

## Wah Lee Industrial Corporation

Parent Company Only Financial Statements for the Years  
Ended December 31, 2024 and 2023 and Independent  
Auditors' Report

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## INDEPENDENT AUDITORS' REPORT

Wah Lee Industrial Corporation:

### Opinion

We have audited the accompanying parent only financial statements of Wah Lee Industrial Corporation (collectively referred to as the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “parent company only financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Wah Lee for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company’s parent company only financial statements for the year ended December 31, 2024 is described as follows:

#### Occurrence of revenue from specific customers

The operating revenue from specific customers of the Company for the year ended December 31, 2024 showed significant growth over the past year. In addition, based on the Standards on Auditing of the

Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

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

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

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

#### **Other Matters**

The financial statements of some investees accounted for using the equity method in the Company's parent company only financial statements for the years ended December 31, 2024 and 2023 were audited by other independent auditors; accordingly, our opinion insofar as it relates to the amounts and information disclosed, is based solely on the reports of other independent auditors. The carrying values of the investments accounted for using the equity method as of December 31, 2024 and 2023 were NT\$726,265 thousand and NT\$686,672 thousand, respectively, both representing 2% of total parent company only assets; the amounts of the share of profit of associates for the years ended December 31, 2024 and 2023 were NT\$67,319 thousand and NT\$57,386 thousand, representing 3% and 2% of parent company only profit before income tax, respectively.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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

Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only 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 Company to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu-Yen Wu

CPA Jui-Hsuan Hsu

Document No. approved by Securities and  
Futures Commission

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

Document No. approved by Financial Supervisory  
Commission

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

March 12, 2025

Notices to Readers

*The accompanying financial statements are intended only to present the 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 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 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 financial statements shall prevail.*

**WAH LEE INDUSTRIAL CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**Unit: In Thousands of New Taiwan Dollars**

Code	ASSETS	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 2,207,121	5	\$ 1,703,009	5
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	167,000	-	167,000	-
1150	Notes receivable (Notes 4 and 9)	88,649	-	103,355	-
1170	Accounts receivable, net (Notes 4, 5, and 9)	9,346,344	22	7,751,764	21
1180	Accounts receivable - related parties (Notes 4, 5, 9, and 27)	413,061	1	380,031	1
1200	Other receivables	41,048	-	34,688	-
1210	Other receivables - related parties (Note 27)	282,321	1	200,076	1
130X	Merchandise (Notes 4, 5, and 10)	2,743,531	7	2,322,315	6
1421	Prepayments for purchases	1,492,529	4	1,440,421	4
1470	Other current assets	52,446	-	34,796	-
11XX	Total current assets	<u>16,834,050</u>	<u>40</u>	<u>14,137,455</u>	<u>38</u>
	<b>NON-CURRENT ASSETS</b>				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	12,947	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	654,354	2	808,840	2
1550	Investments accounted for using the equity method (Notes 4, 11 and 27)	21,189,142	50	18,952,956	51
1600	Property, plant and equipment (Notes 14, 12, and 28)	2,868,015	7	2,492,567	7
1755	Right-of-use assets (Note 4 and 13)	58,003	-	60,384	-
1760	Net amount of investment properties (Notes 4, 14, and 28)	436,220	1	440,020	1
1822	Intangible Assets	6,690	-	8,899	-
1840	Deferred tax assets (Notes 4 and 23)	223,211	-	232,741	1
1915	Prepayments for equipment	2,237	-	-	-
1920	Refundable deposits	49,926	-	49,722	-
15XX	Total non-current assets	<u>25,500,745</u>	<u>60</u>	<u>23,046,129</u>	<u>62</u>
1XXX	Total assets	<u>\$ 42,334,795</u>	<u>100</u>	<u>\$ 37,183,584</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>Current Liabilities</b>				
2100	Short-term borrowings (Note 15)	\$ 3,748,741	9	\$ 5,549,045	15
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	19,437	-	-	-
2130	Contract liabilities - current (Notes 21 and 27)	350,614	1	410,836	1
2150	Notes payable (Note 17)	13,022	-	15,355	-
2170	Accounts payable (Note 17)	4,182,468	10	3,751,198	10
2180	Accounts payable - related parties (Notes 17 and 27)	292,179	1	293,452	1
2200	Other payables (Note 18)	788,553	2	786,644	2
2220	Other payables - related parties (Note 27)	4,453,910	10	110,515	-
2230	Current tax liabilities (Note 23)	93,109	-	165,585	1
2280	Lease liabilities - current (Notes 4 and 13)	18,017	-	14,937	-
2321	Current portion of company bonds (Note 16)	-	-	1,996,598	5
2322	Current portion of long-term borrowings (Note 15)	21,558	-	21,194	-
2365	Refund liability - current	365,914	1	359,814	1
2399	Other current liabilities	18,654	-	24,818	-
21XX	Total current liabilities	<u>14,366,176</u>	<u>34</u>	<u>13,499,991</u>	<u>36</u>
	<b>NON-CURRENT LIABILITIES</b>				
2540	Long-term borrowings (Note 15)	3,628,470	9	3,379,791	9
2550	Provisions - non-current (Note 4)	18,230	-	17,200	-
2570	Deferred tax liabilities (Notes 4 and 23)	1,587,241	4	1,421,452	4
2580	Lease liabilities - non-current (Notes 4 and 13)	45,941	-	51,203	-
2640	Net defined benefit liability - non-current (Notes 4 and 19)	147,275	-	235,726	1
2645	Guarantee deposits received	3,655	-	3,203	-
25XX	Total non-current liabilities	<u>5,430,812</u>	<u>13</u>	<u>5,108,575</u>	<u>14</u>
2XXX	Total liabilities	<u>19,796,988</u>	<u>47</u>	<u>18,608,566</u>	<u>50</u>
	<b>EQUITY (Note 20)</b>				
3110	Ordinary share capital	2,594,368	6	2,360,203	6
3140	Share capital collected in advance	-	-	2,190	-
3100	Total share capital	<u>2,594,368</u>	<u>6</u>	<u>2,362,393</u>	<u>6</u>
3200	Capital Surplus	<u>3,905,495</u>	<u>9</u>	<u>2,092,166</u>	<u>6</u>
	Retained Earnings				
3310	Legal reserve	3,179,735	8	2,968,189	8
3320	Special reserve	72,302	-	448,559	1
3351	Undistributed earnings	11,473,192	27	10,066,449	27
3300	Total retained earnings	<u>14,725,229</u>	<u>35</u>	<u>13,483,197</u>	<u>36</u>
3400	Other Equity	<u>1,312,715</u>	<u>3</u>	<u>637,262</u>	<u>2</u>
3XXX	Total equity	<u>22,537,807</u>	<u>53</u>	<u>18,575,018</u>	<u>50</u>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 42,334,795</u>	<u>100</u>	<u>\$ 37,183,584</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

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

Chairman: Tsun-Hsien Chang

Manager: Tsun-Hsien Chang

Chief Accounting Officer: Kuo-Ping Li

# Wah Lee Industrial Corporation

## Parent Company Only Statements of Comprehensive Income

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

Code		2024		2023	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 4, 21 and 27)	\$ 46,818,059	100	\$ 39,227,864	100
5000	OPERATING COSTS (Notes 9, 22 and 27)	<u>43,931,412</u>	<u>94</u>	<u>36,389,618</u>	<u>93</u>
5900	GROSS PROFIT	2,886,647	6	2,838,246	7
5910	UNREALIZED GAINS WITH SUBSIDIARIES	( 7,103 )	-	( 4,896 )	-
5920	REALIZED GAINS WITH SUBSIDIARIES	<u>4,896</u>	<u>-</u>	<u>2,867</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	<u>2,884,440</u>	<u>6</u>	<u>2,836,217</u>	<u>7</u>
	OPERATING EXPENSES (Notes 9, 22, and 27)				
6100	Selling and marketing expenses	1,483,590	3	1,414,709	4
6200	General and administrative expenses	431,222	1	421,560	1
6450	Expected credit loss recognized	<u>22,609</u>	<u>-</u>	<u>7,656</u>	<u>-</u>
6000	Total operating expenses	<u>1,937,421</u>	<u>4</u>	<u>1,843,925</u>	<u>5</u>
6900	OPERATING INCOME	<u>947,019</u>	<u>2</u>	<u>992,292</u>	<u>2</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
7100	Interest income	53,181	-	25,130	-
7010	Other income	240,200	1	207,443	1
7020	Other gains and losses	21,427	-	45,089	-
7050	Financial costs	( 426,615 )	( 1 )	( 367,918 )	( 1 )
7070	Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	<u>1,732,604</u>	<u>4</u>	<u>1,577,145</u>	<u>4</u>
7000	Total	<u>1,620,797</u>	<u>4</u>	<u>1,486,889</u>	<u>4</u>

(Continued)



(Concluded)

Code		2024		2023	
		Amount	%	Amount	%
7900	INCOME BEFORE TAX	\$ 2,567,816	6	\$ 2,479,181	6
7950	INCOME TAX EXPENSES (Notes 4 and 23)	<u>314,912</u>	<u>1</u>	<u>365,464</u>	<u>1</u>
8200	Net income for this year	<u>2,252,904</u>	<u>5</u>	<u>2,113,717</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME (Notes 20 and 23)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	38,142	-	7,660	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	( 150,599 )	-	251,897	-
8330	Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using the equity method	451,926	1	1,096,002	3
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	3,382	-	( 11,627 )	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using the equity method	726,056	1	( 233,620 )	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 120,016 )	-	18,349	-
8300	Other Comprehensive Income for the Year (net of tax)	<u>948,891</u>	<u>2</u>	<u>1,128,661</u>	<u>3</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,201,795</u>	<u>7</u>	<u>\$ 3,242,378</u>	<u>8</u>
	EARNINGS PER SHARE (Note 24)				
9750	Basic	<u>\$ 8.89</u>		<u>\$ 8.96</u>	
9850	Diluted	<u>\$ 8.62</u>		<u>\$ 8.13</u>	

The accompanying notes are an integral part of the parent company only financial statements.  
(Please refer to Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Tsun-Hsien Chang

Manager: Tsun-Hsien Chang

Chief Accounting Officer: Kuo-Ping Li

Wah Lee Industrial Corporation

Parent Company Only Statements of Changes in Equity  
From January 1 to December 31, 2024 and 2023  
Unit: In Thousands of New Taiwan Dollars

		Other equity items									
Code		Share Capital		Capital Surplus	Retained Earnings			Exchange differences on translating the financial statements of foreign operations	Unrealized gain on financial assets at FVTOCI	Total	Total Equity
		Ordinary share capital	Share capital collected in advance		Legal reserve	Special reserve	Undistributed earnings				
A1	Balance at January 1, 2023	\$ 2,360,179	\$ -	\$ 2,036,714	\$ 2,710,197	\$ 184,623	\$ 9,912,630	( \$ 344,057 )	( \$ 104,502 )	( \$ 448,559 )	\$ 16,755,784
	Appropriation and distribution for 2022 earnings										
B1	Legal reserve	-	-	-	257,992	-	( 257,992 )	-	-	-	-
B3	Special reserve	-	-	-	-	263,936	( 263,936 )	-	-	-	-
B5	Cash dividends distributed to the shareholders of the Company	-	-	-	-	-	( 1,439,709 )	-	-	-	( 1,439,709 )
		-	-	-	257,992	263,936	( 1,961,637 )	-	-	-	( 1,439,709 )
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	20,516	-	-	( 41,101 )	-	-	-	( 20,585 )
D1	Net profit for 2023	-	-	-	-	-	2,113,717	-	-	-	2,113,717
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	6,219	( 215,271 )	1,337,713	1,122,442	1,128,661
D5	Total comprehensive income for 2023	-	-	-	-	-	2,119,936	( 215,271 )	1,337,713	1,122,442	3,242,378
I1	Convertible corporate bonds conversion	24	2,190	16,801	-	-	-	-	-	-	19,015
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 11)	-	-	18,135	-	-	-	-	-	-	18,135
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	36,621	-	( 36,621 )	( 36,621 )	-
Z1	Balance at December 31, 2023	2,360,203	2,190	2,092,166	2,968,189	448,559	10,066,449	( 559,328 )	1,196,590	637,262	18,575,018
	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 )
		-	-	-	211,546	( 376,257 )	( 1,119,599 )	-	-	-	( 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
D1	Net profit for 2024	-	-	-	-	-	2,252,904	-	-	-	2,252,904
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	32,153	606,040	310,698	916,738	948,891
D5	Total comprehensive income for 2024	-	-	-	-	-	2,285,057	606,040	310,698	916,738	3,201,795
I1	Convertible corporate bonds conversion	234,165	( 2,190 )	1,769,241	-	-	-	-	-	-	2,001,216
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 11)	-	-	9,167	-	-	-	-	-	-	9,167
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	141,862	-	( 141,862 )	( 141,862 )	-
Z1	Balance at December 31, 2024	\$ 2,594,368	\$ -	\$ 3,905,495	\$ 3,179,735	\$ 72,302	\$ 11,473,192	\$ 46,712	\$ 1,266,003	\$ 1,312,715	\$ 22,537,807

The accompanying notes are an integral part of the parent company only financial statements.

(Please refer to Deloitte & Touche auditors' report dated March 12, 2025)  
Manager: Tsun-Hsien Chang

Chairman: Tsun-Hsien Chang

Chief Accounting Officer: Kuo-Ping Li

**Wah Lee Industrial Corporation**

**Parent Company Only Statements of Cash Flows**

**Unit: In Thousands of New Taiwan Dollars**

Code		2024	2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net Income before tax for the Current Year	\$ 2,567,816	\$ 2,479,181
A20010	Adjustments for		
A20100	Depreciation expenses	86,362	74,517
A20200	Amortization expenses	3,679	3,983
A20300	Expected credit loss recognized	22,609	7,656
A20400	Net loss of financial instruments at FVTPL	19,330	-
A20900	Financial costs	426,615	367,918
A21200	Interest income	( 53,181 )	( 25,130 )
A21300	Dividend income	( 19,588 )	( 13,231 )
A22400	Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	( 1,732,604 )	( 1,577,145 )
A23200	Gain on disposal of subsidiary equity	-	( 13,873 )
A22500	Disposals of property, plant and equipment	( 5,390 )	( 171 )
A23700	Write-down (Gain from price recovery) of inventories	30,257	( 178,526 )
A23900	Unrealized Gains with Subsidiaries	7,103	4,896
A24000	Realized Gains with Subsidiaries	( 4,896 )	( 2,867 )
A24100	Unrealized loss (gain) on foreign currency exchange	207,056	( 59,633 )
A22900	Provisions for reversal losses	-	1,587
A22900	Others	( 20 )	( 30 )
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	14,706	2,651
A31150	Accounts receivable	( 1,615,336 )	( 186,813 )
A31160	Accounts receivable - related parties	( 34,883 )	54,637
A31180	Other receivables	( 3,480 )	( 11,491 )
A31190	Other receivables - related parties	( 50,613 )	( 9,995 )
A31200	Merchandise inventories	( 451,473 )	1,312,183
A31230	Prepayments for purchases	( 52,108 )	( 346,537 )
A31240	Other current assets	( 17,650 )	1,523
A32125	Contract liabilities	( 60,222 )	115,832
A32130	Notes payable	( 2,333 )	( 7,724 )
A32150	Accounts payable	431,270	( 584,078 )
A32160	Accounts payable - related parties	( 1,273 )	( 72,900 )

(Continued)

(Concluded)

Code		2024	2023
A32180	Other payables	( \$ 3,586 )	( \$ 39,598 )
A32190	Other payables - related parties	( 10,388 )	5,607
A32200	Provision	-	( 38,380 )
A32200	Refund liabilities	6,100	65,452
A32230	Other current liabilities	( 6,164 )	6,205
A32240	Net defined benefit liabilities	( 50,309 )	( 7,539 )
A33000	Cash generated from operations	( 352,594 )	1,328,167
A33100	Interest received	52,444	25,081
A33200	Dividends received	825,956	1,227,390
A33300	Interest paid	( 442,353 )	( 342,099 )
A33500	Income tax paid	( 328,703 )	( 399,330 )
AAAA	Net cash generated from (used in) operating activities	( 245,250 )	1,839,209
CASH FLOW FROM INVESTING ACTIVITIES			
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	185
B00030	Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	18,714
B00100	Acquisition of financial assets at FVTPL	( 12,840 )	-
B01800	Acquisition of investments accounted for using the equity method	( 58,739 )	( 24,000 )
B01900	Disposal of investments accounted for using the equity method	-	116,230
B02200	Acquisition of subsidiary	( 30,000 )	( 143,203 )
B02700	Payment for property, plant, and equipment	( 420,862 )	( 176,920 )
B02800	Proceeds from disposal of property, plant, and equipment	20,556	531
B03700	Decrease (increase) in refundable deposit	( 204 )	3,866
B04500	Acquisition of other intangible assets	( 1,470 )	( 1,880 )
BBBB	Net cash used in investing activities	( 503,559 )	( 206,477 )
CASH FLOW FROM FINANCING ACTIVITIES			
C00200	Increase (Decrease) in short-term borrowings	( 1,987,450 )	320,291
C01600	Proceeds from long-term borrowings	269,150	200,000
C01700	Repayment of long-term borrowings	( 21,107 )	( 520,783 )
C03000	Increase in guarantee deposits received	452	230
C03700	Increase in other payables to related parties	4,325,030	-
C04020	Repayment of the principal portion of lease liabilities	( 17,599 )	( 20,694 )
C04500	Distributed cash dividends	( 1,284,310 )	( 1,439,709 )
C05400	Acquisition of subsidiary equity	( 31,236 )	( 182,339 )
C09900	Other fundraising activities	( 9 )	-
CCCC	Net cash generated from (used in) financing activities	1,252,921	( 1,643,004 )

(Continued)

(Concluded)

<u>Code</u>		<u>2024</u>	<u>2023</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 504,112	( \$ 10,272 )
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,703,009</u>	<u>1,713,281</u>
E00200	CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR	<u>\$ 2,207,121</u>	<u>\$ 1,703,009</u>

The accompanying notes are an integral part of the parent company only financial statements.

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

Chairman: Tsun-Hsien Chang

Manager: Tsun-Hsien Chang

Chief Accounting Officer: Kuo-Ping Li

# WAH LEE INDUSTRIAL CORPORATION

## Notes to Parent Company Only Financial Statements

From January 1 to December 31, 2024 and 2023

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

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### 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 parent only company financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. Date and Procedures for Approval of Financial Statements

The parent company only financial statements were approved by the Board of Directors on March 12, 2025.

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

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

The revised IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC is applicable for 2025

New, Amended and Revised Standards and Interpretations	Effective Date announced by IASB
Amendment to IAS 21, "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" related to the application guidance on the classification of financial assets.	January 1, 2026 (Note 2)

Note 1: Applicable for the annual reporting period starting from January 1, 2025. Upon the initial application of the amendment, the comparative period should not be recompiled. Instead, the impact should be recognized in the retained earnings or the foreign currency exchange differences of foreign operations (where appropriate) under equity items on the date of initial application, and the related affected assets and liabilities.

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

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

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

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

Note: The aforementioned newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

#### IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 "Presentation in Financial Statements." The main changes in this standard include:

- The income statement should categorize the revenue and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should report operating profit or loss, pre-financing profit or loss before tax, as well as subtotals and totals of the profit or loss.
- Provide guidance to strengthen aggregation and disaggregation regulations: The Company 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 Company 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 Company engages publicly beyond of the financial statements or communicates with financial statement users regarding management's perspective on a particular aspect of the Company's overall financial performance, it should disclose, in a single note in the financial statements, information related to the performance measures defined by management. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals defined by IFRS Accounting Standards, as well as the impact of related adjustments on income tax and non-controlling interests.

Aside from the aforementioned impacts, as of the date the parent company only financial statements were approved, the Company 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### **b. Basis of Preparation**

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

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

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



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

The Company applies the equity method in the preparation of its parent company only financial statements for investments in subsidiaries, associates, or joint ventures. To ensure that the profit or loss, other comprehensive income, and equity for the current year in the parent company only financial statements are consistent with those attributable to the owners of the parent company in the consolidated financial statements, certain accounting treatment differences between the parent company only and consolidated bases are adjusted. These adjustments involve "investments accounted for using the equity method," "share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method," and "share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method," as well as related equity items.

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. Business combination

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

Goodwill is measured as the excess of the fair value of the consideration transferred and the amount of non-controlling interest in the acquiree over the net amount of identifiable assets acquired and liabilities assumed at the acquisition date. If, after reassessment, the net amount of identifiable assets acquired and liabilities assumed at the acquisition date still exceeds the total of the consideration transferred and the non-controlling interest in

the acquiree, the difference is recognized as a gain recognized in bargain purchase transaction and is immediately recognized in profit or loss.

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

e. Foreign Currency Amount

When preparing the parent company only financial statements, transactions in currencies other than the Company's 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 parent company only financial statements, the assets and liabilities of foreign operations (subsidiaries 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.

f. 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.

g. Investment in subsidiaries

The Company applies the equity method to account for investments in subsidiaries.

A subsidiary refers to an entity that is controlled by the Company.

Under the equity method, investments are initially recognized at cost. The carrying amount is subsequently adjusted based on the Company's share of the subsidiary's profit or loss, other comprehensive income, and dividends received. In addition, changes in other equity of the subsidiary that the Company is entitled to are recognized based on the

ownership percentage.

When changes in the Company's ownership interest in a subsidiary do not result in the loss of control, they are treated as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized in equity.

When the Company loses control over a subsidiary, the gain or loss on disposal is the difference between: (1) the fair value of the consideration received and the total fair value of any remaining investment in the former subsidiary at the loss of control date, and (2) the total carrying value of the former subsidiary's assets (including goodwill), liabilities, and non-controlling interests at the loss of control date.

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

When the Company assesses impairment, it considers the overall financial report, evaluating the cash-generating unit and compares its recoverable amount with its carrying amount. Subsequently, if the recoverable amount of an asset increases, the reversal of the impairment loss will be recognized as a gain. However, the carrying amount of the asset after the reversal of the impairment loss should not exceed the carrying amount of that asset, less amortization, in the absence of recognized impairment losses. The impairment loss attributed to goodwill cannot be reversed in subsequent periods.

The unrealized gains and losses from upstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. The gains and losses from downstream and lateral transactions between the Company and its subsidiaries are only recognized in the parent company only financial statements to the extent that they are unrelated to the Company's equity interest in the subsidiary.

#### h. Investment in associates and joint ventures

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

The Company 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 Company's share of the associates' and joint ventures' profit or loss, other comprehensive income, and dividends received. Furthermore, changes in the equity of associates and joint ventures are recognized based on the ownership percentage.

The acquisition cost surpasses the net fair value of identifiable assets and liabilities of the associates and joint ventures as of the acquisition date is recognized as goodwill. This goodwill is included into the carrying amount of the investment and is not subject to

amortization. Conversely, if the fair value of the identifiable assets and liabilities of the associates and joint ventures exceeds the acquisition cost, the excess is recognized as income for the current year.

When associates and joint ventures issue new shares and the Company 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 Company 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 Company, associates and joint ventures are only recognized in the parent company only financial statements to the extent that they are unrelated to the Company'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 Company 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. Investment Property

Investment properties are real estate assets held for the purpose of generating rental income, capital appreciation, or both.

Investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.

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

k. Impairment of property, plant, and equipment, and investment property.

The Company assesses whether there are any indications that property, plant, and equipment, or investment property 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 Company 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 parent company only balance sheet of the Company 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 Company 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 Company simultaneously meet the following two conditions, they shall be classified as financial assets measured at amortized cost:

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

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

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

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

At initial recognition, the Company 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 Company'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 Company evaluates impairment losses on financial assets measured at amortized cost based on expected credit losses as of each balance sheet date.

The accounts receivable 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 Company determines that the following situations represent a default of the financial asset:

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

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

(c) Derecognition of the financial assets

The Company 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 returns of ownership of the asset have been transferred to another entity.

When financial assets measured at amortized cost are derecognized, the difference between its carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured

at fair value through other comprehensive income is derecognized, the accumulated gains or losses are directly transferred to retained earnings and are not reclassified to profit or loss.

## 2) Equity Instruments

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

## 3) Financial liabilities

### (a) Subsequent evaluation

The financial liabilities held by the Company, 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 Company 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 Company 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 Company 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 Company recognizes revenue and accounts receivable at that time.

### 2) Service Income

Commission income is recognized by the Company 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 Company evaluates whether the contract is (or includes) a lease on the contract establishment date.

### 1) The Company serves as the Lessor.

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

Under operating leases, lease payments, after deducting lease incentives, are recognized as revenue on a straight-line basis over the relevant lease period. Original direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term.

When a lease includes both land and building elements, the Company evaluates whether almost all the risks and returns associated to ownership of each element have been transferred to the lessee. This assessment is conducted to classify each element as either a finance lease or an operating lease. Lease payments are allocated between land and building based on the fair value proportion of the lease rights for land and buildings as of the contract establishment date. If the lease payments can be reliably allocated between these two elements, each element is treated according to its applicable lease classification. If the lease payments cannot be reliably allocated between these two elements, the overall lease is classified as a finance lease. However, if both elements clearly meet the criteria for an operating lease, the overall lease is classified as an operating lease.

2) The Company 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 parent company only 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 Company 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 parent company only 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. Employee Benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

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

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

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

### 3) Current and Deferred Taxes

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

## 5. **Critical Accounting Judgments and Key Sources of Estimation Uncertainties**

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

Key Sources of Estimation Uncertainties includes:

a. Estimated Impairment of Accounts Receivable

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

b. Inventory Impairment

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

**6. Cash and cash equivalents**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand	\$ 236	\$ 223
Demand deposits in banks	2,105,104	1,700,994
Check accounts in banks	2,736	1,792
Cash equivalents- bank time deposits with original maturities of 3 months or less	<u>99,045</u>	<u>-</u>
	<u>\$2,207,121</u>	<u>\$1,703,009</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time deposits (%)	4.00~4.03	-

b. The Company 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- only on December 31, 2024**

	<u>Amount</u>
<u>Financial assets - non-current</u>	
Derivative mandatorily classified as at fair value through profit or loss	
Domestic Limited Partnership	<u>\$ 12,947</u>
<u>Financial liabilities - current</u>	
Held for trading	
Derivatives instruments (not designated for hedge)	<u>\$ 19,437</u>

The Company 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.

As of December 31, 2024, the following foreign exchange forward contracts remain outstanding:

Currency	Maturity Date	Notional Amount (In Thousands)
Buy RMB/Sell USD	2025.11	RMB150,000/USD21,429

## 8. Financial assets at FVTOCI

	December 31, 2024	December 31, 2023
<u>Current</u>		
Domestic investments in equity instruments		
TPEX-listed stocks	<u>\$167,000</u>	<u>\$167,000</u>
<u>Non-current</u>		
Domestic investments in equity instruments		
Listed and Emerging Shares	\$293,546	\$368,401
Unlisted stocks	<u>247,859</u>	<u>315,647</u>
	<u>541,405</u>	<u>684,048</u>
Foreign investments in equity instruments		
TWSE-listed stocks	\$ 13,291	\$ 18,886
TWSE-unlisted stocks	<u>99,658</u>	<u>105,906</u>
	<u>112,949</u>	<u>124,792</u>
	<u>\$654,354</u>	<u>\$ 808,840</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 Company's strategy of holding these investments for long-term purposes.

**9. Notes receivable and accounts receivable, net**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable - unrelated parties		
Notes receivable - operating	<u>\$ 88,649</u>	<u>\$ 103,355</u>
Accounts receivable - unrelated parties		
At amortized cost		
Gross carrying amount	\$ 9,399,774	\$ 7,789,850
Less: Allowance for losses	<u>53,430</u>	<u>38,086</u>
	<u>\$9,346,344</u>	<u>\$7,751,764</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable - related parties		
At amortized cost		
Gross carrying amount	\$ 415,979	\$ 381,096
Less: Allowance for losses	<u>2,918</u>	<u>1,065</u>
	<u>\$ 413,061</u>	<u>\$ 380,031</u>

The main credit period of sales of goods was 30-120 days. No interest was charged on receivables. In order to minimize credit risk, the management of the Company 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 Company 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 Company's credit risk was significantly reduced.

The Company 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 Company'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 Company's different customer base.

The Company 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 Company 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 Company's provision matrix:

## December 31, 2024

	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1–60 days	Past due by 61–180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01	1~10	20~40	50	100	
Gross carrying amount	\$ 9,273,862	\$ 541,904	\$ 38,141	\$ 44,004	\$ 6,491	\$ 9,904,402
Loss allowance (Lifetime ECLs)	( 5,317)	( 9,796)	( 12,742)	( 22,002)	( 6,491)	( 56,348)
Amortized cost	<u>\$ 9,268,545</u>	<u>\$ 532,108</u>	<u>\$ 25,399</u>	<u>\$ 22,002</u>	<u>\$ -</u>	<u>\$ 9,848,054</u>

## December 31, 2023

	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1–60 days	Past due by 61–180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01	1~5	10~40	50	100	
Gross carrying amount	\$ 7,707,699	\$ 504,009	\$ 12,994	\$ 49,342	\$ 257	\$ 8,274,301
Loss allowance (Lifetime ECLs)	( 6,179)	( 6,061)	( 1,983)	( 24,671)	( 257)	( 39,151)
Amortized cost	<u>\$ 7,701,520</u>	<u>\$ 497,948</u>	<u>\$ 11,011</u>	<u>\$ 24,671</u>	<u>\$ -</u>	<u>\$ 8,235,150</u>

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

	2024	2023
Beginning Year Balance	\$ 39,151	\$ 31,495
Allocation for the Current Year	22,609	7,656
Write-off for the Current Year	( 5,412)	-
Year End Balance	<u>\$ 56,348</u>	<u>\$ 39,151</u>

## **10. Merchandise inventories**

The cost of goods sold related to inventory in 2024 and 2023 were \$43,892,126 thousand and \$36,379,121 thousand respectively, which included the following items:

	2024	2023
Write-down (Gain from price recovery) of inventories	\$ 30,257	(\$178,526)
Others	( 6,970)	( 40,540)
	<u>\$ 23,287</u>	<u>(\$219,066)</u>

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

## **11. Investment accounted for using the equity method**

	December 31, 2024	December 31, 2023
Investment in subsidiaries	\$ 14,051,922	\$ 12,510,247
Investments in associates	7,073,715	6,390,165
Investment in joint ventures	63,505	52,544
	<u>\$ 21,189,142</u>	<u>\$ 18,952,956</u>



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

a. Investment in subsidiaries

	December 31, 2024		December 31, 2023	
	Carrying Value	Equity Percentage %	Carrying Value	Equity Percentage %
<u>Not a listed or OTC company</u>				
Wah Lee Holding Ltd.	\$ 6,130,388	100.00	\$ 5,478,251	100.00
Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	5,266,626	53.69	4,604,001	53.69
Wah Lee Japan Corp. (WL Japan)	3,620	83.33	3,792	83.33
Wah Lee Korea Ltd. (WL Korea)	3,126	100.00	3,399	100.00
Sakuragawa Solar Godogaisha	89,474	99.99	85,772	99.99
Miyazaki Solar Godogaisha	41,202	99.99	40,538	99.99
PT. Wah Lee Indonesia (WL Indonesia)	27,276	70.00	26,807	70.00
Wah Lee Vietnam Co., Ltd. (WL Vietnam)	45,925	100.00	40,836	100.00
Tranceed Logistics Co., Ltd. (Tranceed Logistic)	203,749	63.33	180,696	63.33
Wah Tech Industrial Co., Ltd. (WT Industrial)	288,395	51.00	242,991	51.00
Kingstone Energy Technology Corporation (KS Corp.)	891,713	99.57	824,738	94.68
Wah Heng Energy Technology Corp. (WH Energy)	-	-	-	-
Evergreen New Energy Corporation	117,434	100.00	122,955	100.00
Wah Lee Philippines International Corp. (WL Philippines Corp.)	5,436	99.99	5,661	99.99
Wah Lee Philippines Inc. (WL Philippines Inc.)	15,095	99.99	8,856	99.99
Hightech Polymer Sdn. Bhd. (Hightech)	223,145	51.00	210,683	51.00
Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	555,172	100.00	494,891	100.00
High Tech Gas Co. Ltd. (High Tech Gas)	88,964	60.00	90,029	60.00
Advance Hightech Solutions Inc. (Advance Hightech)	14,447	100.00	33,800	100.00
Wah Lee Innovation Materials Private Limited (WL India)	9,860	99.00	11,551	99.00
Innovation Service Co., Ltd.	30,875	58.33	-	16.67
	<u>\$ 14,051,922</u>		<u>\$ 12,510,247</u>	

- 1) The Company sold 100% of its shares in Wah Heng Energy Technology Corporation for cash of NT\$116,230 thousand to its related party, Eternal New Energy Co., Ltd., on November 1, 2023, resulting in gains on disposals of investment of NT\$13,873 thousand. Please refer to Note 27 of the Company's 2024 consolidated financial statements.
- 2) The Company made a new investment in High Tech Gas Company Ltd. in Taiwan in September 2023, with an investment amount of NT\$90,000 thousand.
- 3) The Company made a new investment in Advance Hightech in the United States in September 2023, with an investment amount of NT\$38,628 thousand (USD1,200 thousand).

- 4) The Company made a new investment in WL India in India in May 2023, with an investment amount of NT\$14,575 thousand (USD474 thousand).
  - 5) In December 2024 and August 2023, the Company acquired shares of Kingstone Energy Technology Corporation from a non-related party for a cash consideration of NT\$31,236 thousand and NT\$102,339 thousand, resulting in an increase in ownership to 99.57%. As the aforementioned transaction did not change the controlling interest of the Company in Kingstone Energy Technology Corporation, the Company processed it as an equity transaction and increased the capital surplus by NT\$9,167 thousand and NT\$18,135 thousand in 2024 and 2023, respectively.
  - 6) To align with the business plan, the subsidiary, Evergreen New Energy Corporation, conducted a cash capital increase of NT\$80,000 thousand in May 2023, which was fully subscribed by the Company.
  - 7) In August 2024, the Company increased its investment in Innovation Service Co., Ltd. by NT\$30,000 thousand in cash, raising its shareholding ratio to 58.33%, thereby gaining control over the company.
- b. Investment in associates and joint ventures

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Investments in associates</u>		
Material associates		
CWE Inc.	\$4,966,134	\$4,501,055
Associates that are not individually material	<u>2,107,581</u>	<u>1,889,110</u>
	7,073,715	6,390,165
<u>Investment in joint ventures</u>		
Joint ventures that are not individually material	<u>63,505</u>	<u>52,544</u>
	<u>\$7,137,220</u>	<u>\$6,442,709</u>

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

1) Material associates

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

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

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Assets	\$ 17,507,879	\$ 15,661,938
Non-current assets	20,387,741	20,604,238
Current Liabilities	( 7,617,304)	( 9,936,473)
Non-current Liabilities	( 7,930,349)	( 6,790,647)
Interests	22,347,967	19,539,056
Non-controlling Interests	( 4,890,272)	( 4,528,075)
	<u>\$ 17,457,695</u>	<u>\$ 15,010,981</u>
Percentage of ownership held by the Company (%)	28.06	29.54
Equity attributable to the Company	\$ 4,898,707	\$ 4,433,628
Goodwill	<u>67,427</u>	<u>67,427</u>
Carrying amount of investment	<u>\$ 4,966,134</u>	<u>\$ 4,501,055</u>
	<u>2024</u>	<u>2023</u>
Operating Revenue	<u>\$ 17,231,404</u>	<u>\$ 16,490,002</u>
Net Income for the Current Year	\$ 2,519,968	\$ 2,248,755
Other comprehensive (loss) income for the year	<u>1,954,416</u>	<u>3,724,543</u>
Total comprehensive income for the year	<u>\$ 4,474,384</u>	<u>\$ 5,973,298</u>
Cash dividends received	<u>\$ 494,929</u>	<u>\$ 500,693</u>

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

- 2) Aggregate information of associates and joint ventures that are not individually material

	<u>2024</u>	<u>2023</u>
The Company's share		
Net Profit for the Current Year	\$164,338	\$120,054
Other comprehensive (loss) income for the year	<u>105,532</u>	( <u>6,197</u> )
Total comprehensive income for the year	<u>\$269,870</u>	<u>\$113,857</u>

3) Changes in investment in associates and joint ventures

(a) In March 2023, the Company invested in the establishment of HengYuan Green Energy Technology Co., Ltd. with an investment amount of NT\$24,000 thousand, holding a shareholding ratio of 12%. In January 2024, the Company participated in a cash capital increase based on its shareholding ratio, increasing its investment by NT\$24,000 thousand. As the Company obtained two directors, it was assessed to have a significant influence on the Company and was classified as an investment under the equity method.

(b) In 2024, the Company purchased 1,006 thousand shares of Wah Hong Corporation for NT\$34,739 thousand from the public market, increasing its shareholding ratio to 27.13%.

## 12. Property, Plant, and Equipment

### 2024

	Land	Buildings	Power Generation Equipment	Others	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Beginning Year Balance	\$ 1,752,742	\$ 304,391	\$ 132,146	\$ 584,599	\$ 391,597	\$ 3,165,475
Additions	-	171	4,976	61,101	389,110	455,358
Disposals	-	( 166 )	-	( 17,777 )	-	( 17,943 )
Reclassified	-	150	202,677	15,471	( 218,298 )	-
Year End Balance	<u>\$ 1,752,742</u>	<u>\$ 304,546</u>	<u>\$ 339,799</u>	<u>\$ 643,394</u>	<u>\$ 562,409</u>	<u>\$ 3,602,890</u>
<u>Accumulated depreciation</u>						
Beginning Year Balance	\$ -	\$ 147,830	\$ 12,793	\$ 512,285	\$ -	\$ 672,908
Depreciation expenses	-	5,682	21,757	37,305	-	64,744
Disposals	-	( 166 )	-	( 2,611 )	-	( 2,777 )
Year End Balance	<u>\$ -</u>	<u>\$ 153,346</u>	<u>\$ 34,550</u>	<u>\$ 546,979</u>	<u>\$ -</u>	<u>\$ 734,875</u>
Year-end net balance	<u>\$ 1,752,742</u>	<u>\$ 151,200</u>	<u>\$ 305,249</u>	<u>\$ 96,415</u>	<u>\$ 562,409</u>	<u>\$ 2,868,015</u>

### 2023

	Land	Buildings	Power Generation Equipment	Others	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Beginning Year Balance	\$ 1,763,087	\$ 311,978	\$ 104,465	\$ 578,816	\$ 250,932	\$ 3,009,278
Additions	-	393	4,069	5,826	167,229	177,517
Disposals	-	( 369 )	( 85 )	( 1,276 )	-	( 1,730 )
Reclassified	( 10,345 )	( 7,611 )	23,697	1,233	( 26,564 )	( 19,590 )
Year End Balance	<u>\$ 1,752,742</u>	<u>\$ 304,391</u>	<u>\$ 132,146</u>	<u>\$ 584,599</u>	<u>\$ 391,597</u>	<u>\$ 3,165,475</u>
<u>Accumulated depreciation</u>						
Beginning Year Balance	\$ -	\$ 147,789	\$ 8,260	\$ 473,986	\$ -	\$ 630,035
Depreciation expenses	-	5,521	4,540	39,293	-	49,354
Disposals	-	( 369 )	( 7 )	( 994 )	-	( 1,370 )
Reclassified	-	( 5,111 )	-	-	-	( 5,111 )
Year End Balance	<u>\$ -</u>	<u>\$ 147,830</u>	<u>\$ 12,793</u>	<u>\$ 512,285</u>	<u>\$ -</u>	<u>\$ 672,908</u>
Year-end net balance	<u>\$ 1,752,742</u>	<u>\$ 156,561</u>	<u>\$ 119,353</u>	<u>\$ 72,314</u>	<u>\$ 391,597</u>	<u>\$ 2,492,567</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:

	2024	2023
Additions	\$455,358	\$177,517
Capitalization of interest	( 6,401 )	( 5,869 )
Increase in prepayments for equipment	2,237	-
Decrease (increase) in payables for equipment (including related parties)	( 29,302 )	7,161
Increase in provisions	( 1,030 )	( 1,889 )
Cash paid	<u>\$ 420,862</u>	<u>\$ 176,920</u>

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

Buildings	
Offices	41 to 61 years
Office interior decoration	5 years
Power Generation Equipment	7 to 20 years
Others	2 to 11 years

- c. The Company is located in the Zilong section of Jiali District, Tainan City where a portion of the land is used for agricultural and livestock. Due to the statutory prohibition, the registration of agricultural land rights was registered in the name of Chang Tsun-Hsien, the related party signed an agreement with the Company. As stipulated in the agreement, the related party will fully cooperate with the Company to transfer the agricultural land right to the Company or a specific person in the future free of charge. The agricultural land has been mortgaged to the Company with a maximum limit of \$200 million.
- d. Refer to Note 28 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

### 13. Lease Agreements

- a. Right-of-use assets

#### 2024

Cost	Buildings	Other equipment	Total
Balance at January 1, 2024	\$ 94,691	\$ 28,813	\$ 123,504
Additions	14,417	2,543	16,960
Derecognition	( 33,530 )	( 7,706 )	( 41,236 )
Lease modification	-	( 2,286 )	( 2,286 )
Balance at December 31, 2024	<u>\$ 75,578</u>	<u>\$ 21,364</u>	<u>\$ 96,942</u>

(Continued)

(Concluded)

	Buildings	Other equipment	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ 47,509	\$ 15,611	\$ 63,120
Depreciation expenses	12,986	4,832	17,818
Derecognition	( 33,530 )	( 7,706 )	( 41,236 )
Lease modification	-	( 763 )	( 763 )
Balance at December 31, 2024	<u>\$ 26,965</u>	<u>\$ 11,974</u>	<u>\$ 38,939</u>
Net amount at December 31, 2024	<u>\$ 48,613</u>	<u>\$ 9,390</u>	<u>\$ 58,003</u>

## 2023

	Buildings	Other equipment	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 81,819	\$ 26,542	\$ 108,361
Additions	22,336	3,619	25,955
Derecognition	( 4,751 )	( 1,348 )	( 6,099 )
Lease modification	( 4,713 )	-	( 4,713 )
Balance at December 31, 2023	<u>\$ 94,691</u>	<u>\$ 28,813</u>	<u>\$ 123,504</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ 36,633	\$ 11,223	\$ 47,856
Depreciation expenses	15,627	5,736	21,363
Derecognition	( 4,751 )	( 1,348 )	( 6,099 )
Balance at December 31, 2023	<u>\$ 47,509</u>	<u>\$ 15,611</u>	<u>\$ 63,120</u>
Net amount at December 31, 2023	<u>\$ 47,182</u>	<u>\$ 13,202</u>	<u>\$ 60,384</u>

## b. Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 18,017</u>	<u>\$ 14,937</u>
Non-current	<u>\$ 45,941</u>	<u>\$ 51,203</u>
Discount rate for lease liabilities (%)		
Buildings	1.43~2.22	1.43~2.03
Other equipment	1.43~2.03	1.43~1.92

c. Material leasing activities and terms

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

d. Other lease information

	2024	2023
Expenses relating to short-term leases	<u>\$ 85,248</u>	<u>\$ 88,282</u>
Expenses relating to low-value asset leases	<u>\$ 973</u>	<u>\$ 924</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 5,031</u>	<u>\$ 2,061</u>
Total cash outflow for leases	<u>\$ 109,974</u>	<u>\$ 113,229</u>

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

**14. Investment Property**

2024

	Land	Buildings	Total
Cost			
Balance at January 1 and December 31, 2024	<u>\$ 278,757</u>	<u>\$ 194,321</u>	<u>\$ 473,078</u>
Accumulated depreciation			
Balance at January 1, 2024	\$ -	\$ 33,058	\$ 33,058
Depreciation expenses		<u>3,800</u>	<u>3,800</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 36,858</u>	<u>\$ 36,858</u>
Net amount at December 31, 2024	<u>\$ 278,757</u>	<u>\$ 157,463</u>	<u>\$ 436,220</u>

2023

	Land	Buildings	Total
Cost			
Balance at January 1, 2023	\$ 268,412	\$ 185,076	\$ 453,488
Reclassified	<u>10,345</u>	<u>9,245</u>	<u>19,590</u>
Balance at December 31, 2023	<u>\$ 278,757</u>	<u>\$ 194,321</u>	<u>\$ 473,078</u>

(Continued)

(Concluded)

	Land	Buildings	Total
Accumulated depreciation			
Balance at January 1, 2023	\$ -	\$ 24,147	\$ 24,147
Reclassified	-	5,111	5,111
Depreciation expenses	-	3,800	3,800
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 33,058</u>	<u>\$ 33,058</u>
Net amount at December 31, 2023	<u>\$278,757</u>	<u>\$161,263</u>	<u>\$440,020</u>

The aforementioned investment property primarily consists of land and buildings located in Hsinchu County, leased to subsidiary for use. The lease terms will expire sequentially from June 2025 to December 2025. The lessee does not have the right of first refusal for the property upon the expiration of the lease term.

The total future lease payments to be received for the non-cancellable operating lease of investment property are as follows:

	December 31, 2024	December 31, 2023
Less than 1 year	\$ 8,782	\$ 9,226
Over 1 year but not more than 5 years	-	533
	<u>\$ 8,782</u>	<u>\$ 9,759</u>

All investment properties owned by the Company are self-owned, with buildings being depreciated on a straight-line basis over a useful life of 51 years. The amount of investment properties set as collateral for loans, please refer to Note 28.

The fair value of the Company's investment properties as of December 31, 2024 and 2023, is approximately NT\$500 million. The fair value of land and buildings has not been assessed by an independent appraiser, it has only been measured by the Company's management based on market evidence from similar real estate transactions.

## 15. Borrowings

### a. Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank borrowings	<u>\$3,748,741</u>	<u>\$5,549,045</u>
Annual interest rate (%)	0.77~5.34	0.59~6.56



b. Long-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured borrowings		
Syndicated bank loans (Note)	\$ 2,000,000	\$ 2,000,000
Less: Syndicated loan fee	<u>2,583</u>	<u>3,583</u>
	1,997,417	1,996,417
Bank loans	<u>400,000</u>	<u>400,000</u>
	2,397,417	2,396,417
Secured borrowings (Note 28)		
Bank loans	<u>1,252,611</u>	<u>1,004,568</u>
	3,650,028	3,400,985
Less: Portion due within one year	<u>21,558</u>	<u>21,194</u>
	<u>\$ 3,628,470</u>	<u>\$ 3,379,791</u>
Annual interest rate (%)		
Syndicated bank loans	2.21	2.03
Bank loans	1.95 ~ 2.38	1.68 ~ 2.22
Expiration period		
Syndicated bank loans	2027.08	2027.08
Bank loans	2026.04 ~ 2037.06	2025.04 ~ 2037.06

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

- 1) The total amount of syndicated bank loans is \$5 billion, divided into credit limit A, credit limit B, credit limit C and credit limit D. The term of credit limit A, credit limit B and credit limit C is 5 years from the initial drawdown date (August 2022) and the fractional reserve and debt recycling is available within the total amount of syndicated loans, and the maximum term of credit limit D is from the date of receipt of corporate bond payments in full, and the drawdown of credit limit D may be made one or multiple times. However, it shall not be drawn on a revolving basis.
- 2) Pursuant to the bank loan agreement, the Group should maintain certain financial ratios which should be calculated based on audited annual consolidated financial statements. The Company's financial ratios as of December 31, 2024, and 2023 were in compliance with the requirements of the bank financing contracts.

## 16. Corporate bonds payable

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

In August 2021, the Company issued its 3rd domestic three-year unsecured zero-coupon convertible bonds with an aggregate principal amount of \$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>	<u>2023</u>
Liability component at the beginning of the year	\$ 1,996,598	\$ 1,994,084
Interest charged at an effective interest rate	4,627	21,529
Less: Conversion of corporate bonds payable into ordinary shares	<u>2,001,225</u>	<u>19,015</u>
Liability component at the end of the year	<u>\$ -</u>	<u>\$ 1,996,598</u>

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

## 17. Notes and accounts payable

Notes and accounts payable (including related parties) are mainly related to operating activities. Trading conditions are negotiated separately. The Company 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.

## 18. Other payables (unrelated parties)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payable for salaries or bonuses	\$ 293,094	\$ 273,576
Payable for employees' compensation and remuneration of directors	290,077	280,063
Payable for equipment	34,401	5,099
Payable for commission	25,723	35,154
Payable for interest	16,248	40,055
Others	<u>129,010</u>	<u>152,697</u>
	<u>\$ 788,553</u>	<u>\$ 786,644</u>

## 19. Retirement benefit plans

### a. Defined contribution plans

The pension system applied by the Company 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.

### 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.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The present value of the defined benefit obligation	\$260,024	\$301,287
The fair value of the plan assets	( <u>112,749</u> )	( <u>65,561</u> )
Net defined benefit liabilities	<u>\$ 147,275</u>	<u>\$ 235,726</u>

Changes in the net defined benefit liabilities are as follows:

	The present value of the defined benefit obligation	The fair value of the plan assets	Net defined benefit liabilities
January 1, 2023	<u>\$ 330,528</u>	<u>( \$ 79,603 )</u>	<u>\$ 250,925</u>
Service costs			
Current service costs	1,122	-	1,122
Prior service costs	( 1,355 )	-	( 1,355 )
Interest expense (income)	<u>4,011</u>	<u>( 1,047 )</u>	<u>2,964</u>
Recognized in Profit or Loss	<u>3,778</u>	<u>( 1,047 )</u>	<u>2,731</u>
Remeasurement			
Return on Plan Asset (excluding amounts included in net interest)	-	( 547 )	( 547 )
Actuarial Loss - Changes in Financial Assumptions	1,112	-	1,112
Actuarial Gains - Changes in Population Assumptions	( 2 )	-	( 2 )
Actuarial Profit - Experience Adjustment Recognized in Other Comprehensive Income and Loss	<u>( 8,223 )</u>	<u>-</u>	<u>( 8,223 )</u>
	<u>( 7,113 )</u>	<u>( 547 )</u>	<u>( 7,660 )</u>
Employer Contribution	<u>-</u>	<u>( 10,270 )</u>	<u>( 10,270 )</u>
Welfare Payments	<u>( \$ 25,906 )</u>	<u>\$ 25,906</u>	<u>\$ -</u>
December 31, 2023	<u>301,287</u>	<u>( 65,561 )</u>	<u>235,726</u>
Service costs			
Current service costs	1,077	-	1,077
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>4,443</u>	<u>( 817 )</u>	<u>3,626</u>
Remeasurement			
Return on Plan Asset (excluding amounts included in net interest)	-	( 6,621 )	( 6,621 )
Actuarial Gains - Changes in Financial Assumptions	( 7,918 )	-	( 7,918 )
Actuarial Profit - Experience Adjustment Recognized in Other Comprehensive Income and Loss	<u>( 23,603 )</u>	<u>-</u>	<u>( 23,603 )</u>
	<u>( 31,521 )</u>	<u>( 6,621 )</u>	<u>( 38,142 )</u>
Employer Contribution	<u>-</u>	<u>( 53,935 )</u>	<u>( 53,935 )</u>
Welfare Payments	<u>( 14,185 )</u>	<u>14,185</u>	<u>-</u>
December 31, 2024	<u>\$ 260,024</u>	<u>( \$ 112,749 )</u>	<u>\$ 147,275</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, 2024</u>	<u>December 31, 2023</u>
Discount Rate (%)	1.60	1.20
Expected Salary Increase Rate (%)	2.00	2.00

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

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The expected allocation amount within one year	<u>\$ 29,587</u>	<u>\$ 27,784</u>
The average maturity period for defined benefit obligation	Seven years	Seven years

## 20. Interests

### a. Share Capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of authorized shares (in thousands)	<u>500,000</u>	<u>500,000</u>
Amount of authorized shares	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>259,437</u>	<u>236,239</u>
Amount of issued and fully paid shares	<u>\$ 2,594,368</u>	<u>\$ 2,362,393</u>

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

The Company reserves NT\$100,000 thousand of capital reserve for the issuance of stock options, bonds with warrants, preferred shares with warrants, totaling 10,000 thousand shares.

### b. Capital Surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of share capital	\$ 2,934,483	\$ 1,131,365
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	65,226	56,059
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition from associates accounted for using the equity method	372,232	395,476
Expired share options	22,374	22,374
Donations	11,867	11,867
May be used only to offset a deficit		
Share of changes in capital surplus of associates	499,313	441,148
May not be used for any purpose		
Stock options	<u>-</u>	<u>33,877</u>
	<u>\$ 3,905,495</u>	<u>\$ 2,092,166</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

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

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

The Company's dividend policy is stipulated based on its current and future development plans, together with the consideration of the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Earnings distribution to common shareholders shall not be less than 10% of distributable earnings. However, no distribution shall be made if the balance of distributable earnings is less than 1% of paid-in capital. Dividends may be distributed to shareholders in cash or shares, with cash dividends being no less than 50% of the total dividends.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

The appropriations of earnings for 2023 and 2022 were as follows:

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

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

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

The appropriations of earnings for 2024 were as follows:

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

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

d. Other equity items

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

	2024	2023
Beginning Year Balance	<u>(\$559,328)</u>	<u>(\$344,057)</u>
Generated in the current year		
Share from associates and subsidiaries accounted for using the equity method	726,056	( 233,620)
Effects of income taxes	<u>( 120,016)</u>	<u>18,349</u>
Year End Balance	<u>\$ 46,712</u>	<u>(\$559,328)</u>



2) Unrealized gain on financial assets at FVTOCI

	2024	2023
Beginning Year Balance	\$ 1,196,590	(\$104,502)
Generated in the current year		
Unrealized (loss) gain - equity instruments	( 150,599)	251,897
Share from associates accounted for using the equity method	450,287	1,095,911
Effects of income taxes	11,010	( 10,095)
Adjustment of reclassification		
Disposal of share from associates accounted for using the equity method	( 99,423)	-
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		
Investments in equity instruments designated as at fair value through other comprehensive income	1,113	( 62)
Share from associates accounted for using the equity method	( 142,975)	( 36,559)
Year End Balance	<u>\$1,266,003</u>	<u>\$1,196,590</u>

**21. Revenue**

	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	\$ 46,704,141	\$ 39,149,913
Other operating revenues	113,918	77,951
	<u>\$ 46,818,059</u>	<u>\$ 39,227,864</u>

**Contract balances**

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	\$ 88,649	\$ 103,355	\$ 106,006
Accounts receivable, net (including related parties)	<u>9,759,405</u>	<u>8,131,795</u>	<u>8,007,275</u>
	<u>\$ 9,848,054</u>	<u>\$ 8,235,150</u>	<u>\$ 8,113,281</u>
Contract liabilities			
Sale of goods	<u>\$ 350,614</u>	<u>\$ 410,836</u>	<u>\$ 295,004</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the date the Group fulfills its performance obligation and the date the customer's payment is received. There are no significant changes in 2024 and 2023.

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

	2024	2023
Sale of goods	<u>\$300,646</u>	<u>\$257,488</u>

## 22. Income before Tax

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

a. Other income (Note 27)

	2024	2023
Rent income	\$ 26,003	\$ 29,358
Dividend income	19,588	13,231
Consulting service income	137,179	149,191
Other income	<u>57,430</u>	<u>15,663</u>
	<u>\$240,200</u>	<u>\$207,443</u>

b. Other gains and losses

	2024	2023
Net loss of financial instruments at FVTPL	(\$ 19,330)	\$ -
Gain on disposal of subsidiary equity (Note 11)	-	13,873
Net foreign exchange gains	40,249	36,753
Disposals of property, plant and equipment	5,390	171
Provisions for reversal losses	-	( 1,587)
Others	<u>( 4,882)</u>	<u>( 4,121)</u>
	<u>\$ 21,427</u>	<u>\$ 45,089</u>

c. Financial costs

	2024	2023
Interest on bank loans	\$ 302,240	\$ 271,993
Interest on financing from related parties (Note 27)	124,026	77,997
Amortization of syndicated loan project costs	1,000	1,000
Interest on lease liabilities	1,123	1,268
Corporate bond discount amortization and interest compensation	4,627	21,529
Less: Amount included in cost of qualifying assets	<u>( 6,401)</u>	<u>( 5,869)</u>
	<u>\$ 426,615</u>	<u>\$367,918</u>
Capitalized rate (%)	2.18~2.38	1.81~2.18

d. Depreciation and amortization

	2024	2023
Property, Plant, and Equipment	\$ 64,744	\$ 49,354
Right-of-use assets	17,818	21,363
Investment Property	3,800	3,800
Intangible Assets	<u>3,679</u>	<u>3,983</u>
	<u>\$ 90,041</u>	<u>\$ 78,500</u>
An analysis of depreciation expense by function		
Operating costs	\$ 22,450	\$ 5,240
Operating expense	60,112	65,477
Non-operating expenses	<u>3,800</u>	<u>3,800</u>
	<u>\$ 86,362</u>	<u>\$ 74,517</u>
An analysis of amortization expense by function		
Operating expense	<u>\$ 3,679</u>	<u>\$ 3,983</u>

e. Employee benefits expense

	2024	2023
Short-term employee benefits	<u>\$842,663</u>	<u>\$867,331</u>
Post-employment benefits (Note 19)		
Defined contribution plans	20,260	19,293
Defined benefit plans	<u>3,626</u>	<u>2,731</u>
	<u>23,886</u>	<u>22,024</u>
	<u>\$866,549</u>	<u>\$889,355</u>
An analysis by function		
Operating expense	<u>\$866,549</u>	<u>\$889,355</u>

f. Compensation of employees and remuneration to directors

The Company accrued compensation of employees and remuneration of directors at the rates no lower than 2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's Board of Directors on March 12, 2025 and March 14, 2024, were as follows:

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

If there is a change in the amount after the annual parent company only financial statements are approved, the change will be accounted for as a change in an accounting estimate and the adjustment accounted for in the following year.

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

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

## 23. Income taxes

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

	2024	2023
Current income taxes		
Generated in the current year	\$208,917	\$309,820
Surtax on undistributed earnings	51,848	30,914
Adjustments for prior years	( 4,538 )	( 4,659 )
	<u>256,227</u>	<u>336,075</u>
Deferred tax		
Generated in the current year	<u>58,685</u>	<u>29,389</u>
	<u>\$314,912</u>	<u>\$365,464</u>

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

	2024	2023
Income before Tax	<u>\$2,567,816</u>	<u>\$2,479,181</u>
Income tax expense is calculated on income before tax at the statutory tax rate of 20%.	\$ 513,563	\$ 495,836
Expenses and losses not recognized for tax purposes.	854	11,586
Domestic investment income	( 137,485 )	( 126,844 )

(Continued)

(Concluded)

	<u>2024</u>	<u>2023</u>
Unrecognized taxable temporary differences from investments in subsidiaries	(\$ 113,241)	(\$ 47,294)
Surtax on undistributed earnings	51,848	30,914
Adjustments for prior years	( 4,538)	( 4,659)
Non-deductible withholding tax	<u>3,911</u>	<u>5,925</u>
	<u>\$ 314,912</u>	<u>\$ 365,464</u>

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

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

c. Income tax expense directly recognized in equity.

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

d. Current tax liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current tax liabilities	<u>\$93,109</u>	<u>\$165,585</u>

e. Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

## 2024

	Beginning Year Balance	Recognized in Profit or Loss	Recognized in Other Comprehensi ve Income and Loss	Recognized in Equity	Year End Balance
<u>Deferred tax assets</u>					
Temporary Differences					
Write-downs of inventories	\$ 19,398	\$ 1,476	\$ -	\$ -	\$ 20,874
Unpaid Bonus	42,673	977	-	-	43,650
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	13,165	( 748)	-	-	12,417
	<u>\$ 232,741</u>	<u>(\$ 2,755)</u>	<u>(\$ 6,775)</u>	<u>\$ -</u>	<u>\$ 223,211</u>
<u>Deferred tax liabilities</u>					
Temporary Differences					
Foreign investment gains and exchange rate differences	\$ 1,408,204	\$ 48,448	\$ 109,859	\$ -	\$ 1,566,511
Others	13,248	7,482	-	-	20,730
	<u>\$ 1,421,452</u>	<u>\$ 55,930</u>	<u>\$ 109,859</u>	<u>\$ -</u>	<u>\$ 1,587,241</u>

## 2023

	Beginning Year Balance	Recognized in Profit or Loss	Recognized in Other Comprehensi ve Income and Loss	Recognized in Equity	Year End Balance
<u>Deferred tax assets</u>					
Temporary Differences					
Write-downs of inventories	\$ 61,413	(\$ 42,015)	\$ -	\$ -	\$ 19,398
Unpaid Bonus	38,321	4,352	-	-	42,673
Refund liabilities	58,872	13,091	-	-	71,963
Defined benefit retirement plans	50,185	( 1,508)	( 1,532)	-	47,145
Foreign investment losses and exchange rate differences	36,911	( 2,245)	3,731	-	38,397
Others	28,732	( 15,567)	-	-	13,165
	<u>\$ 274,434</u>	<u>(\$ 43,892)</u>	<u>\$ 2,199</u>	<u>\$ -</u>	<u>\$ 232,741</u>
<u>Deferred tax liabilities</u>					
Temporary Differences					
Foreign investment gains and exchange rate differences	\$ 1,420,530	(\$ 2,012)	(\$ 4,523)	(\$ 5,791)	\$ 1,408,204
Others	25,739	( 12,491)	-	-	13,248
	<u>\$ 1,446,269</u>	<u>(\$ 14,503)</u>	<u>(\$ 4,523)</u>	<u>(\$ 5,791)</u>	<u>\$ 1,421,452</u>

- f. Amount of deductible temporary differences not recognized as deferred tax assets in the parent company only balance sheet

	December 31, 2024	December 31, 2023
Loss on valuation on foreign investments	<u>\$116,383</u>	<u>\$116,383</u>

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

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

- h. Income tax assessments

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

## 24. Earnings per Share

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

- a. Net Income for the Current Year

	<u>2024</u>	<u>2023</u>
Net income used in calculating basic earnings per share.	\$ 2,252,904	\$ 2,113,717
Effect of convertible corporate bonds	<u>4,627</u>	<u>21,529</u>
Net profit used in computation of diluted EPS	<u>\$ 2,257,531</u>	<u>\$ 2,135,246</u>

- b. Number of shares (in thousands)

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

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

## 25. Capital risk management

The Company 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 Company consists of net debt and equity.

The key management personnel of the Company periodically reviews the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company 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 Company is not subject to any externally imposed capital requirements, except those discussed in Note 15.

## 26. Financial instruments

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

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

The carrying amount and fair value of the bonds payable were as follows:

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

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

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

#### 1) Fair value hierarchy

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic Limited Partnership	\$ -	\$ -	\$ 12,947	\$ 12,947
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$224,000	\$236,546	\$ -	\$460,546
Unlisted stocks	-	-	347,517	347,517
Foreign listed shares	<u>13,291</u>	<u>-</u>	<u>-</u>	<u>13,291</u>
	<u>\$ 237,291</u>	<u>\$ 236,546</u>	<u>\$ 347,517</u>	<u>\$ 821,354</u>
<u>Financial liabilities at FVTPL</u>				
Foreign exchange forward contracts	\$ -	\$ 19,437	\$ -	\$ 19,437



December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 198,955	\$ 336,446	\$ -	\$ 535,401
Unlisted stocks	-	-	421,553	421,553
Foreign listed shares	<u>18,886</u>	<u>-</u>	<u>-</u>	<u>18,886</u>
	<u>\$ 217,841</u>	<u>\$ 336,446</u>	<u>\$ 421,553</u>	<u>\$ 975,840</u>

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

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

	2024	2023
Beginning Year Balance	\$421,553	\$486,896
Purchases	12,840	-
Transferred from Level 3.	( 3,887)	( 116,443)
Reduction of capital	-	( 18,714)
Recognized in Profit or Loss	107	-
Recognized in Other Comprehensive		
Income and Loss	( 70,149)	<u>69,814</u>
Year End Balance	<u>\$360,464</u>	<u>\$421,553</u>

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

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

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

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

c. Categories of financial instruments

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
FVTPL		
Mandatorily classified at FVTPL	\$ 12,947	\$ -
FVTOCI		
Investment in equity instruments	821,354	975,840
Measured at amortized cost (Note 1)	12,428,470	10,222,645
<u>Financial liabilities</u>		
FVTPL		
Held for trading	19,437	-
Measured at amortized cost (Note 2)	17,132,556	15,906,995

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

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

d. Financial risk management objectives and policies

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

(a) Foreign currency risk

The Company engages in foreign currency trades, which expose it to foreign currency risk. For the carrying amounts of the Company's monetary assets and liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 30.

Sensitivity analysis

The Company was mainly exposed to the USD.

The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 1%. The sensitivity analysis included only the outstanding foreign currency denominated monetary items at the balance sheet date. Had the functional currency weakened (strengthened) by 1% against the USD, the profit before tax in 2024 and 2023 would have been higher (lower) by NT\$2,502 thousand and NT\$6,476 thousand, respectively.

(b) Interest rate risk

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
Financial assets	\$ 99,045	\$ -
Financial liabilities	5,391,700	3,776,963
Cash flow interest rate risk		
Financial assets	2,105,104	1,700,994
Financial liabilities	6,415,967	7,235,805

#### Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's profit before tax in 2024 and 2023 would have been lower/higher by NT\$43,109 thousand and NT\$55,348 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate deposits and borrowings.

#### (c) Price Risk

The Company was exposed to equity price risk through its investments in equity securities. The Company manages this exposure by maintaining a portfolio of investments with different risks. The Company'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 in 2024 would have been higher/lower by \$129 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income in 2024 and 2023 would have been higher/lower by \$8,214 thousand and \$9,758 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 Company. At the end of the reporting period, the Company'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 parent company only balance sheets; and
- (b) The amount of contingent liabilities in relation to financial guarantees provided by the Company.

The Company 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 Company's exposure and the credit ratings of its counterparties are continuously monitored and credit exposure is controlled by setting credit limits of counterparties annually.

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

### 3) Liquidity risk

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

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of the counterparties choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at the end of the year.

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	Total
<b>December 31, 2024</b>					
Non-interest-bearing liabilities	\$ 5,385,192	\$ 3,655	\$ -	\$ -	\$ 5,388,847
Lease liabilities	18,968	34,753	5,022	9,997	68,740
Floating-rate instruments	2,845,802	3,594,276	84,034	13,691	6,537,803
Fixed-rate instruments	5,489,832	-	-	-	5,489,832
Financial guarantee liabilities	1,036,363	-	-	-	1,036,363
	<u>\$ 14,776,157</u>	<u>\$ 3,632,684</u>	<u>\$ 89,056</u>	<u>\$ 23,688</u>	<u>\$ 18,521,585</u>
<b>December 31, 2023</b>					
Non-interest-bearing liabilities	\$ 4,957,164	\$ 3,203	\$ -	\$ -	\$ 4,960,367
Lease liabilities	15,877	36,645	8,562	9,445	70,529
Floating-rate instruments	3,918,288	3,331,872	103,998	19,011	7,373,169
Fixed-rate instruments	3,739,077	-	-	-	3,739,077
Financial guarantee liabilities	850,441	-	-	-	850,441
	<u>\$ 13,480,847</u>	<u>\$ 3,371,720</u>	<u>\$ 112,560</u>	<u>\$ 28,456</u>	<u>\$ 16,993,583</u>

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

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

## 27. Related Party Transactions

Except those discussed in Note 12, transactions between the Company 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 Our Company</u>
Raycong H.K.	Subsidiary
Shanghai Yikang	Subsidiary
Dongguan Hua Gang	Subsidiary
Tranceed Logistics Co., Ltd.	Subsidiary
WL Indonesia	Subsidiary
WL Vietnam	Subsidiary
WT Industrial	Subsidiary
WL Singapore	Subsidiary
WL Korea	Subsidiary
Regent King	Subsidiary
Shanghai Meditek	Subsidiary
Shanghai Lihuang	Subsidiary
Xiamen Hua Chen Da Logistics	Subsidiary
KS Corp.	Subsidiary
Sakuragawa Solar Godogaisha	Subsidiary
Miyazaki Solar Godogaisha	Subsidiary
Cyuan Cheng Logistics Co., Ltd.	Subsidiary
WL Philippines Inc.	Subsidiary
Hightech	Subsidiary
Evergreen New Energy Corporation	Subsidiary
Advance Hightech	Subsidiary
Innovation Service Co., Ltd.	Subsidiary
Shenzhen Huaying	Subsidiary
Eternal New Energy Co., Ltd.	Associate's subsidiary
KSA Corp.	Subsidiaries of affiliated companies (which were subsidiaries before October 2023)
CWE Inc.	Associate
Nagase Wahlee Plastics Corp.	Associate
Wah Hong Corp.	Associate
ORC Technology Corp.	Associate
Shanghai Hua Chang Trading Co., Ltd.	Associate
Born Tech Industrial Co., Ltd.	Associate
ORC Electrical Machinery Corp. (ORC Corp.)	Joint Venture
Chang Wah Technology Co. Ltd.	Associate's subsidiary
SIP Chang Hong Optoelectronics Ltd.	Associate's subsidiary
Sun Hong Optronics Ltd.	Associate's subsidiary
Bao Guang Investment Co., Ltd.	Other related parties (Its person in charge is a relative within the first degree of kinship of the Chairman of the Company and was in the Company's management before May 2023.)
Daily Polymer Corp.	Other related parties (The Company is a corporate director of the company.)

(Continued)

(Concluded)

<u>Name of related party</u>	<u>Relationship with Our Company</u>
Asahi Kasei Wah Lee Hi-tech Corp.	Other related parties (The Company is a corporate director of the company.)
JingYi Technology Co.	Other related parties (The Company is a corporate director of the company.)
Forcera Materials Co., Ltd.	Other related parties (The Company is a corporate director of the company.)
Tien Li Offshore Wind Technology Co., Ltd.	Other related parties (The Company used to be a corporate director of the company, and it was no longer a related party after an election of all directors in June 2023.)
TaiGene Biotechnology Co., Ltd.	Other related parties (The Company is a corporate supervisor of the company.)
Sin Hao Co., Ltd.	Other related parties (Its person in charge is a relative within the first degree of kinship of a director of the Company, and it was no longer a related party after the resignation of the director in September 2023.)
Raycon Industries Inc.	Other related parties (Its person in charge is a relative within the second degree of kinship of a Chair of the Company.)

b. Operating transactions

1) Operating Revenue

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Revenue from sale of goods		
Subsidiary	\$ 1,774,323	\$ 1,733,971
Associates and their subsidiaries	393,079	267,770
Other related parties	<u>19,712</u>	<u>51,590</u>
	<u>\$2,187,114</u>	<u>\$2,053,331</u>
Other operating revenues		
Subsidiary	\$ 800	\$ 55
Associates and their subsidiaries	<u>832</u>	<u>1,039</u>
	<u>\$ 1,632</u>	<u>\$ 1,094</u>

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

2) Purchase of goods

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Subsidiary	\$ 95,518	\$ 49,371
Associates and their subsidiaries	184,556	78,341
Other related parties	<u>1,193,328</u>	<u>943,419</u>
	<u>\$1,473,402</u>	<u>\$1,071,131</u>

The Company purchases goods from related parties. Except for certain items where the purchase price from related parties is not significantly different from that of non-related parties, for other items, the prices cannot be compared as the Company does not purchase similar products from non-related parties. The payment terms are not significantly different from those with general suppliers.

3) Operating Expenses

<u>Categories of related parties</u>	<u>2024</u>	<u>2023</u>
Subsidiary	\$361,623	\$308,705
Associates and their subsidiaries	38	37
Other related parties	<u>11,284</u>	<u>11,419</u>
	<u>\$372,945</u>	<u>\$320,161</u>

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

4) Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts receivable - related parties</u>		
Subsidiary	\$303,410	\$276,950
Associates and their subsidiaries	108,437	103,443
Other related parties	<u>4,132</u>	<u>703</u>
	415,979	381,096
Less: Allowance for losses	<u>2,918</u>	<u>1,065</u>
	<u>\$413,061</u>	<u>\$380,031</u>
<u>Other receivables - related parties</u>		
Subsidiary		
Raycong H.K.	\$ 51,905	\$ 36,507
Others	<u>81,359</u>	<u>53,408</u>
	<u>133,264</u>	<u>89,915</u>

(Continued)

(Concluded)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associates and their subsidiaries		
CWE Inc.	\$138,532	\$106,950
Others	<u>10,162</u>	<u>2,696</u>
	<u>148,694</u>	<u>109,646</u>
Other related parties	<u>363</u>	<u>515</u>
	<u>\$282,321</u>	<u>\$200,076</u>

The outstanding receivables from related parties are unsecured.

5) Contract liabilities

<u>Category of related parties/name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary- KS Corp.	\$ 70,224	\$ 51,665
Associates and their subsidiaries	<u>20,282</u>	<u>20,978</u>
	<u>\$ 90,506</u>	<u>\$ 72,643</u>

6) Payables to related parties (excluding loans from related parties)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts payable - related parties</u>		
Subsidiary	\$ 14,894	\$ 7,713
Associates and their subsidiaries	32,713	19,813
Other related parties	<u>244,572</u>	<u>265,926</u>
	<u>\$292,179</u>	<u>\$293,452</u>
<u>Other payables - related parties</u>		
Subsidiary	<u>\$100,127</u>	<u>\$110,515</u>

The outstanding payables to related parties are unsecured and will be settled in cash.

c. For the disposal of subsidiary's equity transactions, please refer to Note 11.

d. Other income

<u>Category of related parties/name</u>	<u>2024</u>	<u>2023</u>
Subsidiary		
Raycong H.K.	\$ 53,639	\$ 63,199
Shanghai Yikang	31,064	30,125

(Continued)



(Concluded)

<u>Category of related parties/name</u>	<u>2024</u>	<u>2023</u>
Tranceed Logistics Co., Ltd.	\$ 31,218	\$ 30,374
Others	<u>29,021</u>	<u>39,049</u>
	144,942	162,747
Associates and their subsidiaries	24,262	17,325
Other related parties	<u>7,015</u>	<u>5,680</u>
	<u>\$176,219</u>	<u>\$185,752</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.

e. Borrowing from Related Parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Other payables - related parties</u> <u>(including principal and interest)</u>		
Subsidiary		
Wah Lee Holding	\$ 721,270	\$ -
Raycong H.K.	2,956,541	-
Dongguan Hua Gang	<u>675,972</u>	<u>-</u>
	<u>\$4,353,783</u>	<u>\$ -</u>

Interest expense

<u>Category of related parties/name</u>	<u>2024</u>	<u>2023</u>
Subsidiary		
Wah Lee Holding	\$ -	\$ 33,510
Raycong H.K.	121,073	44,487
Dongguan Hua Gang	<u>2,953</u>	<u>-</u>
	<u>\$124,026</u>	<u>\$ 77,997</u>

In 2024 and 2023, the Company borrowed short-term, unsecured loans from related parties with agreed interest rates of 0% to 5.22% and 5%, respectively.

f. Endorsements and guarantees

<u>Categories of related parties</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary		
Amount endorsed	<u>\$ 1,546,272</u>	<u>\$ 2,001,569</u>
Amount utilized	<u>\$ 285,012</u>	<u>\$ 326,409</u>
Associate		
Amount endorsed	<u>\$ 1,411,208</u>	<u>\$ 1,916,874</u>
Amount utilized	<u>\$ 710,265</u>	<u>\$ 524,032</u>
Other related parties		
Amount endorsed	<u>\$ 66,280</u>	<u>\$ 25,194</u>
Amount utilized	<u>\$ 41,086</u>	<u>\$ -</u>

g. Remuneration of key management personnel

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

	2024	2023
Short-term employee benefits	\$ 97,504	\$ 86,974
Post-employment benefits	399	40,579
	<u>\$ 97,903</u>	<u>\$127,553</u>

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

**28. Assets Pledged as Collateral**

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, Plant, and Equipment		
Land	\$ 1,434,348	\$ 1,434,349
Buildings	<u>120,599</u>	<u>124,797</u>
	<u>\$1,554,947</u>	<u>\$1,559,146</u>
Investment Property		
Land	\$ 268,412	\$ 268,412
Buildings	<u>157,442</u>	<u>161,219</u>
	<u>\$ 425,854</u>	<u>\$ 429,631</u>

**29. Significant Contingent Liabilities and Unrecognized Commitments**

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

- a. The Company's unused letters of credit for the purchase of merchandise amounted to NT\$3,364 thousand.
- b. The unrecognized commitments for acquisition of property, plant and equipment were NT\$944,878 thousand.
- c. For information regarding the litigation matters of the Company's subsidiary, Kingstone Energy Technology Corporation, please refer to Note 32 of the Company's 2024 consolidated financial statements.

**30. Significant Assets and Liabilities Denominated in Foreign Currency**

The Company's significant assets and liabilities denominated in foreign currency are as follows:

	Foreign Currency Amount		Exchange Rate	Carrying Value
<u>December 31, 2024</u>				
Monetary financial assets				
USD	\$ 299,715	32.785	(USD : NTD)	\$ 9,826,166
Nonmonetary financial assets				
Investment accounted for using the equity method				
HKD	1,230,658	4.222	(USD : NTD)	5,195,838
Monetary financial liabilities				
USD	292,084	32.785	(USD : NTD)	9,575,962
<u>December 31, 2023</u>				
Monetary financial assets				
USD	243,369	30.705	(USD : NTD)	7,472,649
Nonmonetary financial assets				
Investment accounted for using the equity method				
HKD	1,158,411	3.929	(HKD : NTD)	4,551,410
Monetary financial liabilities				
USD	222,277	30.705	(USD : NTD)	6,825,021

The Company's net foreign exchange gains (including realized and unrealized) for 2024 and 2023 were NT\$40,249 thousand and NT\$36,753 thousand, respectively. Due to the variety of foreign currencies involved in foreign currency transactions, it is not possible to separately disclose the exchange gains and losses for each foreign currency that has a significant impact.

### 31. Additional Disclosures

#### a. Information about significant transactions

- 1) Financing provided to others: Table 1.
- 2) Endorsements/Guarantees provided: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.

- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
  - 9) Trading in derivative instruments: Note 7, in addition, the Company incurred a net loss of NT\$19,437 thousand from derivative transactions in 2024.
- 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 and Note 27.
    - (f) Other transactions that have a material effect on the profit or loss for the current year or on the financial position, such as the rendering or receipt of services.

The Company's other significant transactions with investee companies in mainland China as of December 31, 2024 were as follows:

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

- d. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9.

TABLE 1

## WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

**Lending Funds to Other Parties**  
**For the period from January 1 to December 31, 2024**  
**Unit: In Thousands of New Taiwan Dollars**

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

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

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

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

**TABLE 2**

**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

**Endorsements and guarantees**

**For the period from January 1 to December 31, 2024**

**Unit: In Thousands of New Taiwan Dollars**

No.	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Benefit of Each Party (Note 1-6)	Maximum Amount Endorsed/Guaranteed for the Current Year	Outstanding Endorsement/Guarantee at The End of the Year (Note 7)	Amount utilized (Note 7)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 1-6)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Remarks
		Company Name	Relationship											
0	The Company	WL Singapore	Subsidiary of the Company	\$ 6,761,342	\$ 584,100	\$ -	\$ -	\$ -	-	\$ 22,537,807	Y	N	N	
0	The Company	WL Vietnam.	Subsidiary of the Company	6,761,342	979,377	488,496	40,326	-	2.17	22,537,807	Y	N	N	
0	The Company	Regent King	Subsidiary of the Company	6,761,342	97,635	32,785	-	-	0.15	22,537,807	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	4,507,561	97,635	65,570	-	-	0.29	22,537,807	Y	N	N	
0	The Company	WL Philippines Corp.	Subsidiary of the Company	4,507,561	32,835	-	-	-	-	22,537,807	Y	N	N	
0	The Company	Sakuragawa Solar Godogaisha	Subsidiary of the Company	4,507,561	64,608	61,005	14,026	-	0.27	22,537,807	Y	N	N	
0	The Company	Miyazaki Solar Godogaisha	Subsidiary of the Company	4,507,561	192,192	181,471	124,739	-	0.81	22,537,807	Y	N	N	
0	The Company	WL India	Subsidiary of the Company	4,507,561	65,670	55,499	-	-	0.25	22,537,807	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yikang, and Dongguan Hua Gang	Subsidiary of the Company	4,507,561	150,000	150,000	63,454	-	0.67	22,537,807	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	4,507,561	159,579	150,811	-	-	0.67	22,537,807	Y	N	N	
0	The Company	WT Industrial	Subsidiary of the Company	4,507,561	4,000	-	-	-	-	22,537,807	Y	N	N	
0	The Company	Hightech	Subsidiary of the Company	4,507,561	722,370	360,635	42,467	-	1.60	22,537,807	Y	N	N	
0	The Company	Nagase Wahlee Plastics Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	4,507,561	790,000	467,000	187,203	-	2.07	22,537,807	N	N	N	
0	The Company	Shanghai Hua Chang Trading Co., Ltd.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	4,507,561	1,158,986	944,208	523,062	-	4.20	22,537,807	N	N	Y	
0	The Company	Asahi Kasei Wah Lee Hi-tech Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	4,507,561	66,280	66,280	41,086	-	0.29	22,537,807	N	N	N	
1	Shanghai Yikang	Shanghai Meditek	Subsidiary of the Company	890,231	190,907	188,446	34,568	-	4.23	2,225,577	Y	N	Y	
2	KS Corp.	KSA Corp.	Companies that the Company has business relations with	176,094	6,902	6,902	4,034	-	0.92	352,188	N	N	N	
3	Dongguan Hua Gang	Guang Jou Shing Shian	Subsidiary of the Company	741,810	186,953	94,223	8,668	-	3.81	1,236,349	Y	N	Y	
4	Raycong H.K.	Dongguan Hua Gang	Subsidiary of the Company	1,935,388	478,661	478,661	169,287	-	4.95	4,838,469	Y	N	Y	
4	Raycong H.K.	RC Vietnam	Subsidiary of the Company	1,935,388	32,785	32,785	1,639	-	0.34	4,838,469	Y	N	N	
4	Raycong H.K.	Xiamen Huashengda	Subsidiary of the Company	1,935,388	32,835	32,785	17,493	-	0.34	4,838,469	Y	N	Y	
5	Cyuan Cheng Logistics Co., Ltd.	Tranceed Logistics	Parent company of the Company	55,000	25,000	25,000	-	-	55.67	55,000	N	Y	N	

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

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

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

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

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

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

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

**TABLE 3**

**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

**Marketable securities held at the end of the period**

**December 31, 2024**

**Unit: In Thousands of New Taiwan Dollars**

Unit: NT\$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	End of the Year				Remarks
				Number of shares/units	Carrying Value	Shareholding percentage (%)	Fair value	
The Company	Stock							
	Chang Wah Technology Co. Ltd.	Associate's subsidiary	Financial assets at FVTOCI - current	5,000,000	<u>\$167,000</u>	0.53	<u>\$167,000</u>	
	Daily Polymer Corp.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,467,564	\$ 57,000	2.96	\$ 57,000	
	Wah Yuen Technology Holding Limited	-	Financial assets at FVTOCI - non-current	1,968,180	99,658	0.75	99,658	
	JingYi Technology Co.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,066,432	49,280	16.94	49,280	
	High Power Optoelectronics Inc.	-	Financial assets at FVTOCI - non-current	67,991	-	0.12	-	
	Asahi Kasei Wah Lee Hi-tech Corp.	The Company is the director of the company	Financial assets at FVTOCI - non-current	9,497	83,179	19.38	83,179	
	Forcera Materials Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - non-current	2,354,773	117,998	8.35	117,998	
	Univision Technology Holdings	-	Financial assets at FVTOCI - non-current	38,794,190	-	9.10	-	
	Minima Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - non-current	3,600,000	52,775	9.12	52,775	
	TaiGene Biotechnology Co., Ltd.	The Company is the supervisor of the company	Financial assets at FVTOCI - non-current	2,300,000	14,264	6.57	14,264	
	Shilian Fine Chemicals Co., Ltd.	-	Financial assets at FVTOCI - non-current	11,871,585	5,529	4.57	5,529	
	CDIB Capital Group.	-	Financial assets at FVTOCI - non-current	4,310,643	29,055	2.86	29,055	
	Darco Water Technologies Ltd.	-	Financial assets at FVTOCI - non-current	7,649,782	13,291	8.15	13,291	
	Eleocom Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,500,000	-	10.71	-	

(Continued)

(Concluded)

Holding Company Name	Type and Name of Marketable Securities	Relationship with The Holding Company	Financial Statement Account	End of the Year				Remarks
				Number of shares/units	Carrying Value	Shareholding percentage (%)	Fair value	
	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,018,811	\$ 18,848	1.35	\$ 18,848	
	Locus Cell Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,000,000	99,700	2.50	99,700	
	Phoenix II Venture Capital Co., Ltd.	The Company is the director of the company	Financial assets at FVTOCI - non-current	1,000,000	13,777	2.34	13,777	
					<u>\$654,354</u>		<u>\$654,354</u>	
	Innolux Development II Venture Capital Limited Partnership		Financial assets mandatorily classified as at fair value through profit or loss- non-current	-	<u>\$ 12,947</u>	0.94	<u>\$ 12,947</u>	
	Shenzhen Huaying	-	Financial assets at FVTOCI - non-current	-	<u>\$ 9,350</u>	19.90	<u>\$ 9,350</u>	
	SHC Holding Ltd.	-	Financial assets at FVTOCI - non-current	-	<u>\$ -</u>	12.82	<u>\$ -</u>	
	Wah Lee Holding Ltd.	Mutual funds						
	JPMorgan Funds- Multi-Revenue Fund-A (acc) - USD	-	Financial assets at FVTPL - current	7,737	\$ 58,822	-	\$ 58,822	
	JPMorgan Funds-Income Fund A (dist) - USD	-	Financial assets at FVTPL - current	31,586	32,060	-	32,060	
	Shanghai Yikang	Shanghai Jishi Jicai Private Investment Fund Partnership	Financial assets mandatorily classified as at fair value through profit or loss- non-current		<u>\$ 90,882</u>	6.85	<u>\$ 90,882</u>	
					<u>\$ 44,868</u>		<u>\$ 44,868</u>	



**TABLE 4**

**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

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

**For the period from January 1 to December 31, 2024**

**Unit: In Thousands of New Taiwan Dollars**

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

TABLE 5

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital  
December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Company Name of Accounts Receivable	Transaction Party	Relationship	Balance of receivables from related parties (Note)	Turnover Rate (times)	Overdue receivable from related party		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Shanghai Yikang	Subsidiary	\$135,448	4.12	\$ -	-	\$ 94,692	\$ -
	Raycong H.K.	Subsidiary	142,901	3.42	-	-	93,633	-
	CWE Inc.	Associate accounted for using the equity method	231,498	1.62	-	-	203,990	-
Dongguan Hua Gang	The Company	Parent company	682,175	-	-	-	5,029	-
Raycong H.K.	The Company	Parent company	2,967,991	-	-	-	137	-
	Dongguan Hua Gang	Subsidiary	118,980	5.13	-	-	97,302	-
Wah Lee Holding Ltd.	The Company	Parent company	721,270	-	-	-	-	-

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

**TABLE 6**

**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

**Information on investees**  
**For the period from January 1 to December 31, 2024**  
**Unit: In Thousands of New Taiwan Dollars**

Investee company name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying Value	Net Income Loss of the Investee	Investment Gain (Loss) recognized for this year (Note 1)	Remarks
				End of this year	End of last year						
The Company	Wah Lee Holding Ltd.	BVI	International investment	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 6,130,388	\$ 483,047	\$ 499,761	Subsidiary
The Company	Raycong H.K.	Hong Kong	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	304,113	304,113	56,000,000	53.69	5,266,626	865,424	484,053	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	28.06	4,966,134	1,592,225	463,366	Associate
The Company	Nagase Wahlee Plastics Corp.	Taiwan	Trading business of synthetic resin product and related material, agency of domestic and international products distribution quotation and bidding business	20,810	20,810	4,000,000	40.00	726,265	165,427	67,319	Associate
The Company	Wah Hong Corp.	Taiwan	Manufacturing of LCD material, BMC (bulk molding compound) material and molded product	977,962	943,223	27,135,978	27.13	1,263,711	309,842	84,549	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	71,051	6,945	2,430	Associate
The Company	WL Japan	Japan	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	21,490	21,490	1,500	83.33	3,620	( 54 )	( 45 )	Subsidiary
The Company	WL Korea	South Korea	Trading business of synthetic resin, industrial plastic, molding machine and electromechanical parts	18,856	18,856	147,000	100.00	3,126	( 72 )	( 72 )	Subsidiary
The Company	Sakuragawa Solar Godogaisha	Japan	Solar power generation business	46,008	46,008	-	99.99	89,474	6,719	6,719	Subsidiary
The Company	Miyazaki Solar Godogaisha	Japan	Solar power generation business	82,103	82,103	-	99.99	41,202	2,097	2,097	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial materials	48,261	48,261	1,610,000	70.00	27,276	( 326 )	( 228 )	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial materials	16,293	16,293	-	100.00	45,925	4,427	4,427	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	203,749	36,400	23,053	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial materials	200,000	200,000	7,650	51.00	288,395	95,986	48,953	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	794,628	763,392	35,067,582	99.57	891,713	33,541	26,572	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial materials	7,755	7,755	127,495	99.99	5,436	( 350 )	( 350 )	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial materials	7,747	7,747	126,997	99.99	15,095	5,968	5,967	Subsidiary
The Company	ORC Corp.	Taiwan	Trading business and service of exposure machine and parts	4,000	4,000	400,000	40.00	63,505	25,931	10,961	Joint Ventures Subsidiary
The Company	Evergreen New Energy Corporation	Taiwan	Solar power generation business	130,000	130,000	13,000,000	100.00	117,434	( 5,521 )	( 5,521 )	Subsidiary
The Company	Hightech	Malaysia	Trading business of industrial materials	205,335	205,335	7,650,000	51.00	223,145	31,190	10,056	Subsidiary
The Company	WL Singapore	Singapore	Agency of semiconductor materials and equipment	435,145	435,145	1,600,000	100.00	555,172	26,848	26,848	Subsidiary
The Company	Perpetual New Energy Co., Ltd.	Taiwan	Renewable energy self-use power generation and energy technology business	48,000	24,000	4,800,000	12.00	46,554	( 7,673 )	( 921 )	Associate
The Company	WL India	India	Trading business of industrial materials	14,575	14,575	3,861,000	99.00	9,860	( 2,151 )	( 2,129 )	Subsidiary
The Company	Advance Hightech	United States	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	38,628	38,628	1,200,000	100.00	14,447	( 21,184 )	( 21,184 )	Subsidiary
The Company	High Tech Gas	Taiwan	Chemical Materials Manufacturing	90,000	90,000	9,000,000	60.00	88,964	( 1,776 )	( 1,065 )	Subsidiary
The Company	Innovation Service Co., Ltd.	Taiwan	Leasing business	35,000	5,000	3,500,000	58.33	30,875	( 395 )	( 3,012 )	Subsidiary
Tranceed Logistics	Cyuan Cheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	44,971	2,067	2,067	Subsidiary

(Continued)

Investee company name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying Value	Net Income Loss of the Investee	Investment Gain (Loss) recognized for this year (Note 1)	Remarks
				End of this year	End of last year						
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	51,130	51,130	5,113,000	100.00	52,483	145	145	Subsidiary
KS Corp.	KSC Corp.	Taiwan	Solar power generation business	54,000	54,000	5,400,000	100.00	2,563	-	-	Subsidiary
ENE Corp.	Fanxin	Taiwan	Solar power generation business	44,825	44,825	4,500,000	100.00	44,353	( 374 )	( 374 )	Subsidiary
ENE Corp.	Fansheng	Taiwan	Solar power generation business	31,812	31,812	3,200,000	100.00	31,420	( 295 )	( 295 )	Subsidiary
Wah Lee Holding Ltd.	SHC Holding Ltd.	Republic of Mauritius	International investment	43,892	43,892	1,290,000	100.00	746,005	74,005	74,005	Subsidiary
Wah Lee Holding Ltd.	Raycong H.K.	Hong Kong	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	943,164	943,164	48,296,655	46.31	4,481,100	865,424	400,752	Subsidiary
Wah Lee Holding Ltd.	Regent King	Hong Kong	Selling and distributing engineering plastics, high-performance composite materials, industrial materials and equipment	\$ 39	\$ 39	10,000	100.00	\$ 4,638	\$ 119	\$ 119	Subsidiary
Raycong H.K.	RC Vietnam	Vietnam	Trading business of industrial materials	6,141	6,141	1,358	100.00	1,022	( 4,391 )	( 4,391 )	Subsidiary
WT Industrial	WT Indonesia	Indonesia	Trading business of industrial materials	3,953	3,953	18,150	66.00	2,824	( 239 )	( 158 )	Subsidiary
WT Industrial	WL India	India	Trading business of industrial materials	147	147	39,000	1.00	100	( 2,151 )	( 22 )	Subsidiary
WT Industrial	Born Tech	Thailand	Trading business of industrial materials	928	-	9,800	49.00	2,495	3,149	1,543	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: Please refer to Table 7 for the information on investees in mainland China.

**TABLE 7**

**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

**Information on investments in mainland China**  
**For the period from January 1 to December 31, 2024**  
**Unit: In Thousands of New Taiwan Dollars**

Investee Company	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income Loss of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) recognized for this year (Note 1)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Remarks
					Outward	Inward							
Dongguan Hua Gang	Trading business of industrial materials	\$ 1,169,492	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	\$ 202,836	100.00	\$ 202,836	\$ 2,466,872	\$ 425,949	The liquidation was completed in April 2024.
Shanghai Yikang	Purchase and sale of industrial materials and trade	1,019,135	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	759,294	70.00	531,506	3,136,292	-	
Shenzhen Huaying	Supply chain management and consultancy service	24,775	Invested through the third region, Raycong H.K.	-	-	-	-	( 5,471 )	100.00	( 5,471 )	95,781	42,174	
Shanghai Hua Chang Trading Co., Ltd.	International trading and trading consulting; trading agent and commercial simple processing within enterprises in the bonded area	78,684	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	244,057	30.00	73,217	740,092	104,915	
Shanghai Meditek	Import and export of goods and technology	13,460	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	( 27,260 )	49.00	( 13,358 )	( 4,027 )	-	
Shanghai Crown	Trading business of medical devices and equipment	14,941	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	648	48.98	( 667 )	( 3,712 )	-	
Fenghuang Xingwah Shouzheng	Medical device manufacturing technology development and consulting business	22,434	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	( 7,275 )	49.00	( 3,670 )	156	-	
Guangzhou Xingxian	Medical consulting	22,434	Invested through Chinese corporation, Dongguan Hua Gang	-	-	-	-	( 20,004 )	100.00	( 20,004 )	34,260	-	
Anhua Huixinkang	Medical Service	20,191	Invested through the third region Raycong H.K. and through Chinese corporation, Dongguan Hua Gang	-	-	-	-	( 5,697 )	100.00	( 5,697 )	10,852	-	
Kaiping Huaxinkang	Medical Service	-	Invested through Chinese corporation, Guangjou Shing Shian	-	-	-	-	-	-	-	-	-	
Xiamen Hua Chen Da Logistics	Warehouse logistics	13,460	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	( 4,477 )	70.00	( 3,134 )	701	-	
Xiamen Jian Yuan Rong Logistic Co., Ltd.	Warehouse logistics	35,894	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	3,507	30.00	1,052	10,650	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehouse logistics	8,974	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	( 1,073 )	30.00	( 322 )	2,990	-	

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

- Note 1: The disclosure of investment gains and losses this period are based on the following:
- Dongguan Hua Gang and Shanghai Yikang: Audited by the CPAs of the parent company in Taiwan
  - Others are based on unaudited financial statements.
- Note 2: The difference of \$2,111,595 thousand between accumulated outward remittance for investment in mainland China and investment amount authorized by investment commission, MOEA is due to investment of \$1,354,095 thousand (USD8,488 thousand, HKD267,000 thousand and RMB3,500 thousand) through Raycong H.K., investment of \$111,175 thousand (USD3,572 thousand) through Wah Yuen Technology Holding Limited, transferred capital from retained earnings of \$434,385 thousand (USD13,790 thousand) of Shanghai Yikang, investment of \$14,500 thousand (USD500 thousand) through SHC Holding Ltd., investment without significant influence of \$42,644 thousand and the invested amount of \$154,795 thousand which had already been liquidated but not yet revoked.
- Note 3: Under the “Principles Governing the Review of Investments or Technical Cooperation in Mainland China” issued by the Investment Commission on August 29, 2008, the Company had obtained the certificate issued by the Industrial Bureau of the Ministry of Economic Affairs in accordance with the business scope of the operating headquarters; thus, the amount that can be invested in companies located in mainland China is unlimited.

TABLE 8

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

For the period from January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Buyer/Seller	Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Remarks
			Amount	Percentage (%)		Payment Terms	Comparison with Normal Transactions	Amount	Percentage (%)		
The Company	Shanghai Yikang	Sales	\$ 508,156	1	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	\$ 104,481	1	\$ 5,695	
	Dongguan Hua Gang	Sales	340,333	1	Normal trade terms	30 to 120 days after monthly closing	The terms with related parties are not significantly different from those to third parties	32,774	-	1,130	
Raycong H.K.	Dongguan Hua Gang	Sales	584,598	18	Normal trade terms	30 to 180 days after monthly closing	The terms with related parties are not significantly different from those to third parties	118,980	10	-	

**TABLE 9**

**WAH LEE INDUSTRIAL CORPORATION**

## Information on major shareholders

**December 31, 2024**

[illegible]

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

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**STATEMENT 1****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF CASH****December 31, 2024****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Amount
Cash on hand	\$ 236
Deposits in banks	
Check deposits	2,736
Demand deposits	350,933
Foreign currency demand deposits	
USD51,720 thousand	1,695,654
JPY131,625 thousand	27,628
RMB4,029 thousand	18,078
EUR374 thousand	12,785
HKD6 thousand	26
Cash equivalents- bank time deposits with original maturities of 3 months or less	
USD3,021 thousand	99,045
	<u>\$2,207,121</u>

Note:     The USD is converted at the exchange rate of US\$1 = \$32.785.  
            The JPY is converted at the exchange rate of JPY\$1 = \$0.2099.  
            The RMB is converted at the exchange rate of RMB\$1 = \$4.4868.  
            The EUR is converted at the exchange rate of EUR\$1 = \$34.14.  
            The HKD is converted at the exchange rate of HKD\$1 = \$4.222.

**STATEMENT 2****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF ACCOUNTS RECEIVABLE****December 31, 2024****Unit: In Thousands of New Taiwan Dollars**

<u>Client Name</u>	<u>Amount</u>
Related party (Note)	\$ 415,979
Less: Allowance for losses	<u>2,918</u>
	<u>413,061</u>
Unrelated party	
Taiwan Semiconductor Manufacturing Co., Ltd.	566,339
Other (Note)	<u>8,833,435</u>
	<u>9,399,774</u>
Less: Allowance for losses	<u>53,430</u>
	<u>9,346,344</u>
	<u><u>\$9,759,405</u></u>

Note: The balance of each item does not exceed 5% of the balance for that item.

**STATEMENT 3****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF OTHER RECEIVABLES****December 31, 2024****Unit: In Thousands of New Taiwan Dollars**

<u>Item</u>	<u>Amount</u>
Related party	
Consulting service income	\$ 85,033
Dividends receivable	140,582
Other (Note)	<u>56,706</u>
	<u>282,321</u>
Unrelated party	
Tax refund receivable	25,153
Other (Note)	<u>15,895</u>
	<u>41,048</u>
	<u>\$323,369</u>

Note: The balance of each item does not exceed 5% of the balance for that item.

**STATEMENT 4**

**WAH LEE INDUSTRIAL CORPORATION**

**STATEMENT OF INVENTORIES**

**December 31, 2024**

**Unit: In Thousands of New Taiwan Dollars**

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Item	Amount	
	Carrying Value	Net Realizable Value
Product	<u>\$2,743,531</u>	<u>\$2,847,902</u>

**STATEMENT 5****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
2024****Unit: In Thousands of New Taiwan Dollars**

Name	Beginning Year Balance		Increase for the Current Year (Note)		Decrease for the Current Year (Note)		Year End Balance		Status of Provision of Guarantees or Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	
Stock									
Daily Polymer Corp.	2,467,564	\$ 31,955	-	\$ 25,045	-	\$ -	2,467,564	\$ 57,000	None
Wah Yuen Technology Holding Limited	1,968,180	105,906	-	-	-	6,248	1,968,180	99,658	None
JingYi Technology Co.	2,066,432	59,044	-	-	-	9,764	2,066,432	49,280	None
High Power Optoelectronics Inc.	67,991	-	-	-	-	-	67,991	-	None
Asahi Kasei Wah Lee Hi-tech Corp.	9,497	86,502	-	-	-	3,323	9,497	83,179	None
Forcera Materials Co., Ltd.	2,354,773	131,114	-	-	-	13,116	2,354,773	117,998	None
Univision Technology Holdings	38,794,190	-	-	-	-	-	38,794,190	-	None
Minima Co., Ltd.	3,600,000	62,007	-	-	-	9,232	3,600,000	52,775	None
TaiGene Biotechnology Co., Ltd.	2,300,000	12,698	-	1,566	-	-	2,300,000	14,264	None
Shilian Fine Chemicals Co., Ltd.	11,871,585	25,308	-	-	-	19,779	11,871,585	5,529	None
CDIB Capital Group	1,128,571	54,760	3,182,072	-	-	25,705	4,310,643	29,055	None
Darco Water Technologies Ltd.	7,649,782	18,886	-	-	-	5,595	7,649,782	13,291	None
Eleocom Co., Ltd.	1,500,000	-	-	-	-	-	1,500,000	-	None
Tien Li Offshore Wind Technology Co., Ltd.	943,344	47,932	75,467	-	-	29,084	1,018,811	18,848	None
Locus Cell Co., Ltd.	5,000,000	157,400	-	-	-	57,700	5,000,000	99,700	None
Phoenix II Venture Capital Co., Ltd.	1,000,000	11,553	-	2,224	-	-	1,000,000	13,777	None
Innovation Service Co., Ltd.	500,000	3,775	-	112	500,000	3,887	-	-	None
		<u>\$ 808,840</u>		<u>\$ 28,947</u>		<u>\$ 183,433</u>		<u>\$ 654,354</u>	

Note: Reclassified investments using the equity method and fair value adjustments

**STATEMENT 6****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD****2024****(In Thousands of New Taiwan Dollar, Except Unit Price)**

	Beginning Year Balance		Increase for the Current Year (Note 1)		Decrease for the Current Year (Note 1)		Year End Balance			Market Price or Net value of Equity (Note 2)		Status of Provision of Guarantees or Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding%	Amount	Unit price (NT\$)	Total amount	
Wah Lee Holding Ltd.	13,070,000	\$ 5,478,251	-	\$ 652,137	-	\$ -	13,070,000	100.00	\$ 6,130,388	\$ 464.46	\$ 6,070,496	None
Raycong H.K.	56,000,000	4,604,001	-	662,625	-	-	56,000,000	53.69	5,266,626	92.78	5,195,838	None
CWE Inc.	197,902,218	4,501,055	-	465,079	-	-	197,902,218	28.06	4,966,134	45.50	9,004,549	None
Nagase Wahlee Plastics Corp.	4,000,000	686,672	-	39,593	-	-	4,000,000	40.00	726,265	181.66	726,625	None
Wah Hong Corp.	26,129,978	1,110,342	1,006,000	153,369	-	-	27,135,978	27.13	1,263,711	45.90	1,245,541	None
ORC Technology Corp.	600,000	68,621	-	2,430	-	-	600,000	35.00	71,051	118.42	71,051	None
Wah Lee Japan Corp.	1,500	3,792	-	-	-	172	1,500	83.33	3,620	2,413.33	3,620	None
WL Korea	147,000	3,399	-	-	-	273	147,000	100.00	3,126	21.27	3,126	None
Sakuragawa Solar Godogaisha	-	85,772	-	3,702	-	-	-	99.99	89,474	-	89,474	None
Miyazaki Solar Godogaisha	-	40,538	-	664	-	-	-	99.99	41,202	-	41,202	None
WL Indonesia	1,610,000	26,807	-	469	-	-	1,610,000	70.00	27,276	16.94	27,276	None
WL Vietnam	-	40,836	-	5,089	-	-	-	100.00	45,925	-	45,925	None
Tranceed Logistics Co., Ltd.	9,500,000	180,696	-	23,053	-	-	9,500,000	63.33	203,749	21.45	203,749	None
WT Industrial	7,650	242,991	-	45,404	-	-	7,650	51.00	288,395	37,698.69	288,395	None
KS Corp.	33,346,604	824,738	1,720,978	66,975	-	-	35,067,582	99.57	891,713	21.20	743,444	None
WL Philippines Corp.	127,495	5,661	-	-	-	225	127,495	99.99	5,436	42.64	5,436	None
WL Philippines Inc.	126,977	8,856	-	6,239	-	-	126,977	99.99	15,095	118.88	15,095	None
ORC Corp.	400,000	52,544	-	10,961	-	-	400,000	40.00	63,505	158.76	63,505	None
ENE Corp.	13,000,000	122,955	-	-	-	5,521	13,000,000	100.00	117,434	9.03	117,434	None
Hightech	7,650,000	210,683	-	12,462	-	-	7,650,000	51.00	223,145	18.77	143,586	None
WL Singapore	1,600,000	494,891	-	60,281	-	-	1,600,000	100.00	555,172	339.76	543,610	None
Perpetual New Energy Co., Ltd.	2,400,000	23,475	2,400,000	24,000	-	921	4,800,000	12.00	46,554	9.70	46,554	None
WL India	3,861,000	11,551	-	-	-	1,691	3,861,000	99.00	9,860	2.55	9,860	None
Advance Hightech	1,200,000	33,800	-	-	-	19,353	1,200,000	100.00	14,447	12.04	14,447	None
High Tech Gas	9,000,000	90,029	-	-	-	1,065	9,000,000	60.00	88,964	9.88	88,964	None
Innovation Service Co., Ltd.	-	-	3,500,000	33,887	-	3,012	3,500,000	58.33	30,875	8.82	30,875	None
		<u>\$ 18,952,956</u>		<u>\$ 2,268,419</u>		<u>\$ 32,233</u>			<u>\$ 21,189,142</u>		<u>\$ 24,839,677</u>	

Note 1: The changes for the current year include new investments, cash dividends received from investees, adjustments for changes in shareholding percentage of investees, share of profits and losses from subsidiaries, affiliates, and joint ventures recognized using the equity method, shares from other comprehensive income, and adjustments for unrealized gains and losses.

Note 2: Market price is the closing price of the stock on the balance sheet date; net value of equity is calculated based on the financial statements of each investee and the Company's shareholding percentage.

**STATEMENT 7****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF SHORT-TERM BORROWINGS****December 31, 2024****Unit: In Thousands of New Taiwan Dollars**

Types of Loans and Creditors	Contract Duration	Annual interest rate (%)	Balance	Amount of Financing	Mortgage or Guarantee
Credit Loan					
The Shanghai Commercial & Savings Bank, Ltd.	2024.10~2025.6	5.05	\$ 443,337	\$ 983,550	None
CTBC Bank Co., Ltd.	2024.11~2025.5	1.83	400,000	800,000	None
Mizuho Bank, Ltd.	2024.10~2025.3	0.82~5.20	628,248	1,639,250	None
Taipei Fubon Bank	2024.10~2025.6	5.23~5.24	273,851	600,000	None
Taishin International Bank	2024.11~2025.5	5.29	35,006	200,000	None
E.SUN Commercial Bank., Ltd	2024.10~2025.3	0.77~0.85	120,775	500,000	None
Mega International Commercial Bank, Ltd	2024.11~2025.5	5.20~5.22	121,361	800,000	None
The Hongkong and Shanghai Banking Corporation Limited	2024.10~2025.4	1.75~5.33	490,436	1,016,335	None
Cathay United Bank	2024.11~2025.2	5.34	83,472	500,000	None
First Commercial Bank, Ltd.	2024.09~2025.6	5.26~5.29	61,261	600,000	None
Land Bank of Taiwan	2024.11~2025.6	5.13~5.15	332,401	1,000,000	None
Taiwan Business Bank Co., Ltd.	2024.10~2025.5	5.10~5.17	278,310	500,000	None
The Export-Import Bank of the Republic of China	2024.08~2025.9	1.86	200,000	300,000	None
Hua Nan Commercial Bank Ltd	2024.12~2025.6	5.13~5.18	<u>280,283</u>	1,200,000	None
			<u>\$ 3,748,741</u>		

**STATEMENT 8****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF CONTRACT LIABILITIES****December 31, 2024****Unit: In Thousands of New Taiwan Dollars**

<u>Client Name</u>	<u>Amount</u>
Related party	
KS Corp.	\$ 70,224
KSA Corp.	<u>20,282</u>
	<u>90,506</u>
Unrelated party	
Hon Hai Precision Industry Co., Ltd	35,000
Pxx Semiconductor Manufactory Co., Ltd	30,316
Eco Energy Corporation	27,872
Full Chain Materials Int'l Co., Ltd.	17,820
Other (Note)	<u>149,100</u>
	<u>260,108</u>
	<u>\$350,614</u>

Note: The balance of each item does not exceed 5% of the balance for that item.



**STATEMENT 9****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF ACCOUNTS PAYABLE****December 31, 2024****Unit: In Thousands of New Taiwan Dollars**

<u>Supplier Name</u>	<u>Amount</u>
Related party (Note)	<u>\$ 292,179</u>
Unrelated party	
JSR Corp.	1,589,718
JSR Corporation	423,532
Mitsubishi Chemical Taiwan Co., Ltd.	380,863
CHIMEI Corporation	288,136
Other (Note)	<u>1,500,219</u>
	<u>4,182,468</u>
	<u><u>\$4,474,647</u></u>

Note: The balance of each item does not exceed 5% of the balance for that item.

**STATEMENT 10**

**WAH LEE INDUSTRIAL CORPORATION**  
**STATEMENT OF LONG-TERM BORROWINGS**  
**December 31, 2024**  
**Unit: In Thousands of New Taiwan Dollars**

Creditor Bank	Terms and Methods of Repayment	Annual interest rate (%)	Amount			Mortgage or Guarantee
			Due within one year	Due after one year	Total	
Syndicated bank loans						
Mega International Commercial Bank, Ltd	Revolving credit line until August 2027	2.21	\$ -	\$ 2,000,000	\$ 2,000,000	None
Less: Syndicated loan fee			-	2,583	2,583	
			-	1,997,417	1,997,417	
Credit Loan						
HSBC Bank	Revolving credit line until December 2027, with a lump-sum payment upon maturity.	1.98	-	200,000	200,000	None
Mizuho Bank, Ltd.	Revolving credit line until April 2026, with a lump-sum payment upon maturity.	1.95	-	200,000	200,000	None
			-	400,000	400,000	
Mortgage Loan						
Land Bank of Taiwan	Repayments will be made on a monthly basis until June 2037	2.31	4,148	55,261	59,409	Land and Buildings
Land Bank of Taiwan	Repayments will be made on a monthly basis until September 2032	2.31	17,410	128,642	146,052	Land and Buildings
Land Bank of Taiwan	Due for lump-sum repayment in May 2027	2.22	-	778,000	778,000	Land
Land Bank of Taiwan	Due for lump-sum repayment in June 2027	2.38	-	269,150	269,150	Land
			21,558	1,231,053	1,252,611	
			\$ 21,558	\$ 3,628,470	\$ 3,650,028	

**STATEMENT 11****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF OPERATING REVENUES****2024****Unit: In Thousands of New Taiwan Dollars**

<u>Item (Note 1)</u>	<u>Amount</u>	<u>Amount</u>
Flat-panel Displays	Note 2	\$ 20,131,148
Semiconductors	Note 2	17,057,144
Information and Communication Technology	Note 2	4,603,933
Other (Note 3)		<u>5,025,834</u>
		<u>\$ 46,818,059</u>

Note 1: Operating revenue items are classified based on the industry related to the end-use applications of the sold products.

Note 2: Due to the extensive range of sales items and different units, quantities are not specified, and revenue is only summarized by industry.

Note 3: The balance of each item does not exceed 10% of the amount for that item.

**STATEMENT 12****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF OPERATING COSTS****2024****Unit: In Thousands of New Taiwan Dollars**

<u>Item</u>	<u>Amount</u>
Cost of Goods Sold	
Beginning Inventory	\$ 2,322,315
Add: Purchases for the current year	44,373,456
Less: Reclassification to operating expenses	( 53,089)
Reclassification to other losses	( 55)
Write-downs of inventories	( 30,257)
Ending inventory	( <u>2,743,531</u> )
	43,868,839
Write-downs of inventories	30,257
Others	( <u>6,970</u> )
Cost of Goods Sold	<u>43,892,126</u>
Other operating costs	<u>39,286</u>
	<u><u>\$ 43,931,412</u></u>

**STATEMENT 13****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF OPERATING EXPENSES****2024****Unit: In Thousands of New Taiwan Dollars**

Item	Selling and marketing expenses	General and administrative expenses	Total
Employee benefits expense	\$ 621,741	\$ 244,808	\$ 866,549
Commissions expense	249,632	-	249,632
Import and export expense	121,023	-	121,023
Freight charges	147,022	493	147,515
Rent expense	84,483	1,660	86,143
Depreciation and amortization	40,822	22,969	63,791
Service expense	19,692	28,130	47,822
Software acquisition and maintenance expense	53	89,708	89,761
Others	<u>199,122</u>	<u>43,454</u>	<u>242,576</u>
	<u>\$ 1,483,590</u>	<u>\$ 431,222</u>	<u>1,914,812</u>
Expected credit loss recognized			<u>22,609</u>
			<u>\$ 1,937,421</u>

**STATEMENT 14****WAH LEE INDUSTRIAL CORPORATION****STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION  
AND AMORTIZATION BY FUNCTION****FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023****Unit: In Thousands of New Taiwan Dollars**

	2024				2023			
	Operating Costs	Operating Expenses	Non- operating expenses	Total	Operating Costs	Operating Expenses	Non- operating expenses	Total
Employee benefits expense								
Salary Expenses	\$ -	\$ 721,160	\$ -	\$ 721,160	\$ -	\$ 755,999	\$ -	\$ 755,999
Labor and national health insurance	-	46,873	-	46,873	-	42,916	-	42,916
Pension Expenses	-	23,886	-	23,886	-	22,024	-	22,024
Director's remuneration	-	32,866	-	32,866	-	31,731	-	31,731
Others	-	41,764	-	41,764	-	36,685	-	36,685
	\$ -	\$ 866,549	\$ -	\$ 866,549	\$ -	\$ 889,355	\$ -	\$ 889,355
Depreciation expenses	\$ 22,450	\$ 60,112	\$ 3,800	\$ 86,362	\$ 5,240	\$ 65,477	\$ 3,800	\$ 74,517
Amortization expenses	-	3,679	-	3,679	-	3,983	-	3,983

Note 1: The average number of employees in the Company for 2024 and 2023 was 411, including 6 directors who do not hold concurrent positions as employees.

Note 2: The average employee benefits and salary expenses of Company are as follows:

- a. The average employee benefit expenses for 2024 and 2023 were NT\$2,058 thousand and NT\$2,118 thousand, respectively.
- b. The average employees' salary expenses for 2024 and 2023 were NT\$1,781 thousand and NT\$1,867 thousand, respectively.
- c. The average employees' salary expenses for 2024 were reduced by approximately 5%.
- d. The Company has established an Audit Committee with no supervisors.
- e. The Company's compensation policies (including directors, managers, and employees) are as follows:

1) Compensation Policy for Directors

It is handled in accordance with the Company's Articles of Incorporation, Remuneration Committee Charter, and the Director Compensation Management Regulations. The proposal is submitted to the Board of Directors for resolution after being recommended by the Compensation Committee.

- a) Director Compensation: According to Article 20 of the Company's Articles of Incorporation: "In the event that the Company generates a profit for the year, it shall allocate no less than 2% for employee compensation and no more than 2% for director compensation."

- b) Transportation Expenses: Article 4 of the Board of Directors Compensation Management Regulations: "1. Each director shall receive a transportation allowance of NT\$10,000 for attending each board meeting. 2. Directors who do not attend the board meeting in person shall not be eligible to receive transportation allowances." 3. Any adjustments to the transportation allowance amount shall be proposed by the Compensation Committee and approved by the Board of Directors. "
- c) Other Compensation: According to Article 19 of the Company's Articles of Incorporation, the compensation for directors' participation in the company's daily operations will be determined based on their level of involvement and value of their contributions. The amount shall be proposed by the Compensation Committee and submitted for approval by the Board of Directors.

## 2) Compensation Policy for Managers

It is handled in accordance with the Company's Articles of Incorporation, Remuneration Committee Charter, and the Manager Compensation Management Regulations. The proposal is submitted to the Board of Directors for resolution after being recommended by the Compensation Committee.

- a) The manager's compensation system aims to achieve the goal of external market competitiveness. The overall reward is divided into fixed remuneration, incentive compensation, and benefit/indirect compensation.
- b) The managers' remuneration system shall comply with the Company's operation strategy, and the managers' remuneration shall be significantly correlated with the Company's growth index, productivity index and shareholder profit index.

## 3) Compensation Policy for Employees

- a) Employee compensation includes various forms of cash compensation (fixed salary, bonuses, and remuneration), stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures.
- b) Salary is determined based on the employee's job grade and the company's salary policies.

Article 20 of the company's Articles of Incorporation: 'If the company generates profits in the year, no less than 2% shall be allocated for employee compensation...'. Bonuses and employee compensation are distributed based on the employee's job title, competency, individual performance, and overall contribution to the company.