

Stock Code: 3010

WAH LEE INDUSTRIAL CORPORATION

**Parent Company Only Financial Statements
for the Years Ended December 31, 2025 and
2024 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, 2025 and 2024, 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, 2025 and 2024 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, 2025. 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, 2025 is described as follows:

Authenticity of Revenue from Specific Customers

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

Refer to Note 4 to the financial statements for the related accounting policy on revenue recognition. The main audit procedures that we performed to address the authenticity of the revenue from specific customers were as follows:

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

Other Matters

The financial statements of some investees accounted for using the equity method in the Company's parent company only financial statements for the years ended December 31, 2025 and 2024 were audited by other independent auditors; accordingly, our opinion insofar as it relates to the amounts and information disclosed, is based solely on the reports of other independent auditors. The carrying values of the investments accounted for using the equity method as of December 31, 2025 and 2024 were NT\$738,341 thousand and NT\$726,265 thousand, respectively, both representing 2% of total parent company only assets; the amounts of the share of profit of associates for the years ended December 31, 2025 and 2024 were NT\$74,614 thousand and NT\$67,319 thousand, representing 3% and 3% 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, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu-Yen, Wu

CPA Jui-Hsuan, Hsu

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March 11, 2026

Notice 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

December 31, 2025, and December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 2,260,476	5	\$ 2,207,121	5
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	223,500	1	167,000	-
1150	Notes receivable (Notes 4 and 9)	105,744	-	88,649	-
1170	Accounts receivable, net (Notes 4, 5, and 9)	9,953,753	22	9,346,344	22
1180	Accounts receivable - related parties (Notes 4, 5, 9, and 27)	520,163	1	413,061	1
1200	Other receivables	30,982	-	41,048	-
1210	Other receivables - related parties (Note 27)	249,504	1	282,321	1
130X	Merchandise inventory (Notes 4, 5, and 10)	2,817,119	6	2,743,531	7
1421	Prepayments for purchases	1,403,005	3	1,492,529	4
1470	Other current assets	89,024	-	52,446	-
11XX	Total current assets	<u>17,653,270</u>	<u>39</u>	<u>16,834,050</u>	<u>40</u>
	NON-CURRENT ASSETS				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	18,562	-	12,947	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	780,081	2	654,354	2
1550	Investments accounted for using the equity method (Notes 4, 11 and 27)	22,622,362	50	21,189,142	50
1600	Property, plant and equipment (Notes 4, 12, and 28)	3,374,301	7	2,868,015	7
1755	Right-of-use assets (Note 4 and 13)	40,288	-	58,003	-
1760	Net amount of investment properties (Notes 4, 14, and 28)	432,423	1	436,220	1
1822	Intangible assets	5,717	-	6,690	-
1840	Deferred tax assets (Notes 4 and 23)	228,903	1	223,211	-
1915	Prepayments for equipment	-	-	2,237	-
1920	Refundable deposits	48,893	-	49,926	-
15XX	Total non-current assets	<u>27,551,530</u>	<u>61</u>	<u>25,500,745</u>	<u>60</u>
1XXX	Total assets	<u>\$ 45,204,800</u>	<u>100</u>	<u>\$ 42,334,795</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 15)	\$ 6,383,140	14	\$ 3,748,741	9
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)	453,422	1	350,614	1
2150	Notes payable (Note 17)	6,061	-	13,022	-
2170	Accounts payable (Note 17)	4,798,082	10	4,182,468	10
2180	Accounts payable - related parties (Notes 17 and 27)	456,842	1	292,179	1
2200	Other payables (Note 18)	737,213	2	788,553	2
2220	Other payables - related parties (Note 27)	1,752,474	4	4,453,910	10
2230	Current tax liabilities (Note 23)	411,803	1	93,109	-
2280	Lease liabilities - current (Notes 4 and 13)	18,280	-	18,017	-
2322	Current portion of long-term borrowings (Note 15)	22,062	-	21,558	-
2365	Refund liability - current	486,081	1	365,914	1
2399	Other current liabilities	18,807	-	18,654	-
21XX	Total current liabilities	<u>15,544,267</u>	<u>34</u>	<u>14,366,176</u>	<u>34</u>
	NON-CURRENT LIABILITIES				
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7 and 11)	112,200	-	-	-
2540	Long-term borrowings (Note 15)	3,978,733	9	3,628,470	9
2550	Provisions - non-current (Note 4)	21,552	-	18,230	-
2570	Deferred tax liabilities (Notes 4 and 23)	1,515,309	4	1,587,241	4
2580	Lease liabilities - non-current (Notes 4 and 13)	28,041	-	45,941	-
2640	Net defined benefit liability - non-current (Notes 4 and 19)	123,443	-	147,275	-
2645	Guarantee deposits received	3,683	-	3,655	-
25XX	Total non-current liabilities	<u>5,782,961</u>	<u>13</u>	<u>5,430,812</u>	<u>13</u>
2XXX	Total liabilities	<u>21,327,228</u>	<u>47</u>	<u>19,796,988</u>	<u>47</u>
	EQUITY (Note 20)				
3110	Ordinary share capital	2,594,368	6	2,594,368	6
3200	Capital surplus	3,847,560	8	3,905,495	9
	Retained Earnings				
3310	Legal reserve	3,432,369	8	3,179,735	8
3320	Special reserve	72,302	-	72,302	-
3351	Undistributed earnings	12,229,491	27	11,473,192	27
3300	Total retained earnings	<u>15,734,162</u>	<u>35</u>	<u>14,725,229</u>	<u>35</u>
3400	Other Equity	1,701,482	4	1,312,715	3
3XXX	Total equity	<u>23,877,572</u>	<u>53</u>	<u>22,537,807</u>	<u>53</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 45,204,800</u>	<u>100</u>	<u>\$ 42,334,795</u>	<u>100</u>

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

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

WAH LEE INDUSTRIAL CORPORATION

Parent Company Only Statements of Comprehensive Income

From January 1 to December 31, 2025 and 2024

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

Code		2025		2024	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 4, 21 and 27)	\$ 47,656,331	100	\$ 46,818,059	100
5000	OPERATING COSTS (Notes 9, 22 and 27)	<u>44,347,709</u>	<u>93</u>	<u>43,931,412</u>	<u>94</u>
5900	GROSS PROFIT	3,308,622	7	2,886,647	6
5910	UNREALIZED GAINS WITH SUBSIDIARIES	(5,536)	-	(7,103)	-
5920	REALIZED GAINS WITH SUBSIDIARIES	<u>7,103</u>	<u>-</u>	<u>4,896</u>	<u>-</u>
5950	REALIZED GROSS PROFIT	<u>3,310,189</u>	<u>7</u>	<u>2,884,440</u>	<u>6</u>
	OPERATING EXPENSES (Notes 9, 22, and 27)				
6100	Selling and marketing expenses	1,603,251	3	1,483,590	3
6200	General and administrative expenses	382,087	1	431,222	1
6450	Expected credit loss recognized	<u>2,444</u>	<u>-</u>	<u>22,609</u>	<u>-</u>
6000	Total operating expenses	<u>1,987,782</u>	<u>4</u>	<u>1,937,421</u>	<u>4</u>
6900	OPERATING INCOME	<u>1,322,407</u>	<u>3</u>	<u>947,019</u>	<u>2</u>
	NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
7100	Interest income	82,002	-	53,181	-
7010	Other income	183,153	1	240,200	1
7020	Other gains and losses	(38,560)	-	21,427	-
7050	Financial costs	(352,167)	(1)	(426,615)	(1)
7070	Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	<u>1,495,317</u>	<u>3</u>	<u>1,732,604</u>	<u>4</u>
7000	Total	<u>1,369,745</u>	<u>3</u>	<u>1,620,797</u>	<u>4</u>

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Code		2025		2024	
		Amount	%	Amount	%
7900	INCOME BEFORE TAX	\$ 2,692,152	6	\$ 2,567,816	6
7950	INCOME TAX EXPENSES (Notes 4 and 23)	<u>398,429</u>	<u>1</u>	<u>314,912</u>	<u>1</u>
8200	Net profit for the current year	<u>2,293,723</u>	<u>5</u>	<u>2,252,904</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	17,103	-	38,142	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	162,528	-	(150,599)	-
8330	Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using the equity method	526,660	1	451,926	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	2,104	-	3,382	-
8360	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using the equity method	(268,813)	-	726,056	1
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>45,513</u>	<u>-</u>	(<u>120,016</u>)	<u>-</u>
8300	Other Comprehensive Income for the Year (net of tax)	<u>485,095</u>	<u>1</u>	<u>948,891</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,778,818</u>	<u>6</u>	<u>\$ 3,201,795</u>	<u>7</u>
	EARNINGS PER SHARE (Note 24)				
9750	Basic	<u>\$ 8.84</u>		<u>\$ 8.89</u>	
9850	Diluted	<u>\$ 8.74</u>		<u>\$ 8.62</u>	

The accompanying notes are an integral part of the parent company only financial statements.
(Refer to Deloitte & Touche auditors' report dated March 11, 2026)

WAH LEE INDUSTRIAL CORPORATION

Parent Company Only Statement of Changes in Equity

From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		Share Capital		Capital Surplus	Retained Earnings			Other equity items			
		Ordinary Share Capital	Share Capital Collected in Advance		Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gain on financial assets at FVTOCI	Total	Total Equity
A1	Balance at January 1, 2024	\$ 2,360,203	\$ 2,190	\$ 2,092,166	\$ 2,968,189	\$ 448,559	\$ 10,066,449	(\$ 559,328)	\$ 1,196,590	\$ 637,262	\$ 18,575,018
	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
	Appropriation and distribution for 2024 earnings										
B1	Legal reserve	-	-	-	252,634	-	(252,634)	-	-	-	-
B5	Cash dividends distributed to the shareholders of the Company	-	-	-	-	-	(1,375,015)	-	-	-	(1,375,015)
		-	-	-	252,634	-	(1,627,649)	-	-	-	(1,375,015)
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(57,270)	-	-	-	-	-	-	(57,270)
D1	Net profit for 2025	-	-	-	-	-	2,293,723	-	-	-	2,293,723
D3	Other comprehensive income after tax for 2025	-	-	-	-	-	11,661	(223,300)	696,734	473,434	485,095
D5	Total comprehensive income for 2025	-	-	-	-	-	2,305,384	(223,300)	696,734	473,434	2,778,818
M5	Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition and disposal (Note 11)	-	-	(665)	-	-	-	-	-	-	(665)
M7	Changes in ownership interest in subsidiaries	-	-	-	-	-	(6,103)	-	-	-	(6,103)
Q1	Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	84,667	-	(84,667)	(84,667)	-
Z1	Balance at December 31, 2025	\$ 2,594,368	\$ -	\$ 3,847,560	\$ 3,432,369	\$ 72,302	\$ 12,229,491	(\$ 176,588)	\$ 1,878,070	\$ 1,701,482	\$ 23,877,572

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

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

WAH LEE INDUSTRIAL CORPORATION

Parent Company Only Statements of Cash Flows

From January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the current year	\$2,692,152	\$2,567,816
A20010	Adjustments for		
A20100	Depreciation expenses	91,569	86,362
A20200	Amortization expenses	2,587	3,679
A20300	Expected credit loss recognized	2,444	22,609
A20400	Net loss (gain) of financial instruments at FVTPL	(11,937)	19,330
A20900	Financial costs	352,167	426,615
A21200	Interest income	(82,002)	(53,181)
A21300	Dividend income	(12,711)	(19,588)
A22400	Share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method	(1,495,317)	(1,732,604)
A22500	Disposals of property, plant and equipment	(624)	(5,390)
A23700	Write-downs of inventories	9,697	30,257
A23900	Unrealized gains with subsidiaries	5,536	7,103
A24000	Realized gains with subsidiaries	(7,103)	(4,896)
A24100	Unrealized loss on foreign currency exchange	19,517	207,056
A22900	Others	(351)	(20)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(17,095)	14,706
A31150	Accounts receivable	(607,954)	(1,615,336)
A31160	Accounts receivable - related parties	(109,001)	(34,883)
A31180	Other receivables	7,421	(3,480)
A31190	Other receivables - related parties	34,996	(50,613)
A31200	Merchandise inventories	(83,285)	(451,473)
A31230	Prepayments for purchases	89,524	(52,108)
A31240	Other current assets	(36,578)	(17,650)
A32110	Financial liabilities held for trading	(8,615)	-
A32125	Contract liabilities	102,808	(60,222)
A32130	Notes payable	(6,961)	(2,333)
A32150	Accounts payable	615,614	431,270
A32160	Accounts payable - related parties	164,663	(1,273)
A32180	Other payables	(39,581)	(3,586)

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Code		2025	2024
A32190	Other payables - related parties	\$ 15,338	(\$ 10,388)
A32200	Refund liabilities	120,167	6,100
A32230	Other current liabilities	153	(6,164)
A32240	Net defined benefit liabilities	(<u>6,729</u>)	(<u>50,309</u>)
A33000	Cash generated from operations	1,800,509	(352,594)
A33100	Interest received	82,504	52,444
A33200	Dividends received	1,145,217	825,956
A33300	Interest paid	(353,823)	(442,353)
A33500	Income tax paid	(<u>108,216</u>)	(<u>328,703</u>)
AAAA	Net cash generated from (used in) operating activities	<u>2,566,191</u>	(<u>245,250</u>)
CASH FLOW FROM INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(30,000)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	7,764	-
B00030	Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	2,535	-
B00100	Acquisition of financial assets at FVTPL	(4,500)	(12,840)
B01800	Acquisition of investments accounted for using the equity method	-	(58,739)
B02200	Acquisition of subsidiary	(702,240)	(30,000)
B02400	Proceeds from capital reduction of investments accounted for using equity method	12,000	-
B02700	Acquisition of property, plant, and equipment	(587,409)	(420,862)
B02800	Proceeds from disposal of property, plant, and equipment	2,010	20,556
B03700	Decrease (increase) in refundable deposit	1,033	(204)
B04500	Acquisition of other intangible assets	(<u>1,614</u>)	(<u>1,470</u>)
BBBB	Net cash used in investing activities	(<u>1,300,421</u>)	(<u>503,559</u>)
CASH FLOW FROM FINANCING ACTIVITIES			
C00200	Increase (Decrease) in short-term borrowings	2,600,052	(1,987,450)
C01600	Proceeds from long-term borrowings	573,140	269,150

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Code		2025	2024
C01700	Repayment of long-term borrowings	(223,373)	(21,107)
C03000	Increase in guarantee deposits received	28	452
C03700	Increase (Decrease) in other payables to related parties	(2,695,750)	4,325,030
C04020	Repayment of the principal portion of lease liabilities	(17,695)	(17,599)
C04500	Distributed cash dividends	(1,375,015)	(1,284,310)
C05400	Acquisition of subsidiary equity	(73,802)	(31,236)
C09900	Other fundraising activities	<u>\$ -</u>	<u>(\$ 9)</u>
CCCC	Net cash generated from (used in) financing activities	<u>(1,212,415)</u>	<u>1,252,921</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	53,355	504,112
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,207,121</u>	<u>1,703,009</u>
E00200	CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR	<u>\$2,260,476</u>	<u>\$2,207,121</u>

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

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

WAH LEE INDUSTRIAL CORPORATION

Notes to Parent Company Only Financial Statements
From January 1 to December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Organization

Wah Lee Industrial Corporation (the “Company”) was incorporated in October 1968 and is mainly engaged in the import/export and agency business of composite materials, engineering plastic, printed circuit board, semiconductor, and computer related manufacturing materials and equipment.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since July 22, 2002.

The 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 11, 2026.

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

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

The 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 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" related to the application guidance on the derecognition of financial liabilities.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

As of the date of approval of this financial statement, the Company has assessed that amendments to other standards will not have a significant impact on its financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18: "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendment)	January 1, 2027
Amendment to IAS 21: "Conversion to a presentation currency for highly inflationary economies"	January 1, 2027

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

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

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

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

- The Company shall assess whether it had engaged in specific principal operating activities of investing in specific types of assets and of providing financing to customers, and accordingly classify the income and expense items in the income statement into categories such as operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall report operating profit or loss, pre-financing profit or loss before tax, as well as subtotals and totals of the profit or loss.
- Provide guidance to strengthen aggregation and disaggregation regulations: The 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.

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

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

Aside from the aforementioned impacts, as of the date the 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 (including contingent consideration in business combinations), and the net defined benefit liabilities measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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 expenses in the period in which they are incurred, and services are received.

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

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

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

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

When associates and joint ventures issue new shares and the 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.

1. 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) Held under a certain business model, and the model is designed to hold financial assets with the purpose of receiving contractual cash flows.

- ii) The contractual terms specify cash flows on designated dates, which are exclusively allocated for the payment of principal and interest on the outstanding principal amount.

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

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

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

At initial recognition, the 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 criterion is more appropriate.

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

(c) Derecognition of the financial assets

The 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 are derecognized, the accumulated gains or losses are directly transferred to retained earnings and are not reclassified to profit or loss.

2) Equity instruments

The debt and equity instruments issued by the 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 transfers almost all the risks and returns associated with the ownership of the asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

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

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

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

Key sources of estimation uncertainties include:

a. Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the 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, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 211	\$ 236
Demand deposits in banks	2,256,011	2,105,104
Check accounts in banks	4,254	2,736
Cash equivalents- bank time deposits with original maturities of 3 months or less	<u>-</u>	<u>99,045</u>
	<u>\$2,260,476</u>	<u>\$2,207,121</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits (%)	-	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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - non-current</u>		
Derivative mandatorily classified as at fair value through profit or loss		
Domestic limited partnership	<u>\$ 18,562</u>	<u>\$ 12,947</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivatives instruments (not designated for hedge)	<u>\$ -</u>	<u>\$ 19,437</u>
<u>Financial liabilities - non-current</u>		
Contingent consideration in business combinations (Note 11)	<u>\$112,200</u>	<u>\$ -</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.

The outstanding foreign exchange contracts as of the balance sheet date are as follows:

December 31, 2024

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

8. Financial Assets at FVTOCI

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Domestic investments in equity instruments		
TPEX-listed stocks	<u>\$223,500</u>	<u>\$167,000</u>
<u>Non-current</u>		
Domestic investments in equity instruments		
Listed and emerging shares	\$298,958	\$293,546
Unlisted stocks	<u>395,080</u>	<u>247,859</u>
	<u>694,038</u>	<u>541,405</u>
Foreign investments in equity instruments		
TWSE-listed stocks	14,589	13,291
TWSE-unlisted stocks	<u>71,454</u>	<u>99,658</u>
	<u>86,043</u>	<u>112,949</u>
	<u>\$780,081</u>	<u>\$654,354</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, 2025</u>	<u>December 31, 2024</u>
Notes receivable - unrelated parties		
Notes receivable - operating	<u>\$ 105,744</u>	<u>\$ 88,649</u>
Accounts receivable - unrelated parties		
At amortized cost		
Gross carrying amount	\$ 10,005,684	\$ 9,399,774
Less: Allowance for losses	<u>51,931</u>	<u>53,430</u>
	<u>\$ 9,953,753</u>	<u>\$ 9,346,344</u>
Accounts receivable - related parties		
At amortized cost		
Gross carrying amount	\$ 524,980	\$ 415,979
Less: Allowance for losses	<u>4,817</u>	<u>2,918</u>
	<u>\$ 520,163</u>	<u>\$ 413,061</u>

The main credit period for 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, 2025

	Counterparty Without Signs of Default				Counterparty With Signs of Default	Total
	Not past due	Past due by 1-60 days	Past due by 61-180 days	Past due over 181 days		
Expected credit loss rate (%)	0.1	1~5	15~40	50	100	
Gross carrying amount	\$ 9,956,656	\$ 610,765	\$ 41,802	\$ 16,246	\$ 10,939	\$10,636,408
Loss allowance (Lifetime ECLs)	(13,887)	(11,320)	(12,479)	(8,123)	(10,939)	(56,748)
Amortized cost	<u>\$ 9,942,769</u>	<u>\$ 599,445</u>	<u>\$ 29,323</u>	<u>\$ 8,123</u>	<u>\$ -</u>	<u>\$10,579,660</u>

December 31, 2024

	Counterparty without signs of default				Counterparty with signs of default	Total
	Not past due	Past due by 1-60 days	Past due by 61-180 days	Past due over 181 days		
Expected credit loss rate (%)	0.01	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>

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

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 56,348	\$ 39,151
Allocation for the current year	2,444	22,609
Write-off for the current year	(2,044)	(5,412)
Balance at end of the year	<u>\$ 56,748</u>	<u>\$ 56,348</u>

10. Merchandise Inventories

The cost of goods sold related to inventory in 2025 and 2024 were \$44,302,924 thousand and \$43,892,126 thousand respectively, which included the following items:

	<u>2025</u>	<u>2024</u>
Write-downs of inventories	\$ 9,697	\$ 30,257
Others	(833)	(6,970)
	<u>\$ 8,864</u>	<u>\$ 23,287</u>

11. Investment Accounted for Using the Equity Method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment in subsidiaries	\$ 15,402,446	\$ 14,051,922
Investments in associates	7,134,464	7,073,715
Investment in joint ventures	<u>85,452</u>	<u>63,505</u>
	<u>\$ 22,622,362</u>	<u>\$ 21,189,142</u>

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

a. Investment in subsidiaries

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	Carrying Value	Equity Percentage %	Carrying Value	Equity Percentage %
<u>Not a listed or OTC company</u>				
Wah Lee Holding Ltd.	\$ 6,319,152	100.00	\$ 6,130,388	100.00
Raycong Industrial (H.K.) Ltd. (Raycong H.K.)	5,482,568	53.69	5,266,626	53.69
Wah Lee Japan Corp. (WL Japan)	3,419	88.46	3,620	88.46
Wah Lee Korea Ltd. (WL Korea)	2,959	100.00	3,126	100.00
Sakuragawa Solar Godogaisha	89,512	99.99	89,474	99.99
Miyazaki Solar Godogaisha	42,325	99.99	41,202	99.99
PT. Wah Lee Indonesia (WL Indonesia)	25,323	70.00	27,276	70.00
Wah Lee Vietnam Co., Ltd. (WL Vietnam)	47,890	100.00	45,925	100.00
Tranceed Logistics Co., Ltd. (Tranceed Logistics)	247,294	63.33	203,749	63.33
Wah Tech Industrial Co., Ltd. (WT Industrial)	236,988	51.00	288,395	51.00
Kingstone Energy Technology Corporation (KS Corp.)	905,173	99.57	891,713	99.57
Perpetual New Energy Co., Ltd.	279,324	100.00	-	-
Evergreen New Energy Corp.	114,084	100.00	117,434	100.00

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	December 31, 2025		December 31, 2024	
	Carrying Value	Equity Percentage %	Carrying Value	Equity Percentage %
Wah Lee Philippines International Corp. (WL Philippines Corp.)	4,859	99.99	5,436	99.99
Wah Lee Philippines Inc. (WL Philippines Inc.)	17,436	99.99	15,095	99.99
Hightech Polymer Sdn. Bhd. (Hightech)	240,864	51.00	223,145	51.00
Wah Lee Tech (Singapore) Pte. Ltd. (WL Singapore)	589,335	100.00	555,172	100.00
High Tech Gas Company. Ltd. (High Tech Gas)	81,924	60.00	88,964	60.00
Advance Hightech Solutions Inc. (Advance Hightech)	53,390	100.00	14,447	100.00
Wah Lee Innovation Materials Private Limited (WL India)	6,352	99.00	9,860	99.00
Innovation Service Co., Ltd.	51,275	68.75	30,875	58.33
Jing De Gases Co., Ltd.	561,000	51.00	-	-
	<u>\$ 15,402,446</u>		<u>\$ 14,051,922</u>	

- 1) In November 2025, the Company paid NT\$253,440 thousand in cash to acquire an 88% stake in Perpetual New Energy Co., Ltd. and its subsidiary from a non-related party, thereby increasing its shareholding to 100% and obtaining control. Please refer to Note 27 — Business Combinations of the Company's 2025 consolidated financial statements for information regarding the acquisition of Perpetual New Energy Co., Ltd. and its subsidiaries.
- 2) In December 2025, the Company purchased a 51% stake in Jing De Gases Co., Ltd. from a non-related party and obtained control. The investment amount was NT\$561,000 thousand, of which 80% of the purchase price, amounting to NT\$448,800 thousand, has been paid, and 20% of the purchase price, amounting to NT\$112,200 thousand, is reserved. The remaining amounts, each 10%, are to be paid by the end of April 2027 and 2028, respectively (classified under financial liabilities at fair value through profit or loss – non-current). Please refer to Note 27 — Business Combinations of the Company's 2025 consolidated financial statements for information regarding the acquisition of Jing De Gases Co., Ltd.
- 3) In August 2025, the Company increased capital in Advance Hightech with cash of NT\$53,802 thousand.
- 4) In August 2024, the Company increased its capital in Innovation Service Co., Ltd. with cash of NT\$30,000 thousand, resulting in an increase in ownership to 58.33%, and obtaining control. In September 2025, the Company further increased

ownership to 68.75% by injecting NT\$20,000 thousand in cash. As the aforementioned transaction did not change the controlling interest of the Company in Innovation Service Co., Ltd., the Company processed it as an equity transaction and decreased the capital surplus by NT\$665 thousand.

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

b. Investment in associates and joint ventures

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Investments in associates</u>		
Material associates		
CWE Inc.	\$5,114,051	\$4,966,134
Associates that are not individually material	<u>2,020,413</u>	<u>2,107,581</u>
	7,134,464	7,073,715
<u>Investment in joint ventures</u>		
Joint ventures that are not individually material	<u>85,452</u>	<u>63,505</u>
	<u>\$7,219,916</u>	<u>\$7,137,220</u>

Refer to Tables 6 and 7 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, 2025</u>	<u>December 31, 2024</u>
CWE Inc.	28.10%	28.06%

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

<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CWE Inc.	<u>\$8,598,850</u>	<u>\$9,004,549</u>

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

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

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

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

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

	<u>2025</u>	<u>2024</u>
The Company's share		
Net profit for the current year	\$141,359	\$164,338
Other comprehensive income	(54,761)	<u>105,532</u>
Total comprehensive income	<u>\$ 86,598</u>	<u>\$269,870</u>

- 3) Changes in investment in associates and joint ventures

(a) In January 2024, the Company increased capital in Perpetual New Energy Co., Ltd. with an investment amount of NT\$24,000 thousand, maintaining a shareholding ratio of 12%. As the Company obtained two directors, it was

assessed to have a significant influence on the Company and was classified as an investment under the equity method. The Company received a capital reduction refund of NT\$12,000 thousand in May 2025 and subsequently gained control over it in November 2025.

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

12. Property, Plant, and Equipment

2025

	Land	Buildings	Power Generation Equipment	Others	Property under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Balance at beginning of the year	\$ 1,752,742	\$ 304,546	\$ 339,799	\$ 643,394	\$ 562,409	\$ 3,602,890
Additions	-	152	3,236	27,122	547,161	577,671
Disposals	-	-	-	(5,705)	-	(5,705)
Reclassified	-	1,029	53,167	7,721	(61,917)	-
Balance at end of the year	<u>\$ 1,752,742</u>	<u>\$ 305,727</u>	<u>\$ 396,202</u>	<u>\$ 672,532</u>	<u>\$ 1,047,653</u>	<u>\$ 4,174,856</u>
<u>Accumulated depreciation</u>						
Balance at beginning of the year	\$ -	\$ 153,346	\$ 34,550	\$ 546,979	\$ -	\$ 734,875
Depreciation expenses	-	5,774	25,252	38,973	-	69,999
Disposals	-	-	-	(4,319)	-	(4,319)
Balance at end of the year	<u>\$ -</u>	<u>\$ 159,120</u>	<u>\$ 59,802</u>	<u>\$ 581,633</u>	<u>\$ -</u>	<u>\$ 800,555</u>
Net balance at end of the year	<u>\$ 1,752,742</u>	<u>\$ 146,607</u>	<u>\$ 336,400</u>	<u>\$ 90,899</u>	<u>\$ 1,047,653</u>	<u>\$ 3,374,301</u>

2024

	Land	Buildings	Power Generation Equipment	Others	Property Under Construction and Equipment to be Inspected	Total
<u>Cost</u>						
Balance at beginning of the year	\$ 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)	-
Balance at end of the year	<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>						
Balance at beginning of the year	\$ -	\$ 147,830	\$ 12,793	\$ 512,285	\$ -	\$ 672,908
Depreciation expenses	-	5,682	21,757	37,305	-	64,744
Disposals	-	(166)	-	(2,611)	-	(2,777)
Balance at end of the year	<u>\$ -</u>	<u>\$ 153,346</u>	<u>\$ 34,550</u>	<u>\$ 546,979</u>	<u>\$ -</u>	<u>\$ 734,875</u>
Net balance at end of the year	<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>

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

	2025	2024
Additions	\$577,671	\$455,358
Capitalization of interest	(11,115)	(6,401)
Increase (decrease) in prepayments for equipment	(2,237)	2,237
Decrease (increase) in payables for equipment (including related parties)	26,412	(29,302)
Increase in provisions	(3,322)	(1,030)
Cash paid	<u>\$587,409</u>	<u>\$420,862</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 designated for agricultural and livestock. Due to the legal restrictions, the registration of agricultural land was registered under the name of a related party, Chang, Tsuen-Hsien. However, the related party has signed an agreement with the Group where the related party will fully cooperate with the 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

2025

Cost	Buildings	Other Equipment	Total
Balance at January 1, 2025	\$ 75,578	\$ 21,364	\$ 96,942
Additions	58	-	58
Derecognition	(323)	(1)	(324)

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	Buildings	Other Equipment	Total
Balance at December 31, 2025	<u>\$ 75,313</u>	<u>\$ 21,363</u>	<u>\$ 96,676</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ 26,965	\$ 11,974	\$ 38,939
Depreciation expenses	13,218	4,555	17,773
Derecognition	(323)	(1)	(324)
Balance at December 31, 2025	<u>\$ 39,860</u>	<u>\$ 16,528</u>	<u>\$ 56,388</u>
Net amount at December 31, 2025	<u>\$ 35,453</u>	<u>\$ 4,835</u>	<u>\$ 40,288</u>

2024

	Buildings	Other Equipment	Total
<u>Cost</u>			
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	<u>-</u>	<u>(2,286)</u>	<u>(2,286)</u>
Balance at December 31, 2024	<u>\$ 75,578</u>	<u>\$ 21,364</u>	<u>\$ 96,942</u>
<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	<u>-</u>	<u>(763)</u>	<u>(763)</u>
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>

b. Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 18,280</u>	<u>\$ 18,017</u>
Non-current	<u>\$ 28,041</u>	<u>\$ 45,941</u>
Discount rate for lease liabilities (%)		
Buildings	1.43~2.22	1.43~2.22
Other equipment	1.43~2.03	1.43~2.03

c. Material leasing activities and terms

The Company leases the abovementioned subjects for the use of office and warehouse, for installation of power generation equipment, and transportation equipment, which will expire from December 2026 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

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$101,856</u>	<u>\$ 85,248</u>
Expenses relating to low-value asset leases	<u>\$ 986</u>	<u>\$ 973</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 5,508</u>	<u>\$ 5,031</u>
Total cash outflow for leases	<u>\$127,001</u>	<u>\$109,974</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

2025

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost			
Balance at January 1 and December 31, 2025	<u>\$ 278,757</u>	<u>\$ 194,321</u>	<u>\$ 473,078</u>
Accumulated depreciation			
Balance at January 1, 2025	\$ -	\$ 36,858	\$ 36,858
Depreciation expenses	<u>-</u>	<u>3,797</u>	<u>3,797</u>
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 40,655</u>	<u>\$ 40,655</u>
Net amount at December 31, 2025	<u>\$ 278,757</u>	<u>\$ 153,666</u>	<u>\$ 432,423</u>

2024

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
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>-</u>	<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>

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 December 2026 to June 2030. 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Less than 1 year	\$ 9,277	\$ 8,782
Over 1 year but not more than 5 years	<u>3,703</u>	<u>-</u>
	<u>\$ 12,980</u>	<u>\$ 8,782</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, 2025 and 2024, 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank borrowings	<u>\$6,383,140</u>	<u>\$3,748,741</u>
Annual interest rate (%)	0.95~4.69	0.77~5.34

b. Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured borrowings		
Syndicated bank loans (Note)	\$2,000,000	\$2,000,000
Less: Syndicated loan fee	<u>1,583</u>	<u>2,583</u>
	1,998,417	1,997,417
Bank loans	<u>400,000</u>	<u>400,000</u>
	2,398,417	2,397,417
Secured borrowings (Note 28)		
Bank loans	<u>1,602,378</u>	<u>1,252,611</u>
	4,000,795	3,650,028

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Less: Portion due within one year	<u>22,062</u>	<u>21,558</u>
	<u>\$3,978,733</u>	<u>\$3,628,470</u>
Annual interest rate (%)		
Syndicated bank loans	2.24	2.21
Bank loans	1.92~2.38	1.95~2.38
Expiration period		
Syndicated bank loans	2027.08	2027.08
Bank loans	2027.04~2037.06	2026.04~2037.06

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 NT\$5 billion, divided into credit limit A, credit limit B, credit limit C and credit limit D. The term of credit limit A, credit limit B and credit limit C is 5 years from the initial drawdown date (August 2022) and the fractional reserve and debt recycling is available within the total amount of syndicated loans, and the maximum term of credit limit D is from the date of receipt of corporate bond payments in full, and the drawdown of credit limit D may be made one or multiple times. However, it shall not be drawn on a revolving basis.
- (2) Pursuant to the bank loan agreement, the Group should maintain certain financial ratios which should be calculated based on audited annual consolidated financial statements. The Company's financial ratios as of December 31, 2025, and 2024 were in compliance with the requirements of the bank financing contracts.

16. Corporate Bonds Payable

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

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

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

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

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, 2025</u>	<u>December 31, 2024</u>
Payable for salaries or bonuses	\$227,813	\$293,094
Payable for employees' compensation and remuneration of directors	304,122	290,077
Payable for equipment	7,989	34,401
Payable for commission	46,391	25,723
Payable for interest	30,901	16,248
Others	<u>119,997</u>	<u>129,010</u>
	<u>\$737,213</u>	<u>\$788,553</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, 2025</u>	<u>December 31, 2024</u>
The present value of the defined benefit obligation	\$248,145	\$260,024
The fair value of the plan assets	(<u>124,702</u>)	(<u>112,749</u>)
Net defined benefit liabilities	<u>\$123,443</u>	<u>\$147,275</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, 2024	<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	(<u>23,603</u>)	-	(<u>23,603</u>)
Recognized in other comprehensive income and loss	(<u>31,521</u>)	(<u>6,621</u>)	(<u>38,142</u>)
Employer contribution	-	(<u>53,935</u>)	(<u>53,935</u>)
Welfare payments	(<u>14,185</u>)	<u>14,185</u>	-
December 31, 2024	<u>260,024</u>	(<u>112,749</u>)	<u>147,275</u>

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	The present value of the defined benefit obligation	The fair value of the plan assets	Net defined benefit liabilities
Service costs			
Current service costs	\$ 907	\$ -	\$ 907
Prior service costs	(159)	-	(159)
Interest expense (income)	<u>4,045</u>	<u>(1,925)</u>	<u>2,120</u>
Recognized in profit or loss	<u>4,793</u>	<u>(1,925)</u>	<u>2,868</u>
Remeasurement			
Return on plan asset (excluding amounts included in net interest)	-	(7,025)	(7,025)
Actuarial loss - Changes in financial assumptions	4,428	-	4,428
Actuarial gains - Changes in population assumptions	(2)	-	(2)
Actuarial profit - Experience adjustment	<u>(14,504)</u>	<u>-</u>	<u>(14,504)</u>
Recognized in other comprehensive income and loss	<u>(10,078)</u>	<u>(7,025)</u>	<u>(17,103)</u>
Employer contribution	<u>-</u>	<u>(9,597)</u>	<u>(9,597)</u>
Welfare payments	<u>(6,594)</u>	<u>6,594</u>	<u>-</u>
December 31, 2025	<u>\$ 248,145</u>	<u>(\$ 124,702)</u>	<u>\$ 123,443</u>

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

1) Investment risk

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

2) Interest rate risk

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

3) Salary risk

The calculation of the present value of the defined benefit obligation is based on the future salary of the plan participants. Therefore, the increase in the salaries of plan members will lead to an increase in the present value of defined benefit obligations. The present value of the Company's defined benefit obligations is determined by qualified actuaries. The significant assumptions as of the measurement date are as follows:

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

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

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

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

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

20. Equity

a. Share capital

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

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

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

b. Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of share capital	\$ 2,934,483	\$ 2,934,483
Difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	64,561	65,226
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition from associates accounted for using the equity method	372,232	372,232
Expired share options	22,374	22,374
Donations	11,867	11,867
May be used only to offset a deficit		
Share of changes in capital surplus of associates	<u>442,043</u>	<u>499,313</u>
	<u>\$ 3,847,560</u>	<u>\$ 3,905,495</u>

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

c. Retained earnings and dividend policy

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

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

The Company's dividend policy is based on, amongst other considerations, its current and future development plans, the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Each year, no less than 10% of the distributable earnings will be allocated for shareholder dividends. However, no distribution shall be made if the balance of distributable earnings is less than 1% of paid-in capital. Dividends may be distributed to shareholders in cash or in shares, with cash dividends being no less than 50% of the total dividends.

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

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs (IFRS Accounting Standards)" should be appropriated to or reversed from a special reserve by the Company. When the Company

first adopted the IFRS accounting standards, it recognized an increase of retained earnings of NT\$72,302 thousand arising from the conversion to IFRS accounting standards and allocated it to special reserves.

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

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

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

The appropriations of earnings for 2025 were as follows:

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

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

d. Other equity items

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

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 46,712	(\$559,328)
Generated in the current year		
Share from associates and subsidiaries accounted for using the equity method	(268,813)	726,056
Effects of income taxes	<u>45,513</u>	<u>(120,016)</u>
Balance at end of the year	<u>(\$176,588)</u>	<u>\$ 46,712</u>

2) Unrealized gain on financial assets at FVTOCI

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 1,266,003	\$ 1,196,590
Generated in the current year		
Unrealized (loss) gain - equity instruments	162,528	(150,599)
Share from associates accounted for using the equity method	528,682	450,287
Effects of income taxes	5,524	11,010
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	30,543	1,113
Share from associates accounted for using the equity method	(115,210)	(142,975)
Balance at end of the year	<u>\$ 1,878,070</u>	<u>\$ 1,266,003</u>

21. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 47,557,532	\$ 46,704,141
Other operating revenues	<u>98,799</u>	<u>113,918</u>
	<u>\$ 47,656,331</u>	<u>\$ 46,818,059</u>

Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Notes receivable	\$ 105,744	\$ 88,649	\$ 103,355
Accounts receivable, net (including related parties)	<u>10,473,916</u>	<u>9,759,405</u>	<u>8,131,795</u>
	<u>\$ 10,579,660</u>	<u>\$ 9,848,054</u>	<u>\$ 8,235,150</u>
Contract liabilities			
Sale of goods	<u>\$ 453,422</u>	<u>\$ 350,614</u>	<u>\$ 410,836</u>

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

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

	<u>2025</u>	<u>2024</u>
Sale of goods	<u>\$146,288</u>	<u>\$300,646</u>

22. INCOME BEFORE TAX

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

a. Other income (Note 27)

	<u>2025</u>	<u>2024</u>
Rent income	\$ 24,280	\$ 26,003
Dividend income	12,711	19,588
Consulting service income	115,646	137,179
Other income	<u>30,516</u>	<u>57,430</u>
	<u>\$183,153</u>	<u>\$240,200</u>

b. Other gains and losses

	<u>2025</u>	<u>2024</u>
Net gain (loss) of financial instruments at FVTPL	\$ 11,937	(\$ 19,330)
Net foreign exchange gains (loss)	(47,424)	40,249
Disposals of property, plant and equipment	624	5,390
Others	<u>(3,697)</u>	<u>(4,882)</u>
	<u>(\$ 38,560)</u>	<u>\$ 21,427</u>

c. Financial costs

	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$230,136	\$302,240
Interest on financing from related parties (Note 27)	131,190	124,026
Amortization of syndicated loan project costs	1,000	1,000
Interest on lease liabilities	956	1,123
Corporate bond discount amortization and interest compensation	-	4,627
Less: Amount included in cost of qualifying assets	<u>(11,115)</u>	<u>(6,401)</u>
	<u>\$352,167</u>	<u>\$426,615</u>

Capitalized rate (%)	2.18~2.38	2.18~2.38
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d. Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant, and equipment	\$ 69,999	\$ 64,744
Right-of-use assets	17,773	17,818
Investment property	3,797	3,800
Intangible assets	<u>2,587</u>	<u>3,679</u>
	<u>\$ 94,156</u>	<u>\$ 90,041</u>
An analysis of depreciation expense by function		
Operating cost	\$ 25,945	\$ 22,450
Operating expenses	61,827	60,112
Non-operating expenses	<u>3,797</u>	<u>3,800</u>
	<u>\$ 91,569</u>	<u>\$ 86,362</u>
An analysis of amortization expense by function		
Operating expenses	<u>\$ 2,587</u>	<u>\$ 3,679</u>

e. Employee benefits expense

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$841,099</u>	<u>\$842,663</u>
Post-employment benefits (Note 19)		
Defined contribution plans	21,829	20,260
Defined benefit plans	<u>2,868</u>	<u>3,626</u>
	<u>24,697</u>	<u>23,886</u>
	<u>\$865,796</u>	<u>\$866,549</u>
An analysis by function		
Operating expenses	<u>\$865,796</u>	<u>\$866,549</u>

f. Compensation of employees and remuneration to directors

The Company accrued compensation of employees and remuneration of directors at the rates no lower than 2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company proposed an amendment to the articles of incorporation at the 2025 Annual Shareholders' Meeting, stipulating that no less than 8% of the aforementioned amount for employees' compensation shall be allocated for the compensation of grassroots employees. The compensation of employees and remuneration of directors for the years ended December

31, 2025 and 2024 which have been approved by the Company's Board of Directors on March 11, 2026 and March 12, 2025, were as follows:

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

If there is a change in the amount after the 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, 2024 and 2023.

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

23. Income Taxes

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

	2025	2024
Current income taxes		
Generated in the current year	\$404,818	\$208,917
Surtax on undistributed earnings	44,935	51,848
Adjustments for prior years	(22,843)	(4,538)
	<u>426,910</u>	<u>256,227</u>
Deferred tax		
Generated in the current year	(28,481)	58,685
	<u>\$398,429</u>	<u>\$314,912</u>

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

	<u>2025</u>	<u>2024</u>
INCOME BEFORE TAX	<u>\$2,692,152</u>	<u>\$2,567,816</u>
Income tax expense is calculated on income before tax at the statutory tax rate of 20%	\$ 538,430	\$ 513,563
Expenses and losses not recognized for tax purposes (Deductible benefits)	(169)	854
Domestic investment income	(78,496)	(137,485)
Unrecognized taxable temporary differences from investments in subsidiaries	(88,198)	(113,241)
Surtax on undistributed earnings	44,935	51,848
Adjustments for prior years	(22,843)	(4,538)
Non-deductible withholding tax	<u>4,770</u>	<u>3,911</u>
	<u>\$ 398,429</u>	<u>\$ 314,912</u>

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

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

c. Current tax liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax liabilities	<u>\$411,803</u>	<u>\$ 93,109</u>

d. Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2025

	Balance at Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensi ve Income and Loss	Directly Recognized in Equity	Balance at End of the Year
<u>Deferred tax assets</u>					
Temporary differences					
Write-downs of inventories	\$ 20,874	(\$ 6,870)	\$ -	\$ -	\$ 14,004
Unpaid bonus	43,650	(10,811)	-	-	32,839
Refund liabilities	73,183	24,034	-	-	97,217
Defined benefit retirement plans	29,455	(1,346)	(3,297)	-	24,812
Foreign investment losses and exchange rate differences	43,632	3,402	397	-	47,431
Others	<u>12,417</u>	<u>183</u>	<u>-</u>	<u>-</u>	<u>12,600</u>
	<u>\$ 223,211</u>	<u>\$ 8,592</u>	<u>(\$ 2,900)</u>	<u>\$ -</u>	<u>\$ 228,903</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Foreign investment gains and exchange rate differences	\$ 1,566,511	(\$ 18,836)	(\$ 50,640)	(\$ 1,526)	\$ 1,495,509
Others	<u>20,730</u>	<u>(1,053)</u>	<u>123</u>	<u>-</u>	<u>19,800</u>
	<u>\$ 1,587,241</u>	<u>(\$ 19,889)</u>	<u>(\$ 50,517)</u>	<u>(\$ 1,526)</u>	<u>\$ 1,515,309</u>

2024

	Balance at Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensi ve Income and Loss	Balance at End of the Year
<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	<u>13,165</u>	<u>(748)</u>	<u>-</u>	<u>12,417</u>
	<u>\$ 232,741</u>	<u>(\$ 2,755)</u>	<u>(\$ 6,775)</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	<u>13,248</u>	<u>7,482</u>	<u>-</u>	<u>20,730</u>
	<u>\$ 1,421,452</u>	<u>\$ 55,930</u>	<u>\$ 109,859</u>	<u>\$ 1,587,241</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loss on valuation on foreign investments	<u>\$116,383</u>	<u>\$116,383</u>

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

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

- g. Income tax assessments

The income tax returns of the Company through 2023 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 profit for the current year

	<u>2025</u>	<u>2024</u>
Net income used in calculating basic earnings per share	\$2,293,723	\$2,252,904
Effect of convertible corporate bonds	<u>-</u>	<u>4,627</u>
Net income used in computation of diluted EPS	<u>\$2,293,723</u>	<u>\$2,257,531</u>

- b. Number of shares (in thousands)

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

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

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

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

- 1) Fair value hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic limited partnership	\$ -	\$ -	\$ 18,562	\$ 18,562
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic listed shares	\$ 379,458	\$ 143,000	\$ -	\$ 522,458
Unlisted stocks	-	-	466,534	466,534
Foreign listed shares	14,589	-	-	14,589
	<u>\$ 394,047</u>	<u>\$ 143,000</u>	<u>\$ 466,534</u>	<u>\$ 1,003,581</u>
<u>Financial liabilities at FVTPL</u>				
Contingent consideration in business combinations	\$ -	\$ -	\$ 112,200	\$ 112,200

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic limited partnership	\$ -	\$ -	\$ 12,947	\$ 12,947

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	Level 1	Level 2	Level 3	Total
<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

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

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

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

	2025	2024
<u>Financial assets</u>		
Balance at beginning of the year	\$360,464	\$421,553
Purchases	34,500	12,840
Reduction of capital	(2,535)	-
Transferred from Level 3	-	(3,887)
Recognized in profit or loss	1,115	107
Recognized in other comprehensive income and loss	<u>91,552</u>	<u>(70,149)</u>
Balance at end of the year	<u>\$485,096</u>	<u>\$360,464</u>
<u>Financial liabilities</u>		
Balance at beginning of the year	\$ -	\$ -
Contingent consideration in business combinations	<u>112,200</u>	<u>-</u>
Balance at end of the year	<u>\$112,200</u>	<u>\$ -</u>

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

(a) Derivative instruments estimate future cash flows based on the observable forward exchange rate at the end of the year and the exchange rate stipulated in the contract, and then discount them separately using a discount rate that reflects the credit risk of each counterparty.

(b) Domestic emerging market shares are valued based on trading prices supported by observable market prices.

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

- (a) The fair value of the unlisted shares and limited partnership equity investments held by the 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.
- (b) The Company assessed the fair value of contingent consideration in business combinations by evaluating the likelihood that the terms of the agreement would be met.

c. Categories of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
FVTPL		
Mandatorily classified at FVTPL	\$ 18,562	\$ 12,947
FVTOCI		
Investment in equity instruments	1,003,581	821,354
Measured at amortized cost (Note 1)	13,169,515	12,428,470
<u>Financial liabilities</u>		
FVTPL		
Held for trading	-	19,437
Measured at amortized cost (Note 2)	18,138,290	17,132,556
Contingent consideration in business combinations	112,200	-

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), 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 ratio used by the Company when reporting exchange rate risk to key management personnel is 1%. The sensitivity analysis included only the outstanding foreign currency denominated monetary items as of the balance sheet date. When the functional currency at the balance sheet date depreciates (appreciates) by 1% against the US dollar, the Company's pre-tax net profit for the years 2025 and 2024 will decrease (increase) by NT\$3,379 thousand and increase (decrease) by NT\$2,502 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 as of the balance sheet date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
Financial assets	\$ -	\$ 99,045
Financial liabilities	3,705,244	5,391,700
Cash flow interest rate risk		
Financial assets	2,256,011	2,105,104
Financial liabilities	6,725,012	6,415,967

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's profit before tax for 2025 and 2024 would have been lower/higher by NT\$44,690 thousand and NT\$43,109 thousand respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate deposits and borrowings.

(c) Other price risks

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 is determined based on the exposure to equity price risk as of the balance sheet date. If equity prices had been 1% higher/lower, the pre-tax profit for 2025 and 2024 would have been higher/lower by NT\$186 thousand and NT\$129 thousand, respectively, due to the increase/decrease in fair value of financial assets measured by fair value through profit or loss. The pre-tax other comprehensive income in 2025 and 2024 would have been higher/lower by NT\$10,036 thousand and NT\$8,214 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive income and loss.

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.
- (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 excessive concentration of credit risk as the Company's 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. The Company's management monitors the utilization of bank financing limits and ensures compliance with loan covenants.

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

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

	Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	Total
<u>December 31, 2025</u>					
Non-interest-bearing liabilities	\$ 7,750,672	\$ 3,683	\$ -	\$ -	\$ 7,754,355
Lease liabilities	18,945	16,889	4,842	9,704	50,380
Floating-rate instruments	2,801,826	4,019,166	63,434	8,215	6,892,641
Fixed-rate instruments	3,693,623	-	-	-	3,693,623
Financial guarantee liabilities	982,041	-	-	-	982,041
	<u>\$ 15,247,107</u>	<u>\$ 4,039,738</u>	<u>\$ 68,276</u>	<u>\$ 17,919</u>	<u>\$ 19,373,040</u>
<u>December 31, 2024</u>					
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>

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

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

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 Company

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Raycong H.K.	Subsidiary
Shanghai Yi Kang Chemicals & Industries Co., Ltd (Shanghai Yi Kang)	Subsidiary
Dong Guan Hua Gang International Trading Co., Ltd (Dong Guan Hua Gang)	Subsidiary
Tranceed Logistics	Subsidiary
WL Indonesia	Subsidiary
WL Vietnam	Subsidiary
WT Industrial	Subsidiary
WL Singapore	Subsidiary
WL Korea	Subsidiary
Regent King International Limited (Regent King)	Subsidiary
Meditek (Shanghai) Co., Ltd. (Shanghai Meditek)	Subsidiary
Crown Medical Equipment (Shanghai) Co., Ltd. (Shanghai Crown)	Subsidiary
Xiamen Huashengda Logistics Co., Ltd. (Xiamen Huashengda)	Subsidiary
KS Corp.	Subsidiary
Sakuragawa Solar Godogaisha	Subsidiary
Miyazaki Solar Godogaisha	Subsidiary
Cyuan Cheng Logistic Co., Ltd. (Cyuan Cheng Logistics)	Subsidiary
WL Philippines Inc.	Subsidiary
Hightech	Subsidiary
Evergreen New Energy Corp.	Subsidiary
Advance Hightech	Subsidiary
Innovation Service Co., Ltd.	Subsidiary
Huaying Supply Chain Magement (Shenzhen) Co., Ltd. (Shenzhen Huaying)	Subsidiary
Eternal New Energy Co., Ltd.	Subsidiary (Subsidiary of associate before November 2025)
KSA Energy Corporation (KSA Corp.)	Subsidiary (Subsidiary of associate before November 2025)
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
BL Anakie Solar Pty Ltd.	Associate
ORC Electrical Machinery 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
Yi Hua Technology Co. Ltd.	Substantive related party

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<u>Name of related party</u>	<u>Relationship with the Company</u>
Bao Guang Investment Co., Ltd.	Other related party (Its person in charge is a relative within the first degree of kinship of the Chairman of the Company)
Daily Polymer Corp.	Other related parties (The Company is a corporate director of the company)
Asahi Kasei Wah Lee Hi-Tech Corp.	Other related parties (The Company is a corporate director of the company)
JingYi Technology Co.	Other related parties (The Company is a corporate director of the company)
Forcera Materials Co., Ltd.	Other related parties (The Company is a corporate director of the company)
Minima Technology Co., Ltd.	Other related parties (The Company is a corporate director of the company)
TaiGene Biotechnology Co., Ltd.	Other related parties (The Company is a corporate supervisor of the company.)
Raycon Industries Inc.	Other related parties (Its person in charge is a relative within the second degree of kinship of the Chairman of the Company)
Chang, Tsuen-Hsien	Key management personnel (Chairman concurrently serving as President)

b. Operating transactions

1) Operating revenue

<u>Categories of related parties</u>	<u>2025</u>	<u>2024</u>
Revenue from sale of goods		
Subsidiaries	\$ 1,696,269	\$ 1,774,323
Associates and their subsidiaries	444,421	393,079
Substantive related party	723	-
Other related parties	<u>8,449</u>	<u>19,712</u>
	<u>\$2,149,862</u>	<u>\$2,187,114</u>
Other operating revenues		
Subsidiaries	\$ 263	\$ 800
Associates and their subsidiaries	-	<u>832</u>
	<u>\$ 263</u>	<u>\$ 1,632</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>2025</u>	<u>2024</u>
Subsidiaries	\$ 80,182	\$ 95,518
Associates and their subsidiaries	243,900	184,556
Other related parties	<u>1,552,475</u>	<u>1,193,328</u>
	<u>\$1,876,557</u>	<u>\$1,473,402</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 the rest, since similar products are not purchased from non-related parties, the prices cannot be compared. The payment terms are not significantly different from those with general suppliers.

3) Operating expenses

<u>Categories of related parties</u>	<u>2025</u>	<u>2024</u>
Subsidiaries	\$454,431	\$361,623
Associates and their subsidiaries	-	38
Other related parties	<u>11,007</u>	<u>11,284</u>
	<u>\$465,438</u>	<u>\$372,945</u>

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

4) Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts receivable - related parties</u>		
Subsidiaries	\$380,079	\$303,410
Associates and their subsidiaries	144,519	108,437
Substantive related party	382	-
Other related parties	<u>-</u>	<u>4,132</u>
	524,980	415,979
Less: Allowance for losses	<u>4,817</u>	<u>2,918</u>
	<u>\$520,163</u>	<u>\$413,061</u>
<u>Other receivables - related parties</u>		
Subsidiaries		
Raycong H.K.	\$ 41,137	\$ 51,905
Others	<u>63,108</u>	<u>81,359</u>
	<u>104,245</u>	<u>133,264</u>

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates and their subsidiaries		
CWE Inc.	140,511	138,532
Others	<u>4,267</u>	<u>10,162</u>
	<u>144,778</u>	<u>148,694</u>
Other related parties	<u>481</u>	<u>363</u>
	<u>\$249,504</u>	<u>\$282,321</u>

The outstanding receivables from related parties are unsecured.

5) Contract liabilities

<u>Category of related parties/name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary - KS Corp.	\$ 70,224	\$ 70,224
Associates and their subsidiaries	<u>20,282</u>	<u>20,282</u>
	<u>\$ 90,506</u>	<u>\$ 90,506</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts payable - related parties</u>		
Subsidiaries	\$ 17,876	\$ 14,894
Associates and their subsidiaries	<u>19,057</u>	<u>32,713</u>
Other related parties	<u>\$419,909</u>	<u>\$244,572</u>
	<u>\$456,842</u>	<u>\$292,179</u>
<u>Other payables - related parties</u>		
Subsidiaries	<u>\$115,465</u>	<u>\$100,127</u>

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

c. Acquisition of property, plant, and equipment

<u>Categories of related parties</u>	<u>2025</u>	<u>2024</u>
Key management personnel	<u>\$ 200</u>	<u>\$ -</u>

d. Other income

<u>Category of related parties/name</u>	<u>2025</u>	<u>2024</u>
Subsidiaries		
Raycong H.K.	\$ 46,491	\$ 53,639
Shanghai Yi Kang	30,112	31,064
Tranceed Logistics	25,780	31,218
Others	<u>21,959</u>	<u>29,021</u>
	124,342	144,942
Associates and their subsidiaries	25,313	24,262
Other related parties	<u>8,041</u>	<u>7,015</u>
	<u>\$157,696</u>	<u>\$176,219</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, 2025</u>	<u>December 31, 2024</u>
Other payables - related parties (including principal and interest)		
Subsidiary		
Wah Lee Holding	\$ 691,460	\$ 721,270
Raycong H.K.	945,549	2,956,541
Dong Guan Hua Gang	<u>-</u>	<u>675,972</u>
	<u>\$1,637,009</u>	<u>\$4,353,783</u>

Interest expense

<u>Category of related parties/name</u>	<u>2025</u>	<u>2024</u>
Subsidiaries		
Raycong H.K.	\$112,979	\$121,073
Dong Guan Hua Gang	<u>16,255</u>	<u>2,953</u>
	<u>\$129,234</u>	<u>\$124,026</u>

In 2025 and 2024, the Company borrowed short-term, unsecured loans from related parties with agreed interest rates of 0% to 3.89% and 0% to 5.22%, respectively.

f. Endorsements and guarantees

<u>Categories of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries		
Amount endorsed	<u>\$1,199,448</u>	<u>\$1,546,272</u>
Amount utilized	<u>\$ 222,457</u>	<u>\$ 285,012</u>

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<u>Categories of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associate		
Amount endorsed	<u>\$ 1,284,180</u>	<u>\$ 1,411,208</u>
Amount utilized	<u>\$ 692,529</u>	<u>\$ 710,265</u>
Other related parties		
Amount endorsed	<u>\$ 92,249</u>	<u>\$ 66,280</u>
Amount utilized	<u>\$ 67,055</u>	<u>\$ 41,086</u>

g. Remuneration of key management personnel

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

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 99,166	\$ 97,504
Post-employment benefits	<u>189</u>	<u>399</u>
	<u>\$ 99,355</u>	<u>\$ 97,903</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, 2025</u>	<u>December 31, 2024</u>
Property, plant, and equipment		
Land	\$ 1,434,348	\$ 1,434,348
Buildings	<u>117,159</u>	<u>120,599</u>
	<u>\$ 1,551,507</u>	<u>\$ 1,554,947</u>
Investment Property		
Land	\$ 268,412	\$ 268,412
Buildings	<u>153,665</u>	<u>157,442</u>
	<u>\$ 422,077</u>	<u>\$ 425,854</u>

29. Significant Contingent Liabilities and Unrecognized Commitments

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

- a. The unrecognized commitments for acquisition of property, plant and equipment were NT\$394,970 thousand.

- b. For information regarding the litigation matters of the Company's subsidiary, Kingstone Energy Technology Corporation, please refer to Note 32 of the Company's 2025 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, 2025</u>				
Monetary financial assets				
USD	\$ 315,564	31.43	(USD: NTD)	\$ 9,918,161
Non-monetary financial assets				
Investment accounted for using the equity method				
HKD	1,340,017	4.038	(HKD: NTD)	5,410,988
Monetary financial liabilities				
USD	326,315	31.43	(USD: NTD)	10,256,065
<u>December 31, 2024</u>				
Monetary financial assets				
USD	299,715	32.785	(USD: NTD)	9,826,166
Non-monetary financial assets				
Investment accounted for using the equity method				
HKD	1,230,658	4.222	(HKD: NTD)	5,195,838
Monetary financial liabilities				
USD	292,084	32.785	(USD: NTD)	9,575,962

The Company's net foreign exchange gains (including realized and unrealized) for 2025 and 2024 were NT\$47,424 thousand and NT\$40,249 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 to others: Table 2.
 - 3) Material marketable securities held at the end of the period (excluding investments in subsidiaries and associates): Table 3.
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.

- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 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 its investees in Mainland China for the year 2025 and as of December 31, 2025 are as follows:

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

TABLE 1.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Lending Funds to Other Parties

For the period from January 1 to December 31, 2025

Unit: In Thousands of New Taiwan Dollars

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

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

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

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

TABLE 2.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

Endorsements and Guarantees

For the period from January 1 to December 31, 2025

Unit: In Thousands of New Taiwan Dollars

No.	Endorsement/Guarantee Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Benefit of Each Party (Notes 1-6)	Maximum Amount Endorsed/Guaranteed for the Current Year	Outstanding Endorsement/ Guarantee at the End of the Year (Note 7)	Amount utilized (Note 7)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1-6)	Guarantee Provided by Parent Company to Subsidiary	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided to Subsidiary in Mainland China	Remarks
		Company Name	Relationship											
0	The Company	WL Vietnam.	Subsidiary of the Company	\$ 7,163,271	\$ 649,836	\$ 279,727	\$ 35,127	\$ -	1.17	\$ 23,877,572	Y	N	N	
0	The Company	Regent King	Subsidiary of the Company	7,163,271	33,205	31,430	-	-	0.13	23,877,572	Y	N	N	
0	The Company	WL India	Subsidiary of the Company	4,775,514	84,966	34,877	-	-	0.15	23,877,572	Y	N	N	
0	The Company	WL Philippines Inc.	Subsidiary of the Company	4,775,514	66,410	31,430	-	-	0.13	23,877,572	Y	N	N	
0	The Company	Sakuragawa Solar Godogaisha	Subsidiary of the Company	4,775,514	65,161	58,360	-	-	0.24	23,877,572	Y	N	N	
0	The Company	Miyazaki Solar Godogaisha	Subsidiary of the Company	4,775,514	193,834	173,604	105,856	-	0.73	23,877,572	Y	N	N	
0	The Company	Raycong H.K., Shanghai Yi Kang, and Dong Guan Hua Gang	Subsidiary of the Company	4,775,514	150,000	150,000	58,687	-	0.63	23,877,572	Y	N	Y	
0	The Company	WL Indonesia	Subsidiary of the Company	4,775,514	150,351	94,290	-	-	0.39	23,877,572	Y	N	N	
0	The Company	Hightech	Subsidiary of the Company	4,775,514	676,060	345,730	22,787	-	1.45	23,877,572	Y	N	N	
0	The Company	Nagase Wahlee Plastics Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	4,775,514	467,000	467,000	174,362	-	1.96	23,877,572	N	N	N	
0	The Company	Shanghai Hua Chang Trading Co., Ltd.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	4,775,514	945,216	817,180	518,167	-	3.42	23,877,572	N	N	Y	
0	The Company	Asahi Kasei Wah Lee Hi-Tech Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	4,775,514	92,249	92,249	67,055	-	0.39	23,877,572	N	N	N	
1	Shanghai Yi Kang	Shanghai Meditek	Subsidiary of the Company	941,343	192,083	188,824	14,713	-	4.01	2,353,359	Y	N	Y	
2	KS Corp.	BL Anakie Solar	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	176,094	58,813	58,813	-	-	7.69	352,188	N	N	N	
2	KS Corp.	KSA Corp.	Affiliated company	176,094	6,902	6,902	2,893	-	0.90	352,188	N	N	N	

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No.	Endorsement/Guarantee Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Benefit of Each Party (Notes 1-6)	Maximum Amount Endorsed/Guaranteed for the Current Year	Outstanding Endorsement/ Guarantee at the End of the Year (Note 7)	Amount utilized (Note 7)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Allowable (Notes 1-6)	Guarantee Provided by Parent Company to Subsidiary	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided to Subsidiary in Mainland China	Remarks
		Company Name	Relationship											
3	Dong Guan Hua Gang	Guangzhou Xingxian	Subsidiary of the Company	779,258	96,041	71,933	28,595	-	2.77	1,298,764	Y	N	Y	
4	Raycong H.K.	Dong Guan Hua Gang	Subsidiary of the Company	2,015,528	627,004	314,300	304,550	314,300	3.12	5,038,821	Y	N	Y	
4	Raycong H.K.	RC Vietnam	Subsidiary of the Company	2,015,528	105,567	103,719	18,476	-	1.66	5,038,821	Y	N	N	
4	Raycong H.K.	Xiamen Huashengda	Subsidiary of the Company	2,015,528	33,205	31,430	15,103	-	0.31	5,038,821	Y	N	Y	
5	Cyuan Cheng Logistic Co., Ltd.	Tranceed Logistics	Parent company of the Company	55,000	52,500	52,500	-	-	99.25	55,000	N	Y	N	
6	KSA Corp.	Eternal New Energy Co., Ltd.	Parent company of the Company	187,778	4,000,000	4,000,000	564,575	61,300	6390.52	187,778	N	Y	N	
6	KSA Corp.	Hengsheng New Energy	Affiliated Company	187,778	4,000,000	4,000,000	-	-	6390.52	187,778	N	N	N	
7	WH Energy	Eternal New Energy Co., Ltd.	Parent company of the Company	282,638	4,000,000	4,000,000	564,575	90,000	4245.71	282,638	N	Y	N	
7	WH Energy	Hengsheng New Energy	Affiliated Company	282,638	4,000,000	4,000,000	-	-	4275.71	282,638	N	N	N	
8	Hengsheng Energy	Eternal New Energy Co., Ltd.	Parent company of the Company	5,066	4,000,000	4,000,000	564,575	35,000	236867.90	5,066	N	Y	N	
9	Eternal New Energy Co., Ltd.	Hengsheng New Energy	Subsidiary of the Company	838,748	4,000,000	4,000,000	-	186,300	1430.70	838,748	Y	N	N	
10	Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd.	Subsidiary of the Company	837,972	299,500	299,500	299,500	299,500	107.22	837,972	Y	N	N	

Note 1: The limit of the Company's guarantee to a single party is 20% of the Company's net equity. However, if the guaranteed party is a subsidiary of the Company that directly or indirectly holds 100% of the voting shares, the limit of the guarantee to a single party is 30% of the Company's net equity. The maximum limit of the Company's external endorsement guarantee is 100% of the Company's net equity. The maximum limit for the Company's endorsements and guarantees to external parties is 100% of the Company's net equity.

Note 2: Shanghai Yi Kang's guarantee limit for a single enterprise is 20% of its net equity. The maximum limit for Shanghai Yi Kang's endorsements and guarantees to external parties is 50% of its net equity.

Note 3: Dong Guan Hua Gang's guarantee limit for a single enterprise is 30% of its net equity. The maximum limit for Dong Guan Hua Gang's endorsements and guarantees to external parties is 50% of its net equity.

Note 4: Raycong H.K.'s guarantee limit for a single enterprise is 20% of its net equity. The maximum limit for Raycong H.K.'s endorsements and guarantees to external parties is 50% of its net equity.

Note 5: Kingstone Energy Technology Corporation's endorsement and guarantee amount for non-contracted projects shall not exceed 50% of the paid in capital for a single enterprise, and the total amount of endorsement and guarantee shall not exceed 100% of the paid in capital.

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

Note 7: The guarantee limits for Perpetual New Energy Co., Ltd., Eternal New Energy Co., Ltd., KSA Corp., Wah Heng Energy Technology Corp. and Hengsheng Energy, both for a single enterprise and for guarantees to external parties are 100% of their paid-in capital.

Note 8: USD was converted by spot exchange of USD\$1=NT\$31.43; JPY was converted by spot exchange of JPY\$1=NT\$0.2008; RMB was converted by spot exchange of RMB\$1=NT\$4.4958; THB was converted by spot exchange of THB\$1=NT\$1.0019; and HKD was converted by spot exchange of HKD\$1=NT\$4.0380.

TABLE 3.**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

Material Marketable Securities Held at the End of the Period

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

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

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

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, 2025

Unit: In Thousands of New Taiwan Dollars

Buyer/Seller	Transaction Party	Relationship	Transaction Details				Situation and reason where the trading conditions differ from those of a normal transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase/Sale	Amount	% of Total Percentage of Goods (%)	Credit Period	Unit price	Credit Period	Balance	Notes/Accounts Receivable (Payable) Ratio (%)	
The Company	Shanghai Yi Kang	Subsidiary	Sales	\$ 545,566	1	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	\$ 226,258	1	
	Raycong H.K.	Subsidiary	Sales	291,914	-	30 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	33,450	-	
	Dong Guan Hua Gang	Subsidiary	Sales	288,068	-	30 to 120 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	33,316	-	
	Hightech	Subsidiary	Sales	142,074	-	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	17,777	-	
	WT Industrial	Subsidiary	Sales	124,093	--	30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	25,868	-	
	WL Singapore	Subsidiary	Sales	163,020		30 to 60 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	24,771	-	

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Buyer/Seller	Transaction Party	Relationship	Transaction Details				Situation and reason where the trading conditions differ from those of a normal transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase/Sale	Amount	% of Total Percentage of Goods (%)	Credit Period	Unit price	Credit Period	Balance	Notes/Accounts Receivable (Payable) Ratio (%)	
	CWE Inc.	Associate accounted for using the equity method	Sales	372,332	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	117,134	1	
	Asahi Kasei Wah Lee Hi-Tech Corp.	The Company is the director of the Company	Purchase of goods	(1,410,241)	(2)	105 days after monthly closing	No comparable transactions with third party	The terms with related parties are not significantly different from those with third parties	(389,228)	(4)	
	Nagase Wahlee Plastics Corp.	Associate accounted for using the equity method	Purchase of goods	(233,471)	-	60 to 90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(15,643)	-	
Raycong H.K.	Dong Guan Hua Gang	Subsidiary	Sales	556,387	1	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	129,869	1	
Dong Guan Hua Gang	Raycong H.K.	Parent company	Sales	471,781	1	30 to 180 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	215,622	-	
Dong Guan Hua Gang	Shanghai Chang Hua	Associate accounted for using the equity method	Purchase of goods	(101,667)	-	90 days after monthly closing	Normal trade terms	The terms with related parties are not significantly different from those with third parties	(33,479)	-	

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, 2025

Unit: In Thousands of New Taiwan Dollars

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

Note: 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, 2025

Unit: In Thousands of New Taiwan Dollars

Investee Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares	%	Carrying Value (Note 2)	Net Income Gain (Loss) of the Investee for the Current Year	Investment Gain (Loss) Recognized for the Current Year (Notes 1 and 2)	Remarks
				End of Current Year	End of Previous Year						
The Company	Wah Lee Holding Ltd.	BVI	International investments	\$ 430,666	\$ 430,666	13,070,000	100.00	\$ 6,319,152	\$ 505,804	\$ 505,761	Subsidiary
The Company	Raycong H.K.	Hong Kong	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	304,113	304,113	56,000,000	53.69	5,482,568	908,675	487,846	Subsidiary
The Company	CWE Inc.	Taiwan	Agency of IC packaging material and equipment	449,349	449,349	197,902,180	28.10	5,114,051	716,090	200,997	Associate
The Company	Nagase Wahlee Plastics Corp.	Taiwan	Trading business of synthetic resin product and related material, agency of domestic and international products distribution quotation and bidding business	20,810	20,810	4,000,000	40.00	738,341	186,534	74,614	Associate
The Company	Wah Hong Corp.	Taiwan	Manufacturing of LCD material, BMC (bulk molding compound) material and molded product	977,962	977,962	27,135,978	27.13	1,224,953	217,714	59,076	Associate
The Company	ORC Technology Corp.	Taiwan	Trading business and service of exposure machine and parts	6,000	6,000	600,000	35.00	57,119	(39,806)	(13,932)	Associate
The Company	WL Japan	Japan	Import and export business of synthetic resins, industrial plastics, mold machinery and equipment, and electronic machine parts	21,490	21,490	2,300	88.46	3,419	(57)	(48)	Subsidiary
The Company	WL Korea	South Korea	Import and export business of synthetic resins, industrial plastics, mold machinery and equipment, and electronic machine parts	18,856	18,856	147,000	100.00	2,959	(105)	(105)	Subsidiary
The Company	Sakuragawa Solar Godogaisha	Japan	Solar power generation business	46,008	46,008	-	99.99	89,512	4,081	4,081	Subsidiary
The Company	Miyazaki Solar Godogaisha	Japan	Solar power generation business	82,103	82,103	-	99.99	42,325	2,994	2,994	Subsidiary
The Company	WL Indonesia	Indonesia	Trading business of industrial materials	48,261	48,261	1,610,000	70.00	25,323	27	19	Subsidiary
The Company	WL Vietnam	Vietnam	Trading business of industrial materials	16,293	16,293	-	100.00	47,890	5,257	5,257	Subsidiary
The Company	Tranceed Logistics	Taiwan	Freight forwarders and leasing business	95,000	95,000	9,500,000	63.33	247,294	68,756	43,545	Subsidiary
The Company	WT Industrial	Thailand	Trading business of industrial materials	200,000	200,000	7,650	51.00	236,988	105,845	53,981	Subsidiary
The Company	KS Corp.	Taiwan	Solar power generation business	794,628	794,628	35,067,582	99.57	905,173	16,748	11,870	Subsidiary
The Company	WL Philippines Corp.	Philippines	Trading business of industrial materials	7,755	7,755	127,495	99.99	4,859	(258)	(258)	Subsidiary
The Company	WL Philippines Inc.	Philippines	Trading business of industrial materials	7,747	7,747	126,997	99.99	17,436	3,320	3,320	Subsidiary
The Company	ORC Electrical Machinery Corp.	Taiwan	Trading business and service of exposure machine and parts	4,000	4,000	400,000	40.00	85,452	54,868	21,947	Joint venture
The Company	Evergreen New Energy Corp.	Taiwan	Solar power generation business	130,000	130,000	13,000,000	100.00	114,084	(3,350)	(3,350)	Subsidiary
The Company	Hightech	Malaysia	Trading business of industrial materials	205,335	205,335	7,650,000	51.00	240,864	44,373	16,779	Subsidiary
The Company	WL Singapore	Singapore	Agency of semiconductor materials and equipment	435,145	435,145	1,600,000	100.00	589,335	55,533	55,533	Subsidiary
The Company	Perpetual New Energy Co., Ltd.	Taiwan	Renewable energy investments	289,440	48,000	30,000,000	100.00	279,324	(5,748)	(9,022)	Subsidiary
The Company	WL India	India	Trading business of industrial materials	14,575	14,575	3,861,000	99.00	6,352	(2,668)	(2,661)	Subsidiary
The Company	Advance Hightech	United States	Trading business of engineering plastics, high-performance composite materials, industrial materials and equipment	92,430	38,628	3,000,000	100.00	53,390	(16,951)	(16,951)	Subsidiary
The Company	High Tech Gas	Taiwan	Manufacturing chemical materials	90,000	90,000	9,000,000	60.00	81,924	(11,733)	(7,040)	Subsidiary
The Company	Innovation Service Co., Ltd.	Taiwan	Leasing business	55,000	35,000	5,500,000	68.75	51,275	1,652	1,064	Subsidiary
The Company	Jing De Gases Co., Ltd.	Taiwan	Manufacture of specialty mixed gases	561,000	-	6,936,000	51.00	561,000	60,713	-	Subsidiary
Tranceed Logistics	Cyuan Cheng Logistics	Taiwan	Freight forwarders and leasing business	42,947	42,947	5,500,000	100.00	52,984	7,989	7,924	Subsidiary
KS Corp.	KSB Corp.	Taiwan	Solar power generation business	51,130	51,130	5,113,000	100.00	51,846	263	263	Subsidiary
KS Corp.	KSC Corp.	Taiwan	Solar power generation business	34,000	54,000	3,400,000	100.00	2,563	-	-	Subsidiary
KS Corp.	BL Anakie Solar	Australia	Solar power generation business	20,069	-	1,031,800	30.80	21,386	(910)	(280)	Associate
Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd.	Taiwan	Renewable energy investments	279,583	-	29,950,000	100.00	279,583	(6,023)	(6,023)	Subsidiary

(Continued)

(Continued from previous page)

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

Note 1: The investment gains and losses recognized for the current 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, 2025

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

Investee company name	Accumulated Outward Remittance for Investment in Mainland China at the End of the Current 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	\$ 2,508,314	\$ -

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

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

Note 2: The difference of NT\$2,111,595 thousand between accumulated outward remittance for investment in Mainland China and investment amount authorized by Investment Commission, MOEA is due to investment of \$1,366,471 thousand (USD8,881 thousand, HKD267,000 thousand and RMB3,500 thousand) through Raycong H.K., investment of NT\$111,175 thousand (USD3,572 thousand) through Wah Yuen Technology Holding Limited, capitalization of earnings of NT\$434,385 thousand (USD13,790 thousand) of Shanghai Yi Kang, investment of NT\$14,500 thousand (USD500 thousand) through SHC Holding Ltd., investment without significant influence of NT\$42,644 thousand and the invested amount of NT\$154,795 thousand which had already been liquidated but not yet revoked.

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

TABLE 8.**WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES**

Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly through a Third Region, and Their Prices, Payment Terms, and Unrealized Gains or Losses

For the period from January 1 to December 31, 2025

Unit: In Thousands of New Taiwan Dollars

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

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STATEMENT 1.**WAH LEE INDUSTRIAL CORPORATION**
STATEMENT OF CASH AND CASH EQUIVALENTS
December 31, 2025

Unit: In Thousands of New Taiwan Dollars (Unless otherwise specified)

Items	Amount
Cash on hand	\$ 211
Deposits in banks	
Check deposits	4,254
Demand deposits	650,276
Foreign currency demand deposits	
USD47,575 thousand	1,495,281
JPY404,500 thousand	81,224
RMB4,029 thousand	20,421
EUR 238 thousand	8,784
HKD6 thousand	<u>25</u>
	<u>\$2,260,476</u>

Note: The USD is converted at the exchange rate of US\$1 = NT\$31.43.

The JPY is converted at the exchange rate of JPY\$1 = NT\$0.2008.

The RMB is converted at the exchange rate of RMB\$1 = NT\$4.4958.

The EUR is converted at the exchange rate of EUR\$1 = \$36.9.

The HKD is converted at the exchange rate of HKD\$1 = NT\$4.038.

STATEMENT 2.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF ACCOUNT RECEIVABLES
December 31, 2025
Unit: In Thousands of New Taiwan Dollars

Client Name	Amount
Related party (Note)	\$ 524,980
Less: Allowance for losses	<u>4,817</u>
	<u>520,163</u>
Unrelated party	
Company A	996,220
Other (Note)	<u>9,009,464</u>
	10,005,684
Less: Allowance for losses	<u>51,931</u>
	<u>9,953,753</u>
	<u>\$ 10,473,916</u>

Note: None of the balances exceeded 5% of the total balance of this item.

STATEMENT 3.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF OTHER RECEIVABLES
December 31, 2025
Unit: In Thousands of New Taiwan Dollars

Items	Amount
Related party	
Consulting service income	\$ 74,815
Dividends receivable	142,761
Other (Note)	<u>31,928</u>
	<u>249,504</u>
Unrelated party	
Tax refund receivable	28,724
Other (Note)	<u>2,258</u>
	<u>30,982</u>
	 <u>\$280,486</u>

Note: None of the balances exceeded 5% of the total balance of this item.

STATEMENT 4.

WAH LEE INDUSTRIAL CORPORATION

STATEMENT OF INVENTORIES

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

<u>Items</u>	<u>Amount</u>	
	<u>Carrying Value</u>	<u>Net Realizable Value</u>
Product	<u>\$2,817,119</u>	<u>\$2,887,142</u>

STATEMENT 5.**WAH LEE INDUSTRIAL CORPORATION**

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

2025

Unit: In Thousands of New Taiwan Dollars

Item	Balance at Beginning of the Year		Increase for the Current Year (Note)		Decrease for the Current Year (Note)		Balance at End of the Year		Status of Provision of Guarantees or Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	
Stock									
Daily Polymer Corp.	2,467,564	\$ 57,000	135,716	\$ -	-	\$ 14,306	2,603,280	\$ 42,694	None
Wah Yuen Technology Holding Limited	1,968,180	99,658	-	-	-	28,204	1,968,180	71,454	None
JingYi Technology Co.	2,066,432	49,280	-	-	-	9,609	2,066,432	39,671	None
High Power Optoelectronics Inc.	67,991	-	-	-	-	-	67,991	-	None
Asahi Kasei Wah Lee Hi-Tech Corp.	9,497	83,179	-	111,856	-	-	9,497	195,035	None
Forcera Materials Co., Ltd.	2,354,773	117,998	-	-	-	4,733	2,354,773	113,265	None
Univision Technology Holdings	38,794,190	-	-	-	-	-	38,794,190	-	None
Minima Technology Co., Ltd.	3,600,000	52,775	-	-	-	3,789	3,600,000	48,986	None
TaiGene Biotechnology Co., Ltd.	2,300,000	14,264	-	1,712	-	-	2,300,000	15,976	None
Shilian Fine Chemicals Co., Ltd.	11,871,585	5,529	-	-	-	3,813	11,871,585	1,716	None
CDIB Capital Group.	4,310,643	29,055	-	20,466	253,502	2,535	4,057,141	46,986	None
Darco Water Technologies Ltd.	7,649,782	13,291	-	1,298	-	-	7,649,782	14,589	None
Eleocom Co., Ltd.	1,500,000	-	-	-	-	-	1,500,000	-	None
Tien Li Offshore Wind Technology Co., Ltd.	1,018,811	18,848	-	-	1,018,811	18,848	-	-	None
Locus Cell Co., Ltd.	5,000,000	99,700	-	43,300	-	-	5,000,000	143,000	None
Phoenix II Venture Capital Co., Ltd.	1,000,000	13,777	-	1,521	-	-	1,000,000	15,298	None
Phoenix VII Venture Capital Co., Ltd.	-	-	3,000,000	31,411	-	-	3,000,000	31,411	None
		<u>\$ 654,354</u>		<u>\$ 211,564</u>		<u>\$ 85,837</u>		<u>\$ 780,081</u>	

Note: Newly established investments, stock dividends, and fair value valuation adjustments, etc.

STATEMENT 6.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
2025

Unit: In Thousands of New Taiwan Dollars (Except where the unit price was expressed as 'yuan')

	Balance at Beginning of the Year		Increase for the Current Year (Note 1)		Decrease for the Current Year (Note 1)		Balance at End of the Year			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	\$ 6,130,388	-	\$ 188,764	-	-	13,070,000	100.00	\$ 6,319,152	\$ 478.85	\$ 6,258,577	None
Raycong H.K.	56,000,000	5,266,626	-	215,942	-	-	56,000,000	53.69	5,482,568	96.62	5,410,988	None
CWE Inc.	197,902,180	4,966,134	-	147,917	-	-	197,902,180	28.10	5,114,051	43.45	8,598,850	None
Nagase Wahlee Plastics Corp.	4,000,000	726,265	-	12,076	-	-	4,000,000	40.00	738,341	184.59	738,341	None
Wah Hong Corp.	27,135,978	1,263,711	-	-	-	38,758	27,135,978	27.13	1,224,953	36.80	998,604	None
ORC Technology Corp.	600,000	71,051	-	-	-	13,932	600,000	35.00	57,119	95.21	57,119	None
WL Japan	2,300	3,620	-	-	-	201	2,300	88.46	3,419	2,279.33	3,419	None
WL Korea	147,000	3,126	-	-	-	167	147,000	100.00	2,959	20.13	2,959	None
Sakuragawa Solar Godogaisha	-	89,474	-	38	-	-	-	99.99	89,512	-	89,512	None
Miyazaki Solar Godogaisha	-	41,202	-	1,123	-	-	-	99.99	42,325	-	42,325	None
WL Indonesia	1,610,000	27,276	-	-	-	1,953	1,610,000	70.00	25,323	15.73	25,323	None
WL Vietnam	-	45,925	-	1,965	-	-	-	100.00	47,890	-	47,890	None
Tranceed Logistics	9,500,000	203,749	-	43,545	-	-	9,500,000	63.33	247,294	26.03	247,294	None
WT Industrial	7,650	288,395	-	-	-	51,407	7,650	51.00	236,988	30,978.82	236,988	None
KS Corp.	35,067,582	891,713	-	13,460	-	-	35,067,582	99.57	905,173	21.72	761,710	None
WL Philippines Corp.	127,495	5,436	-	-	-	577	127,495	99.99	4,859	38.11	4,859	None
WL Philippines Inc.	126,997	15,095	-	2,341	-	-	126,997	99.99	17,436	137.29	17,436	None
ORC Electrical Machinery Corp.	400,000	63,505	-	21,947	-	-	400,000	40.00	85,452	213.63	85,452	None
Evergreen New Energy Corp.	13,000,000	117,434	-	-	-	3,350	13,000,000	100.00	114,084	8.78	114,084	None
Hightech	7,650,000	223,145	-	17,719	-	-	7,650,000	51.00	240,864	21.85	167,156	None
WL Singapore	1,600,000	555,172	-	34,163	-	-	1,600,000	100.00	589,335	361.11	577,773	None
Perpetual New Energy Co., Ltd.	4,800,000	46,554	25,200,000	253,440	-	20,670	30,000,000	100.00	279,324	9.31	279,324	None
WL India	3,861,000	9,860	-	-	-	3,508	3,861,000	99.00	6,352	1.64	6,352	None
Advance Hightech	1,200,000	14,447	1,800,000	38,943	-	-	3,000,000	100.00	53,390	44.49	53,390	None
High Tech Gas	9,000,000	88,964	-	-	-	7,040	9,000,000	60.00	81,924	9.10	81,924	None
Innovation Service Co., Ltd.	3,500,000	30,875	2,000,000	20,400	-	-	5,500,000	68.75	51,275	9.32	51,275	None
Jing De Gases Co., Ltd.	-	-	6,936,000	561,000	-	-	6,936,000	51.00	561,000	80.88	224,230	None
		<u>\$ 21,189,142</u>		<u>\$ 1,574,783</u>		<u>\$ 141,563</u>			<u>\$ 22,622,362</u>		<u>\$ 25,183,154</u>	

Note 1: The changes for the current year include new investments, cash dividends received from investee companies, capital reductions and refunds of share capital, adjustments to changes in shareholding ratios in investee companies hare 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 refers to the closing price of the stock as of the balance sheet date. The 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, 2025
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					
Shanghai Commercial & Savings Bank, Ltd.	2025.8~2026.7	1.75~4.34	\$ 659,349	\$ 942,900	None
CTBC Bank Co., Ltd.	2025.12~2026.1	1.80	200,000	800,000	None
Mizuho Bank, Ltd.	2025.10~2026.3	1.08~4.30	1,134,209	1,571,500	None
Taipei Fubon Bank	2025.8~2026.6	0.95~4.45	335,680	600,000	None
Yuanta Commercial Bank	2025.11~2026.1	1.8	100,000	300,000	None
E.SUN Commercial Bank., Ltd	2025.10~2026.3	1.19~4.28	231,742	500,000	None
Mega International Commercial Bank, Ltd	2025.11~2026.3	4.39~4.45	592,283	800,000	None
The Hongkong and Shanghai Banking Corporation Limited	2025.11~2026.4	1.8~4.38	690,646	1,037,190	None
Cathay United Bank	2025.11~2026.3	4.38	223,431	500,000	None
First Commercial Bank, Ltd.	2025.12~2026.1	1.8	100,000	600,000	None
Land Bank of Taiwan	2025.10~2026.6	1.85~4.56	704,408	1,000,000	None
Taiwan Business Bank Co., Ltd.	2025.8~2026.6	4.35~4.69	367,131	500,000	None
The Export-Import Bank of the Republic of China	2025.7~2026.7	1.8055	200,000	300,000	None
Hua Nan Commercial Bank Ltd	2025.11~2026.6	3.5~4.37	644,261	1,200,000	None
Bank of Taiwan	2025.12~2026.3	1.81	<u>200,000</u>	500,000	None
			<u>\$ 6,383,140</u>		

STATEMENT 8.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF CONTRACT LIABILITIES
December 31, 2025
Unit: In Thousands of New Taiwan Dollars

Client Name	Amount
Related party	
KS Corp.	\$ 70,224
KSA Corp.	<u>20,282</u>
	<u>90,506</u>
Unrelated party	
Company B	56,000
Company C	37,771
Company D	27,872
Company E	96,397
Other (Note)	<u>144,876</u>
	<u>362,916</u>
	<u>\$453,422</u>

Note: None of the balances exceeded 5% of the total balance of this item.

STATEMENT 9.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF ACCOUNTS PAYABLE
December 31, 2025
Unit: In Thousands of New Taiwan Dollars

<u>Supplier Name</u>	<u>Amount</u>
Related party (Note)	
Asahi Kasei Wah Lee Hi-Tech Corp.	\$ 389,228
Other (Note)	<u>67,614</u>
	<u>456,842</u>
Unrelated party	
Company F	2,030,850
Company G	579,865
Company H	385,801
Company I	275,586
Other (Note)	<u>1,525,980</u>
	<u>4,798,082</u>
	<u>\$5,254,924</u>

Note: None of the balances exceeded 5% of the total balance of this item.

STATEMENT 10.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
December 31, 2025
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 loan						
Mega International Commercial Bank, Ltd	Revolving credit line until August 2027	2.23	\$ -	\$2,000,000	\$2,000,000	None
Less: Syndicated loan fee			-	1,583	1,583	
			-	1,998,417	1,998,417	
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 2027, with a lump-sum payment upon maturity.	1.92	-	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	4,245	51,016	55,261	Land and buildings
Land Bank of Taiwan	Repayments will be made on a monthly basis until September 2032	2.31	17,817	110,825	128,642	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	-	640,475	640,475	Land
			22,062	1,580,316	1,602,378	
			<u>\$ 22,062</u>	<u>\$3,978,733</u>	<u>\$4,000,795</u>	

STATEMENT 11.

WAH LEE INDUSTRIAL CORPORATION
STATEMENT OF OPERATING REVENUE
2025

Unit: In Thousands of New Taiwan Dollars

<u>Item (Note 1)</u>	<u>Amount</u>	<u>Amount</u>
Flat-panel displays	Note 2	\$ 16,418,695
Semiconductors	Note 2	20,325,638
Information and Communication Technology	Note 2	4,820,222
Other (Note 3)		<u>6,091,776</u>
		<u>\$ 47,656,331</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
2025

Unit: In Thousands of New Taiwan Dollars

<u>Items</u>	<u>Amount</u>
Cost of goods sold	
Inventory at beginning of the current year	\$ 2,743,531
Add: Purchases for the current year	44,434,509
Less: Reclassification to operating expenses	(57,034)
Reclassification to other losses	(130)
Write-downs of inventories	(9,697)
Inventory at the end of the current year	(2,817,119)
	<u>44,294,060</u>
Write-downs of inventories	9,697
Others	(833)
Cost of goods sold	<u>44,302,924</u>
Other operating costs	<u>44,785</u>
	<u>\$ 44,347,709</u>

STATEMENT 13.**WAH LEE INDUSTRIAL CORPORATION**
STATEMENT OF OPERATING EXPENSE
2025

Unit: In Thousands of New Taiwan Dollars

<u>Items</u>	<u>Selling and Marketing Expenses</u>	<u>General and Administrative Expenses</u>	<u>Total</u>
Employee benefits expense	\$ 611,986	\$ 253,810	\$ 865,796
Commissions expense	346,111	-	346,111
Import and export expense	133,385	-	133,385
Freight charges	169,184	157	169,341
Rent expense	101,096	1,648	102,744
Depreciation and amortization	37,315	27,099	64,414
Service expense	9,498	27,601	37,099
Software acquisition and maintenance expense	60	33,647	33,707
Others	<u>194,616</u>	<u>38,125</u>	<u>232,741</u>
	<u>\$1,603,251</u>	<u>\$ 382,087</u>	1,985,338
Expected credit loss recognized			<u>2,444</u>
			<u>\$1,987,782</u>

STATEMENT 14.

WAH LEE INDUSTRIAL CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS,
DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
For the year of 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

	2025				2024			
	Operating Cost	Operating Expenses	Non-operating Expenses	Total	Operating Cost	Operating Expenses	Non-operating Expenses	Total
Employee benefits expense								
Salary expenses	\$ -	\$ 710,526	\$ -	\$ 710,526	\$ -	\$ 720,390	\$ -	\$ 720,390
Labor and national health insurance	-	51,424	-	51,424	-	46,873	-	46,873
Pension expenses	-	24,697	-	24,697	-	23,886	-	23,886
Director's remuneration	-	35,377	-	35,377	-	33,636	-	33,636
Others	-	43,772	-	43,772	-	41,764	-	41,764
	<u>\$ -</u>	<u>\$ 865,796</u>	<u>\$ -</u>	<u>\$ 865,796</u>	<u>\$ -</u>	<u>\$ 866,549</u>	<u>\$ -</u>	<u>\$ 866,549</u>
Depreciation expenses	\$ 25,945	\$ 61,827	\$ 3,797	\$ 91,569	\$ 22,450	\$ 60,112	\$ 3,800	\$ 86,362
Amortization expenses	-	2,587	-	2,587	-	3,679	-	3,679

Note 1: The average number of employees in the Company for the years ended December 31, 2025 and December 31, 2024 were 415 and 411, respectively, including 6 directors who do not hold concurrent positions as employees.

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

1. The average employee benefit expenses for the years ended December 31, 2025 and December 31, 2024 were NT\$2,030 thousand and NT\$2,057 thousand, respectively.
2. The average employees' salary expenses for the years ended December 31, 2025 and December 31, 2024 were NT\$1,737 thousand and NT\$1,779 thousand, respectively.
3. The average employees' salary expense for fiscal year 2025 was reduced by approximately 2%.
4. The Company has established an Audit Committee and does not have supervisors.
5. The Company's remuneration policies (including directors, managers, and employees) are as follows:

(1) Remuneration policy for directors

It is handled in accordance with the Company's Articles of Incorporation, Remuneration Committee Charter, and the Director Remuneration Management Regulations. The proposal is submitted to the Board of Directors for resolution after being recommended by the Remuneration 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 allowance: Article 4 of the Board of Directors Remuneration 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 Remuneration Committee and approved by the Board of Directors. "
- C. Other compensation: According to Article 19 of the Company's Articles of Incorporation, the remuneration 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 Remuneration Committee and submitted for approval by the Board of Directors.

(2) Remuneration policy for managers

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

- A. The manager's remuneration 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) Remuneration policy for employees

- A. Employee remuneration 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.