as of December 31, 2024.

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. Subsidiaries had met the requirement as of December 31, 2024.

18. Corporate bonds payable

	June 30, 2025	December 31, 2024	June 30, 2024
3rd domestic unsecured convertible bonds	\$ -	\$ -	\$ 7,397
Less: Portion due within one year	-	-	7,397
	<u>\$ -</u>	<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 NT\$2,005,000 thousand (100.25% of the face value) and a par value of NT\$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%.

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Liability component at the beginning of the period	\$ -	\$ 1,996,598
Interest charged at an effective interest rate	-	4,627
Less: Conversion of corporate bonds payable into ordinary shares	-	1,993,828
Components of ending liabilities	<u>\$ -</u>	<u>\$ 7,397</u>

As of June 30, 2024, the aforementioned unsecured convertible bonds totaled a par value of NT\$1,992,700 thousand, which were converted into 23,333 thousand shares of common stock of the Company. Among these, 8,584 thousand shares were included under the account of capital collected in advance, with the capital increase base date being August 8, 2024.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Payable for salaries or bonuses	\$ 571,584	\$ 683,472	\$ 599,058
Payable for employees' compensation and remuneration of directors	413,681	290,077	415,352
Payable for freight	36,584	47,900	43,155
Payable for interest	26,934	25,972	57,344
Payable for commission	26,416	26,216	32,791
Payable for equipment	33,379	65,543	28,571
Others	258,011	154,160	241,001
	<u>\$ 1,366,589</u>	<u>\$ 1,293,340</u>	<u>\$ 1,417,272</u>

21. Retirement benefit plans

The defined benefit plan-related pension expenses recognized for the three and six months ended June 30, 2025 and 2024 were calculated based on the pension cost rate as actuarially determined at December 31, 2024 and 2023, respectively, amounting to NT\$1,246 thousand, NT\$1,157 thousand, NT\$2,637 thousand, and NT\$1,449 thousand, respectively.

22. Equity

a. Share Capital

	June 30, 2025	December 31, 2024	June 30, 2024
Number of authorized shares (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Amount of authorized shares	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>259,437</u>	<u>259,437</u>	<u>259,351</u>
Amount of issued and fully paid shares	<u>\$ 2,594,368</u>	<u>\$ 2,594,368</u>	<u>\$ 2,593,513</u>

Fully paid ordinary shares, which have a par value of NT\$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

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of share capital	\$ 2,934,483	\$ 2,934,483	\$ 2,927,819
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	65,226	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	372,232	372,343
Expired share options	22,374	22,374	22,374
Donations	11,867	11,867	11,867
May be used only to offset a deficit			
Share of changes in capital surplus of associates	\$ 442,735	\$ 499,313	\$ 459,316
May not be used for any purpose			
Share warrants	-	-	124
	<u>\$ 3,848,917</u>	<u>\$ 3,905,495</u>	<u>\$ 3,849,902</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 NT\$72,302 thousand.

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

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Legal reserve	<u>\$ 252,634</u>	<u>\$ 211,546</u>		
Reversal of special reserve	<u>\$ -</u>	<u>(\$ 376,257)</u>		
Cash Dividends	<u>\$1,375,015</u>	<u>\$1,284,310</u>	<u>\$ 5.3</u>	<u>\$ 5.2</u>

The aforementioned cash dividends were respectively resolved for distribution by the Board of Directors on April 14, 2025, and March 14, 2024, and were recognized under dividends payable as of June 30, 2025 and 2024, respectively. The distribution of other earnings items was also resolved by the shareholders' meetings in May 2025 and 2024, respectively.

d. Other equity items

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

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Opening balance	\$ 46,712	(\$ 559,328)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	(1,178,237)	433,525
Share from associates accounted for using the equity method	(347,968)	135,836
Effects of income taxes	<u>251,837</u>	(<u>91,417</u>)
Ending balance	(<u>\$1,227,656</u>)	(<u>\$ 81,384</u>)

2) Unrealized gain on financial assets at FVTOCI

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Opening balance	\$ 1,266,003	\$ 1,196,590
Recognized for the period		
Unrealized (loss) gain - equity instruments	(53,502)	7,288
Share from associates accounted for using the equity method	(280,684)	702,784
Effects of income taxes	3,765	9,813
Reclassification adjustment		
Share from associates accounted for using the equity method	-	(39,519)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Investments in equity instruments designated as at fair value through other comprehensive income	30,545	-
Share from associates accounted for using the equity method	(<u>851</u>)	(<u>71,156</u>)
Ending balance	<u>\$ 965,276</u>	<u>\$ 1,805,800</u>

e. Non-controlling Interests

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Opening balance	\$ 1,977,720	\$ 1,848,597
Other comprehensive (loss) income of the period		
Net income for this period	142,438	138,092
Exchange differences on translating the financial statements of foreign operations	(139,368)	42,821
Increase in non-controlling interests resulting from the sale of subsidiary shares	-	228
Cash dividends distributed to non-controlling interests	(259,027)	(187,939)
	<u>\$ 1,721,763</u>	<u>\$ 1,841,799</u>

23. **Revenue**

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Revenue from contracts with customers				
Revenue from sale of goods	\$ 19,799,623	\$ 20,745,781	\$ 37,998,051	\$ 37,627,543
Other operating revenues	<u>426,215</u>	<u>408,658</u>	<u>827,082</u>	<u>777,767</u>
	<u>\$ 20,225,838</u>	<u>\$ 21,154,439</u>	<u>\$ 38,825,133</u>	<u>\$ 38,405,310</u>

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes receivable (including related parties)	\$ 2,898,583	\$ 3,052,721	\$ 3,054,657	\$ 2,750,341
Accounts receivable, net (including related parties)	<u>16,874,035</u>	<u>18,423,372</u>	<u>19,244,940</u>	<u>15,647,893</u>
	<u>\$ 19,772,618</u>	<u>\$ 21,476,093</u>	<u>\$ 22,299,597</u>	<u>\$ 18,398,234</u>
Contract liabilities				
Sale of goods	<u>\$ 474,137</u>	<u>\$ 458,873</u>	<u>\$ 566,891</u>	<u>\$ 550,887</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the date the Group fulfills its performance obligation and the date the customer's payment is received. There are no significant changes from January 1 to June 30, 2025 and 2024.

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

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Sale of goods	<u>\$264,873</u>	<u>\$278,018</u>

b. Disaggregation of revenue from contracts with customers

Please refer to Note 34 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 29)

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Rent income	\$ 1,958	\$ 2,396	\$ 4,588	\$ 5,240
Consulting service income	3,823	4,633	9,895	7,527
Dividend income	2,250	2,050	6,971	4,677
Other income	<u>20,162</u>	<u>15,212</u>	<u>31,055</u>	<u>35,405</u>
	<u>\$ 28,193</u>	<u>\$ 24,291</u>	<u>\$ 52,509</u>	<u>\$ 52,849</u>

b. Other gains and losses

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Net gain (loss) of financial instruments at FVTPL	\$ 898	\$ 32,944	\$ 12,624	\$ 47,845
Net foreign exchange gains (loss)	(73,121)	8,279	(43,370)	26,208
Net gain (loss) on disposal of property, plant, and equipment	(1,459)	359	(1,251)	4,078
Others	(<u>1,432</u>)	(<u>569</u>)	(<u>3,168</u>)	(<u>4,532</u>)
	<u>(\$ 75,114)</u>	<u>\$ 41,013</u>	<u>(\$ 35,165)</u>	<u>\$ 73,599</u>

c. Financial costs

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Interest on bank loans	\$ 81,771	\$ 109,834	\$ 166,450	\$ 214,222
Amortization of borrowing facility management fee	250	250	500	500
Interest on lease liabilities	3,147	2,943	5,780	5,913
Corporate bond discount amortization and interest compensation	-	842	-	4,627
Less: Amount included in cost of qualifying assets	<u>2,896</u>	<u>1,999</u>	<u>5,540</u>	<u>4,239</u>
	<u>\$ 82,272</u>	<u>\$ 111,870</u>	<u>\$ 167,190</u>	<u>\$ 221,023</u>
Interest capitalized rate (%)	2.18~2.50	2.18~2.50	2.18~2.50	2.18~2.50

d. Depreciation and amortization

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Property, plant and equipment	\$ 79,652	\$ 76,861	\$ 160,897	\$ 147,779
Right-of-use assets	27,422	27,477	54,075	53,794
Intangible assets	8,009	9,646	16,567	19,231
Other non-current assets	463	481	931	971
Less: Amount included in cost of qualifying assets	<u>-</u>	<u>511</u>	<u>-</u>	<u>1,021</u>
	<u>\$ 115,546</u>	<u>\$ 113,954</u>	<u>\$ 232,470</u>	<u>\$ 220,754</u>
An analysis of depreciation expense by function				
Operating cost	\$ 75,616	\$ 75,164	\$ 151,353	\$ 143,081
Operating expenses	<u>31,458</u>	<u>28,663</u>	<u>63,619</u>	<u>57,471</u>
	<u>\$ 107,074</u>	<u>\$ 103,827</u>	<u>\$ 214,972</u>	<u>\$ 200,552</u>
An analysis of amortization expense by function				
Operating cost	\$ 1,703	\$ 1,723	\$ 3,443	\$ 3,454
Operating expenses	<u>6,769</u>	<u>8,404</u>	<u>14,055</u>	<u>16,748</u>
	<u>\$ 8,472</u>	<u>\$ 10,127</u>	<u>\$ 17,498</u>	<u>\$ 20,202</u>

e. Employee benefits expense

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Short-term employee benefits	<u>\$ 465,724</u>	<u>\$ 480,378</u>	<u>\$ 918,190</u>	<u>\$ 912,257</u>
Post-employment benefits (Note 21)				
Defined contribution plans	21,948	20,209	44,437	39,652
Defined benefit plans	<u>1,246</u>	<u>1,157</u>	<u>2,637</u>	<u>1,449</u>
	<u>23,194</u>	<u>21,366</u>	<u>47,074</u>	<u>41,101</u>
	<u>\$ 488,918</u>	<u>\$ 501,744</u>	<u>\$ 965,264</u>	<u>\$ 953,358</u>
An analysis by function				
Operating cost	\$ 43,016	\$ 39,860	\$ 83,383	\$ 79,807
Operating expenses	<u>445,902</u>	<u>461,884</u>	<u>881,881</u>	<u>873,551</u>
	<u>\$ 488,918</u>	<u>\$ 501,744</u>	<u>\$ 965,264</u>	<u>\$ 953,358</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. In accordance

with the amendments to the Securities and Exchange Act in August 2024, the Company proposed an amendment to the articles of incorporation at the 2025 Annual Shareholders' Meeting, stipulating that no less than 8% of the aforementioned amount for employees compensation shall be allocated for the compensation of grassroots employees. The estimated employee compensation (including compensation for frontline employees) and director remuneration for the three and six months ended June 30, 2025 and 2024 are as follows:

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
<u>Percentages for estimation</u>				
Employees' compensation (%)	9	9	9	9
Director's remuneration (%)	1.15	1.15	1.15	1.15
<u>Amount</u>				
Employees' compensation	<u>\$ 52,775</u>	<u>\$ 70,314</u>	<u>\$ 109,599</u>	<u>\$ 119,961</u>
Director's remuneration	<u>\$ 6,744</u>	<u>\$ 8,984</u>	<u>\$ 14,005</u>	<u>\$ 15,328</u>

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:

	<u>2024</u>		<u>2023</u>	
	<u>Withdrawal rate (%)</u>	<u>Amount</u>	<u>Withdrawal rate (%)</u>	<u>Amount</u>
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 release date on which the annual consolidated financial statements are approved, 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, 2024 and 2023.

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

25. Income taxes

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

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Current income taxes				
In respect of the current period	\$ 204,618	\$ 168,195	\$ 403,243	\$ 340,157
Surtax on undistributed earnings	44,935	53,121	44,935	53,121
Adjustments for prior years	(24,523)	(14,403)	(25,234)	(303)
	<u>225,030</u>	<u>206,913</u>	<u>422,944</u>	<u>392,975</u>
Deferred tax				
In respect of the current period	(24,580)	17,363	(76,812)	5,384
	<u>\$ 200,450</u>	<u>\$ 224,276</u>	<u>\$ 346,132</u>	<u>\$ 398,359</u>

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

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Deferred tax				
Generated in the current period				
Unrealized gain on financial assets at FVTOCI	(\$ 2,526)	\$ 701	\$ 3,765	\$ 9,813
Exchange differences on the translation of financial statements of foreign operations	<u>293,358</u>	<u>(24,614)</u>	<u>251,837</u>	<u>(91,417)</u>
	<u>\$ 290,832</u>	<u>(\$ 23,913)</u>	<u>\$ 255,602</u>	<u>(\$ 81,604)</u>

- c. Income tax assessments

The income tax returns of the Company and the domestic subsidiaries through 2023 have been assessed by the 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 income for this period

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Profit for the year attributable to owners of the Company	\$ 426,949	\$ 581,302	\$ 930,404	\$1,013,960
Effect of convertible corporate bonds	<u>-</u>	<u>842</u>	<u>-</u>	<u>4,627</u>
Net profit used in computation of diluted EPS	<u>\$ 426,949</u>	<u>\$ 582,144</u>	<u>\$ 930,404</u>	<u>\$1,018,587</u>

b. Number of shares (in thousands)

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Weighted average number of shares outstanding used in computation of basic EPS	\$ 259,437	\$ 253,536	\$ 259,437	\$ 247,072
Effect of potentially dilutive shares				
Employees' compensation	1,159	875	2,050	1,781
Convertible corporate bonds	<u>-</u>	<u>5,901</u>	<u>-</u>	<u>12,365</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>\$ 260,596</u>	<u>\$ 260,312</u>	<u>\$ 261,487</u>	<u>\$ 261,218</u>

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

27. **Capital risk management**

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

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

The key management personnel of the Group periodically reviews the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed. The Group is not subject to any externally imposed capital requirements, except those discussed in Note 17.

28. **Financial instruments**

a. Information on fair values - financial instruments not measured at fair value

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

On June 30, 2024, the carrying amount and fair value of the corporate bonds payable are NT\$7,397 thousand and NT\$7,401 thousand, respectively.

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

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificates	\$ 86,259	\$ -	\$ -	\$ 86,259
Structured deposits	-	396,633	-	396,633
Foreign exchange forward contracts	-	70	-	70
Domestic limited partnership	-	-	12,107	12,107
Foreign limited partnership	-	-	42,636	42,636
	<u>\$ 86,259</u>	<u>\$ 396,703</u>	<u>\$ 54,743</u>	<u>\$ 537,705</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 340,244	\$ 104,600	\$ -	\$ 444,844
Unlisted stocks	-	-	299,355	299,355
Foreign listed shares	24,457	-	-	24,457
	<u>\$ 364,701</u>	<u>\$ 104,600</u>	<u>\$ 299,355</u>	<u>\$ 768,656</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	\$ -	\$ 10,453	\$ -	\$ 10,453

December 31, 2024

	Level 1	Level 2	Level 3	Total
<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

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificates	\$ 87,631	\$ -	\$ -	\$ 87,631
Structured deposits	-	357,143	-	357,143
Foreign exchange forward contracts	-	463	-	463
	<u>\$ 87,631</u>	<u>\$ 357,606</u>	<u>\$ -</u>	<u>\$ 445,237</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 242,365	\$ 321,605	\$ -	\$ 563,970
Unlisted stocks	-	-	424,452	424,452
Foreign listed shares	18,299	-	-	18,299
	<u>\$ 260,664</u>	<u>\$ 321,605</u>	<u>\$ 424,452</u>	<u>\$ 1,006,721</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	\$ -	\$ 9	\$ -	\$ 9

From January 1 to June 30, 2025, the stocks of emerging stock companies held by the Company will officially be listed for trading on March 25, 2025. Consequently, the measurement amount of NT\$133,751 thousand will be reclassified from Level 2 to Level 1.

There were no transfers between Level 1 and Level 2 fair values during the six months ended June 30, 2024.

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

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Opening balance	\$414,682	\$480,516
Purchases	-	6,409
Sale	-	(67,000)
Recognized in profit or loss	1,120	24,547
Recognized in other comprehensive income and loss	(56,730)	(20,694)
Foreign exchange translation differences	(4,974)	674
Ending balance	<u>\$354,098</u>	<u>\$424,452</u>

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

- Structured deposits were based on the financial product information provided by financial institutions, and their valuation method was based on the rate of return of the deposit principal and its linked targets.
- 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 or limited partnership 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified at FVTPL	\$ 537,705	\$ 709,546	\$ 445,237
Financial assets at FVTOCI			
Investment in equity instruments	768,656	830,704	1,006,721
Measured at amortized cost (Note 1)	26,483,859	27,266,574	28,806,320
<u>Financial liabilities</u>			
FVTPL			
Held for trading	10,453	20,218	9
Measured at amortized cost (Note 2)	22,863,537	24,400,767	24,663,608

Note 1: Including cash and cash equivalents, notes receivable (including related parties), 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 financial 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 32.

Sensitivity analysis

The Group was mainly exposed to the USD.

The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 1%. The sensitivity analysis included only the outstanding foreign currency denominated monetary items at the balance sheet date. Had the functional currency weakened (strengthened) by 1% against the USD, the pre-tax profit for the six months ended June 30, 2025 and 2024 would have been higher (lower) by NT\$46,548 thousand and NT\$38,303 thousand, respectively.

(b) Interest rate risk

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 937,596	\$1,225,878	\$ 948,739
Financial liabilities	4,061,436	3,311,655	4,543,239
Cash flow interest rate risk			
Financial assets	5,164,183	4,241,389	4,895,000
Financial liabilities	8,815,164	10,108,291	9,653,937

Sensitivity analysis

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

the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2025 and 2024 would have been lower/higher by NT\$18,255 thousand and NT\$23,795 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits and borrowings.

(c) Other price risks

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

Sensitivity analysis

The sensitivity analysis shows the exposure to equity price risk at the end of the reporting period. If equity prices had been 1% higher/lower, the pre-tax profit for the six months ended June 30, 2025 and 2024 would have been higher/lower by NT\$1,410 thousand and NT\$876 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have been higher/lower by NT\$7,687 thousand and NT\$10,067 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
June 30, 2025					
Non-interest-bearing liabilities	\$ 12,000,183	\$ 3,780	\$ -	\$ -	\$ 12,003,963
Lease liabilities	120,368	307,292	196,314	109,437	733,411
Floating-rate instruments	3,960,269	4,340,067	732,737	11,660	9,044,733
Fixed-rate instruments	3,438,437	692	-	-	3,439,129
Financial guarantee liabilities	738,002	-	-	-	738,002
	<u>\$ 20,257,259</u>	<u>\$ 4,651,831</u>	<u>\$ 929,051</u>	<u>\$ 121,097</u>	<u>\$ 25,959,238</u>
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>
June 30, 2024					
Non-interest-bearing liabilities	\$ 12,272,011	\$ 3,335	\$ -	\$ -	\$ 12,275,346
Lease liabilities	111,210	206,588	141,883	144,466	604,147
Floating-rate instruments	4,874,577	4,203,102	842,973	16,429	9,937,081
Fixed-rate instruments	4,050,523	-	-	-	4,050,523
Financial guarantee liabilities	681,617	-	-	-	681,617
	<u>\$ 21,989,938</u>	<u>\$ 4,413,025</u>	<u>\$ 984,856</u>	<u>\$ 160,895</u>	<u>\$ 27,548,714</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.

	June 30, 2025	December 31, 2024	June 30, 2024
Factoring bank	<u>\$ 1,073,012</u>	<u>\$ 1,068,592</u>	<u>\$ 880,811</u>
Endorsement transfer to suppliers	<u>\$ 73,538</u>	<u>\$ 156,915</u>	<u>\$ 286,179</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 June 30, 2025, December 31 and June 30, 2024, the face amount of these unsettled bills receivable was NT\$32,871 thousand, NT\$55,127 thousand, and NT\$70,100 thousand, respectively. The unsettled bills receivable will be due in 1-6 months. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair value of its continuing involvement is not significant.

During the period from January 1 to June 30, 2025 and 2024, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

29. **Related Party Transactions**

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

a. Name of related parties and relationship with the Group

<u>Name of related party</u>	<u>Relations with the Group</u>
CWE Inc.	Associate
Nagase Wahlee Plastics Corp.	Associate
Wah Hong Corp.	Associate
ORC Technology Corp.	Associate
Shanghai Hua Chang Trading Co., Ltd.	Associate
Xiamen JianYuan Rung Logistic Co., Ltd.	Associate
Shanghai Guojia Co., Ltd.	Associate
Born Tech Industrial Co., Ltd.	Associate
Eternal New Energy Co., Ltd.	Associate's subsidiary
KSA Corp.	Associate's subsidiary
WH Energy	Associate's subsidiary
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 Technology Sdn. Bhd.	Associate's subsidiary
Welo-tech Corp.	Other related party (invested company using the equity method for subsidiary)
Daily Polymer Corp.	Other related parties (The Company is a corporate director of the company.)
Asahi Kasei Wah Lee Hi-tech Corp.	Other related parties (The Company is a corporate director of the company.)
JingYi Technology Co.	Other related parties (The Company is a corporate director of the company.)

<u>Name of related party</u>	<u>Relations with the Group</u>
Forcera Materials Co., Ltd.	Other related parties (The Company is a corporate director of the company.)
TaiGene Biotechnology Co., Ltd.	Other related parties (The Company is a corporate supervisor of the company.)
Bao Guang Investment Co., Ltd.	Other related party
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.)
Tsuen-Hsien Chang	Key management personnel (Chairman concurrently serving as President)

b. Operating transactions

1) Operating revenue

<u>Categories of related parties</u>	<u>Three-month period ended June 30, 2025</u>	<u>Three-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2025</u>	<u>Six-month period ended June 30, 2024</u>
Revenue from sale of goods				
Associates and their subsidiaries	\$ 160,764	\$ 128,608	\$ 255,645	\$ 252,797
Other related parties	<u>2,118</u>	<u>3,073</u>	<u>8,447</u>	<u>8,186</u>
	<u>\$ 162,882</u>	<u>\$ 131,681</u>	<u>\$ 264,092</u>	<u>\$ 260,983</u>
Other operating revenues				
Associates and their subsidiaries	\$ 3,140	\$ 3,847	\$ 7,530	\$ 6,601
Other related parties	<u>2,886</u>	<u>2,168</u>	<u>5,442</u>	<u>3,900</u>
	<u>\$ 6,026</u>	<u>\$ 6,015</u>	<u>\$ 12,972</u>	<u>\$ 10,501</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>Three-month period ended June 30, 2025</u>	<u>Three-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2025</u>	<u>Six-month period ended June 30, 2024</u>
Associates and their subsidiaries	\$ 127,307	\$ 127,553	\$ 278,654	\$ 197,759
Other related parties	<u>385,271</u>	<u>287,262</u>	<u>741,354</u>	<u>528,778</u>
	<u>\$ 512,578</u>	<u>\$ 414,815</u>	<u>\$ 1,020,008</u>	<u>\$ 726,537</u>

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

3) Operating expenses

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
<u>Categories of related parties</u>				
Associates and their subsidiaries	\$ 414	\$ 354	\$ 804	\$ 455
Other related parties	<u>2,819</u>	<u>2,908</u>	<u>5,807</u>	<u>5,726</u>
	<u>\$ 3,233</u>	<u>\$ 3,262</u>	<u>\$ 6,611</u>	<u>\$ 6,181</u>

This includes transactions such as commissions, labor costs, shipping costs, rent, and other expenses.

4) Receivables from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable - related parties</u>			
Associates and their subsidiaries	<u>\$ 1,204</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accounts receivable - related parties</u>			
Associates and their subsidiaries	\$ 163,593	\$ 136,475	\$ 149,242
Other related parties	<u>1,000</u>	<u>5,152</u>	<u>4,615</u>
	164,593	141,627	153,857
Less: Allowance for losses	<u>135</u>	<u>775</u>	<u>7,960</u>
	<u>\$ 164,458</u>	<u>\$ 140,852</u>	<u>\$ 145,897</u>
<u>Other receivables - related parties</u>			
Associates and their subsidiaries			
CWE Inc.	\$ 395,804	\$ 138,532	\$ 387,979
Others	<u>55,316</u>	<u>10,200</u>	<u>98,898</u>
	451,120	148,732	486,877
Other related parties	<u>496</u>	<u>363</u>	<u>533</u>
	<u>\$ 451,616</u>	<u>\$ 149,095</u>	<u>\$ 487,410</u>

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

5) Contract liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Categories of related parties</u>			
Associates and their subsidiaries	<u>\$ 20,284</u>	<u>\$ 20,282</u>	<u>\$ 20,282</u>

6) Payables to related parties

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Accounts payable - related parties</u>			
Associates and their subsidiaries	\$ 87,060	\$ 118,777	\$ 118,887
Other related parties	<u>270,777</u>	<u>244,972</u>	<u>298,575</u>
	<u>\$ 357,837</u>	<u>\$ 363,749</u>	<u>\$ 417,462</u>
<u>Other payables - related parties</u>			
Associates and their subsidiaries	\$ 919	\$ 4,769	\$ 215
Other related parties	<u>2,023</u>	<u>9</u>	<u>1,000</u>
	<u>\$ 2,942</u>	<u>\$ 4,778</u>	<u>\$ 1,215</u>

The outstanding payables to related parties are unsecured.

c. Property, plant, and equipment acquired

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
<u>Categories of related parties</u>				
Associates and their subsidiaries				
KSA Corp.	\$ -	\$ -	\$ 24,452	\$ -
Key management personnel	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 24,652</u>	<u>\$ -</u>

d. Disposal of property, plant, and equipment

	Disposal price	Gain on disposal		
	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
<u>Categories of related parties</u>				
Associates and their subsidiaries	<u>\$ 28</u>	<u>\$ 580</u>	<u>\$ 1</u>	<u>\$ 7</u>

e. Other income

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Associate	\$ 9,152	\$ 7,111	\$ 14,614	\$ 12,246
Other related parties	<u>945</u>	<u>632</u>	<u>1,837</u>	<u>1,195</u>
	<u>\$ 10,097</u>	<u>\$ 7,743</u>	<u>\$ 16,451</u>	<u>\$ 13,441</u>

Other income included rental income, consulting service income, director's remuneration, dividend income, and endorsement income, etc.

f. Endorsements and guarantees

Categories of related parties	June 30, 2025	December 31, 2024	June 30, 2024
Associate			
Amount endorsed	<u>\$ 1,235,702</u>	<u>\$ 1,418,110</u>	<u>\$ 1,408,462</u>
Amount utilized	<u>\$ 664,045</u>	<u>\$ 714,299</u>	<u>\$ 611,517</u>
Other related parties			
Amount endorsed	<u>\$ 66,280</u>	<u>\$ 66,280</u>	<u>\$ 25,194</u>
Amount utilized	<u>\$ 41,086</u>	<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:

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2024	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
Short-term employee benefits	<u>\$ 22,786</u>	<u>\$ 24,384</u>	<u>\$ 46,907</u>	<u>\$ 44,922</u>
Post-employment benefits	<u>111</u>	<u>144</u>	<u>220</u>	<u>305</u>
	<u>\$ 22,897</u>	<u>\$ 24,528</u>	<u>\$ 47,127</u>	<u>\$ 45,227</u>

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

30. Assets Pledged as Collateral

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

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	<u>\$ 1,146,550</u>	<u>\$ 1,225,507</u>	<u>\$ 1,166,990</u>
Other financial assets - current	<u>356,625</u>	<u>602,194</u>	<u>228,177</u>
Other financial assets - non-current	<u>74,051</u>	<u>67,473</u>	<u>48,396</u>
Property, plant and equipment			
Freehold land	<u>1,748,752</u>	<u>1,750,222</u>	<u>1,748,367</u>
Buildings	<u>274,990</u>	<u>278,041</u>	<u>282,184</u>
Power generation equipment	<u>1,865,473</u>	<u>1,940,294</u>	<u>1,991,493</u>
Property under construction and equipment to be inspected	<u>153,731</u>	<u>-</u>	<u>-</u>
Others	<u>14,067</u>	<u>23,530</u>	<u>31,373</u>
	<u>\$ 5,634,239</u>	<u>\$ 5,887,261</u>	<u>\$ 5,496,980</u>

31. Significant contingent liabilities and unrecognized commitments

Significant contingent liabilities and unrecognized commitments of the Group as of June 30, 2025 were as follows:

- a. The Group's unused letters of credit for the purchase of merchandise amounted to NT\$55,670 thousand.
- b. The unrecognized commitments for acquisition of property, plant and equipment were NT\$1,227,988 thousand.
- c. Company A filed a lawsuit with the court against KS Corp. for failing to fulfill its obligation of placing orders under a purchase agreement and demanded compensation of NT\$50,363 thousand. In October 2020, a judgment entered in the first instance was announced that Company A won the case; KS Corp. appealed and recognized the related loss provision of \$50,363 thousand in 2021. As of the date the consolidated financial statements were approved, the case is still under trial, and the outcome of the final trial is highly uncertain.
- d. In May 2025, Company B sent official letters to the Company and its subsidiaries Dong Guan Hua Gang Company and Guangzhou Xingxian Company, alleging infringement of trade secrets, and filed a lawsuit in court requesting economic loss compensation and litigation costs amounting to RMB 10,380 thousand. The Group considered the plaintiff's claim to be unfounded. After evaluating the aforementioned incident's impact on the Group's operations and financial statements, it is determined that there is no significant effect. As of the date the consolidated financial statements were approved, the case is still under trial, and the outcome of the final trial is highly uncertain.

32. Significant Assets and Liabilities Denominated in Foreign Currency

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

June 30, 2025	Foreign Currency			Carrying Value
	Amount	Exchange Rate		
Monetary financial assets				
USD	\$	350,021	29.300 (USD: NTD)	\$ 10,255,620
USD		133,705	7.851 (USD: HKD)	3,917,560
USD		26,985	7.166 (USD: RMB)	790,646
USD		754	26,396 (USD: VND)	22,097
USD		6,822	32.308 (USD: THB)	199,894
USD		1,527	4.379 (USD: MYR)	44,744

(Continued)

(Concluded)

	Foreign Currency		Exchange Rate	Carrying Value
	Amount			
Nonmonetary financial assets				
Investment accounted for using the equity method				
USD	\$ 205,325	29.300	(USD: NTD)	\$ 6,016,018
RMB	176,088	0.1396	(RMB: USD)	720,024
RMB	1,283,384	1.0957	(RMB: HKD)	5,063,748
JPY	654,459	0.2034	(JPY: NTD)	133,117
HKD	1,254,109	3.7320	(HKD: NTD)	4,680,336
HKD	1,081,594	0.1274	(HKD: USD)	4,036,510
THB	208,184	0.9069	(THB: NTD)	188,802
MYR	21,931	6.6910	(MYR: NTD)	146,742
Monetary financial liabilities				
USD	323,451	29.300	(USD: NTD)	9,477,116
USD	10,102	7.851	(USD: HKD)	296,002
USD	21,297	7.166	(USD: RMB)	624,016
USD	1,871	26,396	(USD: VND)	54,812
USD	2,893	32.308	(USD: THB)	84,773
USD	1,333	4.379	(USD: MYR)	39,053
December 31, 2024				
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

(Continued)

(Concluded)

June 30, 2024	Foreign Currency		Exchange Rate		Carrying Value
	Amount				
Monetary financial assets					
USD	\$	328,337	32.450	(USD: NTD)	\$ 10,654,528
USD		129,061	7.810	(USD: HKD)	4,188,045
USD		24,824	7.269	(USD: RMB)	805,535
USD		670	25,754	(USD: VND)	21,727
USD		5,626	36.596	(USD: THB)	182,576
USD		1,555	4.918	(USD: MYR)	50,468
Nonmonetary financial assets					
Investment accounted for using the equity method					
USD		198,320	32.450	(USD: NTD)	6,435,467
RMB		168,972	0.1376	(RMB: USD)	754,338
RMB		1,191,668	1.0744	(RMB: HKD)	5,319,949
JPY		622,524	0.2017	(JPY: NTD)	125,563
HKD		1,189,635	4.155	(HKD: NTD)	4,924,934
HKD		1,025,989	0.1280	(HKD: USD)	4,262,984
THB		294,294	0.8867	(THB: NTD)	260,951
MYR		20,572	6.598	(MYR: NTD)	135,733
Monetary financial liabilities					
USD		336,751	32.450	(USD: NTD)	10,927,560
USD		9,810	7.810	(USD: HKD)	318,346
USD		20,293	7.269	(USD: RMB)	658,499
USD		1,197	25,754	(USD: VND)	38,849
USD		2,561	36.596	(USD: THB)	83,119
USD		1,423	4.918	(USD: MYR)	46,175

For the three and six months ended June 30, 2025 and 2024, realized and unrealized net foreign exchange were a loss of NT\$73,121 thousand, a gain of NT\$8,279 thousand, a loss of NT\$43,370 thousand, and a gain of NT\$26,208 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

33. Additional Disclosures

a. Information about significant transactions

- 1) Lending funds to other parties: Table 1.
- 2) Endorsements/Guarantees provided: Table 2.
- 3) Material marketable securities held at the end of the period (excluding investments in subsidiaries and associates): Table 3.
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.

- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
 - 6) Others: Intercompany relationships and significant intercompany transactions: Table 9.
- b. Information on investees: Table 6.
- c. Information on Investments in Mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
 - (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 8.
 - (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 8.
 - (c) The amount of property transactions and the amount of the resultant gains or losses: None.
 - (d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.
 - (e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.
 - (f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

The Company's other significant transactions with investee companies in mainland China as of and for the period during the six-month ended June 30, 2025 and June 30, 2025 were as follows:

Transaction Party	Line Item	Amount
Shanghai Yi kang	Other income	\$ 15,255
Shanghai Yi kang	Operating expenses	147,703
Shanghai Yi kang	Other receivables	13,876
Shanghai Yi kang	Other payables	91,855
Dong Guan Hua Gang	Other payables	625,059
Dong Guan Hua Gang	Interest expense	8,757

34. Segment Information

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

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

Segment revenue and results

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

Six-month period ended June 30, 2025	The Company	Raycong	Shanghai Yi kang	Others	Adjustment and Elimination	Total
Revenue from external customers	\$ 22,712,635	\$ 6,029,861	\$ 7,072,675	\$ 3,009,962	\$ -	\$ 38,825,133
Inter-segment revenue	849,275	26,190	194,097	95,513	(1,165,075)	-
Segment revenue	<u>\$ 23,561,910</u>	<u>\$ 6,056,051</u>	<u>\$ 7,266,772</u>	<u>\$ 3,105,475</u>	<u>(\$ 1,165,075)</u>	<u>\$ 38,825,133</u>
Departmental operating income	\$ 512,071	\$ 50,812	\$ 459,059	\$ 167,386	\$ 57,769	\$ 1,247,097
Interest income	42,702	91,469	4,263	3,119	(73,038)	68,515
Other income	90,756	5,256	9,895	6,078	(59,476)	52,509
Other gains and losses	(63,316)	24,862	3,127	(390)	552	(35,165)
Financial costs	(170,548)	(22,670)	(16,726)	(23,224)	65,978	(167,190)
Segment profit before tax	411,665	149,729	459,618	152,969	(8,215)	1,165,766
Income tax expense	(163,755)	(30,012)	(120,479)	(31,773)	(113)	(346,132)
Segment profit after tax	<u>\$ 247,910</u>	<u>\$ 119,717</u>	<u>\$ 339,139</u>	<u>\$ 121,196</u>	<u>(\$ 8,328)</u>	819,634
Share of profit or loss of associates under the equity method						253,208
Consolidated net profit						<u>\$ 1,072,842</u>

	The Company	Raycong	Shanghai Yi kang	Others	Adjustment and Elimination	Total
<u>June 30, 2025</u>						
Identifiable assets	<u>\$21,945,600</u>	<u>\$10,891,465</u>	<u>\$ 7,327,267</u>	<u>\$ 6,736,491</u>	<u>(\$ 4,423,988)</u>	\$42,476,835
Goodwill						176,052
Investment accounted for using the equity method						<u>7,127,376</u>
Total assets						<u>\$49,780,263</u>
<u>Six-month period ended June 30, 2024</u>						
Revenue from external customers	\$21,904,721	\$ 6,451,815	\$ 7,377,349	\$ 2,671,425	\$ -	\$38,405,310
Inter-segment revenue	<u>778,990</u>	<u>38,120</u>	<u>209,868</u>	<u>71,969</u>	<u>(1,098,947)</u>	-
Segment revenue	<u>\$22,683,711</u>	<u>\$ 6,489,935</u>	<u>\$ 7,587,217</u>	<u>\$ 2,743,394</u>	<u>(\$ 1,098,947)</u>	<u>\$38,405,310</u>
Departmental operating income	\$ 422,135	\$ 154,454	\$ 491,288	\$ 120,960	\$ 59,740	\$ 1,248,577
Interest income	20,418	89,169	5,893	4,687	(44,716)	75,451
Other income	104,677	4,909	7,561	7,809	(72,107)	52,849
Other gains and losses	25,570	(3,811)	12,110	38,373	1,357	73,599
Financial costs	(195,855)	(28,232)	(19,310)	(23,096)	45,470	(221,023)
Segment profit before tax	376,945	216,489	497,542	148,733	(10,256)	1,229,453
Income tax expense	(183,640)	(103,163)	(126,156)	(21,431)	36,031	(398,359)
Segment profit after tax	<u>\$ 193,305</u>	<u>\$ 113,326</u>	<u>\$ 371,386</u>	<u>\$ 127,302</u>	<u>\$ 25,775</u>	831,094
Share of profit or loss of associates under the equity method						<u>320,958</u>
Consolidated net profit						<u>\$ 1,152,052</u>
<u>June 30, 2024</u>						
Identifiable assets	<u>\$22,400,584</u>	<u>\$11,596,668</u>	<u>\$ 8,364,713</u>	<u>\$ 6,744,441</u>	<u>(\$ 4,292,971)</u>	\$44,813,435
Goodwill						178,116
Investment accounted for using the equity method						<u>7,877,951</u>
Total assets						<u>\$52,869,502</u>

Segment profit represented the profit before tax earned by each segment without share of profits of associates. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than interests in associates accounted for using the equity method.

TABLE 1.**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES****FINANCING PROVIDED TO OTHERS****For the six months ended June 30, 2025****Unit: NT\$ thousand**

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance (Note 1)	Amount Utilized (Notes 1 and 4)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-Term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Remarks
													Item	Value			
1	Shanghai Yi kang	Fenghuang Xingwah Shouzheng	Other receivables - related parties	Yes	\$ 43,447	\$ 38,846	\$ 29,032	4.7647	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,171,330	\$ 1,171,330	Note 2
1	Shanghai Yi kang	Shanghai Meditek	Other receivables - related parties	Yes	131,871	122,670	83,947	4.0000	Short-term financing	-	Operating capital	-	-	-	1,171,330	1,171,330	Note 2
2	Shenzhen Huaying	Xiamen Huashengda	Other receivables - related parties	Yes	9,147	8,178	-	4.0000	Short-term financing	-	Operating capital	-	-	-	26,539	26,539	Note 2
3	Dong Guan Hua Gang	Guangzhou Xingxian	Other receivables - related parties	Yes	22,534	20,445	11,449	4.0000	Short-term financing	-	Operating capital	-	-	-	671,288	671,288	Note 2
3	Dong Guan Hua Gang	Anhua Huixinkang	Other receivables - related parties	Yes	22,867	20,445	12,267	4.0000	Short-term financing	-	Operating capital	-	-	-	671,288	671,288	Note 2
3	Dong Guan Hua Gang	The Company	Other receivables - related parties	Yes	686,010	613,350	613,350	3.1000	Short-term financing	-	Operating capital	-	-	-	671,288	671,288	Note 2
6	Wah Lee Holding Ltd.	The Company	Other receivables - related parties	Yes	763,715	673,900	644,600	-	Short-term financing	-	Operating capital	-	-	-	1,653,405	1,653,405	Note 2
7	Raycong H.K.	RC Vietnam	Other receivables - related parties	Yes	16,603	-	-	-	Short-term financing	-	Operating capital	-	-	-	3,486,739	3,486,739	Note 3
7	Raycong H.K.	The Company	Other receivables - related parties	Yes	2,988,450	2,637,000	2,637,000	4.4000	Short-term financing	-	Operating capital	-	-	-	3,486,739	3,486,739	Note 3

Note 1: USD is converted by the spot exchange USD1=NT\$29.300; RMB is converted by the spot exchange RMB1=NT\$4.089; and HKD is converted by the spot exchange HKD1=NT\$3.372.

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 six months ended June 30, 2025****Unit: NT\$ thousand**

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Benefit of Each Party (Notes 1-6)	Maximum Amount Endorsed/Guaranteed During the 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 (Notes 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 Vietnam.	Subsidiary of the Company	\$ 6,129,549	\$ 649,836	\$ 322,300	\$ 22,898	\$ -	1.58	\$ 20,431,829	Y	N	N	
0	The Company	Regent King	Subsidiary of the Company	6,129,549	32,205	29,300	-	-	0.14	20,431,829	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	4,086,366	66,410	29,300	-	-	0.14	20,431,829	Y	N	N	
0	The Company	Sakuragawa Solar Godogaisha	Subsidiary of the Company	4,086,366	65,161	59,115	8,465	-	0.29	20,431,829	Y	N	N	
0	The Company	Miyazaki Solar Godogaisha	Subsidiary of the Company	4,086,366	193,834	175,852	114,052	-	0.86	20,431,829	Y	N	N	
0	The Company	WL India	Subsidiary of the Company	4,086,366	56,448	49,433	-	-	0.24	20,431,829	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yi kang, and Dong Guan Hua Gang	Subsidiary of the Company	4,086,366	150,000	150,000	56,065	-	0.73	20,431,829	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	4,086,366	150,351	58,600	-	-	0.29	20,431,829	Y	N	N	
0	The Company	Hightech	Subsidiary of the Company	4,086,366	657,910	644,600	25,553	-	3.15	20,431,829	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	4,086,366	467,000	467,000	149,711	-	2.29	20,431,829	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	4,086,366	945,216	761,800	510,938	-	3.73	20,431,829	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	4,086,366	66,280	66,280	41,086	-	0.32	20,431,829	N	N	N	
1	Shanghai Yi kang	Shanghai Meditek	Subsidiary of the Company	780,887	192,083	171,738	13,406	-	4.40	1,952,217	Y	N	Y	
2	KS Corp.	KSA Corp.	Companies that the Company has business relations with	176,094	6,902	6,902	3,396	-	0.91	352,188	N	N	N	
3	Dong Guan Hua Gang	Guangzhou Xingxian	Subsidiary of the Company	671,288	96,041	85,869	8,059	-	3.84	1,118,813	Y	N	Y	
4	Raycong H.K.	Dong Guan Hua Gang	Subsidiary of the Company	1,743,369	627,004	574,280	146,241	293,000	6.59	4,358,423	Y	N	Y	
4	Raycong H.K.	RC Vietnam	Subsidiary of the Company	1,743,369	105,567	96,690	11,720	-	1.11	4,358,423	Y	N	N	
4	Raycong H.K.	Xiamen Huashengda	Subsidiary of the Company	1,743,369	33,205	29,300	14,787	-	0.34	4,358,423	Y	N	Y	
5	Cyuan Cheng Logistics	Tranceed Logistics	Parent company of the Company	55,000	52,500	52,500	-	-	95.45	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 Yi kang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Shanghai Yi kang.

Note 3: The limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of Dong Guan Hua Gang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Dong Guan 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 is converted by the spot exchange USD1=NT\$29.300; JPY is converted by the spot exchange JPY1=NT\$0.2034; RMB is converted by the spot exchange RMB1=NT\$4.089; and HKD is converted by the spot exchange HKD1=NT\$3.732.

TABLE 3.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES
MATERIAL MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD
June 30, 2025
Unit: NT\$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	End of this Period				Remarks
				Number of Shares/Units	Carrying Value	Shareholding percentage (%)	Fair Value	
The Company	Stock							
	Chang Wah Technology Co. Ltd.	Associate's subsidiary	Financial assets at FVTOCI - current	5,000,000	\$152,750	0.53	\$152,750	Note
	Forcera Materials Co., Ltd.	The Company is the director of the Company	Financial assets at FVTOCI - non-current	2,354,773	150,235	7.57	150,235	Note
	Locus Cell Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,000,000	104,600	2.50	104,600	Note

Note: Material marketable securities held at the end of the period amounting to more than NT\$100 million.

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 six months ended June 30, 2025

Unit: NT\$ thousand

Buyer/Seller	Transaction Party	Relationship	Transaction Details				Situations and reasons where the trading conditions differ from those of a normal transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase/Sale	Amount	% of Total Purchase/Sale	Credit period	Unit price	Credit period	Balance	% of Total Notes/Accounts Receivable (Payable)	
The Company	Shanghai Yi kang	Subsidiary	Sales	\$ 202,108	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	\$ 72,239	-	Note
	Dong Guan Hua Gang	Subsidiary	Sales	142,067	-	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	31,297	-	Note
	Raycong H.K.	Subsidiary	Sales	203,504	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	37,886	-	Note
	CWE Inc.	Associate accounted for using the equity method	Sales	172,678	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	124,921	1	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the Company	Purchase of goods	(671,147)	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	(254,250)	3	
	Nagase Wahlee Plastics Corp.	Associate accounted for using the equity method	Purchase of goods	(128,117)	-	60 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(8,672)	-	
Dong Guan Hua Gang	Raycong H.K.	Parent company	Sales	254,163	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	141,345	1	Note
Raycong H.K.	Dong Guan Hua Gang	Subsidiary	Sales	307,950	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	144,964	1	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

June 30, 2025

Unit: NT\$ thousand

Company Name of Accounts Receivable	Transaction Party	Relationship	Ending Balance (Notes 1 and 2)	Turnover Rate (times)	Overdue Receivable from Related Party		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	CWE Inc.	Associate	\$ 520,725	1	\$ -	-	\$ 454,448	\$ -
Raycong H.K.	The Company	Parent company	2,710,113	-	-	-	281	-
	Dong Guan Hua Gang	Subsidiary	144,964	4.67	-	-	63,763	-
Dong Guan Hua Gang	The Company	Parent company	626,504	-	-	-	100	-
	Raycong H.K.	Parent company	142,355	7.02	-	-	72,777	-
Wah Lee Holding Ltd.	The Company	Parent company	644,600	-	-	-	-	-

Note 1: Including accounts receivable and other receivables, with the latter mainly consisting of loans receivable.

Note 2: Receivables from subsidiary were eliminated on consolidation.

TABLE 6.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES

For the six months ended June 30, 2025

Unit: NT\$ thousand

Investee Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying Amount (Note 2)	Net Income (Loss) of the Investee	Share of Profit (Loss)(Notes 1 and 2)	Remarks
				End of This Period	December 31, 2024						
The Company	Wah Lee Holding Ltd.	BVI	International investment	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 5,572,127	\$ 213,204	\$ 213,152	Subsidiary
The Company	Raycong H.K.	Hong Kong	Trading business of engineering plastic, composite materials and equipment	304,113	304,113	56,000,000	53.69	4,752,149	365,469	196,171	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	28.08	4,269,515	442,011	124,037	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	699,198	90,449	36,180	Associate
The Company	Wah Hong Corp.	Taiwan	Manufacturing of LCD material, BMC (bulk molding compound) material and molded product	977,962	977,962	27,135,978	27.13	1,135,106	114,222	30,994	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	71,010	54	19	Associate
The Company	Wah Lee Japan Corp.	Japan	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	21,490	21,490	1,500	83.33	3,482	(34)	(29)	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	2,992	(55)	(55)	Subsidiary
The Company	Sakuragawa Solar Godogaisha	Japan	Solar power generation business	46,008	46,008	-	99.99	88,724	2,137	2,137	Subsidiary
The Company	Miyazaki Solar Godogaisha	Japan	Solar power generation business	82,103	82,103	-	99.99	40,911	1,032	1,032	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial materials	48,261	48,261	1,610,000	70.00	23,356	(870)	(609)	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial materials	16,293	16,293	-	100.00	42,754	2,884	2,884	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	222,938	30,299	19,189	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial materials	200,000	200,000	7,650	51.00	188,802	53,236	27,150	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	794,628	794,628	35,067,582	99.57	898,093	8,821	6,380	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial materials	7,755	7,755	127,495	99.99	4,880	(116)	(116)	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial materials	7,747	7,747	126,997	99.99	15,642	1,923	1,923	Subsidiary
The Company	ORC Corp.	Taiwan	Trading business of industrial materials	4,000	4,000	400,000	40.00	77,682	35,444	14,178	Joint venture
The Company	Evergreen New Energy Corporation	Taiwan	Solar power generation business	130,000	130,000	13,000,000	100.00	113,592	(3,842)	(3,842)	Subsidiary
The Company	Hightech	Malaysia	Trading business of industrial materials	205,335	205,335	7,650,000	51.00	223,375	22,334	8,465	Subsidiary
The Company	WL Singapore	Singapore	Agency of semiconductor materials and equipment	435,145	435,145	1,600,000	100.00	513,316	17,039	17,039	Subsidiary
The Company	Perpetual New Energy Co., Ltd.	Taiwan	Renewable energy self-use power generation and energy technology business	36,000	48,000	3,600,000	12.00	34,229	(2,708)	(325)	Associate
The Company	WL India	India	Trading business of industrial materials	14,575	14,575	3,861,000	99.00	8,042	(807)	(799)	Subsidiary
The Company	Advance Hightech	United States	Selling and distributing engineering plastics, high-performance composite materials, industrial materials, and semiconductor materials and equipment.	38,628	38,628	1,200,000	100.00	2,913	(10,848)	(10,848)	Subsidiary
The Company	High Tech Gas	Taiwan	Chemical materials manufacturing	90,000	90,000	9,000,000	60.00	86,843	(3,535)	(2,121)	Subsidiary
The Company	Innovation Service Co., Ltd.	Taiwan	Leasing business	35,000	35,000	3,500,000	58.33	31,185	531	310	Subsidiary
Tranceed Logistics	Cyuan Cheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	48,887	3,982	3,916	Subsidiary
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	51,130	51,130	5,113,000	100.00	52,659	176	176	Subsidiary
KS Corp.	KSC Corp.	Taiwan	Solar power generation business	54,000	54,000	5,400,000	100.00	2,563	-	-	Subsidiary

(Continued)

(Concluded)

Investee Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying amount (Note 2)	Net Income (Loss) of the Investee	Share of Profit (Loss)(Notes 1 and 2)	Remarks
				End of This Period	December 31, 2024						
Evergreen New Energy Corporation	Fanxin	Taiwan	Solar power generation business	\$ 44,825	\$ 44,825	4,500,000	100.00	\$ 43,658	(\$ 695)	(\$ 695)	Subsidiary
Evergreen New Energy Corporation	Fansheng	Taiwan	Solar power generation business	31,812	31,812	3,200,000	100.00	30,896	(525)	(525)	Subsidiary
Evergreen New Energy Corporation	Evergreen New Power Corporation	Taiwan	Engaging in the business of the energy/engineering service companies	5,000	-	500,000	100.00	5,012	12	12	Subsidiary
Wah Lee Holding Ltd.	SHC Holding Ltd.	Republic of Mauritius	International investment	43,892	43,892	1,290,000	100.00	715,817	38,619	38,619	Subsidiary
Wah Lee Holding Ltd.	Raycong H.K.	Hong Kong	Trading business of engineering plastic, composite materials and equipment	943,164	943,164	48,296,655	46.31	4,036,510	365,469	162,938	Subsidiary
Wah Lee Holding Ltd.	Regent King	Hong Kong	Trading business of engineering plastic, composite materials and equipment	39	39	10,000	100.00	\$ 4,207	(19)	(19)	Subsidiary
Raycong H.K.	RC Vietnam	Vietnam	Trading business of industrial materials	6,141	6,141	1,358	100.00	(2,174)	(3,408)	(3,408)	Subsidiary
WT Industrial	WT Indonesia	Indonesia	Trading business of industrial materials	3,953	3,953	18,150	66.00	1,940	(916)	(916)	Subsidiary
WT Industrial	WL India	India	Trading business of industrial materials	147	147	39,000	1.00	81	(807)	(8)	Subsidiary
WT Industrial	Born Tech	Thailand	Trading business of industrial materials	928	928	9,800	49.00	6,070	7,996	3,917	Associate

Note 1: Investment gains and losses recognized in this period 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 six months ended June 30, 2025

Unit: NT\$ thousand

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of the Beginning of This Year	Amount of Investment Remitted or Recovered in This Year		Accumulated Outward Remittance for Investment from Taiwan as of the End of This Year	Net Income (Loss) of the Investee in This Year	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) Recognized for This Year (Note 1)	Carrying Amount as of the End of This Year	Accumulated Repatriation of Investment Income as of the End of This Year	Remarks
					Outward	Inward							
Dong Guan Hua Gang	Trading business of industrial materials	\$ 1,065,806	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	(\$ 16,390)	100.00	(\$ 16,390)	\$ 2,232,476	\$ 425,949	
Shanghai Yi kang	Trading business of industrial materials	928,780	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	346,083	70.00	242,258	2,751,211	327,872	
Shenzhen Huaying	Supply chain management and consultancy service	22,578	Invested through the third region, Raycong H.K.	-	-	-	-	2,048	100.00	2,048	88,465	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	70,320	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	129,410	30.00	38,742	710,543	105,413	
Shanghai Meditek	Import and export of goods and technology	12,267	Invested through Mainland Chinese corporation, Shanghai Yi kang	-	-	-	-	(14,062)	49.00	(6,890)	(10,092)	-	
Shanghai Crown	Trading business of medical devices and equipment	13,616	Invested through Mainland Chinese corporation, Shanghai Yi kang	-	-	-	-	(159)	48.98	(78)	(3,450)	-	
Fenghuang Xingwah Shouzheng	Medical device manufacturing technology development and consulting business	20,445	Invested through Mainland Chinese corporation, Shanghai Yi kang	-	-	-	-	(2,286)	49.00	(1,120)	(906)	-	
Guangzhou Xingxian	Medical consulting	20,445	Invested through Mainland Chinese corporation, Dong Guan Hua Gang	-	-	-	-	(14,042)	100.00	(14,042)	18,125	-	
Anhua Huixinkang	Medical Service	20,445	Invested through the third region Raycong H.K. and through Mainland Chinese corporation, Dong Guan Hua Gang	-	-	-	-	(5,843)	100.00	(5,843)	6,505	-	
Xiamen Huashengda	Warehouse logistics	12,267	Invested through Mainland Chinese corporation, Shenzhen Huaying	-	-	-	-	(65)	70.00	(46)	573	-	
Xiamen Jian Yuan Rong Logistic Co., Ltd.	Warehouse logistics	32,712	Invested through Mainland Chinese corporation, Shenzhen Huaying	-	-	-	-	11,557	30.00	3,467	13,093	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehouse logistics	8,178	Invested through Mainland Chinese corporation, Shenzhen Huaying	-	-	-	-	27	30.00	8	2,742	-	
Shanghai Guojia Co., Ltd.	Road transportation of general goods and hazardous goods, and international transportation agency services	92,003	Invested through Mainland Chinese corporation, Shanghai Yi kang	-	-	-	-	9,957	14.00	1,394	108,128	-	

Investee company name	Accumulated Outward Remittance for Investment in Mainland China at the End of the Period (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Wah Lee Industrial Corp.	\$ 384,343	\$ 2,495,938	\$ -

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

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

Note 2: The difference of NT\$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 NT\$1,354,096 thousand (USD8,488 thousand, HKD267,000 thousand and RMB3,500 thousand) through Raycong H.K., investment of NT\$111,175 thousand (USD3,572 thousand) through Wah Yuen Technology Holding Limited, transferred capital from retained earnings of NT\$434,385 thousand (USD13,790 thousand) of Shanghai Yi kang, investment of NT\$14,500 thousand (USD500 thousand) through SHC Holding Ltd., investment without significant influence of NT\$42,644 thousand and the invested amount of NT\$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, MOEA 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 REGION, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

For the six months ended June 30, 2025

Unit: NT\$ thousand

Buyer/Seller	Investee Company in Mainland China	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Remarks
			Amount (Note)	%		Payment Terms	Comparison with Normal Transactions	Amount	Percentage (%)		
The Company	Shanghai Yi kang	Sales	\$ 202,108	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	\$ 72,239	-	\$ 3,681	Note
	Dong Guan Hua Gang	Sales	142,067	-	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	31,297	-	981	Note
Raycong H.K.	Dong Guan Hua Gang	Sales	307,950	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	144,964	1	-	Note
Dong Guan Hua Gang	Raycong H.K.	Sales	254,163	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	141,345	1	-	Note

Note: It was eliminated on consolidation.

TABLE 9.**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS****For the six months ended June 30, 2025****Unit: NT\$ thousand**

No.	Trader	Counterparty	Relationship	Transaction Details			
				Item	Amount	Transaction Details	% of Total Sales or Assets
0	The Company	Shanghai Yi kang	Parent to subsidiary	Operating revenue	\$ 202,108	According to the contract	1
0	The Company	Shanghai Yi kang	Parent to subsidiary	Net accounts receivable	72,239	According to the contract	-
0	The Company	Shanghai Yi kang	Parent to subsidiary	Other income	15,255	According to the contract	-
0	The Company	Shanghai Yi kang	Parent to subsidiary	Other receivables	13,876	According to the contract	-
0	The Company	Dong Guan Hua Gang	Parent to subsidiary	Operating revenue	142,067	According to the contract	-
0	The Company	Dong Guan Hua Gang	Parent to subsidiary	Net accounts receivable	31,297	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Operating revenue	203,504	According to the contract	1
0	The Company	Raycong H.K.	Parent to subsidiary	Net accounts receivable	37,886	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other income	26,499	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other receivables	21,506	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	13,627	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Operating revenue	54,554	According to the contract	-
0	The Company	WL Philippines Inc	Parent to subsidiary	Operating revenue	19,564	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Operating revenue	45,016	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Net accounts receivable	27,546	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Operating revenue	72,723	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Net accounts receivable	14,921	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Operating revenue	84,203	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Net accounts receivable	19,642	According to the contract	-
0	The Company	Advance Hightech	Parent to subsidiary	Operating revenue	22,702	According to the contract	-
1	Shanghai Yi kang	The Company	Subsidiary to parent	Other operating revenues	147,703	According to the contract	-
1	Shanghai Yi kang	The Company	Subsidiary to parent	Net accounts receivable	91,957	According to the contract	-
1	Shanghai Yi kang	Dong Guan Hua Gang	Subsidiary to subsidiary	Operating revenue	32,724	According to the contract	-
1	Shanghai Yi kang	Shanghai Meditek	Parent to subsidiary	Other receivables	86,156	According to the contract	-
1	Shanghai Yi kang	Fenghuang Xingwah Shouzheng	Parent to subsidiary	Other receivables	29,779	According to the contract	-
2	Dong Guan Hua Gang	The Company	Subsidiary to Parent	Other receivables	625,059	According to the contract	1
2	Dong Guan Hua Gang	Raycong H.K.	Subsidiary to parent	Operating revenue	254,163	According to the contract	1
2	Dong Guan Hua Gang	Raycong H.K.	Subsidiary to parent	Net accounts receivable	141,345	According to the contract	-
2	Dong Guan Hua Gang	Anhua Huixinkang	Parent to subsidiary	Other receivables	12,660	According to the contract	-

(Continued)

(Concluded)

No.	Trader	Counterparty	Relationship	Transaction Details			
				Item	Amount	Transaction Details	% of Total Sales or Assets
2	Dong Guan Hua Gang	Guangzhou Xingxian	Parent to subsidiary	Other receivables	\$ 11,912	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to parent	Interest income	63,337	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to parent	Other receivables	2,708,664	According to the contract	5
3	Raycong H.K.	Dong Guan Hua Gang	Parent to subsidiary	Operating revenue	307,950	According to the contract	1
3	Raycong H.K.	Dong Guan Hua Gang	Parent to subsidiary	Net accounts receivable	144,964	According to the contract	-
4	Shenzhen Huaying	Dong Guan Hua Gang	Subsidiary to subsidiary	Other operating revenues	21,237	According to the contract	-
5	WL Singapore	The Company	Subsidiary to parent	Operating revenue	18,086	According to the contract	-
6	Wah Lee Holding Ltd.	The Company	Subsidiary to parent	Other receivables	644,600	According to the contract	1
7	Tranceed Logistics	The Company	Subsidiary to parent	Other operating revenues	71,968	According to the contract	-
7	Tranceed Logistics	The Company	Subsidiary to Parent	Net accounts receivable	13,711	According to the contract	-