

**Wah Lee Industrial Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024
and Independent Auditors' Report**

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Declaration of Consolidated Financial Statements for Affiliated Enterprises

The entities required to be included in the consolidated financial statements of affiliates of Wah Lee Industrial Corporation for the year ended December 31, 2025 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,, are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No.10, “Consolidated Financial Statements”. In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Wah Lee Industrial Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Hereby declare

Company name: Wah Lee Industrial Corporation

Person in charge: Tsuen-Hsien, Chang

March 11, 2026

Independent Auditors' Report

Wah Lee Industrial Corporation:

Audit Opinion

We have audited the accompanying consolidated financial statements of Wah Lee Industrial Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audit results and the audit reports of other CPAs (please refer to the Other Matters section), the above consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretative announcements approved and issued by the Financial Supervisory Commission, in all material respects. They are adequate to fairly present the consolidated financial position of Wah Lee Industrial Corp. and subsidiaries as of December 31, 2025 and 2024, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2025, and 2024.

Basis for Audit Opinion

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

Key Audit Matters

The key audit matters refer to the most important matters in the audit of Wah Lee Industrial Corp.'s and its subsidiaries' consolidated financial statements for 2025, as determined by our professional judgment. These matters have been considered in the course of auditing the overall consolidated financial statements and in forming the audit opinion. We do not express a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2025 are as follows:

Authenticity of Revenue from Specific Customers

The operating revenue from specific customers of the Company and its subsidiaries for the year ended December 31, 2025 showed significant growth over the past year. In addition, based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

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

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

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

Other Matters

The financial statements of some investees accounted for using the equity method in the Company and its subsidiaries' consolidated financial statements for the years ended December 31, 2025 and 2024 were audited by other independent auditors; accordingly, our opinion insofar as it relates to the amounts and information disclosed, is based solely on the reports of other independent auditors. The carrying values of the investments accounted for using the equity method as of December 31, 2025 and 2024 were NT\$738,341 thousand and NT\$726,265 thousand, respectively, both representing 1% of total consolidated assets; the amounts of the share of profit of associates for the years ended December 31, 2025 and 2024 were NT\$74,614 thousand and NT\$67,319 thousand, representing 2% of the consolidated profit before income tax.

We have also audited the parent company only financial statements of Wah Lee Industrial Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu-Yen, Wu

CPA Jui-Hsuan, Hsu

Document No. approved by Securities and
Futures Commission

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

Document No. approved by Financial
Supervisory Commission

Jin-Kuan-Zheng-Sheng-Zi No. 1020025513

March 11, 2026

Notice to Readers

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

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

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

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025, and December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 7,333,786	13	\$ 4,666,206	9
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,008,317	2	651,731	1
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	223,500	1	167,000	-
1150	Notes receivable (Note 9 and 31)	2,448,139	4	3,052,721	6
1170	Accounts receivable, net (Note 5 and 9)	17,949,474	32	18,282,520	35
1180	Accounts receivable - related parties (Notes 5, 9, and 30)	174,449	-	140,852	-
1197	Finance lease receivables - current (Notes 4 and 10)	21,275	-	6,722	-
1200	Other receivables	123,274	-	79,957	-
1210	Other receivables - related parties (Notes 30)	145,260	-	149,095	-
1220	Current tax assets (Note 25)	7,462	-	2,818	-
130X	Merchandise inventory (Notes 4, 5, and 11)	5,796,737	10	5,717,740	11
1421	Prepayments for purchases	1,794,170	3	2,092,020	4
1476	Other financial assets - current (Notes 12 and 31)	790,374	1	734,779	2
1479	Other current assets	258,881	1	181,964	1
11XX	Total current assets	<u>38,075,098</u>	<u>67</u>	<u>35,926,125</u>	<u>69</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	65,916	-	57,815	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	788,678	1	663,704	1
1550	Investments accounted for using the equity method (Notes 4 and 14)	8,139,244	14	7,893,447	15
1600	Property, plant and equipment (Notes 4, 15, 30, 31 and 32)	7,530,451	13	6,254,491	12
1755	Right-of-use assets (Notes 4 and 16)	609,008	1	507,976	1
1805	Goodwill (Note 4)	624,188	1	178,443	1
1822	Other intangible assets	290,726	1	133,929	-
1840	Deferred tax assets (Notes 4 and 25)	434,702	1	398,916	1
1915	Prepayments for equipment	1,637	-	159,303	-
1940	Finance lease receivables - non-current (Notes 4 and 10)	45,374	-	18,168	-
1980	Other financial assets - non-current (Notes 12 and 31)	253,758	1	160,444	-
1990	Other non-current assets	20,346	-	23,089	-
15XX	Total non-current assets	<u>18,804,028</u>	<u>33</u>	<u>16,449,725</u>	<u>31</u>
1XXX	Total assets	<u>\$ 56,879,126</u>	<u>100</u>	<u>\$ 52,375,850</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 17)	\$ 8,451,641	15	\$ 7,815,694	15
2110	Short-term bills payable (Note 17)	84,776	-	-	-
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	20,218	-
2130	Contract liabilities - current (Note 23)	479,839	1	458,873	1
2150	Notes payable (Note 19)	1,515,853	3	1,689,445	3
2170	Accounts payable (Note 19)	9,086,128	16	8,168,135	16
2180	Accounts payable - related parties (Notes 19 and 30)	510,555	1	363,749	1
2219	Other payables (Note 20)	1,371,042	2	1,293,340	3
2220	Other payables - related parties (Note 30)	2,751	-	4,778	-
2230	Current tax liabilities (Note 25)	632,250	1	244,620	-
2250	Provision for liabilities-current (Notes 4 and 31)	64,649	-	65,413	-
2280	Lease liabilities - current (Notes 4 and 16)	99,536	-	86,849	-
2322	Current portion of long-term borrowings (Note 17)	206,635	-	174,984	-
2365	Refund liability - current	489,960	1	403,170	1
2399	Other current liabilities	29,275	-	31,880	-
21XX	Total current liabilities	<u>23,024,890</u>	<u>40</u>	<u>20,821,148</u>	<u>40</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7 and 27)	112,200	-	-	-
2540	Long-term borrowings (Note 17)	5,540,853	10	4,886,594	9
2550	Provisions - non-current (Note 4)	70,494	-	58,880	-
2580	Lease liabilities - non-current (Notes 4 and 16)	552,548	1	455,825	1
2640	Net defined benefit liability - non-current (Notes 4 and 21)	145,949	-	167,797	-
2645	Guarantee deposits received	3,685	-	4,048	-
2570	Deferred tax liabilities (Notes 4 and 25)	1,394,340	3	1,466,031	3
25XX	Total non-current liabilities	<u>7,820,069</u>	<u>14</u>	<u>7,039,175</u>	<u>13</u>
2XXX	Total liabilities	<u>30,844,959</u>	<u>54</u>	<u>27,860,323</u>	<u>53</u>
	Equity attributable to owners of the Company (Note 22)				
3110	Ordinary share capital	2,594,368	4	2,594,368	5
3200	Capital surplus	3,847,560	7	3,905,495	7
	Retained earnings				
3310	Legal reserve	3,432,369	6	3,179,735	6
3320	Special reserve	72,302	-	72,302	-
3350	Undistributed earnings	12,229,491	22	11,473,192	22
3300	Total retained earnings	<u>15,734,162</u>	<u>28</u>	<u>14,725,229</u>	<u>28</u>
3400	Other equity	1,701,482	3	1,312,715	3
31XX	Total equity attributable to owners of the Company	<u>23,877,572</u>	<u>42</u>	<u>22,537,807</u>	<u>43</u>
36XX	Non-controlling interests (Note 22)	2,156,595	4	1,977,720	4
3XXX	Total equity	<u>26,034,167</u>	<u>46</u>	<u>24,515,527</u>	<u>47</u>
	Total liabilities and equity	<u>\$ 56,879,126</u>	<u>100</u>	<u>\$ 52,375,850</u>	<u>100</u>

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

(Refer to Deloitte & Touche auditors' report dated March 11, 2026)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From January 1 to December 31, 2025 and 2024

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

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 23 and 30)	\$ 78,189,260	100	\$ 80,030,914	100
5000	Operating costs (Notes 11, 24, and 30)	<u>71,874,551</u>	<u>92</u>	<u>74,072,856</u>	<u>93</u>
5900	Gross profit	<u>6,314,709</u>	<u>8</u>	<u>5,958,058</u>	<u>7</u>
	Operating expenses (Notes 9, 24, and 30)				
6100	Selling and marketing expenses	2,448,350	3	2,488,296	3
6200	General and administrative expenses	591,541	1	636,897	1
6450	Expected credit loss recognized	<u>158,606</u>	<u>-</u>	<u>166,641</u>	<u>-</u>
6000	Total operating expenses	<u>3,198,497</u>	<u>4</u>	<u>3,291,834</u>	<u>4</u>
6900	Operating income	<u>3,116,212</u>	<u>4</u>	<u>2,666,224</u>	<u>3</u>
	Non-operating income and expenses (Notes 24 and 30)				
7100	Interest income	139,117	-	140,489	-
7010	Other income	146,981	-	170,275	-
7020	Other gains and losses	(25,190)	-	39,523	-
7050	Financial costs	(340,321)	-	(445,635)	-
7060	Share of profit of associates and joint ventures accounted for using the equity method	<u>414,765</u>	<u>-</u>	<u>703,194</u>	<u>1</u>
7000	Total	<u>335,352</u>	<u>-</u>	<u>607,846</u>	<u>1</u>
7900	Income before tax	3,451,564	4	3,274,070	4
7950	Income tax expenses (Notes 4 and 25)	<u>850,799</u>	<u>1</u>	<u>734,219</u>	<u>1</u>
8200	Net profit for the current year	<u>2,600,765</u>	<u>3</u>	<u>\$ 2,539,851</u>	<u>3</u>
	Other comprehensive income (Notes 22 and 25)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	17,103	-	38,142	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	161,811	-	(164,820)	-

(Continued)

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Code		2025		2024	
		Amount	%	Amount	%
8320	Share of other comprehensive gain (loss) of associates accounted for using the equity method	\$ 527,377	1	\$ 466,147	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	2,104	-	3,382	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(206,300)	-	652,166	1
8370	Share of other comprehensive gain (loss) of associates accounted for using the equity method	(41,600)	-	153,342	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	45,513	-	(120,016)	-
8300	Other comprehensive income for the year (net of tax)	506,008	1	1,028,343	1
8500	Total comprehensive income for the year	\$ 3,106,773	4	\$ 3,568,194	4
	Net profit attributable to:				
8610	Owners of the Company	\$ 2,293,723	3	\$ 2,252,904	3
8620	Non-controlling interests	307,042	-	286,947	-
8600		\$ 2,600,765	3	\$ 2,539,851	3
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 2,778,818	4	\$ 3,201,795	4
8720	Non-controlling interests	327,955	-	366,399	-
8700		\$ 3,106,773	4	\$ 3,568,194	4
	Earnings per share (Note 26)				
9750	Basic	\$ 8.84		\$ 8.89	
9850	Diluted	\$ 8.74		\$ 8.62	

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

(Refer to Deloitte & Touche auditors' report dated March 11, 2026)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		Equity Attributable to Owners of the Company						Other Equity					
		Share Capital			Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain on Financial Assets at FVTOCI	Total	Non-controlling Interests	Total Equity	
		Ordinary Share Capital	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings						
A1	Balance at January 1, 2024	\$ 2,360,203	\$ 2,190	\$ 2,092,166	\$ 2,968,189	\$ 448,559	\$ 10,066,449	(\$ 559,328)	\$ 1,196,590	\$ 637,262	\$ 18,575,018	\$ 1,848,597	\$ 20,423,615
	Appropriation and distribution for 2023 earnings												
B1	Legal reserve	-	-	-	211,546	-	(211,546)	-	-	-	-	-	-
B3	Special reserve reversed	-	-	-	-	(376,257)	376,257	-	-	-	-	-	-
B5	Cash dividends distributed to the shareholders of the Company	-	-	-	-	-	(1,284,310)	-	-	-	(1,284,310)	-	(1,284,310)
		-	-	-	211,546	(376,257)	(1,119,599)	-	-	-	(1,284,310)	-	(1,284,310)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	34,921	-	-	99,423	-	(99,423)	(99,423)	34,921	-	34,921
D1	Net profit for 2024	-	-	-	-	-	2,252,904	-	-	-	2,252,904	286,947	2,539,851
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	32,153	606,040	310,698	916,738	948,891	79,452	1,028,343
D5	Total comprehensive income for 2024	-	-	-	-	-	2,285,057	606,040	310,698	916,738	3,201,795	366,399	3,568,194
I1	Convertible corporate bonds conversion	234,165	(2,190)	1,769,241	-	-	-	-	-	-	2,001,216	-	2,001,216
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 13)	-	-	9,167	-	-	-	-	-	-	9,167	(40,175)	(31,008)
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(219,319)	(219,319)
O1	Increase in non-controlling interests (Note 22)	-	-	-	-	-	-	-	-	-	-	22,218	22,218
Q1	Disposal of equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	141,862	-	(141,862)	(141,862)	-	-	-
Z1	Balance at December 31, 2024	2,594,368	-	3,905,495	3,179,735	72,302	11,473,192	46,712	1,266,003	1,312,715	22,537,807	1,977,720	24,515,527
	Appropriation and distribution for 2024 earnings												
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	-	-	(57,270)	-	-	-	-	-	-	(57,270)	-	(57,270)
D1	Net profit for 2025	-	-	-	-	-	2,293,723	-	-	-	2,293,723	307,042	2,600,765
D3	Other comprehensive income after tax for 2025	-	-	-	-	-	11,661	(223,300)	696,734	473,434	485,095	20,913	506,008
D5	Total comprehensive income for 2025	-	-	-	-	-	2,305,384	(223,300)	696,734	473,434	2,778,818	327,955	3,106,773
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 13)	-	-	(665)	-	-	-	-	-	-	(665)	-	(665)
M7	Changes in ownership interest in subsidiaries	-	-	-	-	-	(6,103)	-	-	-	(6,103)	8,294	2,191
O1	Cash dividends distributed to the shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(267,247)	(267,247)
O1	Increase in non-controlling Interests (Note 22)	-	-	-	-	-	-	-	-	-	-	109,873	109,873
Q1	Disposal of equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	84,667	-	(84,667)	(84,667)	-	-	-
Z1	Balance at December 31, 2025	\$ 2,594,368	\$ -	\$ 3,847,560	\$ 3,432,369	\$ 72,302	\$ 12,229,491	(\$ 176,588)	\$ 1,878,070	\$ 1,701,482	\$ 23,877,572	\$ 2,156,595	\$ 26,034,167

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

(Refer to Deloitte & Touche auditors' report dated March 11, 2026)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		2025	2024
	Cash flows from operating activities		
A10000	Net income before tax for the current year	\$ 3,451,564	\$ 3,274,070
A20010	Adjustments for:		
A20100	Depreciation expenses	431,511	411,652
A20200	Amortization expenses	37,118	41,555
A20300	Expected credit loss recognized	158,606	166,641
A20400	Net gain (loss) of financial instruments at FVTPL	(21,020)	(39,919)
A20900	Financial costs	340,321	445,635
A21200	Interest income	(139,117)	(140,489)
A21300	Dividend income	(12,711)	(19,588)
A22300	Share of profit of associates and joint ventures accounted for using the equity method	(414,765)	(703,194)
A22500	Net loss (profit) on disposal of property, plant and equipment	6,633	(4,287)
A22900	Provisions for reversal losses	(774)	15,329
A23700	Write-down (Gain from price recovery) of inventories	(4,826)	40,947
A23800	Impairment loss on non-financial assets	-	4,134
A24100	Net unrealized loss on foreign currency exchange	31,799	188,088
A29900	Lease modification benefits	(6,677)	-
A29900	Others	(341)	(2,127)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	-	12,414
A31130	Notes receivable	608,071	(301,042)
A31150	Accounts receivable	224,576	(2,936,586)
A31160	Accounts receivable - related parties	(33,050)	(15,677)
A31180	Other receivables	(36,408)	(6,000)
A31190	Other receivables - related parties	6,014	(7,302)
A31200	Merchandise inventories	(57,702)	(1,068,564)
A31230	Prepayments for purchases	298,643	(312,636)
A31240	Other current assets	(14,267)	(7,608)
A31990	Finance lease receivables	(41,759)	(17,621)
A32110	Financial liabilities held for trading	(30,969)	(4,840)
A32125	Contract liabilities	17,553	(92,014)
A32130	Notes payable	(174,601)	452,061
A32150	Accounts payable	909,432	949,314
A32160	Accounts payable - related parties	146,806	23,073
A32180	Other payables	8,546	(3,309)
A32190	Other payables - related parties	(8,855)	3,861
A32200	Refund liabilities	86,790	38,040
A32230	Other current liabilities	(3,436)	(4,036)
A32240	Net defined benefit liabilities	(4,570)	(49,998)
A33000	Cash generated from operations	5,758,135	329,977
A33100	Interest received	135,814	163,452
A33200	Dividends received	701,184	654,693
A33300	Interest paid	(342,826)	(473,790)

(Continued)

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<u>Code</u>		<u>2025</u>	<u>2024</u>
A33500	Income tax paid	(<u>529,454</u>)	(<u>777,028</u>)
AAAA	Net cash inflow (outflow) from operating activities	<u>5,722,853</u>	(<u>102,696</u>)
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(30,000)	(6,409)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	7,764	-
B00030	Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	2,535	-
B00100	Acquisition of financial assets at FVTPL	(18,747,536)	(2,846,660)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	18,390,062	3,110,561
B01800	Acquired associate	(137,243)	(59,667)
B02200	Net cash inflows (outflows) on acquisition of subsidiaries	(560,878)	8,383
B02400	Proceeds from capital reduction of investments accounted for using equity method	12,000	-
B02700	Acquisition of property, plant, and equipment	(839,664)	(656,348)
B02800	Proceeds from disposal of property, plant, and equipment	3,712	6,205
B04500	Acquisition of other intangible assets	(2,137)	(7,505)
B06500	Decrease (increase) in other financial assets	(<u>52,063</u>)	<u>1,240,830</u>
BBBB	Net cash generated from (used in) investing activities	(<u>1,953,448</u>)	<u>789,390</u>
	Cash flow from financing activities		
C00200	Increase (Decrease) in short-term borrowings	\$ 676,145	(\$ 1,814,632)
C00500	Decrease in short-term bills payable	(6,000)	-
C01600	Proceeds from long-term borrowings	622,624	578,608
C01700	Repayment of long-term borrowings	(411,049)	(394,690)
C03000	Increase in guarantee deposits received	(993)	728
C04020	Repayment of the principal portion of lease liabilities	(98,162)	(100,612)
C04500	Distributed cash dividends	(1,375,015)	(1,284,310)
C05800	Change in non-controlling interests	(267,247)	(250,327)
C09900	Other fundraising activities	-	(<u>9</u>)
CCCC	Net cash used in financing activities	(<u>859,697</u>)	(<u>3,265,244</u>)
DDDD	Effect of exchange rate changes on the balance of cash and cash equivalents	(<u>242,128</u>)	<u>788,242</u>
EEEE	Net increase (decrease) in cash and cash equivalents	2,667,580	(1,790,308)
E00100	Cash and cash equivalents at the beginning of the year	<u>4,666,206</u>	<u>6,456,514</u>
E00200	Cash and cash equivalents at the ending of the year	<u>\$ 7,333,786</u>	<u>\$ 4,666,206</u>

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

(Refer to Deloitte & Touche auditors' report dated March 11, 2026)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

From January 1 to December 31, 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 March 11, 2026.

3. **Application of New, Amended and Revised Standards and Interpretations**

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

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

- b. The IFRS Accounting Standards endorsed by the FSC is applicable for 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
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendment)	January 1, 2027
Amendment to IAS 21: "Conversion to a presentation currency for highly inflationary economies"	January 1, 2027

Note 1: Unless stated otherwise, the aforementioned newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: On September 25, 2025, the Financial Supervisory Commission announced that, as of January 1, 2028, domestic enterprises shall apply IFRS 18, and they may elect to adopt it early once the Commission has approved it.

IFRS 18 "Presentation and disclosure in Financial Statements" and Related Consequential Amendments

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

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

In addition, IAS 7 "Cash Flow Statement" was subject to the following consequential amendments:

- The Group shall use the operating profit as the starting point for the indirect method of reporting cash flows from operating activities.
- Interest and dividend received by the Group are classified as investing activities, whereas interest and dividend paid are classified as financing activities. If the Group is assessed to have a specific principal operating activity, the types of dividend income, interest income, and interest expense reported in the income statement must be considered to determine the classification of receiving dividends, receiving interest, and paying interest in the cash flow statement. However, each of

the above cash flows can only be classified under a single activity in the statement of cash flows.

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

4. Summary of Significant Accounting Policies

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

- 1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
- 2) Level 2 inputs: Inputs, other than quoted prices within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs: Unobservable inputs for assets or liabilities.

c. The standards for classifying assets and liabilities as current or non-current

Current assets include:

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

Current liabilities include:

- 1) Liabilities primarily held for trading purposes.

- 2) The liability due for settlement within 12 months after the balance sheet date; and
- 3) The balance sheet date does not have in substance the right to defer settlement of the liability for at least 12 months after the balance sheet date.

Assets or liabilities that do not fall under the above categories of current assets or current liabilities are classified as non-current assets or non-current liabilities.

d. Basis of Consolidation

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

When changes in the Group's ownership interest in a subsidiary do not result in the loss of control, they are treated as equity transactions. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect changes in their respective interests in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the owners of the Company.

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

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

e. Business combination

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

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

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

A business combination achieved in stages is accounted for by revaluing the acquirer's previously held equity in the acquiree at fair value on the acquisition date. Any resulting gain or loss is recognized in profit or loss.

When the consideration transferred by the acquirer in a business combination included assets or liabilities arising from contingent consideration arrangements, or when the contingent consideration was measured at fair value at the acquisition date and formed one part of the consideration transferred and paid in exchange for the acquiree. Changes in the fair value of contingent consideration that were attributable to measurement-period adjustments were retrospectively applied to the cost of the acquisition and resulted in a corresponding adjustment to goodwill. Adjustments within the measurement period referred to adjustments that arose during the measurement period (which did not exceed one year from the acquisition date) as a result of obtaining additional information about facts and circumstances that existed as of the acquisition date.

If the measurement of identifiable assets acquired and liabilities assumed in a business combination had not been completed, they were recognized on the balance sheet at a provisional amount as of the balance sheet date, and during the measurement period retrospective adjustments were made or additional assets or liabilities were recognized

to reflect new information about facts and circumstances that existed at the acquisition date.

f. Foreign currency amount

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

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

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

Non-monetary items denominated in foreign currencies measured at historical cost are translated at the exchange rate on the transaction date and are not retranslated thereafter. When preparing the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates whose operating country or functional currency is different from that of the parent company) are translated into NT\$ using the exchange rate at the balance sheet date. Revenue and expense items are translated using the average exchange rate for the period. The resulting exchange differences are recognized in other comprehensive income (separately attributed to the Company's owners and non-controlling interests).

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

g. Merchandise inventories

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

the selling expenses. The cost of inventory is calculated using the weighted average method.

h. Investment in associates and joint ventures

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

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

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

When associates and joint ventures issue new shares and the Group does not subscribe to them in proportion to its ownership, resulting in a change in the ownership percentage and consequently affecting the net value of equity invested, the increase or decrease is adjusted against the capital surplus and the investment accounted for using the equity method. However, if the Company does not subscribe or acquire shares in proportion to its ownership, resulting in a decrease in its ownership interest in the associate or joint venture, the amount recognized in other comprehensive income related to the associate and joint venture is reclassified based on the reduction ratio. The accounting treatment basis should be the same as when the associates or joint ventures directly dispose of the related assets or liabilities. If the aforementioned adjustment requires a reduction in the capital surplus and the capital surplus from the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

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

including goodwill. Any reversal of impairment loss is recognized in accordance with subsequent increase in the recoverable amount of the investment.

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

i. Property, plant, and equipment

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

Self-owned land is not subject to depreciation.

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

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

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

j. Goodwill

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

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

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

allocated is lower than its carrying amount, the impairment loss is first applied to reduce the carrying amount of the allocated goodwill of that cash-generating unit, and then proportionately applied to reduce the carrying amounts of the other assets within that unit. Any impairment loss is recognized directly as an expense in the current period. The impairment loss of goodwill cannot be reversed in subsequent periods.

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

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

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

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

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

l. Financial instruments

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

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

the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

ii. Financial assets measured at amortized cost

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

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

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

Cash equivalents include time deposits that are acquired within three months from the date of acquisition, highly liquid, convertible to fixed

amounts of cash at any time, and have minimal risk of value fluctuation. These are used to meet short-term cash commitments.

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

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

Investments in equity instruments measured at fair value through other comprehensive income are recorded at fair value. Subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. Upon the disposal of investments, accumulated gains and losses are directly transferred to retained earnings and are not reclassified as profit or loss.

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

b) Impairment of financial assets

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

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

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

lifetime expected credit losses represent the expected credit losses arising from all possible defaults of the financial instrument over its expected lifetime. For the purpose of internal credit risk management, and without considering any collateral held, the Group determines that the following situations represent a default of the financial asset:

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

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

c) Derecognition of the financial assets

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

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

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent evaluation

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

b) Derecognition of the financial liabilities

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

4) Convertible corporate bonds

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

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

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

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

5) Derivatives

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

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

m. Provision

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

n. Revenue recognition

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

1) Revenue from sale of goods

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

2) Service income

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

o. Lease

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

1) The Group serves as the Lessor

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

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

2) The Group serves as the Lessee

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

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

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

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

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

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

p. Cost of borrowing

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

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

q. Government subsidy

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

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

r. Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

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

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

s. Income taxes

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

1) Current income taxes

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

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

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

2) Deferred tax

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

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

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

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

Deferred income tax assets and liabilities are measured using the tax rate expected to apply when the liability is settled, or the asset is realized, based on the tax rates and tax laws that are enacted or substantively enacted at the balance sheet date. The

measurement of deferred income tax liabilities and assets reflects the tax consequences resulting from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities at the balance sheet date.

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

3) Current and deferred taxes

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

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

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

Key sources of estimation uncertainties include:

a. Estimated impairment of accounts receivable

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

b. Inventory impairment

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

6. Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 1,227	\$ 1,291
Demand deposits in banks	4,409,483	4,130,348
Check accounts in banks	16,935	24,750
Cash equivalents- bank time deposits with original maturities of 3 months or less	<u>2,906,141</u>	<u>509,817</u>
	<u>\$7,333,786</u>	<u>\$4,666,206</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits (%)	1.20-3.93	0.70-4.35

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

7. Financial Instruments at FVTPL

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - current</u>		
Mandatorily classified at FVTPL		
Hybrid instruments - structured deposits (a)	\$ 908,916	\$ 560,849
Non-derivative financial assets - mutual funds	<u>99,401</u>	<u>90,882</u>
	<u>\$1,008,317</u>	<u>\$ 651,731</u>
<u>Financial assets - non-current</u>		
Mandatorily classified at FVTPL		
Non-derivative financial assets		
Domestic limited partnership	\$ 18,562	\$ 12,947
Foreign limited partnership	<u>47,354</u>	<u>44,868</u>
	<u>\$ 65,916</u>	<u>\$ 57,815</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivatives instruments (not designated for hedge) (b)		
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 20,218</u>
<u>Financial liabilities – non-current</u>		
Contingent consideration arising from business combinations (Note 27)	<u>\$ 112,200</u>	<u>\$ -</u>

- a. The Group entered into structured time deposit contracts 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:

December 31, 2024

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

8. Financial Assets at FVTOCI

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investments in equity instruments		
TPEX-listed stocks	<u>\$223,500</u>	<u>\$167,000</u>
<u>Non-current</u>		
Domestic investments in equity instruments		
Listed and emerging shares	\$298,958	\$293,546
Unlisted stocks	<u>395,080</u>	<u>247,859</u>
	<u>694,038</u>	<u>541,405</u>
Foreign investments in equity instruments		
TWSE-listed stocks	\$ 14,589	\$ 13,291
TWSE-unlisted stocks	<u>80,051</u>	<u>109,008</u>
	<u>94,640</u>	<u>122,299</u>
	<u>\$788,678</u>	<u>\$663,704</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they consider that recognizing short-term fluctuations in these investments'

fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes.

9. Notes Receivable and Accounts Receivable, Net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable - unrelated parties		
Notes receivable - operating	\$ 2,448,147	\$ 3,052,773
Less: Allowance for losses	<u>8</u>	<u>52</u>
	<u>\$ 2,448,139</u>	<u>\$ 3,052,721</u>
Accounts receivable - unrelated parties		
At amortized cost		
Gross carrying amount	\$ 18,428,577	\$ 18,616,680
Less: Allowance for losses	<u>479,103</u>	<u>334,160</u>
	<u>\$ 17,949,474</u>	<u>\$ 18,282,520</u>
Accounts receivable - related parties		
At amortized cost		
Gross carrying amount	\$ 174,677	\$ 141,627
Less: Allowance for losses	<u>228</u>	<u>775</u>
	<u>\$ 174,449</u>	<u>\$ 140,852</u>

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

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

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

The Group writes off receivables when there is evidence indicating that the debtor is in severe financial difficulty, and there is no realistic prospect of recovery, e.g., when the debtor has

been placed under liquidation. For receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2025

	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	0.5-15	5-45	40-50	50-100	
Gross carrying amount	\$ 19,567,201	\$ 977,445	\$ 74,730	\$ 71,510	\$ 360,515	\$ 21,051,401
Loss allowance (Lifetime ECLs)	(60,591)	(20,630)	(16,759)	(35,330)	(346,029)	(479,339)
Amortized cost	<u>\$ 19,506,610</u>	<u>\$ 956,815</u>	<u>\$ 57,971</u>	<u>\$ 36,180</u>	<u>\$ 14,486</u>	<u>\$ 20,572,062</u>

December 31, 2024

	Counterparty Without Signs of Default				Counterparty With Signs of Default	Total
	Not past due	Past due by 1-60 days	Past due by 61-180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01-3	0.5-20	5-40	40-50	100	
Gross carrying amount	\$ 20,059,189	\$ 1,222,980	\$ 193,640	\$ 238,462	\$ 96,809	\$ 21,811,080
Loss allowance (Lifetime ECLs)	(25,805)	(47,814)	(69,605)	(94,954)	(96,809)	(334,987)
Amortized cost	<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>

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

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$334,987	\$238,997
Acquired through business combination	-	19
Allocation for the current year	158,606	166,641
Write-off for the current year	(15,783)	(80,760)
Foreign exchange translation differences	<u>1,529</u>	<u>10,090</u>
Balance at end of the year	<u>\$479,339</u>	<u>\$334,987</u>

10. Finance Lease Receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Undiscounted lease payments		
Year 1	\$ 25,969	\$ 8,139
Year 2	22,617	8,139
Year 3	16,308	4,654
Year 4	10,555	4,485
Year 5	<u>976</u>	<u>3,025</u>
	76,425	28,442
Less: Unearned finance income	(<u>9,776</u>)	(<u>3,552</u>)
Finance lease receivables	<u>\$ 66,649</u>	<u>\$ 24,890</u>
Current	\$ 21,275	\$ 6,722
Non-current	<u>45,374</u>	<u>18,168</u>
	<u>\$ 66,649</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 9.60%.

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

11. Merchandise Inventories

The cost of goods sold related to inventory in 2025 and 2024 were \$70,501,292 thousand and \$72,712,507 thousand respectively, which included the following items:

	<u>2025</u>	<u>2024</u>
Write-down (Gain from price recovery) of inventories	(<u>\$ 4,826</u>)	<u>\$ 40,947</u>

The price recovery gains of inventory in 2025 were primarily attributed to destocking.

12. Other Financial Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$271,238	\$ 87,677
Structured deposits	-	44,868

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pledged deposits	\$518,196	\$602,194
Refundable deposits	<u>940</u>	<u>40</u>
	<u>\$790,374</u>	<u>\$734,779</u>
<u>Non-current</u>		
Pledged deposits	\$163,134	\$ 67,473
Refundable deposits	<u>90,624</u>	<u>92,971</u>
	<u>\$253,758</u>	<u>\$160,444</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deposits in bank (%)	1.15-3.77	1.10-5.50

- b. The counterparties of the Group's deposits were banks with good credit and no significant default concerns. Hence, there was no expected credit loss.
- c. Refer to Note 31 for information on other financial assets pledged as collateral.

13. Subsidiaries

Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investee Company Name	Name of Subsidiary	Main business	Percentage of Ownership (%)		Remarks
			December 31, 2025	December 31, 2024	
The Company	Wah Lee Holding Ltd.	International investments	100.00	100.00	
	Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	53.69	53.69	
	Wah Lee Japan Corp. (WL Japan)	Import and export business of synthetic resins, industrial plastics, mold machinery and equipment, and electronic machine parts	88.46	88.46	
	Wah Lee Korea Ltd. (WL Korea)	Import and export business of synthetic resins, industrial plastics, mold machinery and equipment, and electronic machine parts	100.00	100.00	

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Investee Company Name	Name of Subsidiary	Main business	Percentage of Ownership (%)		Remarks
			December 31, 2025	December 31, 2024	
	Sakuragawa Solar Godogaisha	Solar power generation business	99.99	99.99	
	Miyazaki Solar Godogaisha	Solar power generation business	99.99	99.99	
	PT. Wah Lee Indonesia (WL Indonesia)	Trading business of industrial materials	70.00	70.00	
	Wah Lee Vietnam Co., Ltd. (WL Vietnam)	Trading business of industrial materials	100.00	100.00	
	Tranceed Logistics Co., Ltd. (Tranceed Logistics)	Freight forwarders and leasing business	63.33	63.33	
	Wah Tech Industrial Co., Ltd. (WT Industrial)	Trading business of industrial materials	51.00	51.00	
	Kingstone Energy Technology Corporation (KS Corp.)	Solar power generation business	99.57	99.57	Note 1
	Evergreen New Energy Corp.	Solar power generation business	100.00	100.00	
	Wah Lee Philippines International Corp. (WL Philippines Corp.)	Trading business of industrial materials	99.99	99.99	
	Wah Lee Philippines Inc. (WL Philippines Inc.)	Trading business of industrial materials	99.99	99.99	
	Hightech Polymer Sdn. Bhd. (Hightech)	Trading business of industrial materials	51.00	51.00	
	Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	Agency of semiconductor materials and equipment	100.00	100.00	
	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial materials	99.00	99.00	
	Advance Hightech Solutions Inc. (Advance Hightech)	Trading business of engineering plastics, high-performance composite materials, industrial materials, and semiconductor materials and equipment	100.00	100.00	Note 5
	High Tech Gas Company Ltd. (High Tech Gas)	Manufacturing chemical materials	60.00	60.00	
	Innovation Service Co., Ltd.	Leasing business	68.75	58.33	Note 2
	Jing De Gases Co., Ltd.	Manufacture of specialty mixed gases	51.00	-	Note 27
	Perpetual New Energy Co., Ltd.	Renewable energy investments	100.00	12.00	Note 27
Evergreen New Energy Corp.	Fanxin Development Co., Ltd. (Fanxin)	Solar power generation business	100.00	100.00	
	Fansheng Development Co., Ltd. (Fansheng)	Solar power generation business	100.00	100.00	
	Evergreen New Power Corp.	Operating energy technology services business	100.00	-	Established in February 2025
Wah Lee Holding Ltd.	SHC Holding Ltd.	International investments	100.00	100.00	
	Raycong H.K.	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	46.31	46.31	
	Regent King International Limited (Regent King)	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	100.00	100.00	

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Investee Company Name	Name of Subsidiary	Main business	Percentage of Ownership (%)		Remarks
			December 31, 2025	December 31, 2024	
Raycong H.K.	Dong Guan Hua Gang International Trading Co., Ltd. (Dong Guan Hua Gang)	Trading business of industrial raw materials	100.00	100.00	
	Shanghai Yi Kang Chemicals & Industries Co., Ltd. (Shanghai Yi Kang)	Purchase and trading of industrial materials	70.00	70.00	
	Huaying Supply Chain Management (Shenzhen) Co., Ltd. (Shenzhen Huaying)	Supply chain management and consulting services	100.00	100.00	
	Raycong (Vietnam) Company Limited (RC Vietnam)	Trading business of industrial materials	100.00	100.00	
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang)	Medical service	70.00	77.78	Note 4
Shanghai Yi Kang	Meditek (Shanghai) Co., Ltd. (Shanghai Meditek)	Import and export business of goods and technology	100.00	70.00	Note 6
	Crown Medical Equipment (Shanghai) Co., Ltd. (Shanghai Crown)	Trading business of medical devices and equipment	100.00	69.97	Note 6
	Fenghuang Xingwah Shouzheng Health Management Co., Ltd (Fenghuang Xingwah Shouzheng)	Medical devices manufacturing technology development and consulting	70.00	70.00	Note 3
Dong Guan Hua Gang	Guangzhou Xingxian Medical Management Consulting Co., Ltd (Guangzhou Xingxian)	Medical consulting	100.00	100.00	
	Anhua Huixinkang Hemodialysis Co., Ltd (Anhua Huixinkang)	Medical service	30.00	22.22	Note 4
Shenzhen Huaying	Xiamen Huashengda Logistics Co., Ltd. (Xiamen Huashengda)	Warehousing and logistics	70.00	70.00	
	Wah Yi Advanced Materials Co., Ltd.(Wah Yi Shanghai)	Trading business of engineering plastic raw materials, industrial materials, and chemical products	100.00	-	Established in September 2025
KS Corp.	KSB Energy Corporation (KSB Corp.)	Solar power generation business	100.00	100.00	
	KSC Energy Corporation (KSC Corp.)	Solar power generation business	100.00	100.00	
Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd.	Renewable energy investments	100.00	100.00	Note 27
Eternal New Energy Co., Ltd.	KSA Energy Corporation (KSA Corp.)	Solar power generation business	100.00	100.00	Note 27
	Wah Heng Energy Technology Corp. (WH Energy)	Solar power generation business	100.00	100.00	Note 27
	Heng Sheng Energy Co., Ltd.	Solar power generation business	100.00	100.00	Note 27
WT Industrial	P.T. Wah Tech Indonesia (WT Indonesia)	Trading business of industrial materials	66.00	66.00	
WT Industrial	Wah Lee Innovation Materials Private Limited (WL India)	Trading business of industrial materials	1.00	1.00	
Tranceed Logistics	Cyuan Cheng Logistic Co., Ltd. (Cyuan Cheng Logistics)	Freight forwarders and leasing business	100.00	100.00	

Note 1: In December 2024, the Group acquired shares of Kingstone Energy Technology Corporation from a non-related party for a cash consideration of NT\$31,236 thousand, resulting in an increase in ownership to 99.57%.

Note 2: In August 2024, the Group increased its capital in Innovation Service Co., Ltd. with cash of NT\$30,000 thousand, resulting in an increase in ownership to 58.33%, and obtaining control. In September 2025, the Company further increased ownership to 68.75% by injecting NT\$20,000 thousand in cash. As the aforementioned transaction did not change the controlling interest of the

Company in Innovation Service Co., Ltd., the Company processed it as an equity transaction and decreased the capital surplus by NT\$665 thousand.

- Note 3: 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 4: Anhua Huixinkang Company increased its capital by RMB500 thousand in June 2025 through Dong Guan Hua Gang. As of December 31, 2025, Raycong H.K. and Dong Guan Hua Gang hold 70% and 30% equity stakes, respectively, in Anhua Huixinkang Company.
- Note 5: In August 2025, the Group increased its capital in Advance Hightech by contributing NT\$53,802 thousand in cash.
- Note 6: In September 2025, Shanghai Yi Kang acquired the shares of Shanghai Meditek and Shanghai Lihuang from unrelated parties, increasing its ownership to 100%.

14. Investment Accounted for Using the Equity Method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Investments in associates</u>		
Material associates		
CWE Inc.	\$5,114,051	\$4,966,134
Associates that are not individually material	<u>2,939,741</u>	<u>2,863,808</u>
	<u>8,053,792</u>	<u>7,829,942</u>
<u>Investment in joint ventures</u>		
Joint ventures that are not individually material	<u>85,452</u>	<u>63,505</u>
	<u>\$8,139,244</u>	<u>\$7,893,447</u>

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

a. Material associates

<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CWE Inc.	28.10%	28.06%

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

<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CWE Inc.	<u>\$8,598,850</u>	<u>\$9,004,549</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 following summary of financial information is prepared based on the consolidated financial report of CWE Inc. and reflects adjustments made during the adoption of the equity method.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 24,701,745	\$ 17,507,879
Non-current assets	16,200,199	20,387,741
Current liabilities	(9,083,986)	(7,617,304)
Non-current liabilities	(<u>9,203,280</u>)	(<u>7,930,349</u>)
Equity	22,614,678	22,347,967
Non-controlling interests	(<u>4,653,774</u>)	(<u>4,890,272</u>)
	<u>\$ 17,960,904</u>	<u>\$ 17,457,695</u>
Percentage of ownership held by the Company (%)	28.10	28.06
Equity attributable to the Company	\$ 5,046,624	\$ 4,898,707
Goodwill	<u>67,427</u>	<u>67,427</u>
Carrying amount of investment	<u>\$ 5,114,051</u>	<u>\$ 4,966,134</u>
	<u>2025</u>	<u>2024</u>
Operating revenue	<u>\$ 19,351,780</u>	<u>\$ 17,231,404</u>
Net profit for the current year	\$ 1,419,550	\$ 2,519,968
Other comprehensive (loss) income for the year	<u>2,044,274</u>	<u>1,954,416</u>
Total comprehensive income for the year	<u>\$ 3,463,824</u>	<u>\$ 4,474,384</u>
Cash dividends received	<u>\$ 536,315</u>	<u>\$ 494,929</u>

As of December 31, 2025, and 2024, the dividends not yet received by the Company amounted to NT\$140,511 thousand and NT\$138,532 thousand, respectively, and are recognized under "Other Receivables - Related Parties."

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

	<u>2025</u>	<u>2024</u>
The Group's share		
Net profit for the current year	\$213,769	\$239,828
Other comprehensive (loss) income for the year	(<u>53,522</u>)	<u>132,885</u>
Total comprehensive income for the year	<u>\$160,247</u>	<u>\$372,713</u>

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), acquiring a 20% shareholding.
- 2) In July 2025, the Group invested NT\$20,069 thousand in BL Anakie Sdar Pty Ltd. (BL Anakie Sdar), acquiring a 30.8% shareholding.
- 3) In January 2024, the Company increased its capital in Perpetual New Energy Co., Ltd. by NT\$24,000 thousand, maintaining a 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. The Company received a return of capital of NT\$12,000 thousand in May 2025. In November 2025, the Company acquired an 88% interest in Perpetual New Energy and its subsidiaries for NT\$253,440 thousand in cash. See Note 27, "Business Combinations".
- 4) In March 2024, the Company purchased 1,006 thousand shares of Wah Hong Corp. for NT\$34,739 thousand from the public market, increasing its shareholding ratio to 27.13%.
- 5) The Group invested in the establishment of Born Tech Company in August 2024, with an investment of NT\$928,000 and a shareholding ratio of 49%.

15. Property, Plant, and Equipment

2025

Cost	Land	Buildings	Power Generation Equipment	Others	Property Under Construction and Equipment to be Inspected	Total
Balance at January 1, 2025	\$ 2,078,960	\$ 1,105,440	\$ 2,899,250	\$ 1,342,668	\$ 925,011	\$ 8,351,329
Acquired through business combination	78,870	47,371	630,370	50,517	27,482	834,610
Additions	-	2,217	7,861	98,435	892,736	1,001,249
Disposals	-	-	(6,135)	(32,477)	(4,523)	(43,135)
Reclassified	-	1,131	96,864	22,527	(120,522)	-
Effects of foreign currency exchange differences	(2,058)	(4,614)	(12,079)	1,377	(635)	(18,009)
Balance at December 31, 2025	<u>\$ 2,155,772</u>	<u>\$ 1,151,545</u>	<u>\$ 3,616,131</u>	<u>\$ 1,483,047</u>	<u>\$ 1,719,549</u>	<u>\$10,126,044</u>
Accumulated depreciation and impairment						
Balance at January 1, 2025	\$ -	\$ 454,397	\$ 648,407	\$ 994,034	\$ -	\$ 2,096,838
Acquired through business combination	-	24,657	147,253	40,103	-	212,013
Depreciation expenses	-	26,496	168,359	129,258	-	324,113
Disposals	-	-	(2,737)	(30,053)	-	(32,790)
Effects of foreign currency exchange differences	-	(181)	(5,454)	1,054	-	(4,581)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 505,369</u>	<u>\$ 955,828</u>	<u>\$ 1,134,396</u>	<u>\$ -</u>	<u>\$ 2,595,593</u>
Net amount at December 31, 2025	<u>\$ 2,155,772</u>	<u>\$ 646,176</u>	<u>\$ 2,660,303</u>	<u>\$ 348,651</u>	<u>\$ 1,719,549</u>	<u>\$ 7,530,451</u>

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
Acquired through business combination	-	-	-	7,190	-	7,190
Additions	-	388	8,962	126,996	432,008	568,354
Disposals	-	(166)	(871)	(27,494)	(617)	(29,148)
Reclassified	-	150	238,942	37,210	(276,302)	-
Effects of foreign currency exchange differences	(1,650)	25,783	(9,665)	11,689	1,246	27,403
Balance at December 31, 2024	<u>\$ 2,078,960</u>	<u>\$ 1,105,440</u>	<u>\$ 2,899,250</u>	<u>\$ 1,342,668</u>	<u>\$ 925,011</u>	<u>\$ 8,351,329</u>
Accumulated depreciation and impairment						
Balance at January 1, 2024	\$ -	\$ 417,667	\$ 492,840	\$ 884,950	\$ -	\$ 1,795,457
Acquired through business combination	-	-	-	2,351	-	2,351
Depreciation expenses	-	27,016	159,825	121,426	-	308,267
Impairment loss	-	-	-	4,134	-	4,134
Disposals	-	(166)	(771)	(26,293)	-	(27,230)
Effects of foreign currency exchange differences	-	9,880	(3,487)	7,466	-	13,859
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 454,397</u>	<u>\$ 648,407</u>	<u>\$ 994,034</u>	<u>\$ -</u>	<u>\$ 2,096,838</u>
Net amount at December 31, 2024	<u>\$ 2,078,960</u>	<u>\$ 651,043</u>	<u>\$ 2,250,843</u>	<u>\$ 348,634</u>	<u>\$ 925,011</u>	<u>\$ 6,254,491</u>

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

	<u>2025</u>	<u>2024</u>
Additions	\$ 1,001,249	\$ 568,354
Capitalization of interest and depreciation expense	(14,146)	(10,807)
Increase (decrease) in prepayments for equipment	(157,826)	105,378
Decrease (increase) in payables for equipment	9,667	(7,066)
Decrease in provisions	<u>720</u>	<u>489</u>
Cash paid	<u>\$ 839,664</u>	<u>\$ 656,348</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 designated for agricultural and livestock. Due to the legal restrictions, the registration of agricultural land was registered under the name of a related party, Chang, Tsuen-Hsien. However, the related party has signed an agreement with the Group where the related party will fully cooperate with the Group to transfer the agricultural land right to the Group or a specific person in the future free of charge. The agricultural land has been mortgaged to the Group with a maximum limit of \$200 million.
- d. Refer to Note 31 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

16. Lease Agreements

a. Right-of-use assets

2025

	<u>Land</u>	<u>Buildings</u>	<u>Other Equipment</u>	<u>Total</u>
Carrying value at the beginning of the year	\$ 66,764	\$423,773	\$ 17,439	\$507,976
Acquired through business combination	9,400	72,387	-	81,787
Additions	34,803	128,034	1,971	164,808
Depreciation expenses	(5,689)	(92,444)	(9,265)	(107,398)
Lease modification	(36,899)	-	(216)	(37,115)
Effects of foreign currency exchange differences	(3)	(940)	(107)	(1,050)
Carrying value at the end of the year	<u>\$ 68,376</u>	<u>\$530,810</u>	<u>\$ 9,822</u>	<u>\$609,008</u>

2024

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Carrying value at the beginning of the year	\$ 96,256	\$389,397	\$ 24,564	\$510,217
Additions	772	123,091	4,844	128,707
Depreciation expenses	(4,024)	(90,185)	(10,737)	(104,946)
Lease modification	(26,337)	(347)	(1,524)	(28,208)
Effects of foreign currency exchange differences	<u>97</u>	<u>1,817</u>	<u>292</u>	<u>2,206</u>
Carrying value at the end of the year	<u>\$ 66,764</u>	<u>\$423,773</u>	<u>\$ 17,439</u>	<u>\$507,976</u>

b. Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 99,536</u>	<u>\$ 86,849</u>
Non-current	<u>\$552,548</u>	<u>\$455,825</u>
Discount rate for lease liabilities (%)		
Land	1.85-2.67	1.85-2.62
Buildings	1.10-5.61	1.10-5.61
Other equipment	1.43-4.30	1.43-4.30

c. Material leasing activities and terms

The Group leases the abovementioned subjects for the use of office and warehouse, for installation of power generation equipment, and transportation equipment, which will

expire from January 2026 to December 2046. At the end of the lease term, the Group has a priority to lease the leasing premises, but no right of first refusal.

d. Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$171,170</u>	<u>\$154,814</u>
Expenses relating to low-value asset leases	<u>\$ 2,914</u>	<u>\$ 3,131</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 15,073</u>	<u>\$ 14,116</u>
Total cash outflow for leases	<u>\$299,523</u>	<u>\$283,648</u>

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

17. Borrowings

a. Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured bank borrowings (Note 31)	\$ 736,340	\$1,111,059
Unsecured bank borrowings	<u>7,715,301</u>	<u>6,704,635</u>
	<u>\$8,451,641</u>	<u>\$7,815,694</u>
Annual interest rate (%)	0.42-7.00	0.64-6.35

b. Short-term bills payable

	<u>December 31, 2025</u>
Commercial paper payable (Note 31)	
Mega Bills Finance Corp.	\$ 85,000
Less: Discounts on short-term bills payable	<u>224</u>
	<u>\$ 84,776</u>
Annual interest rate (%)	2.92

Related to the credit limit of the syndicated bank loan. Please refer to Note 3 Long-term borrowings for details.

c. Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured borrowings		
Syndicated bank loan (Notes 1 and 2)	\$2,000,000	\$2,000,000
Less: Syndicated loan fee	<u>1,583</u>	<u>2,583</u>
	1,998,417	1,997,417
Bank loans	<u>409,288</u>	<u>437,548</u>
	2,407,705	2,434,965
Secured borrowings (Note 31)		
Bank loans (Note 3)	<u>3,339,783</u>	<u>2,626,613</u>
	5,747,488	5,061,578
Less: Portion due within one year	<u>206,635</u>	<u>174,984</u>
	<u>\$5,540,853</u>	<u>\$4,886,594</u>
Annual interest rate (%)		
Syndicated bank loans	2.24-3.04	2.21
Bank loans	1.92-4.10	1.58-5.28
Expiration period		
Syndicated bank loans	2027.08	2027.08
Bank loans	2026.01-2037.06	2025.08-2037.06

Note 1: The Company signed a syndicated loan agreement with seven banks led by Mega International Commercial Bank Co., Ltd. in August 2022. The main contents of the syndicated loan agreement are as follows:

- (1) The total amount of syndicated bank loans is 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 Group should maintain certain financial ratios which should be calculated based on audited annual consolidated financial statements. The Company's financial ratios as of December 31, 2025, and 2024 were all in compliance with the requirements of the bank financing contracts.

Note 2: The subsidiary Perpetual New Energy entered into a syndicated loan agreement in October 2023 with Bank SinoPac and four other financial institutions. The principal terms were as follows:

1. The total credit limit was NT\$4 billion, and, by credit purpose, the credit facilities were classified into Item A and Item B.

- (1) Credit limit for Item A: NT\$1 billion

Credit line A-1

The credit limit was NT\$850 million and could be drawn in multiple tranches and shall not be drawn on a revolving basis. The credit term was 6 years from the date of first drawdown, and the borrower may apply for extension in accordance with relevant regulations. The first application may be extended for 6 years, and the second application may be extended for 2 years, subject to a maximum of two extensions.

The repayment method is as follows: the first installment shall be 6 months from the date of first drawdown, and every 6 months thereafter shall be 1 installment,

for a total of 12 installments. The first installment shall repay 3.6% of the outstanding principal as of the 6th month from the date of the first drawdown; the second installment shall repay 3.8% of the outstanding principal as of the 12th month from the date of the first drawdown; from the third to the twelfth installment, starting from the 18th month from the date of the first drawdown, each installment shall evenly repay 37% of the outstanding principal as of the 12th month from the date of the first drawdown, and the remaining outstanding principal shall be repaid in full with the twelfth installment.

Credit line A-2

The commercial paper issuance guarantee limit was NT\$150 million and could be used on a revolving basis. The credit limit was reduced proportionally in accordance with the repayment ratio set forth in Credit line A-1. The credit term and extension provisions were the same as those for the credit facility under Credit line A-1. However, if the securities finance company exercised its right to terminate the credit limit in advance, the borrower shall not be able to utilize the credit line again starting from the next most recent anniversary after the date of first drawdown.

- (2) Credit limit for Item A: NT\$3.5 billion

Credit line B-1

The credit limit was NT\$2.975 billion and could be drawn in multiple tranches and shall not be drawn on a revolving basis. The credit term was 6 years from the date of first drawdown, and the borrower may apply for extension in accordance with relevant regulations. The first application may be extended for 6 years, and the second application may be extended for 6 years, subject to a maximum of two extensions.

The repayment method is as follows: the first installment shall be made 30 months after the first drawdown date, and every 6 months thereafter shall be 1 installment, for a total of 8 installments. 25% of the outstanding principal balance as of 30 months from the date of first use shall be evenly repaid over the 8 installments, and the remaining outstanding principal balance shall be repaid in a lump sum in the 8th installment.

Credit line B-2

The commercial paper issuance guarantee limit was NT\$525 million, and the facility was issued on a revolving basis. The credit limit was reduced proportionally in accordance with the repayment ratio set forth in Credit line B-1. The credit term and extension provisions were the same as those for the credit facility under Credit line B-1. However, if the securities finance company exercised its right to terminate the credit limit in advance, the borrower shall not be able to utilize the credit line again starting from the next most recent anniversary after the date of first drawdown.

2. The syndicated loan agreement required the financial ratios in the subsidiary's annual financial statements to comply with certain restrictions. The subsidiary's financial ratios as of December 31, 2025, comply with the requirements of the syndicated loan agreement.

Note 3: Some of the subsidiary's bank loan agreements require the maintenance of specific financial ratios based on the audited annual parent company only or separate financial statements. The financial ratios of the subsidiary as of December 31, 2025 and 2024 were all in compliance with the requirements of the bank financing contracts.

18. Corporate Bonds Payable

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

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

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

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

19. Notes and Accounts Payable

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

20. Other Payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Payable for salaries or bonuses	\$ 623,364	\$ 683,472
Payable for employees' compensation and remuneration of directors	304,122	290,077
Payable for equipment	55,876	65,543
Payable for freight	46,910	47,900
Payable for commission	46,744	26,216
Payable for interest	36,578	25,972
Others	<u>257,448</u>	<u>154,160</u>
	<u>\$ 1,371,042</u>	<u>\$ 1,293,340</u>

21. Retirement Benefit Plans

a. Defined contribution plans

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

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

b. Defined benefit plans

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

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of the defined benefit obligation	\$270,651	\$280,546
Fair value of the plan assets	(<u>124,702</u>)	(<u>112,749</u>)
Net defined benefit liabilities	<u>\$145,949</u>	<u>\$167,797</u>

Changes in the net defined benefit liabilities are as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
	<u>\$</u>	<u>(\$</u>	<u>\$</u>
January 1, 2024	<u>320,227</u>	<u>65,561</u>	<u>254,666</u>
Service costs			
Current service costs	1,851	-	1,851
Prior service costs	(114)	-	(114)
Interest expense (income)	<u>3,480</u>	<u>(817)</u>	<u>2,663</u>
Recognized in profit or loss	<u>5,217</u>	<u>(817)</u>	<u>4,400</u>

(Continued)

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	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan asset (excluding amounts included in net interest)	-	(6,621)	(6,621)
Actuarial gains - changes in financial assumptions	(7,918)	-	(7,918)
Actuarial gains - experience adjustment	(23,603)	-	(23,603)
Recognized in other comprehensive income and loss	(31,521)	(6,621)	(38,142)
Employer contribution	-	(53,935)	(53,935)
Welfare payments	(14,648)	14,185	(463)
Foreign currency exchange differences	1,271	-	1,271
December 31, 2024	<u>280,546</u>	<u>(112,749)</u>	<u>167,797</u>
Service costs			
Current service costs	3,971	-	3,971
Prior service costs	(159)	-	(159)
Interest expense (income)	<u>4,045</u>	<u>(1,925)</u>	<u>2,120</u>
Recognized in profit or loss	<u>7,857</u>	<u>(1,925)</u>	<u>5,932</u>
Remeasurement			
Return on plan asset (excluding amounts included in net interest)	-	(7,025)	(7,025)
Actuarial loss - changes in financial assumptions	4,428	-	4,428
Actuarial gains - changes in population assumptions	(2)	-	(2)
Actuarial gains - experience adjustment	(14,504)	-	(14,504)
Recognized in other comprehensive income and loss	(10,078)	(7,025)	(17,103)
Employer contribution	-	(9,597)	(9,597)
Welfare payments	(7,499)	6,594	(905)
Foreign currency exchange differences	(175)	-	(175)
December 31, 2025	<u>\$ 270,651</u>	<u>(\$ 124,702)</u>	<u>\$ 145,949</u>

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

1) Investment risk

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

2) Interest rate risk

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

3) Salary risk

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate (%)	1.35	1.60
Expected salary increase rate (%)	2.00	2.00

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.25% increase	(<u>\$ 4,424</u>)	(<u>\$ 4,764</u>)
0.25% decrease	<u>\$ 4,551</u>	<u>\$ 4,902</u>
Expected salary increase rate		
0.25% increase	<u>\$ 4,511</u>	<u>\$ 4,871</u>
0.25% decrease	(<u>\$ 4,407</u>)	(<u>\$ 4,757</u>)

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contributions to the plan within one year	<u>\$ 30,132</u>	<u>\$ 29,587</u>
The average maturity period for defined benefit obligation	Seven years	Seven years

22. Equity

a. Share capital

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of share capital	\$ 2,934,483	\$ 2,934,483
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	64,561	65,226

(Continued)

(Continued from previous page)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
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
Expired share options	22,374	22,374
Donations	11,867	11,867
<u>May be used only to offset a deficit</u>		
Share of changes in capital surplus of associates	<u>442,043</u>	<u>499,313</u>
	<u>\$ 3,847,560</u>	<u>\$ 3,905,495</u>

Note: Such capital reserves may be used to offset deficits and may also be distributed as cash dividends or transferred to share capital when the Company has no deficit, provided that contributions to share capital are limited to a certain percentage of the paid-in capital each year.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the Company's total issued capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. If distribution is to be made by issuing new shares, it shall be resolved by the shareholders' meeting before distribution. The common share dividends will be distributed after the distribution of preferred share dividends based on the Articles.

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

The Company's dividend policy is based on, amongst other considerations, its current and future development plans, the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Each year, no less

than 10% of the distributable earnings will be allocated for shareholder dividends. 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 in 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. When the Company first adopted the IFRS accounting standards, it recognized an increase in retained earnings of NT\$72,302 thousand arising from the conversion to IFRS accounting standards and allocated it to special reserves.

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	\$ 252,634	\$ 211,546		
Reversal of special reserve	-	376,257		
Cash dividends	1,375,015	1,284,310	\$ 5.3	\$ 5.2

The aforementioned cash dividends have been distributed according to the resolution of the Board of Directors in April 14, 2025 and March 14, 2024. The remaining earnings distribution items have also been approved at the shareholders' meetings on 2025 and May 2024. The Board of Directors, in its resolution on May 28, 2024, authorized the Chairman to adjust the cash dividend payout ratio. As a result, the cash dividend for 2023 was adjusted from NT\$5.20 per share to NT\$4.95 per share.

The appropriations of earnings for 2025 were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	<u>\$ 238,395</u>	
Cash dividends	<u>\$ 1,375,015</u>	<u>\$ 5.3</u>

The cash dividends for 2025 have been distributed according to the resolution of the Board of Directors on March 11, 2026. The remaining earnings distribution items are still subject to approval at the shareholders' meeting scheduled for May 2026.

d. Other equity items

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

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 46,712	(\$559,328)
Generated in the current year		
Exchange differences on translating the financial statements of foreign operations	(227,213)	572,714
Share from associates accounted for using the equity method	(41,600)	153,342
Effects of income taxes	<u>45,513</u>	<u>(120,016)</u>
Balance at end of the year	<u>(\$176,588)</u>	<u>\$ 46,712</u>

2) Unrealized gain on financial assets at FVTOCI

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 1,266,003	\$ 1,196,590
Generated in the current year		
Unrealized (loss) gain - equity instruments	161,811	(164,820)
Share from associates accounted for using the equity method	529,399	464,508
Effects of income taxes	5,524	11,010
Reclassification adjustment		
Share from associates accounted for using the equity method	-	(99,423)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Investments in equity instruments designated as at fair value through other comprehensive income	30,543	1,113
Share from associates accounted for using the equity method	<u>(115,210)</u>	<u>(142,975)</u>
Balance at end of the year	<u>\$ 1,878,070</u>	<u>\$ 1,266,003</u>

e. Non-controlling interests

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 1,977,720	\$ 1,848,597
Other comprehensive (loss) income of the year		
Net profit for the current year	\$ 307,042	\$ 286,947
Exchange differences on translating the financial statements of foreign operations	20,913	79,452
Cash dividends distributed to non-controlling interests	(267,247)	(219,319)
Acquisition of non-controlling interests in subsidiaries	-	(40,403)
Changes in ownership interest in subsidiaries	8,294	-
Increase in non-controlling interests resulting from the sale of subsidiary shares	-	228
Increase in non-controlling interests from the acquisition of subsidiaries	<u>109,873</u>	<u>22,218</u>
	<u>\$ 2,156,595</u>	<u>\$ 1,977,720</u>

23. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 76,486,263	\$ 78,405,156
Other operating revenues	<u>1,702,997</u>	<u>1,625,758</u>
	<u>\$ 78,189,260</u>	<u>\$ 80,030,914</u>

a. Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes receivable	\$ 2,448,139	\$ 3,052,721	\$ 2,750,341
Accounts receivable, net (including related parties)	<u>18,123,923</u>	<u>18,423,372</u>	<u>15,647,893</u>
	<u>\$ 20,572,062</u>	<u>\$ 21,476,093</u>	<u>\$ 18,398,234</u>
Contract liabilities			
Sale of goods	<u>\$ 479,839</u>	<u>\$ 458,873</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 in 2025 and 2024. Revenue recognized in the current reporting period from the contract liabilities at the beginning of the year is as follows:

	<u>2025</u>	<u>2024</u>
Sale of goods	<u>\$307,672</u>	<u>\$451,990</u>

b. Disaggregation of revenue from contracts with customers

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

24. Income before Tax

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

a. Other income (Note 30)

	<u>2025</u>	<u>2024</u>
Rent income	\$ 9,038	\$ 10,396
Consulting service income	15,585	13,089
Dividend income	12,711	19,588
Grants income	53,473	48,479
Other income	<u>56,174</u>	<u>78,723</u>
	<u>\$146,981</u>	<u>\$170,275</u>

b. Other gains and losses

	<u>2025</u>	<u>2024</u>
Net gain (loss) of financial instruments at FVTPL	\$ 21,020	\$ 39,919
Net foreign exchange gains (loss)	(42,726)	21,651
Gain (loss) on disposal of property, plant, and equipment	(6,633)	4,287
Provisions for reversal losses	774	(15,329)
Impairment loss	-	(4,134)
Lease modification benefits	6,677	2,127
Others	<u>(4,302)</u>	<u>(8,998)</u>
	<u>(\$ 25,190)</u>	<u>\$ 39,523</u>

c. Financial costs

	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$ 341,263	\$ 438,279
Amortization of borrowing facility management fee	1,000	1,000
Interest on lease liabilities	12,204	10,975
Corporate bond discount amortization and interest compensation	-	4,627
Less: Amount included in cost of qualifying assets	<u>(14,146)</u>	<u>(9,246)</u>
	<u>\$ 340,321</u>	<u>\$ 445,635</u>
Capitalized rate (%)	2.18-2.50	2.18-2.50

d. Depreciation and amortization

	2025	2024
Property, plant, and equipment	\$ 324,113	\$ 308,267
Right-of-use assets	107,398	104,946
Intangible assets	35,309	39,591
Other non-current assets	1,809	1,964
Less: Amount included in cost of qualifying assets	-	(1,561)
	<u>\$ 468,629</u>	<u>\$ 453,207</u>
An analysis of depreciation expense by function		
Operating cost	\$ 303,002	\$ 293,304
Operating expenses	128,509	118,348
	<u>\$ 431,511</u>	<u>\$ 411,652</u>
An analysis of amortization expense by function		
Operating cost	\$ 11,579	\$ 6,928
Operating expenses	25,539	34,627
	<u>\$ 37,118</u>	<u>\$ 41,555</u>

e. Employee benefits expense

	2025	2024
Short-term employee benefits	<u>\$ 1,725,539</u>	<u>\$ 1,797,503</u>
Post-employment benefits (Note 21)		
Defined contribution plans	89,761	82,074
Defined benefit plans	5,932	4,400
	<u>95,693</u>	<u>86,474</u>
	<u>\$ 1,821,232</u>	<u>\$ 1,883,977</u>
An analysis by function		
Operating cost	\$ 178,023	\$ 169,359
Operating expenses	1,643,209	1,714,618
	<u>\$ 1,821,232</u>	<u>\$ 1,883,977</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 compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024 which have been approved by the Company's Board of Directors on March 11, 2026 and March 12, 2025, were as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Withdrawal Rate (%)</u>	<u>Amount</u>	<u>Withdrawal Rate (%)</u>	<u>Amount</u>
Compensation of employees paid in cash	9	\$269,665	9	\$257,211
Remuneration of directors paid in cash	1.15	34,457	1.15	32,866

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

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

	<u>2025</u>	<u>2024</u>
Current income taxes		
Generated in the current year	\$883,459	\$702,382
Surtax on undistributed earnings	44,935	55,078
Adjustments for prior years	(<u>19,341</u>)	(<u>5,467</u>)
	<u>909,053</u>	<u>751,993</u>
Deferred tax		
Generated in the current year	(<u>58,254</u>)	(<u>17,774</u>)
	<u>\$850,799</u>	<u>\$734,219</u>

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

	<u>2025</u>	<u>2024</u>
Income before tax	<u>\$3,451,564</u>	<u>\$3,274,070</u>
Tax is calculated on income before tax at the statutory tax rate applicable in the relevant country	\$ 722,336	\$ 697,745
Expenses and losses not recognized for tax purposes	5,595	6,834
Income not included in the taxable income	(70,991)	(161,762)
Deferred tax effect on the subsidiaries' earnings	132,260	99,615
Other adjustment items	22,592	13,988
Difference in basic tax payable for subsidiaries	-	204
Surtax on undistributed earnings	44,935	55,078
Adjustments for prior years	(19,341)	(5,467)
Non-deductible withholding tax	<u>13,413</u>	<u>27,984</u>
	<u>\$ 850,799</u>	<u>\$ 734,219</u>

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

The subsidiaries WL Vietnam, RC Vietnam, Sakuragawa Solar Godogaisha, Miyazaki Solar Godogaisha, Wah Lee Japan Corporation, and WL Korea are registered in Vietnam, Japan, and South Korea, where the Pillar Two Income Tax Act has come into effect. According to this act, the aforementioned subsidiaries are required to pay supplementary taxes in the country of registration on profits subject to a tax rate lower than the effective rate of 15%. However, for the years ended December 31, 2025 and 2024, none of the aforementioned subsidiaries are required to pay supplementary taxes in their respective countries of registration due to profits being taxed at a rate lower than the effective tax rate of 15%.

The subsidiaries Raycong H.K., Regent King, WL Singapore, WT Industrial, Hightech, WL Indonesia, and WT Indonesia are registered in Hong Kong, Singapore, Thailand, Malaysia, and Indonesia, where the Pillar Two Income Tax Act has been legislated and will come into effect from January 1, 2025. According to the act, the aforementioned

subsidiaries are required to pay supplementary taxes in their respective countries of registration on profits subject to a tax rate lower than the effective rate of 15%, starting from January 1, 2025. However, for the year ended December 31, 2025, none of the aforementioned subsidiaries are required to pay supplementary taxes in their respective countries of registration due to profits being taxed at a rate lower than the effective tax rate of 15%.

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

Deferred tax	2025	2024
Disposal of unrealized gain on financial assets at FVTOCI	\$ 5,524	\$ 11,010
Remeasurement of defined benefit plans	(3,420)	(7,628)
Exchange differences on the translation of financial statements of foreign operations	<u>45,513</u>	<u>(120,016)</u>
	<u>\$ 47,617</u>	<u>(\$116,634)</u>

c. Current tax assets and liabilities

	December 31, 2025	December 31, 2024
Current tax assets	<u>\$ 7,462</u>	<u>\$ 2,818</u>
Current tax liabilities	<u>\$632,250</u>	<u>\$244,620</u>

d. Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2025

	Balance at Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income and Loss	Directly Recognized in Equity	Acquired through Business Combinations	Foreign Currency Exchange Differences	Balance at End of the Year
<u>Deferred tax assets</u>							
Temporary differences							
Write-downs of inventories	\$ 50,412	(\$ 16,153)	\$ -	\$ -	\$ -	\$ 856	\$ 35,115
Unpaid Bonus	79,705	(12,664)	-	-	-	139	67,180
Refund liabilities	73,183	24,034	-	-	-	-	97,217
Defined benefit retirement plans	29,455	(1,346)	(3,297)	-	-	-	24,812
Foreign investment losses and exchange rate differences	43,632	3,458	397	-	-	-	47,487
Others	<u>117,661</u>	<u>38,580</u>	<u>-</u>	<u>-</u>	<u>2,655</u>	<u>(1,289)</u>	<u>157,607</u>
	394,048	35,909	(2,900)	-	2,655	(294)	429,418
Loss Offset	<u>4,868</u>	<u>416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,284</u>
	<u>\$ 398,916</u>	<u>\$ 36,325</u>	<u>(\$ 2,900)</u>	<u>\$ -</u>	<u>\$ 2,655</u>	<u>(\$ 294)</u>	<u>\$ 434,702</u>
<u>Deferred tax liabilities</u>							
Temporary differences							
Foreign investment gains and exchange rate differences	\$ 1,430,402	(\$ 18,836)	(\$ 50,640)	(\$ 1,526)	\$ -	\$ -	\$ 1,359,400
Others	<u>35,629</u>	<u>(3,093)</u>	<u>123</u>	<u>-</u>	<u>2,322</u>	<u>(41)</u>	<u>34,940</u>
	<u>\$ 1,466,031</u>	<u>(\$ 21,929)</u>	<u>(\$ 50,517)</u>	<u>(\$ 1,526)</u>	<u>\$ 2,322</u>	<u>(\$ 41)</u>	<u>\$ 1,394,340</u>

2024

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss on valuation on foreign investments	<u>\$116,383</u>	<u>\$116,383</u>
Loss offset		
Due in 2030	\$ 104	\$ 104
Due in 2031	432	432
Due in 2032	3,200	3,200
Due in 2033	54,448	47,621
Due in 2034	4,247	-
Due in 2035	34,100	-
	<u>\$ 96,531</u>	<u>\$ 51,357</u>

- f. Information related to unused deduction of losses

As of December 31, 2025, the information related to the subsidiaries' deduction of losses is as follows:

<u>Balance not yet offset</u>	<u>Final offset year</u>
\$ 104	2030
432	2031
7,961	2032
64,281	2033
10,784	2034
<u>39,389</u>	2035
<u>\$122,951</u>	

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

As of December 31, 2025 and 2024, the taxable temporary differences of investments in subsidiaries, for which deferred tax liabilities have not been recognized, were NT\$3,364,455 thousand and NT\$2,910,118 thousand, respectively.

- h. Income tax assessments

The income tax returns of the Company and the domestic subsidiaries through 2023 have been assessed by the tax authorities.

As of the 2024, the subsidiaries Shanghai Yi Kang and Dong Guan Hua Gang have paid their tax to the local tax authorities.

26. Earnings per Share

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

- a. Net profit for the current year

	<u>2025</u>	<u>2024</u>
Profit for the year attributable to owners of the Company	\$2,293,723	\$2,252,904
Effect of convertible corporate bonds	<u>-</u>	<u>4,627</u>
Net profit used in computation of diluted EPS	<u>\$2,293,723</u>	<u>\$2,257,531</u>

- b. Number of shares (in thousands)

	<u>2025</u>	<u>2024</u>
Weighted average number of shares outstanding used in computation of basic EPS	259,437	253,288
Effect of potentially dilutive shares		
Employees' compensation	2,950	2,541
Convertible corporate bonds	<u>-</u>	<u>6,149</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>262,387</u>	<u>261,978</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. Business Combination

a. Acquisition of subsidiary

<u>Acquisition Target</u>	<u>Major Operating Activities</u>	<u>Date of Acquisition</u>	<u>Ownership Interests with Voting Rights/ Percentage of Acquisition (%)</u>	<u>Transfer of Consideration</u>
Perpetual New Energy and its subsidiaries	Renewable energy self-use power generation and energy technology business	November 7, 2025.	100	<u>\$ 253,440</u>
Jing De Gases Co., Ltd.	Manufacture of precision mixed gases	December 31, 2025	51	<u>\$ 561,000</u>

In fiscal year 2025, in order to expand its operations, the Company equity interests in Perpetual New Energy Co., Ltd. and its subsidiary, Jing De Gases Co., Ltd.

b. Transfer of consideration

	<u>Jing De Gases Co., Ltd.</u>	<u>Perpetual New Energy and its subsidiaries</u>
Cash	\$448,800	\$253,440
Contingent consideration agreement	<u>112,200</u>	<u>-</u>
Total	<u>\$561,000</u>	<u>\$253,440</u>

To enter the niche standard gas market and accelerate the development of high value-added businesses, the Company resolved at its Board of Directors meeting in December 2025 to acquire 51% of the shares of Jing De Gases Co., Ltd., totaling 6,936 thousand shares, with an investment amount of NT\$561 million. In accordance with the share purchase agreement, 80% of the purchase price, amounting to NT\$448,800 thousand, was completed and paid upon the share transfer in December 2025. The remaining 20% of the purchase price, amounting to NT\$112,200 thousand, was retained and will be paid in installments of 10% each no later than the end of April 2027 and April 2028, respectively. The payment of the retained amount is conditional on the gross profit of the target company in 2026 and 2027, as shown in the financial statements certified by

a CPA, reaching a certain amount. If the gross profit target is not met, the amount payable will be adjusted pro rata based on the gross profit achieved.

Based on Jing De Gases Co., Ltd.'s average gross profit over the past three fiscal years, the Group's management assessed that the aforementioned contingent consideration payment of NT\$112,200 thousand is highly likely to occur. Therefore, the fair value of the contingent consideration obligation at the acquisition date was estimated at NT\$112,200 thousand.

c. Assets acquired and liabilities assumed on the date of acquisition

	Jing De Gases Co., Ltd.	Perpetual New Energy and its subsidiaries
Current assets		
Cash and cash equivalents	\$ 60,480	\$ 80,882
Notes receivable and accounts receivable, net	47,728	7,973
Other receivables	3,415	3,951
Merchandise inventories	18,332	45
Prepayments for purchases	793	-
Other current assets	56,485	6,165
Non-current assets		
Property, plant, and equipment	111,998	510,599
Prepayments for equipment	160	-
Right-of-use assets	-	81,787
Other intangible assets	381	189,849
Deferred tax assets - non- current	-	2,655
Other financial assets - non- current	-	91,896
Refundable deposits	2,690	2,260
Current liabilities		
Short-term bills payable	-	(90,976)
Contract liabilities - current	(3,413)	-
Notes payable	(1,009)	-
Accounts payable	(8,561)	-
Other payables	(60,855)	(15,021)
Current tax liabilities	(3,764)	(1,240)
Lease liabilities - current	-	(5,403)

(Continued)

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	Jing De Gases Co., Ltd.	Perpetual New Energy and its subsidiaries
Non-current liabilities		
Long-term borrowings from banks	-	(478,227)
Lease liabilities - non-current	-	(84,539)
Provision for long term liabilities for decommissioning, restoration and remediation costs	-	(12,334)
Deferred income tax liabilities - non-current	-	(2,322)
Guarantee deposits received	(630)	-
	<u>\$224,230</u>	<u>\$288,000</u>

The initial accounting treatment of the acquisition of Jing De Gases Co., Ltd. was only provisional as of the balance sheet date. For tax purposes, the tax bases of the aforementioned company assets were required to be re-determined in accordance with the market value of such assets. As of the date of publication of this consolidated financial statement, the required market valuations and other calculations had not yet been completed, and therefore only the possible taxable values were provisionally estimated based on the Group management's best estimates.

d. Non-controlling interests

The non-controlling interest (49% ownership interest) of Jing De Gases is measured based on the proportionate share of the recognized amounts of the identifiable net assets of the acquired entity.

e. Goodwill arising from the acquisition

	Jing De Gases Co., Ltd.	Perpetual New Energy and its subsidiaries
Transfer of consideration	\$ 561,000	\$ 253,440
Add: Fair value as of the acquisition date of the equity originally held by the Group.	-	34,560
Add: Non-controlling Interests	109,873	-
Less: Fair value of identifiable net assets acquired	(224,230)	(288,000)
Goodwill arising from the acquisition	<u>\$ 446,643</u>	<u>\$ -</u>

The goodwill generated from the acquisition mainly comes from the control premium. Additionally, the consideration paid in the merger includes anticipated revenue growth and future market development. However, as these benefits do not meet the recognition criteria for identifiable intangible assets, they are not recognized separately. As described above, the amount used to measure the goodwill was provisional.

f. Net cash outflow on acquisition of subsidiaries

	Jing De Gases Co., Ltd.	Perpetual New Energy and its subsidiaries
Consideration of cash payment	\$448,800	\$253,440
Less: Cash and cash equivalents balance acquired	(60,480)	(80,882)
	<u>\$388,320</u>	<u>\$172,558</u>

g. Effect of business combination on operating results

From the acquisition date, the operating results attributable to the acquiree were as follows:

	Jing De Gases Co., Ltd.	Perpetual New Energy and its subsidiaries
Operating revenue	<u>\$ -</u>	<u>\$ 9,604</u>
Net profit for the current year	<u>\$ -</u>	<u>(\$ 11,609)</u>

If such business combinations occurred at the beginning of the accounting year to which the acquisition date belongs, the Group's pro forma operating revenue for 2025 fiscal year is NT\$78,516,232 thousand, and the pro forma net profit for the year is NT\$2,654,935 thousand. These amounts cannot reflect the actual revenue and operating results that the Group can generate if the business combination is completed at the beginning of the acquisition year, nor should they be used to forecast future operating results.

28. Capital Risk Management

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

The key management personnel of the Group periodically review the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount

of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed. The Group is not subject to any externally imposed capital requirements, except those discussed in Note 17.

29. Financial Instruments

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

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

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

1) Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificates	\$ 99,401	\$ -	\$ -	\$ 99,401
Structured deposits	-	908,916	-	908,916
Domestic limited partnership	-	-	18,562	18,562
Foreign limited partnership	-	-	47,354	47,354
	<u>\$ 99,401</u>	<u>\$ 908,916</u>	<u>\$ 65,916</u>	<u>\$ 1,074,233</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 379,458	\$ 143,000	\$ -	\$ 522,458
Unlisted stocks	-	-	475,131	475,131
Foreign listed shares	14,589	-	-	14,589
	<u>\$ 394,047</u>	<u>\$ 143,000</u>	<u>\$ 475,131</u>	<u>\$ 1,012,178</u>
<u>Financial liabilities at FVTPL</u>				
Contingent consideration in business combinations	\$ -	\$ -	\$ 112,200	\$ 112,200

December 31, 2024

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

During 2025, the stocks of emerging stock companies held by the Company were officially listed for trading on March 25, 2025. Consequently, the measurement amount of NT\$133,751 thousand was reclassified from Level 2 to Level 1.

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

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

<u>Financial assets</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$414,682	\$480,516
Purchases	34,500	64,117
Transferred from Level 3	-	(3,887)
Reduction of capital	(2,535)	-
Sale	-	(67,000)
Recognized in profit or loss	3,564	24,654
Recognized in other comprehensive income and loss	90,836	(84,371)
Foreign exchange translation differences	-	<u>653</u>
Balance at end of the year	<u>\$541,047</u>	<u>\$414,682</u>

<u>Financial liabilities</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ -	\$ --
Contingent consideration in business combinations	<u>112,200</u>	<u>-</u>
Balance at end of the year	<u>\$112,000</u>	<u>\$ -</u>

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

- a) Structured deposits are based on the financial product information provided by financial institutions. The valuation method was based on the rate of return of the deposit principal and its linked targets.
- b) Derivative instruments estimate future cash flows based on the observable forward exchange rate at the end of the year and the exchange rate stipulated in the contract and then discount them separately using a discount rate that reflects the credit risk of each counterparty.
- c) Domestic emerging market shares are valued based on trading prices supported by observable market prices.

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

- a) The fair value of the unlisted shares and limited partnership equity investments held by the Group is measured using the market approach, based on the price-

book ratio of the comparable companies or by the latest net asset value estimation.

- b) The Group assessed the fair value of contingent consideration in business combinations by evaluating the likelihood that the terms of the agreement would be met.

c. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified at FVTPL	\$ 1,074,233	\$ 709,546
FVTOCI		
Investment in equity instruments	1,012,178	830,704
Measured at amortized cost (Note 1)	29,218,514	27,266,574
<u>Financial liabilities</u>		
FVTPL		
Held for trading	-	20,218
Measured at amortized cost (Note 2)	26,773,919	24,400,767
Contingent consideration in business combinations	112,200	-

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

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk, and liquidity risk.

1) Market risk

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

a) Foreign currency risk

The Group engages in foreign currency trades, which expose it to foreign currency risk. For the carrying amounts of the monetary assets and liabilities (including monetary items denominated in non-functional currencies that have

been eliminated in the consolidated financial statements) denominated in non-functional currencies as of the balance sheet date, please refer to Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD.

The sensitivity ratio used by the Group when reporting exchange rate risk to key management personnel is 1%. The sensitivity analysis included only the outstanding foreign currency denominated monetary items at the balance sheet date. When the functional currency at the balance sheet date depreciates (appreciates) by 1% against the US dollar, the Company's pre-tax net profit for the years 2025 and 2024 will increase (decrease) by NT\$35,600 thousand and increase (decrease) by NT\$44,541 thousand, respectively.

b) Interest rate risk

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
Financial assets	\$ 3,722,613	\$ 1,225,878
Financial liabilities	5,348,721	3,311,655
Cash flow interest rate risk		
Financial assets	4,612,229	4,241,389
Financial liabilities	9,587,268	10,108,291

Sensitivity analysis

The following sensitivity analysis is determined based on the interest rate risk of non-derivative instruments as of the balance sheet date. For floating rate assets and liabilities, the analysis was prepared assuming the amount of assets and liabilities outstanding as of the balance sheet date is outstanding during the reporting period.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit before tax in 2025 and 2024 would have been lower/higher by NT\$49,750 thousand and NT\$58,669 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 2025 and 2024 would have been higher/lower by NT\$1,653 thousand and NT\$1,487 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for 2025 and 2024 would have been higher/lower by NT\$10,122 thousand and NT\$8,307 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 excessive concentration of credit risk as the Group's 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. The Group's management monitors the utilization of bank financing limits and ensures compliance with loan covenants.

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the earliest possible repayment date of the company, using the undiscounted cash flows of the financial liabilities (including principal and estimated interest). Therefore, liabilities for which the Group may be required to repay immediately are listed in the table below according to the earliest period, without considering the probability that the counterparty will immediately exercise that right; the maturity analysis for other non-derivative financial liabilities is prepared according to the agreed repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is estimated based on the interest rates on the balance sheet date.

	Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	Total
<u>December 31, 2025</u>					
Non-interest-bearing liabilities	\$ 12,486,329	\$ 3,685	\$ -	\$ -	\$ 12,490,014
Lease liabilities	125,305	308,360	222,477	124,383	780,525
Floating-rate instruments	4,165,441	5,044,361	719,595	8,855	9,938,252
Fixed-rate instruments	4,728,753	-	-	-	4,728,753
Financial guarantee liabilities	876,465	-	-	-	876,465
	<u>\$ 22,382,293</u>	<u>\$ 5,356,406</u>	<u>\$ 942,072</u>	<u>\$ 133,238</u>	<u>\$ 28,814,009</u>
<u>December 31, 2024</u>					
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>

The abovementioned amounts of the financial guarantee contracts are the maximum amounts that the Group may have to pay to fulfill the guarantee obligation if the holders of the financial guarantee contracts claim the full guarantee amounts from the guarantor. Based on expectations as of the balance sheet date, the Company believes that the likelihood of making payments under such contracts is low.

The abovementioned amounts of the variable interest rate non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates as of the balance sheet date.

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.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Factoring bank	<u>\$ 736,340</u>	<u>\$ 1,068,592</u>
Endorsement transfer to suppliers	<u>\$ 309,795</u>	<u>\$ 156,915</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 cannot be honored upon maturity, the suppliers still have the right to request the Group to pay the unsettled balance. Therefore, the Group continues to be involved in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amount of the transferred but unsettled bills receivable, and December 31, 2025 and 2024, the face amount of these unsettled bills receivable was NT\$116,881 thousand and NT\$55,127 thousand, respectively. The unsettled bills receivable will be due in 1-6 months, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair value of its continuing involvement is not significant.

In 2025 and 2024, the Group did not recognize any gains or losses upon the transfer of receivable acceptance bills and continued to participate in such bills without recognizing any profit or loss in the current year and cumulatively.

30. 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>Relationship 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
BL Anakie Solar Pty Ltd.	Associate
Eternal New Energy Co., Ltd.	Subsidiary (Subsidiary of associate before November 2025)
KSA Corp.	Subsidiary (Subsidiary of associate before November 2025)
Wah Heng Energy Technology Corp.	Subsidiary (Subsidiary of associate before November 2025)
ORC Corp.	Joint venture
Shanghai Chang Wah Electromaterials Inc.	Associate's subsidiary
Chang Wah International Trade (Shenzhen) Co., Ltd.	Associate's subsidiary
Chang Wah Technology Co. Ltd.	Associate's subsidiary
SIP Chang Hong Optoelectronics Ltd.	Associate's subsidiary
Sun Hong Optronics Ltd.	Associate's subsidiary
Wah Ma Chemical Sdn. Bhd.	Associate's subsidiary
PT. Wah Hong Indonesia	Associate's subsidiary
Yi Hua Electronics Co., Ltd.	Substantive related party
Welo-tech Corp.	Other related party (Investment company which uses the equity method for subsidiaries)
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)

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Name of Related Party	Relationship with the Group
Forcera Materials Co., Ltd.	Other related parties (The Company is a corporate director of the company)
Minima 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 (Its person in charge is a relative within the first degree of kinship of the Chairman of the Company)
Raycon Industries Inc.	Other related parties (Its person in charge is a relative within the second degree of kinship of the Chairman of the Company)
Chang, Tsuen-Hsien	Key management personnel (Chairman concurrently serving as President)

b. Operating transactions

1) Operating revenue

Categories of related parties	2025	2024
Revenue from sale of goods		
Associates and their subsidiaries	\$552,197	\$508,939
Substantive related party	723	-
Other related parties	<u>8,449</u>	<u>19,712</u>
	<u>\$561,369</u>	<u>\$528,651</u>
Other operating revenues		
Associates and their subsidiaries	\$ 19,715	\$ 9,670
Other related parties	<u>10,833</u>	<u>9,314</u>
	<u>\$ 30,548</u>	<u>\$ 18,984</u>

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

2) Purchase of goods

Categories of related parties	2025	2024
Associates and their subsidiaries	\$ 521,163	\$ 442,411
Other related parties	<u>1,558,158</u>	<u>1,207,076</u>
	<u>\$2,079,321</u>	<u>\$1,649,487</u>

The Group purchases goods from related parties. Since similar products are not purchased from non-related parties, the prices cannot be compared. The payment terms are not significantly different from those with general suppliers.

3) Operating expenses

Categories of related parties	2025	2024
Associates and their subsidiaries	\$ 1,266	\$ 880
Other related parties	<u>11,824</u>	<u>11,630</u>
	<u>\$ 13,090</u>	<u>\$ 12,510</u>

It includes transactions involving commissions, shipping fees, rent, labor costs, import and export fees, etc.

4) Receivables from related parties

	December 31, 2025	December 31, 2024
<u>Accounts receivable - related parties</u>		
Associates and their subsidiaries		
CWE Inc.	\$117,134	\$ 92,967
Others	<u>56,209</u>	<u>43,508</u>
	173,343	136,475
Substantive related party	382	-
Other related parties	<u>952</u>	<u>5,152</u>
	174,677	141,627
Less: Allowance for losses	<u>228</u>	<u>775</u>
	<u>\$174,449</u>	<u>\$140,852</u>
<u>Other receivables - related parties</u>		
Associates and their subsidiaries		
CWE Inc.	\$140,511	\$138,532
Others	<u>4,267</u>	<u>10,200</u>
	144,778	148,732
Other related parties	<u>482</u>	<u>363</u>
	<u>\$145,260</u>	<u>\$149,095</u>

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

5) Contract liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Categories of related parties</u>		
Associates and their subsidiaries	<u>\$ 734</u>	<u>\$ 20,282</u>

6) Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts payable - related parties</u>		
Associates and their subsidiaries	\$ 90,291	\$118,777
Other related parties	<u>420,264</u>	<u>244,972</u>
	<u>\$510,555</u>	<u>\$363,749</u>
 <u>Other payables - related parties</u>		
Associates and their subsidiaries	\$ 2,575	\$ 4,769
Other related parties	<u>176</u>	<u>9</u>
	<u>\$ 2,751</u>	<u>\$ 4,778</u>

The outstanding payables to related parties are unsecured.

c. Acquisition of property, plant, and equipment

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

d. Disposal of property, plant, and equipment

<u>Categories of related parties</u>	<u>Disposal Price</u>		<u>Gain on Disposal</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Associates and their subsidiaries	<u>\$ 38</u>	<u>\$ 626</u>	<u>\$ 1</u>	<u>\$ 9</u>

e. Other income

<u>Categories of related parties</u>	<u>2025</u>	<u>2024</u>
Associates and their subsidiaries	\$ 25,313	\$ 24,262
Other related parties	<u>8,041</u>	<u>7,015</u>
	<u>\$ 33,354</u>	<u>\$ 31,277</u>

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

f. Endorsements and guarantees

<u>Categories of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates and their subsidiaries		
Amount endorsed	\$ 1,342,993	\$ 1,418,110
Amount utilized	\$ 692,529	\$ 714,299
Other related parties		
Amount endorsed	\$ 92,249	\$ 66,280
Amount utilized	\$ 67,055	\$ 41,086

g. Remuneration of key management personnel

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

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 110,425	\$ 106,411
Post-employment benefits	435	442
	<u>\$ 110,860</u>	<u>\$ 106,853</u>

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

31. Assets Pledged as Collateral

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 1,046,135	\$ 1,225,507
Other financial assets - current	518,196	602,194
Other financial assets - non-current	163,134	67,473
Property, Plant, and Equipment		
Freehold land	1,748,164	1,750,222
Buildings	270,825	278,041
Power generation equipment	2,300,874	1,940,294
Property under construction and equipment to be inspected	157,939	142,487
Others	7,033	23,530
	<u>\$ 6,212,300</u>	<u>\$ 6,029,748</u>

32. Significant Contingent Liabilities and Unrecognized Commitments

Significant commitments and contingencies of the Group as of December 31, 2025 were as follows:

- a. The Group's unused letters of credit for the purchase of merchandise amounted to NT\$100,136 thousand.

- b. The unrecognized commitments for acquisition of property, plant and equipment were NT\$643,496 thousand.
- c. Company A filed a lawsuit against subsidiary, Kingstone Energy Technology Corporation, for failing to fulfill its procurement obligations under a supply contract, requesting a damage compensation of NT\$50,363 thousand. In October 2020, the first-instance judgment ruled in favor of Company A. Kingstone Energy Technology Corporation appealed and recognized the related loss provision of NT\$50,363 thousand in 2021. As of the date the financial statements were approved, the case is still under trial, and the outcome of the final litigation remains highly uncertain.
- d. In May 2025, Company B sent official letters to the Company and its subsidiaries Dong Guan Hua Gang and Guangzhou Xing Xian, alleging infringement of trade secrets, and filed a lawsuit in court requesting economic loss compensation and litigation costs amounting to RMB10,380 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. However, as of the date the consolidated financial statements were approved, the case is still under trial, and the outcome of the final litigation remains highly uncertain.

33. Significant Assets and Liabilities Denominated in Foreign Currency

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

December 31, 2025	Foreign Currency		Exchange Rate	Carrying Value
	Amount			
Monetary financial assets				
USD	\$ 315,898	31.43	(USD: NTD)	\$ 9,928,668
USD	139,359	7.784	(USD: HKD)	4,380,057
USD	26,855	6.991	(USD: RMB)	844,061
USD	642	26,636	(USD: VND)	20,164
USD	5,734	31.370	(USD: THB)	180,209
USD	1,047	4.2010	(USD: MYR)	32,917
Non-monetary financial assets				
Investment accounted for using the equity method				
USD	219,209	31.430	(USD: NTD)	6,889,740
RMB	172,397	0.1430	(RMB: USD)	775,065
RMB	1,334,893	1.1134	(RMB: HKD)	6,001,406
JPY	673,587	0.2008	(JPY: NTD)	135,256
HKD	1,340,017	4.038	(HKD: NTD)	5,410,988
HKD	1,155,684	0.1285	(HKD: USD)	4,666,654
THB	236,539	1.0019	(THB: NTD)	236,988
MYR	22,344	7.4810	(MYR: NTD)	167,156

(Continued)

(Continued from previous page)

	Foreign Currency		Exchange Rate	Carrying Value
	Amount			
Monetary financial liabilities				
USD	326,321	31.43	(USD: NTD)	10,256,267
USD	11,742	7.784	(USD: HKD)	369,057
USD	30,850	6.991	(USD: RMB)	969,605
USD	2,160	26,636	(USD: VND)	67,896
USD	4,291	31.370	(USD: THB)	134,868
USD	903	4.2010	(USD: MYR)	28,376
<hr/>				
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
Non-monetary 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

The Group's net foreign exchange gains (including realized and unrealized) for 2025 and 2024 were NT\$42,726 thousand and NT\$21,651 thousand, respectively. Due to the variety of foreign currencies involved in foreign currency transactions and functional currencies of the Group's entities, it is not possible to separately disclose the exchange gains and losses for each foreign currency that has a significant impact.

34. Additional Disclosures

- a. Information about significant transactions
 - 1) Financing provided to others: Table 1.
 - 2) Endorsements/Guarantees provided to others: 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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Table 8.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: Table 8.
 - c) The amount of property transactions and the amount of the resultant gains or losses: None.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2.
 - e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.
 - f) Other transactions that have a material effect on the profit or loss for the current year or on the financial position, such as the rendering or receipt of services.

The Company's other significant transactions with its investees in Mainland China for the year 2025 and as of December 31, 2025 are as follows:

Transaction Party	Line Item	Amount
Shanghai Yi Kang	Other income	\$ 30,113
Shanghai Yi Kang	Operating expenses	300,082
Shanghai Yi Kang	Other receivables	29,669
Shanghai Yi Kang	Other payables	97,284
Dong Guan Hua Gang	Interest expense	16,255

35. Segment Information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is distinguished by operating areas 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

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

	The Company	Raycong	Shanghai Yi Kang	Others	Adjustment and Elimination	Total
<u>2025</u>						
Revenue from External Customers	\$45,959,799	\$12,298,306	\$13,828,960	\$ 6,102,195	\$ -	\$78,189,260
Inter-segment revenue	<u>1,696,532</u>	<u>64,121</u>	<u>409,419</u>	<u>199,149</u>	<u>(2,369,221)</u>	<u>-</u>
Segment revenue	<u>\$47,656,331</u>	<u>\$12,362,427</u>	<u>\$14,238,379</u>	<u>\$ 6,301,344</u>	<u>(\$ 2,369,221)</u>	<u>\$78,189,260</u>
Departmental operating income	\$ 1,322,407	\$ 372,797	\$ 953,464	\$ 367,439	\$ 100,105	\$ 3,116,212
Interest income	82,002	173,377	6,591	6,426	(129,279)	139,117
Other income	183,153	7,904	71,583	12,213	(127,872)	146,981
Other gains and losses	(38,560)	(8,485)	13,150	3,473	5,232	(25,190)
Financial costs	<u>(352,167)</u>	<u>(38,613)</u>	<u>(28,055)</u>	<u>(52,116)</u>	<u>130,630</u>	<u>(340,321)</u>
Segment profit before tax	1,196,835	506,980	1,016,733	337,435	(21,184)	3,036,799
Income tax expense	<u>(398,429)</u>	<u>(122,406)</u>	<u>(266,501)</u>	<u>(63,372)</u>	<u>(91)</u>	<u>(850,799)</u>
Segment profit after tax	<u>\$ 798,406</u>	<u>\$ 384,574</u>	<u>\$ 750,232</u>	<u>\$ 274,063</u>	<u>(\$ 21,275)</u>	<u>2,186,000</u>
Share of profit or loss of associates under the equity method						<u>414,765</u>
Consolidated net profit						<u>\$ 2,600,765</u>
<u>December 31, 2025</u>						
Identifiable assets	<u>\$22,582,438</u>	<u>\$11,401,887</u>	<u>\$ 8,101,363</u>	<u>\$ 8,170,126</u>	<u>(\$ 2,140,120)</u>	\$48,115,694
Goodwill						624,188
Investment accounted for using the equity method						<u>8,139,244</u>
Total assets						<u>\$56,879,126</u>

2024	The Company	Raycong	Shanghai Yi Kang	Others	Adjustment and Elimination	Total
Revenue from External Customers	\$45,042,936	\$14,526,354	\$14,877,806	\$ 5,583,818	\$ -	\$80,030,914
Inter-segment revenue	<u>1,775,123</u>	<u>80,209</u>	<u>393,535</u>	<u>187,249</u>	(<u>2,436,116</u>)	-
Segment revenue	<u>\$46,818,059</u>	<u>\$14,606,563</u>	<u>\$15,271,341</u>	<u>\$ 5,771,067</u>	(<u>\$ 2,436,116</u>)	<u>\$80,030,914</u>
Departmental operating income	\$ 947,019	\$ 360,141	\$ 966,752	\$ 262,999	\$ 129,313	\$ 2,666,224
Interest income	53,181	189,402	10,837	10,053	(122,984)	140,489
Other income	240,200	5,411	68,866	8,703	(152,905)	170,275
Other gains and losses	21,427	(16,246)	9,743	23,840	759	39,523
Financial costs	(<u>426,615</u>)	(<u>54,179</u>)	(<u>43,263</u>)	(<u>46,107</u>)	<u>124,529</u>	(<u>445,635</u>)
Segment profit before tax	835,212	484,529	1,012,935	259,488	(21,288)	2,570,876
Income tax expense	(<u>314,912</u>)	(<u>152,684</u>)	(<u>262,251</u>)	(<u>40,467</u>)	<u>36,095</u>	(<u>734,219</u>)
Segment profit after tax	<u>\$ 520,300</u>	<u>\$ 331,845</u>	<u>\$ 750,684</u>	<u>\$ 219,021</u>	<u>\$ 14,807</u>	<u>1,836,657</u>
Share of profit or loss of associates under the equity method						<u>703,194</u>
Consolidated net profit						<u>\$ 2,539,851</u>
December 31, 2024						
Identifiable assets	<u>\$21,145,653</u>	<u>\$12,537,311</u>	<u>\$ 8,698,843</u>	<u>\$ 6,862,633</u>	(<u>\$ 4,940,480</u>)	\$44,303,960
Goodwill						178,443
Investment accounted for using the equity method						<u>7,893,447</u>
Total assets						<u>\$52,375,850</u>

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

b. Revenue from main products and services

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

	2025	2024
Information and Communication		
Technology	\$ 20,625,630	\$ 22,465,456
Flat-panel displays	18,550,776	22,943,534
Semiconductors	24,446,410	21,085,450
PCB/motherboard industry	9,589,085	8,021,939
Green energy	915,298	931,996
Others	<u>4,062,061</u>	<u>4,582,539</u>
	<u>\$ 78,189,260</u>	<u>\$ 80,030,914</u>

c. Regional Information

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

	Revenue from External Customers		Non-current Assets	
			2025	2024
	2025	2024	December 31	December 31
Taiwan	\$ 24,015,181	\$ 21,137,815	\$ 7,724,994	\$ 6,233,194
China	37,137,111	39,543,347	391,191	440,689
Others	<u>17,036,968</u>	<u>19,349,752</u>	<u>335,983</u>	<u>404,905</u>
	<u>\$ 78,189,260</u>	<u>\$ 80,030,914</u>	<u>\$ 8,452,168</u>	<u>\$ 7,078,788</u>

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

d. Information on important customer

Revenue from a single customer accounting for 10% or more of the Company's consolidated net operating revenue is as follows:

Customer	2025		2024	
	Amount	Operating revenue Net Amount (%)	Amount	Percentage of sales Net Amount (%)
Company A	<u>\$ 7,891,540</u>	<u>10</u>	<u>\$ 6,360,010</u>	<u>8</u>

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Lending Funds to Other Parties

January 1 to December 31, 2025

TABLE 1

Unit: In Thousands of New Taiwan Dollars

No.	Financing Company	Counterparty	Current Account	Related Party	Maximum Balance for the Current Year	Balance at End of the Year (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	Shanghai Meditek	Other receivables - related parties	Yes	\$ 134,874	\$ 134,874	\$ 90,051	4.27	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,412,015	\$ 1,412,015	Note 2
1	Shanghai Yi Kang	Fenghuang Xingwah Shouzheng	Other receivables - related parties	Yes	43,447	42,710	36,416	4.61	Short-term financing	-	Operating capital	-	-	-	1,412,015	1,412,015	Note 2
2	Shenzhen Huaying	Xiamen Huashengda	Other receivables - related parties	Yes	9,147	8,992	8,947	4.00	Short-term financing	-	Operating capital	-	-	-	28,448	28,448	Note 2
3	Dong Guan Hua Gang	Guangzhou Xingxian	Other receivables - related parties	Yes	35,966	35,966	30,122	4.00	Short-term financing	-	Operating capital	-	-	-	779,258	779,258	Note 2
3	Dong Guan Hua Gang	Anhua Huixinkang	Other receivables - related parties	Yes	22,867	22,479	12,813	4.00	Short-term financing	-	Operating capital	-	-	-	779,258	779,258	Note 2
3	Dong Guan Hua Gang	The Company	Other receivables - related parties	Yes	686,010	-	-	-	Short-term financing	-	Operating capital	-	-	-	779,258	779,258	Note 2
4	Wah Lee Holding Ltd.	The Company	Other receivables - related parties	Yes	763,715	691,460	691,460	-	Short-term financing	-	Operating capital	-	-	-	1,877,573	1,877,573	Note 2
5	Raycong H.K.	RC Vietnam	Other receivables - related parties	Yes	16,603	-	-	-	Short-term financing	-	Operating capital	-	-	-	4,031,057	4,031,057	Note 3
5	Raycong H.K.	Dong Guan Hua Gang	Other receivables - related parties	Yes	404,622	404,622	-	2.08	Short-term financing	-	Operating capital	-	-	-	4,031,057	4,031,057	Note 3
5	Raycong H.K.	The Company	Other receivables - related parties	Yes	4,396,000	1,571,500	942,900	3.89	Short-term financing	-	Operating capital	-	-	-	4,031,057	4,031,057	Note 3
6	Eternal New Energy Co., Ltd.	KSA Corp.	Other receivables - related parties	Yes	394,931	394,931	394,931	2.92-3.04	Short-term financing	-	Operating capital	-	-	-	111,833	111,833	Note 3

Note 1: RMB is converted by the spot exchange RMB1=NT\$4.4958; HKD is converted by the spot exchange HKD1=NT\$4.038; USD is converted by the spot exchange USD1=NT\$31.43.

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.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Endorsements and Guarantees
January 1 to December 31, 2025

TABLE 2

Unit: In Thousands of New Taiwan Dollars

No.	Endorsement/ Guarantee Provider	Endorsee/ Guarantee		Limit on Endorsement/ Guarantee Given on Benefit of Each Party (Notes 1-6)	Maximum Amount Endorsed/ Guaranteed for the Current Year	Outstanding Endorsement/ Guarantee at the End of the Year (Note 7)	Amount utilized (Note 7)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount (Notes 1-6)	Guarantee Provided by Parent Company to Subsidiary	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China	Remarks
		Company Name	Relationship											
0	The Company	WL Vietnam.	Subsidiary of the Company	\$ 7,163,271	\$ 649,836	\$ 279,727	\$ 35,127	\$ -	1.17	\$ 23,877,572	Y	N	N	
0	The Company	Regent King	Subsidiary of the Company	7,163,271	33,205	31,430	-	-	0.13	23,877,572	Y	N	N	
0	The Company	WL India	Subsidiary of the Company	4,775,514	84,966	34,877	-	-	0.15	23,877,572	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	4,775,514	66,410	31,430	-	-	0.13	23,877,572	Y	N	N	
0	The Company	Sakuragawa Solar Godogaisha	Subsidiary of the Company	4,775,514	65,161	58,360	-	-	0.24	23,877,572	Y	N	N	
0	The Company	Miyazaki Solar Godogaisha	Subsidiary of the Company	4,775,514	193,834	173,604	105,856	-	0.73	23,877,572	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yi Kang, and Dong Guan Hua Gang	Subsidiary of the Company	4,775,514	150,000	150,000	58,687	-	0.63	23,877,572	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	4,775,514	150,351	94,290	-	-	0.39	23,877,572	Y	N	N	
0	The Company	Hightech	Subsidiary of the Company	4,775,514	676,060	345,730	22,787	-	1.45	23,877,572	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	4,775,514	467,000	467,000	174,362	-	1.96	23,877,572	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	4,775,514	945,216	817,180	518,167	-	3.42	23,877,572	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	4,775,514	92,249	92,249	67,055	-	0.39	23,877,572	N	N	N	
1	Shanghai Yi Kang	Shanghai Meditek	Subsidiary of the Company	941,343	192,083	188,824	14,713	-	4.01	2,353,359	Y	N	Y	
2	KS Corp.	BL Anakie Solar	Shareholder of an investee provides endorsements/ guarantees to the company in proportion to the shareholding percentage	176,094	58,813	58,813	-	-	7.69	352,188	N	N	N	
2	KS Corp.	KSA Corp.	Affiliated company	176,094	6,902	6,902	2,893	-	0.90	352,188	N	N	N	
3	Dong Guan Hua Gang	Guangzhou Xingxian	Subsidiary of the Company	779,258	96,041	71,933	28,595	-	2.77	1,298,764	Y	N	Y	
4	Raycong H.K.	Dong Guan Hua Gang	Subsidiary of the Company	2,015,528	627,004	314,300	304,550	314,300	3.12	5,038,821	Y	N	Y	
4	Raycong H.K.	RC Vietnam	Subsidiary of the Company	2,015,528	105,567	103,719	18,476	-	1.66	5,038,821	Y	N	N	
4	Raycong H.K.	Xiamen Huashengda	Subsidiary of the Company	2,015,528	33,205	31,430	15,103	-	0.31	5,038,821	Y	N	Y	
5	Cyuan Cheng Logistics.	Tranceed Logistics	Parent company of the Company	55,000	52,500	52,500	-	-	99.25	55,000	N	Y	N	
6	KSA Corp.	Eternal New Energy Co., Ltd.	Parent company of the Company	187,778	4,000,000	4,000,000	564,575	61,300	6390.52	187,778	N	Y	N	
6	KSA Corp.	Hengyuan Renewable Energy Co., Ltd.	Affiliated Company	187,778	4,000,000	4,000,000	-	-	6390.52	187,778	N	N	N	
7	WH Energy	Eternal New Energy Co., Ltd.	Parent company of the Company	282,638	4,000,000	4,000,000	564,575	90,000	4245.71	282,638	N	Y	N	
7	WH Energy	Hengyuan Renewable Energy Co., Ltd.	Affiliated Company	282,638	4,000,000	4,000,000	-	-	4275.71	282,638	N	N	N	
8	Hengsheng Energy	Eternal New Energy Co., Ltd.	Parent company of the Company	5,066	4,000,000	4,000,000	564,575	35,000	236867.90	5,066	N	Y	N	
9	Eternal New Energy Co., Ltd.	Hengyuan Renewable Energy Co., Ltd.	Subsidiary of the Company	838,748	4,000,000	4,000,000	-	186,300	1430.70	838,748	Y	N	N	
10	Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd.	Subsidiary of the Company	837,972	299,500	299,500	299,500	299,500	107.22	837,972	Y	N	N	

(Continued)

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- Note 1: The limit of the Company's guarantee to a single party is 20% of the Company's net equity. However, if the guaranteed party is a subsidiary of the Company that directly or indirectly holds 100% of the voting shares, the limit of the guarantee to a single party is 30% of the Company's net equity. The maximum limit of the Company's external endorsement guarantee is 100% of the Company's net equity. The maximum limit for the Company's endorsements and guarantees to external parties is 100% of the Company's net equity.
- 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 Dongguan Hua Gang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Dongguan Hua Gang.
- Note 4: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Raycong H.K.. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Raycong H.K..
- Note 5: The endorsement and guarantee amount provided by Kingstone Energy Technology Corporation, not related to undertaking projects, shall not exceed 50% of the paid-in capital for a single enterprise. The total amount of endorsement and guarantee shall not exceed 100% of the paid-in capital.
- Note 6: The credit limit for Cyuan Cheng Logistic Co., Ltd, both for a single enterprise and for external guarantees is equal to its paid-in capital multiplied by 100%.
- Note 7: The guarantee limits for Perpetual New Energy Co., Ltd., Eternal New Energy Co., Ltd., KSA Corp., Wah Heng Energy Technology Corp. and Hengsheng Energy, both for a single enterprise and for guarantees to external parties are 100% of their paid-in capital.
- Note 8: USD was converted by spot exchange of USD\$1=NT\$31.43; JPY was converted by spot exchange of JPY\$1=NT\$0.2008; RMB was converted by spot exchange of RMB\$1=NT\$4.4958; THB was converted by spot exchange of THB\$1=NT\$1.0019; and HKD was converted by spot exchange of HKD\$1=NT\$4.0380.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES
Material Marketable Securities Held at the End of the Period
December 31, 2025

TABLE 3

Unit: In Thousands of New Taiwan Dollars

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Year				Remarks
				Number of Shares/Units	Carrying Value	% (%)	Fair Value	
The Company	Stock							
	Chang Wah Technology Co. Ltd.	Associate's subsidiary	Financial assets at FVTOCI - current	5,000,000	\$223,500	0.53	\$223,500	
	Forcera Materials Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,354,773	113,265	7.57	113,265	
	Asahi Kasei Wah Lee Hi-Tech Corp.	The Company is the director of the company	Financial assets at FVTOCI - non-current	9,497	195,035	19.38	195,035	
	Locus Cell Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,000,000	143,000	2.50	143,000	

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

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

January 1 to December 31, 2025

TABLE 4

Unit: In Thousands of New Taiwan Dollars

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	
The Company	Shanghai Yi Kang	Subsidiary	Sales	\$ 545,566	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	\$ 226,258	1	Note
	Raycong H.K.	Subsidiary	Sales	291,914	-	30 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	33,450	-	Note
	Dong Guan Hua Gang	Subsidiary	Sales	288,068	-	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	33,316	-	Note
	Hightech	Subsidiary	Sales	142,074	-	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	17,777	-	Note
	WT Industrial	Subsidiary	Sales	124,093	--	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	25,868	-	Note
	WL Singapore	Subsidiary	Sales	163,020	-	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	24,771	-	Note
	CWE Inc.	Associate accounted for using the equity method	Sales	372,332	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	117,134	1	
	Asahi Kasei Wah Lee Hi-Tech Corp.	A corporate director of the Company	Purchase of goods	(1,410,241)	(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	(389,228)	(4)	
	Nagase Wahlee Plastics Corp.	Associate accounted for using the equity method	Purchase of goods	(233,471)	-	60 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(15,643)	-	
Raycong H.K.	Dong Guan Hua Gang	Subsidiary	Sales	556,387	1	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	129,869	1	Note
Dong Guan Hua Gang	Raycong H.K.	Parent company	Sales	471,781	1	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	215,622	-	Note
Dong Guan Hua Gang	Shanghai Chang Hua	Associate accounted for using the equity method	Purchase of goods	(101,667)	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(33,479)	-	-

Note: It was eliminated on consolidation.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES
Receivables from Related Parties Amounting to At Least NT\$100 Million or 20% of the Paid-in Capital
December 31, 2025

TABLE 5

Unit: In Thousands of New Taiwan Dollars

Company Name of Accounts Receivable	Transaction Party	Relationship	Ending Balance (Notes 1 and 2)	Turnover Rate (times)	Overdue Receivable from Related Party		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Shanghai Yi Kang	Subsidiary	\$255,927	4.04	\$ -	-	\$ 58,711	\$ -
	CWE Inc.	Associate accounted for using the equity method	257,645	1.32	-	-	210,773	-
Dong Guan Hua Gang	Raycong H.K.	Parent company	216,719	4.30	-	-	67,233	-
Raycong H.K.	The Company	Parent company	949,750	-	-	-	1,148	-
	Dong Guan Hua Gang	Subsidiary	129,869	4.47	-	-	116,937	-
Wah Lee Holding Ltd.	The Company	Parent company	691,460	-	-	-	-	-
Eternal New Energy Co., Ltd.	KSA Corp.	Subsidiary	402,499	-	-	-	402,499	-

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

Note 2: Receivables from subsidiary were eliminated on consolidation.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Information on Investees

January 1 to December 31, 2025

TABLE 6

Unit: In Thousands of New Taiwan Dollars

Investee Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying Amount (Note 2)	Net Income Loss of the Investee	Investment Gain (Loss) Recognized for This Year (Notes 1 and 2)	Remarks
				End of the Current Year	End of the Previous Year						
The Company	Wah Lee Holding Ltd.	BVI	International investments	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 6,319,152	\$ 505,804	\$ 505,761	Subsidiary
The Company	Raycong H.K.	Hong Kong	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	304,113	304,113	56,000,000	53.69	5,482,568	908,675	487,846	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	28.10	5,114,051	716,090	200,997	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	738,341	186,534	74,614	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	1,224,953	217,714	59,076	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	57,119	(39,806)	(13,932)	Associate
The Company	WL Japan	Japan	Import and export business of synthetic resins, industrial plastics, mold machinery and equipment, and electronic machine parts	21,490	21,490	2,300	88.46	3,419	(57)	(48)	Subsidiary
The Company	WL Korea	South Korea	Import and export business of synthetic resins, industrial plastics, mold machinery and equipment, and electronic machine parts	18,856	18,856	147,000	100.00	2,959	(105)	(105)	Subsidiary
The Company	Sakuragawa Solar Godogaisha	Japan	Solar power generation business	46,008	46,008	-	99.99	89,512	4,081	4,081	Subsidiary
The Company	Miyazaki Solar Godogaisha	Japan	Solar power generation business	82,103	82,103	-	99.99	42,325	2,994	2,994	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial materials	48,261	48,261	1,610,000	70.00	25,323	27	19	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial materials	16,293	16,293	-	100.00	47,890	5,257	5,257	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	247,294	68,756	43,545	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial materials	200,000	200,000	7,650	51.00	236,988	105,845	53,981	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	794,628	794,628	35,067,582	99.57	905,173	16,748	11,870	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial materials	7,755	7,755	127,495	99.99	4,859	(258)	(258)	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial materials	7,747	7,747	126,997	99.99	17,436	3,320	3,320	Subsidiary
The Company	ORC Corp.	Taiwan	Trading business and service of exposure machine and parts	4,000	4,000	400,000	40.00	85,452	54,868	21,947	Joint Venture
The Company	Evergreen New Energy Corp.	Taiwan	Solar power generation business	130,000	130,000	13,000,000	100.00	114,084	(3,350)	(3,350)	Subsidiary
The Company	Hightech	Malaysia	Trading business of industrial materials	205,335	205,335	7,650,000	51.00	240,864	44,373	16,779	Subsidiary
The Company	WL Singapore	Singapore	Agency of semiconductor materials and equipment	435,145	435,145	1,600,000	100.00	589,335	55,533	55,533	Subsidiary
The Company	Perpetual New Energy Co., Ltd.	Taiwan	Renewable energy investments	289,440	48,000	30,000,000	100.00	279,324	(5,748)	(9,022)	Subsidiary
The Company	WL India	India	Trading business of industrial materials	14,575	14,575	3,861,000	99.00	6,352	(2,668)	(2,661)	Subsidiary
The Company	Advance Hightech	United States	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	92,430	38,628	3,000,000	100.00	53,390	(16,951)	(16,951)	Subsidiary
The Company	High Tech Gas	Taiwan	Manufacturing chemical materials	90,000	90,000	9,000,000	60.00	81,924	(11,733)	(7,040)	Subsidiary
The Company	Innovation Service Co., Ltd.	Taiwan	Leasing business	55,000	35,000	5,500,000	68.75	51,275	1,652	1,064	Subsidiary
The Company	Jing De Gases Co., Ltd.	Taiwan	Manufacture of specialty mixed gases	561,000	-	6,936,000	51.00	561,000	60,713	-	Subsidiary
Tranceed Logistics	Cyuan Cheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	52,984	7,989	7,924	Subsidiary
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	51,130	51,130	5,113,000	100.00	51,846	263	263	Subsidiary

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Investee Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying Amount (Note 2)	Net Income Loss of the Investee	Investment Gain (Loss) Recognized for This Year (Notes 1 and 2)	Remarks
				End of the Current Year	End of the Previous Year						
Kingstone Energy Technology Corporation	KSC Corp.	Taiwan	Solar power generation business	34,000	54,000	3,400,000	100.00	2,563	-	-	Subsidiary
Kingstone Energy Technology Corporation	BL Anakie Solar	Australia	Solar power generation business	20,069	-	1,031,800	30.80	21,386	(910)	(280)	Associate
Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd.	Taiwan	Renewable energy investments	279,583	-	29,950,000	100.00	279,583	(6,023)	(6,023)	Subsidiary
Eternal New Energy Co., Ltd.	KSA Corp.	Taiwan	Solar power generation business	226,677	-	6,130,000	100.00	226,677	(2,564)	(4,157)	Subsidiary
Eternal New Energy Co., Ltd.	Wah Heng Energy Technology Corp.	Taiwan	Solar power generation business	115,159	-	9,000,000	100.00	115,159	247	(51)	Subsidiary
Eternal New Energy Co., Ltd.	Hengyuan Renewable Energy Co., Ltd.	Taiwan	Solar power generation business	1,689	-	100,000	100.00	1,689	56	56	Subsidiary
Evergreen New Energy Corp.	Fanxin	Taiwan	Solar power generation business	38,325	44,825	3,850,000	100.00	38,150	298	298	Subsidiary
Evergreen New Energy Corp.	Fansheng	Taiwan	Solar power generation business	31,812	31,812	3,200,000	100.00	31,643	223	223	Subsidiary
Evergreen New Energy Corp.	Evergreen New Power Corp.	Taiwan	Operating energy technology services business	5,000	-	500,000	100.00	5,004	4	4	Subsidiary
Wah Lee Holding Ltd.	SHC Holding Ltd.	Republic of Mauritius	International investments	43,892	43,892	1,290,000	100.00	770,069	72,380	72,380	Subsidiary
Wah Lee Holding Ltd.	Raycong H.K.	Hong Kong	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	943,164	943,164	48,296,655	46.31	4,666,654	908,675	420,780	Subsidiary
Wah Lee Holding Ltd.	Regent King	Hong Kong	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	39	39	10,000	100.00	4,996	348	348	Subsidiary
Raycong H.K.	RC Vietnam	Vietnam	Trading business of industrial materials	6,141	6,141	1,358	100.00	(5,916)	(6,920)	(6,920)	Subsidiary
WT Industrial	WT Indonesia	Indonesia	Trading business of industrial materials	3,953	3,953	18,150	66.00	2,127	(793)	(523)	Subsidiary
WT Industrial	WL India	India	Trading business of industrial materials	147	147	39,000	1.00	64	(2,688)	(27)	Subsidiary
WT Industrial	Born Tech	Thailand	Trading business of industrial materials	928	928	9,800	49.00	10,933	16,161	7,919	Associate

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

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

Note 3: Please refer to Table 7 for the information on investees in Mainland China.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES
Information on Investments in Mainland China
January 1 to December 31, 2025

TABLE 7

Unit: In Thousands of New Taiwan Dollars

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) Recognized for This Year (Note 1)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2024	Remarks
					Outward	Inward							
Dong Guan Hua Gang	Trading business of industrial materials	\$ 1,171,839	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	\$ 114,805	100	\$ 114,805	\$ 2,591,956	\$ 425,949	
Shanghai Yi Kang	Purchase and trading of industrial materials	1,021,181	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	750,643	70	525,450	3,314,294	351,565	
Shenzhen Huaying	Supply chain management and consulting services	24,824	Invested through the third region, Raycong H.K.	-	-	-	-	(353)	100	(353)	94,828	42,174	
Shanghai Hua Chang Trading Co., Ltd.	International trading and trading consulting; trading agent and commercial simple processing within enterprises in the bonded area	75,432	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	242,440	30	72,732	764,508	180,863	
Shanghai Meditek	Import and export of goods and technology	13,487	Invested through Chinese corporation, Shanghai Yi Kang	-	-	-	-	(31,210)	70	(17,405)	(28,536)	-	
Shanghai Crown	Trading business of medical devices and equipment	14,971	Invested through Chinese corporation, Shanghai Yi Kang	-	-	-	-	(268)	70	(137)	(5,503)	-	
Fenghuang Xingwah Shouzheng	Engaging in medical device manufacturing technology development and consulting business	22,479	Invested through Chinese corporation, Shanghai Yi Kang	-	-	-	-	(4,390)	49	(2,151)	(2,089)	-	
Guangzhou Xingxian	Medical consulting	22,479	Invested through Chinese corporation, Dong Guan Hua Gang	-	-	-	-	(24,635)	100	(24,635)	8,808	-	
Anhua Huixinkang	Medical service	40,462	Invested through the third region Raycong H.K. and through Mainland Chinese corporation, Dongguan Hua Gang	-	-	-	-	(10,228)	100	(10,228)	20,498	-	
Xiamen Huashengda	Warehousing and logistics	13,487	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	2,379	70	1,665	2,429	-	
Xiamen JianYuan Rung Logistic Co., Ltd.	Warehousing and logistics	35,966	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(1,800)	30	(540)	10,208	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehousing and logistics	8,992	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(323)	30	(97)	2,909	-	
WahYi Shanghai	Trading business of engineering plastic raw materials, industrial materials, and chemical products	6,744	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(319)	100	(319)	6,419	-	
Shanghai Guojia Co., Ltd.	Road transportation of general goods and hazardous goods, and international transportation agency services	101,156	Invested through Chinese corporation, Shanghai Yi Kang	-	-	-	-	43,702	14	(7,325)	109,384	-	

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Investee company name	Accumulated Outward Remittance for Investment in Mainland China at the end of the year (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Wah Lee Holding Ltd.	\$ 384,343	\$ 2,508,314	\$ -

Note 1: The disclosure of investment gains and losses the current year is based on the following:

1. Dongguan 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 \$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\$1,366,471 thousand (USD8,881 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 \$42,644 thousand and the invested amount of \$154,795 thousand which had already been liquidated but not yet revoked.

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

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

January 1 to December 31, 2025

TABLE 8

Unit: In Thousands of New Taiwan Dollars

Buyer/Seller	Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Remarks
			Amount	Percentage (%)		Payment Terms	Comparison with Normal Transactions	Amount	Percentage (%)		
The Company	Shanghai Yi Kang	Sales	\$ 545,566	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	\$ 226,258	1	\$ 4,315	Note
	Dong Guan Hua Gang	Sales	288,068	-	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	33,316	-	792	Note
Raycong H.K.	Dong Guan Hua Gang	Sales	556,387	1	Normal trade terms	30 to 180 days after monthly closing	The terms with related parties are not significantly different from those to third parties	129,869	1	-	Note
	Dong Guan Hua Gang	Purchase of goods	(471,781)	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	(215,622)	(1)	-	Note

Note: It was eliminated on consolidation.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES
Intercompany Relationships and Significant Intercompany Transactions
January 1 to December 31, 2025

TABLE 9

Unit: In Thousands of New Taiwan Dollars

No.	Trader	Counterparty	Relationship	Transaction Details			% of Total Sales or Assets
				Items	Amount	Transaction Details	
0	The Company	Shanghai Yi Kang	Parent to subsidiary	Operating revenue	\$ 545,566	According to the contract	1
0	The Company	Shanghai Yi Kang	Parent to subsidiary	Net accounts receivable	226,258	According to the contract	-
0	The Company	Shanghai Yi Kang	Parent to subsidiary	Other income	30,113	According to the contract	-
0	The Company	Shanghai Yi Kang	Parent to subsidiary	Other receivables	29,669	According to the contract	-
0	The Company	Dong Guan Hua Gang	Parent to subsidiary	Operating revenue	288,068	According to the contract	-
0	The Company	Dong Guan Hua Gang	Parent to subsidiary	Net accounts receivable	33,316	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Operating revenue	291,914	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Net accounts receivable	33,450	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other income	46,491	According to the contract	-
0	The Company	Raycong H.K.	Parent to subsidiary	Other receivables	41,137	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	25,780	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Operating revenue	124,093	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Net accounts receivable	25,868	According to the contract	-
0	The Company	WT Industrial	Parent to subsidiary	Other receivables	10,654	According to the contract	-
0	The Company	WL Philippines Inc	Parent to subsidiary	Operating revenue	35,811	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Operating revenue	66,392	According to the contract	-
0	The Company	WL Vietnam	Parent to subsidiary	Net accounts receivable	13,304	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Operating revenue	163,020	According to the contract	-
0	The Company	WL Singapore	Parent to subsidiary	Net accounts receivable	24,771	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Operating revenue	142,074	According to the contract	-
0	The Company	Hightech	Parent to subsidiary	Net accounts receivable	17,777	According to the contract	-
0	The Company	KSA Corp.	Parent to subsidiary	Contract liabilities	20,282	According to the contract	-
0	The Company	Advance Hightech	Parent to subsidiary	Operating revenue	28,727	According to the contract	-
1	Shanghai Yi Kang	The Company	Subsidiary to parent	Operating revenue	14,707	According to the contract	-
1	Shanghai Yi Kang	The Company	Subsidiary to parent	Other operating revenues	300,082	According to the contract	-
1	Shanghai Yi Kang	The Company	Subsidiary to parent	Net accounts receivable	98,829	According to the contract	-
1	Shanghai Yi Kang	Dong Guan Hua Gang	Subsidiary to subsidiary	Operating revenue	69,330	According to the contract	-
1	Shanghai Yi Kang	Shanghai Meditek	Subsidiary to parent	Other receivables	92,835	According to the contract	-
1	Shanghai Yi Kang	Fenghuang Xingwah Shouzheng	Parent to subsidiary	Other receivables	36,857	According to the contract	-
1	Shanghai Yi Kang	Guangzhou Xingxian	Subsidiary to subsidiary	Operating revenue	10,807	According to the contract	-

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No.	Trader	Counterparty	Relationship	Transaction Details			% of Total Sales or Assets
				Items	Amount	Transaction Details	
2	Dong Guan Hua Gang	The Company	Subsidiary to parent	Interest income	\$ 16,255	According to the contract	-
2	Dong Guan Hua Gang	The Company	Subsidiary to parent	Operating revenue	13,059	According to the contract	-
2	Dong Guan Hua Gang	Shanghai Yi Kang	Subsidiary to subsidiary	Operating revenue	19,831	According to the contract	-
2	Dong Guan Hua Gang	Raycong H.K.	Subsidiary to subsidiary	Operating revenue	471,781	According to the contract	1
2	Dong Guan Hua Gang	Raycong H.K.	Subsidiary to subsidiary	Net accounts receivable	215,622	According to the contract	-
2	Dong Guan Hua Gang	Guangzhou Xingxian	Parent to subsidiary	Other receivables	31,193	According to the contract	-
2	Dong Guan Hua Gang	Anhua Huixinkang	Parent to subsidiary	Other receivables	13,135	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to parent	Interest income	112,979	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to parent	Operating revenue	10,876	According to the contract	-
3	Raycong H.K.	The Company	Subsidiary to parent	Other receivables	948,603	According to the contract	2
3	Raycong H.K.	Dong Guan Hua Gang	Parent to subsidiary	Operating revenue	556,387	According to the contract	1
3	Raycong H.K.	Dong Guan Hua Gang	Parent to subsidiary	Net accounts receivable	129,869	According to the contract	-
4	Shenzhen Huaying	Shanghai Yi Kang	Subsidiary to subsidiary	Other operating revenues	11,940	According to the contract	-
4	Shenzhen Huaying	Dong Guan Hua Gang	Subsidiary to subsidiary	Other operating revenues	21,526	According to the contract	-
5	WL Singapore	The Company	Parent to subsidiary	Operating revenue	40,289	According to the contract	-
5	WL Singapore	The Company	Parent to subsidiary	Net accounts receivable	11,636	According to the contract	-
6	Wah Lee Holding Ltd.	The Company	Subsidiary to parent	Other receivables	691,460	According to the contract	1
7	Tranceed Logistics	The Company	Subsidiary to parent	Other operating revenues	149,576	According to the contract	-
7	Tranceed Logistics	The Company	Subsidiary to parent	Net accounts receivable	13,818	According to the contract	-
7	Tranceed Logistics	Cyuan Cheng Logistic Co., Ltd.	Parent to subsidiary	Other operating revenues	15,983	According to the contract	-
8	Cyuan Cheng Logistic	Tranceed Logistics Co., Ltd.	Subsidiary to parent	Other operating revenues	10,464	According to the contract	-
9	Eternal New Energy Co., Ltd.	KSA Corp.	Parent to subsidiary	Other receivables	402,499	According to the contract	1