

Wah Hong Industrial Corporation  
And Subsidiaries

Consolidated Financial Statements for the  
Nine Months Ended September 30, 2025  
and 2024 and Independent Auditors'  
Review Report

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## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
Wah Hong Industrial Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Wah Hong Industrial Corporation (the “Company”) and its subsidiaries (collectively, the “Group”) as of September 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024, and nine months ended September 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the nine months then ended September 30, 2025 and 2024, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, its consolidated

financial performance for the three months ended September 30, 2025 and 2024, and nine months ended September 30, 2025 and 2024, and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chiu-Yen, Wu and Tzu-Yuan, Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
November 6, 2025

#### **Notice to Readers**

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

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	<b>CURRENT ASSETS</b>						
1100	Cash and cash equivalents (Note 6)	\$ 1,079,682	15	\$ 1,061,762	14	\$ 1,221,264	15
1110	Financial assets at fair value through profit or loss – current (Note 7)	226,612	3	245,114	3	419,237	5
1150	Notes receivable, net (Notes 9 and 23)	377,135	5	395,111	5	323,233	4
1170	Accounts receivable, net (Notes 9, 23 and 30)	2,244,205	31	2,502,314	32	2,430,806	30
1200	Other receivables, net (Notes 9 and 30)	12,521	-	27,952	-	20,521	-
1220	Current tax assets	2,471	-	2,563	-	2,601	-
130X	Inventories (Note 10)	811,960	12	845,992	11	852,232	11
1476	Other financial assets (Notes 13 and 31)	156,103	2	177,722	2	187,665	2
1479	Other current assets	32,539	1	39,691	1	62,386	1
11XX	Total current assets	<u>4,943,228</u>	<u>69</u>	<u>5,298,221</u>	<u>68</u>	<u>5,519,945</u>	<u>68</u>
	<b>NON-CURRENT ASSETS</b>						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	705,823	9	849,140	11	880,665	11
1550	Investments accounted for using equity method (Note 12)	4,427	-	-	-	-	-
1600	Property, plant and equipment (Notes 15, 31 and 32)	1,283,768	18	1,392,711	18	1,418,324	17
1755	Right-of-use assets (Note 16)	132,039	2	152,092	2	163,876	2
1780	Other intangible assets	57,206	1	50,997	1	49,293	1
1840	Deferred tax assets	57,217	1	47,238	-	45,257	1
1920	Refundable deposits	25,936	-	26,197	-	26,646	-
1990	Other non-current assets	878	-	892	-	744	-
15XX	Total non-current assets	<u>2,267,294</u>	<u>31</u>	<u>2,519,267</u>	<u>32</u>	<u>2,584,805</u>	<u>32</u>
1XXX	<b>TOTAL</b>	<u>\$ 7,210,522</u>	<u>100</u>	<u>\$ 7,817,488</u>	<u>100</u>	<u>\$ 8,104,750</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>						
	<b>CURRENT LIABILITIES</b>						
2100	Short-term borrowings (Note 17)	\$ 450,923	6	\$ 189,004	2	\$ 638,857	8
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	229	-	782	-	-	-
2150	Notes payable (Note 18)	171,506	2	254,493	3	244,589	3
2170	Accounts payable (Notes 18 and 30)	896,519	12	1,227,558	16	1,068,812	13
2219	Other payables (Notes 19 and 30)	487,352	7	529,181	7	518,874	6
2230	Current tax liabilities	36,565	1	44,390	1	53,421	1
2280	Lease liabilities - current (Note 16)	42,673	1	31,494	-	35,681	1
2399	Other current liabilities (Note 23)	19,886	-	18,178	-	22,530	-
21XX	Total current liabilities	<u>2,105,653</u>	<u>29</u>	<u>2,295,080</u>	<u>29</u>	<u>2,582,764</u>	<u>32</u>
	<b>NON-CURRENT LIABILITIES</b>						
2540	Long-term borrowings (Notes 20 and 31)	456,186	6	490,736	6	473,528	6
2570	Deferred tax liabilities	111,975	2	124,886	2	138,304	2
2580	Lease liabilities - non-current (Note 16)	55,294	1	80,718	1	83,892	1
2640	Net defined benefit liabilities - non-current	5,162	-	10,533	-	22,856	-
2645	Guarantee deposits received	1,901	-	1,409	-	1,840	-
25XX	Total non-current liabilities	<u>630,518</u>	<u>9</u>	<u>708,282</u>	<u>9</u>	<u>720,420</u>	<u>9</u>
2XXX	Total liabilities	<u>2,736,171</u>	<u>38</u>	<u>3,003,362</u>	<u>38</u>	<u>3,303,184</u>	<u>41</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)</b>						
3100	Share Capital	<u>1,000,044</u>	<u>14</u>	<u>1,000,044</u>	<u>13</u>	<u>1,000,044</u>	<u>12</u>
3200	Capital Surplus	<u>1,994,505</u>	<u>28</u>	<u>2,024,506</u>	<u>26</u>	<u>2,024,506</u>	<u>25</u>
	Retained earnings						
3310	Legal reserve	548,784	8	517,979	7	517,979	7
3320	Special reserve	181,614	2	343,151	4	343,151	4
3350	Unappropriated earnings	<u>1,011,495</u>	<u>14</u>	<u>861,472</u>	<u>11</u>	<u>835,944</u>	<u>10</u>
3300	Total retained earnings	<u>1,741,893</u>	<u>24</u>	<u>1,722,602</u>	<u>22</u>	<u>1,697,074</u>	<u>21</u>
3400	Other equity	( <u>365,116</u> )	( <u>5</u> )	( <u>48,923</u> )	( <u>1</u> )	( <u>31,079</u> )	-
31XX	Total equity attributable to owners of the Company	<u>4,371,326</u>	<u>61</u>	<u>4,698,229</u>	<u>60</u>	<u>4,690,545</u>	<u>58</u>
36XX	NON-CONTROLLING INTERESTS (Note 22)	<u>103,025</u>	<u>1</u>	<u>115,897</u>	<u>2</u>	<u>111,021</u>	<u>1</u>
3XXX	Total equity	<u>4,474,351</u>	<u>62</u>	<u>4,814,126</u>	<u>62</u>	<u>4,801,566</u>	<u>59</u>
	<b>TOTAL</b>	<u>\$ 7,210,522</u>	<u>100</u>	<u>\$ 7,817,488</u>	<u>100</u>	<u>\$ 8,104,750</u>	<u>100</u>

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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

Code		For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2025	%	2024	%	2025	%	2024	%
4100	OPERATING REVENUE (Notes 23 and 30)	\$1,825,957	100	\$2,009,394	100	\$5,447,581	100	\$5,514,454	100
5110	OPERATING COSTS (Notes 10, 24 and 30)	<u>1,548,298</u>	<u>85</u>	<u>1,715,710</u>	<u>85</u>	<u>4,601,826</u>	<u>85</u>	<u>4,694,383</u>	<u>85</u>
5900	GROSS PROFIT	<u>277,659</u>	<u>15</u>	<u>293,684</u>	<u>15</u>	<u>845,755</u>	<u>15</u>	<u>820,071</u>	<u>15</u>
	OPERATING EXPENSES (Notes 9 and 24)								
6100	Selling and marketing expenses	50,869	3	57,352	3	145,325	3	161,957	3
6200	General and administrative expenses	96,858	5	139,118	7	279,131	5	332,807	6
6300	Research and development	58,968	3	59,123	3	176,544	3	165,009	3
6450	Expected credit impairment loss (Benefits from reversal)	<u>501</u>	<u>-</u>	<u>918</u>	<u>-</u>	<u>( 829)</u>	<u>-</u>	<u>( 1,740)</u>	<u>-</u>
6000	Total operating expenses	<u>207,196</u>	<u>11</u>	<u>256,511</u>	<u>13</u>	<u>600,171</u>	<u>11</u>	<u>658,033</u>	<u>12</u>
6900	OPERATING INCOME (LOSS)	<u>70,463</u>	<u>4</u>	<u>37,173</u>	<u>2</u>	<u>245,584</u>	<u>4</u>	<u>162,038</u>	<u>3</u>
	NON-OPERATING INCOME AND EXPENSES (Note 24)								
7100	Interest income	4,131	-	5,941	-	12,734	-	15,536	-
7010	Other income	4,312	-	36,779	2	49,095	1	47,988	1
7020	Other gains and losses	15,811	1	191,018	10	( 35,004)	( 1)	240,113	4
7050	Finance costs	( 11,009)	-	( 15,855)	( 1)	( 32,284)	-	( 49,843)	( 1)
7060	Share of profit and loss of affiliated enterprises recognized by equity method	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 1,128)</u>	<u>-</u>	<u>( 3,505)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>13,252</u>	<u>1</u>	<u>217,883</u>	<u>11</u>	<u>( 6,587)</u>	<u>-</u>	<u>250,289</u>	<u>4</u>
7900	PROFIT BEFORE INCOME TAX	83,715	5	255,056	13	238,997	4	412,327	7
7950	INCOME TAX EXPENSE (Notes 4 and 25)	<u>29,949</u>	<u>2</u>	<u>83,304</u>	<u>4</u>	<u>81,387</u>	<u>1</u>	<u>121,586</u>	<u>2</u>
8200	NET PROFIT FOR THE PERIOD	<u>53,766</u>	<u>3</u>	<u>171,752</u>	<u>9</u>	<u>157,610</u>	<u>3</u>	<u>290,741</u>	<u>5</u>
	OTHER COMPREHENSIVE INCOME (Notes 22 and 25)								
8310	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	<u>5,101</u>	<u>-</u>	<u>( 85,219)</u>	<u>( 4)</u>	<u>( 173,628)</u>	<u>( 3)</u>	<u>188,746</u>	<u>4</u>

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Code		For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2025	%	2024	%	2025	%	2024	%
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of the financial statements of foreign operations	\$ 132,609	7	(\$ 7,766)	( 1)	(\$ 185,669)	( 4)	\$ 158,993	3
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 25,603)	( 1)	1,381	-	35,642	1	( 30,831)	( 1)
8360		<u>107,006</u>	<u>6</u>	<u>( 6,385)</u>	<u>( 1)</u>	<u>( 150,027)</u>	<u>( 3)</u>	<u>128,162</u>	<u>2</u>
8300	Other comprehensive gain (loss) for the period, net of income tax	<u>112,107</u>	<u>6</u>	<u>( 91,604)</u>	<u>( 5)</u>	<u>( 323,655)</u>	<u>( 6)</u>	<u>316,908</u>	<u>6</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 165,873</u>	<u>9</u>	<u>\$ 80,148</u>	<u>4</u>	<u>(\$ 166,045)</u>	<u>( 3)</u>	<u>\$ 607,649</u>	<u>11</u>
	NET PROFIT ATTRIBUTABLE TO:								
8610	Owners of the Company	\$ 52,604		\$ 170,445		\$ 153,742		\$ 284,314	
8620	Non-controlling interests	<u>1,162</u>		<u>1,307</u>		<u>3,868</u>		<u>6,427</u>	
8600		<u>\$ 53,766</u>		<u>\$ 171,752</u>		<u>\$ 157,610</u>		<u>\$ 290,741</u>	
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
8710	Owners of the Company	\$ 160,131		\$ 79,703		(\$ 162,451)		\$ 596,387	
8720	Non-controlling interests	<u>5,742</u>		<u>445</u>		<u>( 3,594)</u>		<u>11,262</u>	
8700		<u>\$ 165,873</u>		<u>\$ 80,148</u>		<u>(\$ 166,045)</u>		<u>\$ 607,649</u>	
	EARNINGS PER SHARE (Note 26)								
9710	Basic	<u>\$ 0.53</u>		<u>\$ 1.73</u>		<u>\$ 1.54</u>		<u>\$ 2.88</u>	
9810	Diluted	<u>\$ 0.52</u>		<u>\$ 1.70</u>		<u>\$ 1.52</u>		<u>\$ 2.83</u>	

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company					Other Equity						
		Retained Earnings					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Stock	Subtotal	Non-controlling Interests	Total Equity
Code		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings							
A1	BALANCE AT JANUARY 1, 2025	\$ 1,000,044	\$ 2,024,506	\$ 517,979	\$ 343,151	\$ 861,472	(\$ 147,382)	\$ 98,459	(\$ 48,923)	\$ -	\$ 4,698,229	\$ 115,897	\$ 4,814,126
	Appropriation of 2024 earnings (Note 22)												
B1	Legal reserve	-	-	30,805	-	( 30,805)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	( 161,537)	161,537	-	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	( 130,006)	-	-	-	-	( 130,006)	-	( 130,006)
		-	-	30,805	( 161,537)	726	-	-	-	-	( 130,006)	-	( 130,006)
C15	Cash dividend from capital surplus (Note 22)	-	( 30,001)	-	-	-	-	-	-	-	( 30,001)	-	( 30,001)
D1	Net profit for the nine months ended September 30, 2025	-	-	-	-	153,742	-	-	-	-	153,742	3,868	157,610
D3	Other comprehensive income (loss) for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	( 142,565)	( 173,628)	( 316,193)	-	( 316,193)	( 7,462)	( 323,655)
D5	Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	153,742	( 142,565)	( 173,628)	( 316,193)	-	( 162,451)	( 3,594)	( 166,045)
M5	Changes in associates recognized by equity method (Note 12)	-	-	-	-	( 4,445)	-	-	-	-	( 4,445)	-	( 4,445)
O1	Decrease in non-controlling interests (Note 22)	-	-	-	-	-	-	-	-	-	-	( 9,278)	( 9,278)
Z1	BALANCE AT SEPTEMBER 30, 2025	\$ 1,000,044	\$ 1,994,505	\$ 548,784	\$ 181,614	\$ 1,011,495	(\$ 289,947)	(\$ 75,169)	(\$ 365,116)	\$ -	\$ 4,371,326	\$ 103,025	\$ 4,474,351
A1	BALANCE AT JANUARY 1, 2024	\$ 1,000,044	\$ 2,048,734	\$ 497,824	\$ 368,706	\$ 666,247	(\$ 284,391)	(\$ 58,761)	(\$ 343,152)	(\$ 40,228)	\$ 4,198,175	\$ 112,675	\$ 4,310,850
	Appropriation of 2023 earnings (Note 22)												
B1	Legal reserve	-	-	20,155	-	( 20,155)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	( 25,555)	25,555	-	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	( 118,224)	-	-	-	-	( 118,224)	-	( 118,224)
		-	-	20,155	( 25,555)	( 112,824)	-	-	-	-	( 118,224)	-	( 118,224)
C7	Changes in associates recognized by equity method (Note 12)	-	-	-	-	( 1,793)	-	-	-	-	( 1,793)	-	( 1,793)
C15	Cash dividend from capital surplus (Note 22)	-	( 29,556)	-	-	-	-	-	-	-	( 29,556)	-	( 29,556)
D1	Net profit for the nine months ended September 30, 2024	-	-	-	-	284,314	-	-	-	-	284,314	6,427	290,741
D3	Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	123,327	188,746	312,073	-	312,073	4,835	316,908
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	284,314	123,327	188,746	312,073	-	596,387	11,262	607,649
N1	Share-based payment (Note 27)	-	5,328	-	-	-	-	-	-	40,228	45,556	-	45,556
O1	Decrease in non-controlling interests (Note 22)	-	-	-	-	-	-	-	-	-	-	( 12,916)	( 12,916)
Z1	BALANCE AT SEPTEMBER 30, 2024	\$ 1,000,044	\$ 2,024,506	\$ 517,979	\$ 343,151	\$ 835,944	(\$ 161,064)	\$ 129,985	(\$ 31,079)	\$ -	\$ 4,690,545	\$ 111,021	\$ 4,801,566

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

Code		For the Nine Months Ended September 30	
		2025	2024
	<b>CASH FLOWS FROM OPERATING</b>		
	<b>ACTIVITIES</b>		
A10000	Profit before income tax	\$ 238,997	\$ 412,327
A20010	Adjustments for:		
A20100	Depreciation expense	168,462	181,518
A20200	Amortization expense	34,977	31,794
A20300	Expected credit impairment loss (Benefits from reversal)	( 829)	( 1,740)
A20400	Loss (gain) on financial instruments at fair value through profit or loss	12,733	( 58,994)
A20900	Finance costs	32,284	49,843
A21200	Interest income	( 12,734)	( 15,536)
A21300	Dividend income	( 38,007)	( 35,710)
A21900	Employee stock option compensation cost	-	5,328
A22300	Share of profit and loss of associates recognized by equity method	1,128	3,505
A22500	Loss on disposal of property, plant and equipment	2,192	359
A23000	Net profit from disposal of non-current assets held for sale	-	( 162,701)
A23700	Inventories losses	14,149	4,655
A24100	Unrealized loss (gain) on foreign exchange	8,479	12,412
A29900	Others	-	( 18)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	17,978	37,038
A31150	Accounts receivable	260,597	95,801
A31180	Other receivables	12,103	( 4,576)
A31200	Inventories	22,913	( 168,120)
A31240	Other current assets	7,154	( 6,234)
A32110	Financial liabilities held for trading	( 3,405)	( 7,307)
A32130	Notes payable	( 82,987)	( 6,874)
A32150	Accounts payable	( 331,039)	( 19,880)
A32180	Other payables	( 50,855)	16,155
A32230	Other current liabilities	1,708	7,042
A32240	Net defined benefit liabilities	( 5,371)	( 4,216)
A33000	Cash generated from operations	310,627	365,871
A33100	Interest received	14,470	18,156
A33200	Dividends received	39,600	36,939

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Code		For the Nine Months Ended	
		September 30	
		2025	2024
A33300	Interest paid	(\$ 32,099)	(\$ 49,483)
A33500	Income tax paid	( 77,004)	( 111,202)
AAAA	Net cash generated from operating activities	<u>255,594</u>	<u>260,281</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B00010	Purchase of financial assets at fair value through other comprehensive income	( 30,311)	-
B00100	Purchase of financial assets at fair value through profit or loss	-	( 169,489)
B00200	Disposal of financial assets at fair value through profit or loss	-	265,057
B02600	Proceeds from disposal of non-current assets held for sale	-	207,285
B02700	Payments for property, plant and equipment	( 71,296)	( 88,696)
B02800	Proceeds from disposal of property, plant and equipment	2,480	3,254
B03700	Increase in guarantee deposits paid	( 4,123)	( 1,242)
B03800	Decrease in guarantee deposits paid	2,918	1,237
B04500	Acquisitions of Intangible assets	( 42,548)	( 37,879)
B06500	Decrease (increase) in other financial assets	<u>21,618</u>	<u>( 35,971)</u>
BBBB	Net cash used in investing activities	<u>( 121,262)</u>	<u>143,556</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
C00100	Increase (decrease) in short-term borrowings	264,461	( 144,880)
C00600	Decrease in short-term bills payable	-	( 170,000)
C03100	Increase (decrease) in guarantee deposits received	589	( 96)
C04020	Repayment of the principal portion of lease liabilities	( 31,420)	( 34,532)
C04500	Cash dividends	( 160,007)	( 147,781)
C05100	Transfer of treasury stocks to employees	-	40,228
C05800	Cash dividends paid to non-controlling interests	<u>( 9,278)</u>	<u>( 12,916)</u>
CCCC	Net cash used in financing activities	<u>64,345</u>	<u>( 469,977)</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>( 180,757)</u>	<u>104,479</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,920	38,339

E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,061,762</u>	<u>1,182,925</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,079,682</u>	<u>\$ 1,221,264</u>

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. ORGANIZATION

Wah Hong Industrial Corp. (the “Company”) was incorporated in August 1973, and is mainly engaged in the manufacturing and trading of materials of LCD (Diffusion, Reflection films etc.), materials of Bulk Molding Compounds (BMC) and Molding products etc..

The Company’s shares have been listed and traded on the Taipei Exchange since June 23, 2005.

The consolidated financial statements, which include the Company and its subsidiaries (collectively, the “Group”), are presented in the Company’s functional currency, the New Taiwan dollar.

II. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were approved by the Board of Directors and authorized for issue on November 6, 2025.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(I) Initial application of 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).

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as the “Group”).

- (II) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New IFRSs	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	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” (Included amendments for 2020 and 2021)	January 1, 2023

As of the date the consolidated financial report is approved by the board of directors, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- (III) The IFRS Accounting Standards that have been issued by IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (Included amendments for 2025)	January 1, 2027

Note 1 : Unless stated otherwise, the above New IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2 : On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

### IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

1. Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
2. The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
3. Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
4. Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial report is approved by the board of directors, the Group assessed that the amendments to various standards and interpretations will not have a significant impact on the consolidated financial position and consolidated financial performance.

#### IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Compliance statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are 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 are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). The financial statements of subsidiaries have been adjusted to ensure the accounting policies are line with those of the Group. During the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely.

The detailed information of subsidiaries (including the percentage of ownership and main business) is referred to Note 14, Tables 6 and 7.

(IV) Other significant accounting policies

Except for the following , the significant accounting policies that adopted in the consolidated financial statements are the same with the one for the year ended December 31, 2024.

1. Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

VI. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 852	\$ 1,208	\$ 984
Checking accounts	51	51	51
Demand deposits	590,240	607,083	656,850
Cash equivalents			
Time deposits with original maturities of 3 months or less	\$ 488,539	\$ 413,420	\$ 563,379
Bonds with repurchase agreements	-	40,000	-
	<u>\$ 1,079,682</u>	<u>\$ 1,061,762</u>	<u>\$ 1,221,264</u>

- (I) The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Cash equivalents			
Time deposits with original maturities of 3 months or less (%)	0.65~4.20	0.90~4.56	1.25~5.15
Bonds with repurchase agreements (%)	-	1.25	-

- (II) The Group has good credit quality with many financial institutions, and which can help to disperse credit risk. Also, to estimate credit loss that is unexpected.

VII. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ -	\$ 1,848
Non-derivative financial assets			
Domestic listed shares	90,659	103,513	139,003
Guaranteed floating income financial products	<u>135,953</u>	<u>141,601</u>	<u>278,386</u>
	<u>\$ 226,612</u>	<u>\$ 245,114</u>	<u>\$ 419,237</u>
<u>Financial liabilities - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 229</u>	<u>\$ 782</u>	<u>\$ -</u>

The purpose of the Group's forward foreign exchange transactions is to avoid the risks created by foreign currency assets and liabilities due to exchange rate fluctuations.

- (I) At the end of the reporting period, outstanding foreign exchange options contracts were as follows:

<u>September 30, 2025</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell forward exchange contracts	USD to NTD	2025.10	USD1,000/TWD30,243

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2025.01~2025.02	USD2,000/TWD64,588
<u>September 30, 2024</u>			
Sell forward exchange contracts	USD to NTD	2024.10~2024.12	USD3,000/TWD96,255

Details of profit and loss of financial instruments at FVTPL for the reporting periods 2025 and 2024 list on Note 24.

- (II) The Group signed RMB structured term deposit contract with the bank. The deposit includes an embedded derivative that is not closely related to the master contract. As the master contract included in the mixed contract is an asset within the scope of IFRS, it is classified as measured at fair value through profit or loss according to the overall mixed contract evaluation.

VIII. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME– NON-CURRENT

	September 30, 2025	December 31, 2024	September 30, 2024
Equity instruments			
Domestic listed shares	\$ 633,128	\$ 776,445	\$ 811,163
Domestic unlisted shares	64,557	64,557	54,930
Foreign unlisted shares	<u>8,138</u>	<u>8,138</u>	<u>14,572</u>
	<u>\$ 705,823</u>	<u>\$ 849,140</u>	<u>\$ 880,665</u>

IX. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHERS RECEIVABLE

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable			
At amortized cost			
Gross carrying amount	\$ 378,310	\$ 396,287	\$ 324,221
Less: Allowance for impairment loss	<u>1,175</u>	<u>1,176</u>	<u>988</u>
	<u>\$ 377,135</u>	<u>\$ 395,111</u>	<u>\$ 323,233</u>
Accounts receivable			
At amortized cost			
Gross carrying amount	\$ 2,271,297	\$ 2,531,894	\$ 2,439,847
Less: Allowance for impairment loss	<u>27,092</u>	<u>29,580</u>	<u>9,041</u>
	<u>\$ 2,244,205</u>	<u>\$ 2,502,314</u>	<u>\$ 2,430,806</u>

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables			
At amortized cost			
Gross carrying amount	\$ <u>12,521</u>	\$ <u>27,952</u>	\$ <u>20,521</u>

The main credit period of sales of goods was 30-180 days. No interest was charged on receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In the light of this, the management believes the Group's credit risk is significantly reduced.

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

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

The aging analysis of notes and accounts receivable were as follows:

September 30, 2025

	Counterparty no signs of default				Counterparty with signs of default	Total
	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days		
Lifetime expected credit losses(%)	0~0.3	0~10	50	100	100	
Gross carrying amount	\$2,628,516	\$ 662	\$ 352	\$ 1,262	\$ 18,815	\$2,649,607
Loss allowance (lifetime ECLs)	( 7,948)	( 66)	( 176)	( 1,262)	( 18,815)	( 28,267)
Amortized cost	<u>\$2,620,568</u>	<u>\$ 596</u>	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,621,340</u>

December 31, 2024

	Counterparty no signs of default				Counterparty with signs of default	Total
	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days		
Lifetime expected credit losses(%)	0~0.3	0~10	50	100	100	
Gross carrying amount	\$2,890,422	\$ 16,336	\$ 574	\$ 800	\$ 20,049	\$2,928,181
Loss allowance (lifetime ECLs)	( 8,162)	( 1,458)	( 287)	( 800)	( 20,049)	( 30,756)
Amortized cost	<u>\$2,882,260</u>	<u>\$ 14,878</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,897,425</u>

September 30, 2024

	Counterparty no signs of default				Total
	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	
Lifetime expected credit losses(%)	0.3	10	50	100	
Gross carrying amount	\$2,755,118	\$ 8,191	\$ 10	\$ 749	\$2,764,068
Loss allowance (lifetime ECLs)	( 8,237)	( 1,038)	( 5)	( 749)	( 10,029)
Amortized cost	<u>\$2,746,881</u>	<u>\$ 7,153</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$2,754,039</u>

The movements of the loss allowance of notes receivable, accounts receivable and others receivable were as follows:

	For the Nine Months Ended September 30				
	2025		2024		
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable	Other Receivable
Balance at January 1	\$ 1,176	\$29,580	\$ 1,124	\$ 8,713	\$ 2,157
Impairment losses recognized (reversal)	74	( 903)	( 177)	70	( 1,633)
Amounts written off	-	-	-	-	( 570)
Exchange differences	( 75)	( 1,585)	41	258	46
Balance at September 30	<u>\$ 1,175</u>	<u>\$27,092</u>	<u>\$ 988</u>	<u>\$ 9,041</u>	<u>\$ -</u>

X. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 430,856	\$ 393,454	\$ 457,472
Work in process	15,741	16,189	27,334
Finished goods	<u>365,363</u>	<u>436,349</u>	<u>367,426</u>
	<u>\$ 811,960</u>	<u>\$ 845,992</u>	<u>\$ 852,232</u>

The costs of inventories recognized in cost of goods sold for the three months and nine months ended September 30, 2025 and 2024 were NT\$1,548,298 thousand, NT\$1,715,710 thousand, NT\$4,601,826 thousand and NT\$4,694,383 thousand respectively, which included the following items:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Inventory depreciation recovery benefits	(\$ 11,207)	(\$ 2,399)	(\$ 10,211)	(\$ 14,658)
Inventory losses	10,087	7,027	24,360	19,313
Unallocated manufacturing cost	25,954	21,477	73,333	59,907
Revenue from the sale of scraps	( 646)	( 1,006)	( 1,719)	( 2,992)
	<u>\$ 24,188</u>	<u>\$ 25,099</u>	<u>\$ 85,763</u>	<u>\$ 61,570</u>

XI. NON-CURRENT ASSETS HELD FOR SALE

In March 2024, the Board of Directors decided that because Ningbo Changhong Optoelectronics Ltd. had been moved to a new factory, it plans to sell its land, old plant and equipment to enrich the working capital, subsequently, a sales contract was signed with an unrelated party in April, 2024 for the sale price of RMB 47,447 thousand was determined based on the valuation report.

The company expects to complete the disposal procedure within 12 months by reclassifying its assets as non-current assets held for sale on March 31, 2024 and expressed separately in the consolidated balance sheet.

The transaction has been transferred and registered in September, 2024, and the full amount had been received, and the relevant disposal benefits have been recognized.

XII. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2025	December 31, 2024	September 30, 2024
Individually insignificant affiliated enterprises			
Wah Sheng Industrial Corp. (“Wah Sheng”)	<u>\$ 4,427</u>	<u>\$ -</u>	<u>\$ -</u>

The brief description of investments using the equity method is detailed in Table 6. In October 2022, the Company invested NT\$10,000 thousand in cash to jointly establish Wah Sheng Industrial Corp., with a shareholding ratio of 25%. In February 2024, Wah Sheng reduced its capital and returned the shares originally acquired by other shareholders at a price of NT\$10,000 thousand for labor service, as a result, the Company's shareholding ratio increased from 25% to 33.33%. The Company's retained earnings decreased by NT\$1,793 thousand due to the adjustment of changes in affiliated enterprises recognized by equity method. In April 2025, Wah Sheng Industrial Corp. converted accounts receivable of NT\$10,000 thousand from the Company into capital, as a result, the Company's shareholding ratio increased to 50%. However, the Company assessed that it had no control over the investment and therefore continued to use the equity method. The Company's retained earnings decreased by NT\$4,445 thousand due to the adjustment of changes in affiliated enterprises recognized by equity method. The accumulated losses of Wah Sheng Industrial Corp. and Toprising Precision Tech. Co., Ltd. have exceeded its total amount of capital, and the Company ceased to recognize further losses under the equity method when the investment losses exceeded the original investment cost.

The current and cumulative unrecognized losses of affiliated enterprises are extracted from their financial reports are as follows:

	<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Current amount	<u>\$ -</u>	<u>\$ 1,783</u>
Cumulative amount	<u>\$ 4,463</u>	<u>\$ 5,520</u>

### XIII. OTHER FINANCIAL ASSETS – CURRENT

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Restricted time deposits	\$ -	\$ 22,804	\$ 22,584
Time deposits with original maturities of more than 3 months	<u>156,103</u>	<u>154,918</u>	<u>165,081</u>
	<u>\$ 156,103</u>	<u>\$ 177,722</u>	<u>\$ 187,665</u>
Annual interest rate (%)	1.55~3.95	1.40~4.05	1.55~4.05

Refer to Note 31 for information of time deposits pledged as collateral.

#### XIV. SUBSIDIARIES

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

Investor	Investee	Main Businesses and Products	Percentage of Ownership (%)		
			September 30, 2025	December 31, 2024	September 30, 2024
The Company	Wah Hong Holding Ltd.	International investment business	100	100	100
	PT. Wah Hong Indonesia (“WH Indonesia”)	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	99	99	99
Wah Hong Holding Ltd.	Wah Hong Technology Ltd.	International investment business	100	100	100
	Wah Hong International Ltd.	International investment business	100	100	100
	Granite International Ltd.	International trading business	100	100	100
	Wah Hong Development Ltd.	International investment business	100	100	100
	Smart Succeed Ltd.	International trading business	100	100	100
	Allied Royal LLC.	International investment business	67.5	67.5	67.5
	Wah Ma Technology Sdn. Bhd.	Production and trading business of BMC (bulk molding compound) material and molded product	100	100	100
Wah Hong Technology Ltd.	PT. Wah Hong Indonesia (“WH Indonesia”)	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	1	1	1
	SIP Chang Hong Optoelectronics Ltd. (“SIP Chang Hong”)	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	100	100	100
	SIP Chang Jun Trading Limited (“SIP Chang Jun”)	Trading business of BMC materials and finished products, diffusion films, reflectors and other LCD products	100	100	100
	Ningbo Changhong Optoelectronics Ltd. (“Ningbo Changhong”)	Production and trading of panel display compound and LCD optical film etc.	100	100	100
	Qingdao Changhong Optoelectronics Ltd. (“Qingdao Changhong”)	Production and trading of panel display compound and LCD optical film etc.	100	100	100

Investor	Investee	Main Businesses and Products	Percentage of Ownership (%)		
			September 30, 2025	December 31, 2024	September 30, 2024
Wah Hong International Ltd.	Sun Hong Optronics Ltd. (“Sun Hong”)	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	100	100	100
	Xiamen Guang Hong Optronics Ltd. (“Xiamen Guang Hong”)	Production and trading of panel display compound and LCD optical film etc.	100	100	100
Allied Royal LLC.	SuZhou Alliance Material.Co.Ltd. (“Suzhou Alliance”)	Production and trading business of LCD material molded product	100	100	100
	Best Honor Inc.	International trading business	- (Note)	100	100
SIP Chang Hong	Chang Hong (HK) Optronics Limited (“Chang Hong (HK)”)	Trading business of LCD material and BMC material	- (Note)	100	100
Ningbo Changhong	Ningbo Changli New Material Limited (“Ningbo Changli”)	Trading business of LCD material and BMC material	100	100	100

Note: Best Honor Inc. has been revoked and Chang Hong (HK) has been disbanded.

## XV. PROPERTY, PLANT AND EQUIPMENT

(I) Changes of cost, accumulated depreciation and accumulated impairment were as follows:

For the Nine months ended September 30, 2025

Cost	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Balance at January 1, 2025	\$ 203,956	\$ 1,800,292	\$ 2,397,957	\$ 563,866	\$ 18,342	\$ 4,984,413
Additions	-	12,885	44,493	16,652	6,658	80,688
Disposals	-	( 1,177)	( 46,925)	( 14,980)	-	( 63,082)
Exchange differences	( 57)	( 68,783)	( 83,252)	( 18,500)	( 687)	( 171,279)
Balance at September 30, 2025	<u>\$ 203,899</u>	<u>\$ 1,743,217</u>	<u>\$ 2,312,273</u>	<u>\$ 547,038</u>	<u>\$ 24,313</u>	<u>\$ 4,830,740</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2025	\$ -	\$ 1,132,420	\$ 1,961,909	\$ 402,703	\$ -	\$ 3,497,032
Depreciation expense	-	61,464	46,756	25,344	-	133,564
Disposals	-	( 1,177)	( 42,762)	( 14,471)	-	( 58,410)
Exchange differences	-	( 41,144)	( 65,756)	( 12,619)	-	( 119,519)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 1,151,563</u>	<u>\$ 1,900,147</u>	<u>\$ 400,957</u>	<u>\$ -</u>	<u>\$ 3,452,667</u>
<u>Accumulated impairment</u>						
Balance at January 1, 2025	\$ -	\$ -	\$ 75,797	\$ 18,873	\$ -	\$ 94,670
Exchange differences	-	-	( 207)	( 158)	-	( 365)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,590</u>	<u>\$ 18,715</u>	<u>\$ -</u>	<u>\$ 94,305</u>
Carrying amount at January 1, 2025	<u>\$ 203,956</u>	<u>\$ 667,872</u>	<u>\$ 360,251</u>	<u>\$ 142,290</u>	<u>\$ 18,342</u>	<u>\$ 1,392,711</u>
Carrying amount at September 30, 2025	<u>\$ 203,899</u>	<u>\$ 591,654</u>	<u>\$ 336,536</u>	<u>\$ 127,366</u>	<u>\$ 24,313</u>	<u>\$ 1,283,768</u>

For the Nine months ended September 30, 2024

Cost	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Balance at January 1, 2024	\$ 203,574	\$ 1,812,293	\$ 2,361,210	\$ 536,314	\$ 25,061	\$ 4,938,452
Additions	-	25,197	40,088	33,281	( 15,338)	83,228
Disposals	-	( 1,947)	( 37,069)	( 3,386)	-	( 42,402)
Reclassified to non-current Assets Held for Sale	-	( 90,313)	( 5,907)	( 10,974)	-	( 107,194)
Exchange differences	590	51,905	65,106	13,296	524	131,421
Balance at September 30, 2024	<u>\$ 204,164</u>	<u>\$ 1,797,135</u>	<u>\$ 2,423,428</u>	<u>\$ 568,531</u>	<u>\$ 10,247</u>	<u>\$ 5,003,505</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ -	\$ 1,079,874	\$ 1,913,313	\$ 376,765	\$ -	\$ 3,369,952
Depreciation expense	-	64,725	52,124	27,697	-	144,546
Disposals	-	( 1,947)	( 33,670)	( 3,172)	-	( 38,789)
Reclassified to non-current Assets Held for Sale	-	( 60,955)	( 5,112)	( 8,734)	-	( 74,801)
Exchange differences	-	29,206	51,148	9,308	-	89,662
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 1,110,903</u>	<u>\$ 1,977,803</u>	<u>\$ 401,864</u>	<u>\$ -</u>	<u>\$ 3,490,570</u>
<u>Accumulated impairment</u>						
Balance at January 1, 2024	\$ -	\$ -	\$ 75,625	\$ 18,743	\$ -	\$ 94,368
Exchange differences	-	-	139	104	-	243
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,764</u>	<u>\$ 18,847</u>	<u>\$ -</u>	<u>\$ 94,611</u>
Carrying amount at September 30, 2024	<u>\$ 204,164</u>	<u>\$ 686,232</u>	<u>\$ 369,861</u>	<u>\$ 147,820</u>	<u>\$ 10,247</u>	<u>\$ 1,418,324</u>

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

	<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Investing activities affected cash and cash equivalents		
Additions to property, plant and equipment	\$ 80,688	\$ 83,228
Decrease (increase) in payables for equipment (under other payables)	( 9,392)	5,468
Cash paid for acquis the property, plant and equipment	<u>\$ 71,296</u>	<u>\$ 88,696</u>

(II) Estimated useful life:

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings

Reinforced concrete buildings	30 - 60 years
Sheet metal buildings	10 - 20 years
Decoration and Design	2 - 10 years
Electrical and mechanical work	2 - 8 years
Machinery and equipment	2 - 10 years
Other equipment	2 - 15 years

(III) Refer to Note 31 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

XVI. LEASING ARRANGEMENTS

(I) Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Land	\$ 33,611	\$ 33,886	\$ 33,857
Buildings	96,970	116,092	127,687
Other equipment	<u>1,458</u>	<u>2,114</u>	<u>2,332</u>
	<u>\$132,039</u>	<u>\$152,092</u>	<u>\$163,876</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Additions to right-of-use assets			<u>\$ 23,370</u>	<u>\$ 2,836</u>
Depreciation of right-of-use assets				
Land	\$ 276	\$ 299	\$ 861	\$ 1,004
Buildings	10,322	12,131	33,381	35,312
Other equipment	<u>219</u>	<u>219</u>	<u>656</u>	<u>656</u>
	<u>\$ 10,817</u>	<u>\$ 12,649</u>	<u>\$ 34,898</u>	<u>\$ 36,972</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets in September 30, 2025, and 2024.

In addition, the Group terminated in advance and modified some leasing contracts from January 1 to September 30, 2024, resulting in a decrease in right-of-use assets of NT\$3,776 thousand and recognized leasing modification

benefits of NT\$18 thousand. Due to the reclassification to non-current assets held for sale, the right-of-use assets decreased by NT\$12,324 thousand.

(II) Leasing liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Current portion	<u>\$ 42,673</u>	<u>\$ 31,494</u>	<u>\$ 35,681</u>
Non-current portion	<u>\$ 55,294</u>	<u>\$ 80,718</u>	<u>\$ 83,892</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Land	1.65	-	-
Buildings	1.89~2.42	1.83~2.42	1.83~2.42
Other equipment	2.25	2.25	2.25

(III) Material leasing activities and terms

The Group leases land use rights, buildings and computer hardware equipment for business use, and the lease period varies from 1 to 50 years, and ends until May 2056.

(IV) Other leasing information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 3,579</u>	<u>\$ 7,248</u>	<u>\$ 11,097</u>	<u>\$ 22,774</u>
Expenses relating to low-value asset leases	<u>\$ 2,107</u>	<u>\$ 1,754</u>	<u>\$ 5,696</u>	<u>\$ 5,317</u>
Total cash outflow for leases			<u>\$ 49,985</u>	<u>\$ 65,683</u>

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

XVII. SHORT-TERM BORROWINGS

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured borrowings			
Procurement loans	\$ 167,701	\$ 146,779	\$ 246,022
Revolving loans	<u>283,222</u>	<u>42,225</u>	<u>392,835</u>
	<u>\$ 450,923</u>	<u>\$ 189,004</u>	<u>\$ 638,857</u>
Annual interest rate (%)	1.83~6.00	1.91~5.60	1.80~6.29

XVIII. NOTES PAYABLE AND ACCOUNTS PAYABLE

Notes payable and accounts payable are mainly related to operating activities.

The average credit period on purchases of goods from 30 - 150 days. The Group has formulated a financial risk management policy, in order to ensure all payables are paid within the pre-agreed credit period; therefore, no interest is required.

XIX. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Payable for salaries or bonuses	\$177,639	\$199,014	\$161,071
Payable for employees' compensation and remuneration to directors	65,275	89,705	84,570
Payable for annual leave bonuses	32,599	31,488	30,939
Payable for packing fees	19,022	21,449	21,125
Payable for freight fee	14,651	14,940	14,988
Payable for die-cut fees	10,827	15,706	14,876
Payable for equipment	15,006	5,614	8,223
Others	<u>152,333</u>	<u>151,265</u>	<u>183,082</u>
	<u>\$487,352</u>	<u>\$529,181</u>	<u>\$518,874</u>

XX. LONG-TERM BORROWINGS

	September 30, 2025	December 31, 2024	September 30, 2024
Secured borrowings (Note 31)			
Syndicated bank loans			
E.SUN BANK (USD syndicated bank loan) - credit limit A, annual interest rate for September 30, 2025, December 31, 2024, and September 30, 2024 is 5.6025%, 5.9937% and 6.7336%, respectively	\$456,675	\$491,775	\$474,750
Less: Syndicated loan fee	<u>489</u>	<u>1,039</u>	<u>1,222</u>
	<u>\$456,186</u>	<u>\$490,736</u>	<u>\$473,528</u>

The Company has signed a syndicated loan agreement with banks led by E.SUN BANK in May 2022. The total amount of syndicated bank loans is US\$50 million, including credit limit A (US\$50 million), credit limit B (NT\$840 million).

The credit referred to in the preceding item is a medium-term revolving loan (the credit period starts from June 2022, the first use date and ends in 5 years, and after three years from the date of first use, the credit line will be decreased in five installments every six months, with the first installment decreasing by 5%, the second to fourth installments decreasing by 10% and the fifth installment decreasing by 65%), which can be used in installments and revolved within the loan line. Every time the credit line decreases, the part of the credit balance that exceeds the decreased credit line shall be paid off in one lump sum.

The syndicated loan contract stipulates that the Company's consolidated annual financial ratios should comply with specific financial ratio standard.

The financial ratios of the Company's 2024 and 2023 consolidated annual financial reports did not violate the provisions of the syndicated loan contract.

#### XXI. RETIREMENT BENEFIT PLANS

##### (I) Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

##### (II) Defined benefit plans

The retirement expenses of defined benefit plan for the three months and nine months ended September 30, 2025 and 2024 were calculated using the actuarially determined pension cost discount rate of December 31 2024 and 2023. The amounts for the three months and the nine months ended September 30, 2025 and 2024 was NT\$55 thousand, NT\$97 thousand, NT\$164 thousand and NT\$291 thousand, respectively.

## XXII. EQUITY

### (I) Share capital

	September 30, 2025	December 31, 2024	September 30, 2024
Number of authorized shares (in thousands)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Amount of authorized shares	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued and fully paid shares (in thousands)	<u>100,004</u>	<u>100,004</u>	<u>100,004</u>
Amount of issued shares	<u>\$ 1,000,044</u>	<u>\$ 1,000,044</u>	<u>\$ 1,000,044</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

### (II) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Arising from issuance of share capital	\$ 1,844,657	\$ 1,874,658	\$ 1,874,658
Arising from conversion of bonds	511	511	511
Consolidation excess	142,560	142,560	142,560
Difference between consideration paid and the carrying amount	<u>6,777</u>	<u>6,777</u>	<u>6,777</u>
	<u>\$ 1,994,505</u>	<u>\$ 2,024,506</u>	<u>\$ 2,024,506</u>

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

### (III) Retained earnings and dividends policy

Under the earnings distribution policy as set forth in the Company's 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, which shall be resolved in the shareholders' meeting. If the Company issues new stocks for distribution of earnings, it shall be submitted to the Shareholders' Meeting for resolution; if the company issues cash for distribution of earnings, it shall be resolved by the Board of Directors.

The Company authorizes the Board of Directors must attend by over two-thirds of the directors and half of those attending directors must approve for the case if the Company use cash for distribution of dividends, bonus and capital surplus or surplus reserve, it should report to the Shareholders' Meeting. However, if the Company issues new stocks for distribution of dividends, bonus and capital surplus or surplus reserve, it should let the shareholders pass the resolution.

The dividend policy of the Company is based on the current and future development plans, investment environment, capital requirements and competition in the domestic and foreign markets, as well as the benefits of shareholders, etc. The dividends to shareholders can be paid in cash or/and issued shares, but cash dividends shall be not less than 10% of the total dividends.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. 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.

The appropriations of earnings for 2024 and 2023 had been approved by the shareholders' meeting in May, 2025 and 2024, respectively; the amounts were as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$ 30,805	\$ 20,155		
Reversal of special surplus reserve	( 161,537)	( 25,555)		
Cash dividends	130,006	118,224	<u>\$ 1.3</u>	<u>\$ 1.2</u>

In addition, in March 2025 and 2024, the Board of Directors proposed a cash distribution from capital surplus of NT\$30,001 thousand and NT\$29,556 thousand.

The above-mentioned cash dividends for 2024 and 2023 had been approved by the Board of Directors in March 2025 and 2024, respectively.

(IV) Special reserve

When the company adopted IFRSs for the first time, the unrealized revaluation gains and accumulative translation adjustments transferred to retained earnings amounted to NT\$13,747 thousand and NT\$231,169 thousand respectively, but the increase in retained earnings due to the adoption of IFRSs for the first time was not enough to be recognized, so only the retained earnings increase of NT\$181,615 thousand due to the conversion to IFRSs was set aside as a special surplus reserve.

(V) Other equity

1. Exchange differences on translation of the financial statements of foreign operations

	For the Nine Months Ended September 30	
	2025	2024
Balance at January 1	(\$147,382)	(\$284,391)
Exchange differences on translating the financial statements of foreign operations	( 178,207)	154,158
Tax arising on translation of foreign operations	<u>35,642</u>	( <u>30,831</u> )
Balance at September 30	<u>(\$289,947)</u>	<u>(\$161,064)</u>

2. Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 98,459	(\$ 58,761)
Recognized for the year		
Unrealized gain		
(loss) - equity		
instruments	( <u>173,628</u> )	<u>188,746</u>
Balance at September 30	( <u>\$ 75,169</u> )	<u>\$129,985</u>

(VI) Non-controlling interests

	<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$115,897	\$112,675
Other comprehensive income		
(loss) during the period		
Net profit	3,868	6,427
Exchange differences		
on translation of the		
financial statements		
of foreign operations	( 7,462 )	4,835
Cash dividends paid by		
subsidiaries	( <u>9,278</u> )	( <u>12,916</u> )
Balance at September 30	<u>\$103,025</u>	<u>\$111,021</u>

(VII) Treasury stock

For the transfer of shares to employees, the Company repurchased 1,484 thousand shares of its common stock in 2019, at the repurchase cost of NT\$40,239 thousand (a refund of NT\$2,000 handling fee for 2020 has been deducted).

The Company's Board of Directors resolved to transfer all of its treasury stock to employees in August, 2024. Please refer to Note 27.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

## XXIII. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from sale of goods	\$ 1,824,607	\$ 2,009,040	\$ 5,444,592	\$ 5,513,281
Service revenue	<u>1,350</u>	<u>354</u>	<u>2,989</u>	<u>1,173</u>
	<u>\$ 1,825,957</u>	<u>\$ 2,009,394</u>	<u>\$ 5,447,581</u>	<u>\$ 5,514,454</u>

### (I) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes receivable and accounts receivable (Note 9)	<u>\$2,621,340</u>	<u>\$2,897,425</u>	<u>\$2,754,039</u>	<u>\$2,887,068</u>
Contract liabilities (classified under other current liabilities)				
Sale of goods	<u>\$ 13,456</u>	<u>\$ 12,052</u>	<u>\$ 15,187</u>	<u>\$ 8,275</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the date the Group fulfills its performance obligation and the date the customer's payment is received.

### (II) Disaggregation of revenue by products

#### For the Nine Months Ended September 30, 2025

Types	Reportable Segments				Total
	Taiwan	South China	Eastern China	Others	
Revenue from sale of goods	\$ 1,859,831	\$ 1,015,769	\$ 2,395,507	\$ 173,485	\$ 5,444,592
Service revenue	<u>1,429</u>	<u>4</u>	<u>1,535</u>	<u>21</u>	<u>2,989</u>
	<u>\$ 1,861,260</u>	<u>\$ 1,015,773</u>	<u>\$ 2,397,042</u>	<u>\$ 173,506</u>	<u>\$ 5,447,581</u>

#### For the Nine Months Ended September 30, 2024

Types	Reportable Segments				Total
	Taiwan	South China	Eastern China	Others	
Revenue from sale of goods	\$ 1,754,421	\$ 1,019,089	\$ 2,546,925	\$ 192,846	\$ 5,513,281
Service revenue	<u>260</u>	<u>55</u>	<u>825</u>	<u>33</u>	<u>1,173</u>
	<u>\$ 1,754,681</u>	<u>\$ 1,019,144</u>	<u>\$ 2,547,750</u>	<u>\$ 192,879</u>	<u>\$ 5,514,454</u>

## XXIV. PROFIT BEFORE INCOME TAX

### (I) Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Bank deposits	<u>\$ 4,131</u>	<u>\$ 5,941</u>	<u>\$12,734</u>	<u>\$15,536</u>

### (II) Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Dividend income	\$ -	\$ 31,250	\$ 38,007	\$ 35,710
Rental income	1,716	2,224	5,465	6,528
Others	<u>2,596</u>	<u>3,305</u>	<u>5,623</u>	<u>5,750</u>
	<u>\$ 4,312</u>	<u>\$ 36,779</u>	<u>\$ 49,095</u>	<u>\$ 47,988</u>

### (III) Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Gains (loss) of financial instruments measured at fair value through profit or loss	\$ 1,614	\$ 40,767	(\$ 12,733)	\$ 58,994
Net gain (loss) from foreign currency exchange	14,621	( 12,242)	( 18,975)	19,477
Net gain on non-current assets held for sale (Note 11)	-	162,701	-	162,701
Gains (loss) on disposal of property, plant and equipment	( 235)	4	( 2,192)	( 359)
Others	( 189)	( 212)	( 1,104)	( 700)
	<u>\$ 15,811</u>	<u>\$ 191,018</u>	<u>(\$ 35,004)</u>	<u>\$ 240,113</u>

### (IV) Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 9,901	\$ 14,386	\$ 28,772	\$ 44,649
Interest on lease liabilities	557	718	1,772	3,060
Other interest expenses	<u>551</u>	<u>751</u>	<u>1,740</u>	<u>2,134</u>
	<u>\$ 11,009</u>	<u>\$ 15,855</u>	<u>\$ 32,284</u>	<u>\$ 49,843</u>

(V) Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 42,835	\$ 47,916	\$ 133,564	\$ 144,546
Right-of-use assets	10,817	12,649	34,898	36,972
Intangible assets	<u>12,281</u>	<u>10,313</u>	<u>34,977</u>	<u>31,794</u>
	<u>\$ 65,933</u>	<u>\$ 70,878</u>	<u>\$ 203,439</u>	<u>\$ 213,312</u>
An analysis of depreciation by function				
Operating costs	\$ 44,364	\$ 49,617	\$ 138,719	\$ 148,074
Operating expenses	<u>9,288</u>	<u>10,948</u>	<u>29,743</u>	<u>33,444</u>
	<u>\$ 53,652</u>	<u>\$ 60,565</u>	<u>\$ 168,462</u>	<u>\$ 181,518</u>
An analysis of amortization by function				
Operating costs	\$ 1,594	\$ 1,295	\$ 4,669	\$ 4,248
Operating expenses	<u>10,687</u>	<u>9,018</u>	<u>30,308</u>	<u>27,546</u>
	<u>\$ 12,281</u>	<u>\$ 10,313</u>	<u>\$ 34,977</u>	<u>\$ 31,794</u>

(VI) Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	<u>\$ 237,918</u>	<u>\$ 278,970</u>	<u>\$ 706,625</u>	<u>\$ 772,505</u>
Retirement benefits				
Defined contribution plans	12,670	12,627	38,713	38,604
Defined benefit plans (Note 21)	<u>55</u>	<u>97</u>	<u>164</u>	<u>291</u>
	<u>12,725</u>	<u>12,724</u>	<u>38,877</u>	<u>38,895</u>
	<u>\$ 250,643</u>	<u>\$ 291,694</u>	<u>\$ 745,502</u>	<u>\$ 811,400</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 136,760	\$ 153,773	\$ 419,070	\$ 449,302
Operating expenses	<u>113,883</u>	<u>137,921</u>	<u>326,432</u>	<u>362,098</u>
	<u>\$ 250,643</u>	<u>\$ 291,694</u>	<u>\$ 745,502</u>	<u>\$ 811,400</u>

(VII) Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

According to the amendment of the Securities and Exchange Act in August

2024, the Company adopted an amendment to the Articles of Incorporation at the Shareholders' Meeting in 2025, stipulate that no less than 4% of net profit shall be allocated to employee compensation, and specify that no less than 15% of the employee compensation shall be allocated as the grassroots employee compensation.

The compensation of employees and remuneration of directors for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the Nine Months Ended September 30	
	2025	2024
<u>Accrual rate</u>		
Employees' compensation (%)	15	15
Remuneration of directors (%)	2.5	2.5

  

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Amount</u>				
Employees' compensation	<u>\$ 11,552</u>	<u>\$ 32,679</u>	<u>\$ 34,977</u>	<u>\$ 56,338</u>
Remuneration of directors	<u>\$ 1,926</u>	<u>\$ 5,447</u>	<u>\$ 5,830</u>	<u>\$ 9,390</u>

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's board of directors in March 2025 and 2024, were paid in cash as follows:

	2024	2023
Employees' compensation	\$ 60,739	\$ 41,500
Remuneration of directors	10,123	6,917

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year 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.

## XXV. INCOME TAX

### (I) The major components of income tax expense

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	\$ 14,679	\$ 102,946	\$ 58,374	\$ 126,366
Addition from unappropriated earnings	-	-	14,790	1,500
Land value increment tax	-	26,714	-	26,714
Adjustments for prior years	<u>3,973</u>	<u>(1,134)</u>	<u>(2,762)</u>	<u>(4,067)</u>
	<u>18,652</u>	<u>128,526</u>	<u>70,402</u>	<u>150,513</u>
Deferred tax				
In respect of the current year	<u>11,297</u>	<u>(45,222)</u>	<u>10,985</u>	<u>(28,927)</u>
	<u>\$ 29,949</u>	<u>\$ 83,304</u>	<u>\$ 81,387</u>	<u>\$ 121,586</u>

### (II) Income tax recognized in other comprehensive

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Deferred tax benefit (expense)				
In respect of the current year				
Exchange differences on translation of the financial statements of foreign operations	<u>(\$ 25,603)</u>	<u>\$ 1,381</u>	<u>\$ 35,642</u>	<u>(\$ 30,831)</u>

### (III) Income tax assessments

The company's income tax declaration for profit-making business up to the year of 2023 have been approved by the tax collection authorities.

## XXVI. EARNINGS PER SHARE (EPS)

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

### (I) Net profit for the year attributable to the owners of the company

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Earnings used in the computation to basic/diluted EPS	<u>\$ 52,604</u>	<u>\$ 170,445</u>	<u>\$ 153,742</u>	<u>\$ 284,314</u>

(II) Number of shares (in thousands)

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Weighted average number of shares outstanding used in computation of basic EPS	100,004	98,683	100,004	98,683
Effect of potentially dilutive shares				
Employees' compensation	<u>947</u>	<u>1,552</u>	<u>1,311</u>	<u>1,882</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>100,951</u>	<u>100,235</u>	<u>101,315</u>	<u>100,565</u>

The Group offers to settle the employees' compensation in cash or shares; thus, the Group assumes the entire amount of the compensation will be settled in shares and the resulting potential shares were 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.

**XXVII. SHARE-BASED PAYMENT ARRANGEMENTS**

In order to motivate employees and enhance their centripetal force, the Company's board of directors decided to transfer 1,484 thousand shares of treasury shares repurchased in 2019 to employees in August, 2024, with a transfer price of NT\$ 27.13.

The fair value of employee share options granted on grant date is measured using the Black-Scholes option-pricing model. The evaluation assumptions are as follows:

Share price at the grant date	\$ 30.70
Exercise price	\$ 27.13
Expected volatility (%)	24.64
Expected lives (years)	0.04
Risk free interest rate (%)	1.28
Fair value of the share options granted	\$ 3.59

The fair value of share-based payment transaction granted on grant date based on the closing price at the grant date less the exercise price and recognized the compensation cost and capital surplus - treasury share transaction of NT\$5,328 thousand.

## XXVIII. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and other equity).

The key management personnel of the Group periodically review the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements, except those discussed in Note 20.

## XXIX. FINANCIAL INSTRUMENTS

### (I) Fair values of financial instruments not measured at fair value

The carrying amount of financial assets and financial liabilities that are not measured at fair value as approximate amount of their fair value.

### (II) Fair value of financial instruments measured at fair value on a recurring basis

#### 1. Fair value hierarchy

September 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 90,659	\$ -	\$ -	\$ 90,659
Guaranteed floating income financial products	-	-	135,953	135,953
	<u>\$ 90,659</u>	<u>\$ -</u>	<u>\$ 135,953</u>	<u>\$ 226,612</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 633,128	\$ -	\$ -	\$ 633,128
Domestic unlisted shares	-	-	64,557	64,557
Foreign unlisted shares	-	-	8,138	8,138
	<u>\$ 633,128</u>	<u>\$ -</u>	<u>\$ 72,695</u>	<u>\$ 705,823</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 229	\$ -	\$ 229

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 103,513	\$ -	\$ -	\$ 103,513
Guaranteed floating income financial products	<u>-</u>	<u>-</u>	<u>141,601</u>	<u>141,601</u>
	<u>\$ 103,513</u>	<u>\$ -</u>	<u>\$ 141,601</u>	<u>\$ 245,114</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 776,445	\$ -	\$ -	\$ 776,445
Domestic unlisted shares	-	-	64,557	64,557
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>8,138</u>	<u>8,138</u>
	<u>\$ 776,445</u>	<u>\$ -</u>	<u>\$ 72,695</u>	<u>\$ 849,140</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 782</u>	<u>\$ -</u>	<u>\$ 782</u>

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 1,848	\$ -	\$ 1,848
Domestic listed shares	139,003	-	-	139,003
Guaranteed floating income financial products	<u>-</u>	<u>-</u>	<u>278,386</u>	<u>278,386</u>
	<u>\$ 139,003</u>	<u>\$ 1,848</u>	<u>\$ 278,386</u>	<u>\$ 419,237</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 811,163	\$ -	\$ -	\$ 811,163
Domestic unlisted shares	-	-	54,930	54,930
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>14,572</u>	<u>14,572</u>
	<u>\$ 811,163</u>	<u>\$ -</u>	<u>\$ 69,502</u>	<u>\$ 880,665</u>

There were no transfers between Level 1 and Level 2 for the nine months ended September 30, 2025 and 2024.

2. Reconciliation of Level 3 fair value measurements of financial assets and liabilities

	<u>Financial assets at FVTPL</u>		<u>Financial assets at FVTOCI</u>	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
<u>Financial assets</u>				
Balance at January 1	\$ 141,601	\$ 349,800	\$ 72,695	\$ 69,502
Increase in current three month	-	169,489	-	-
Decrease in current three month	-	( 265,057)	-	-

Recognized in profit or loss	2,974	8,186	-	-
Exchange differences	(8,622)	15,968	-	-
Balance at September 30	<u>\$ 135,953</u>	<u>\$ 278,386</u>	<u>\$ 72,695</u>	<u>\$ 69,502</u>

3. Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. The estimates and assumptions used by the Group in the evaluation method are consistent with the information used by market participants as estimates and assumptions when pricing financial products.

4. Valuation techniques and inputs applied for Level 3 fair value measurement

The financial assets held by the Group measured at fair value are estimated using the market method with reference to the stock price-to-book value ratio of similar companies in the same industry in the open market or the latest net asset value.

The estimated fair value of guaranteed with floating income financial products is based on the analysis of cash flow.

(III) Categories of financial instruments

Financial Assets	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets at amortized cost (Note 1)	\$ 3,895,582	\$ 4,191,058	\$ 4,210,135
Measured at FVTPL			
Mandatorily classified as at FVTPL	226,612	245,114	419,237
Financial assets at FVTOCI			
Investments in equity instruments	705,823	849,140	880,665

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial Liabilities</u>			
Financial liabilities at amortized cost (Note 2)	2,464,387	2,692,381	2,946,500
Measured at FVTPL			
Mandatorily classified as at FVTPL	229	782	-

Note 1: Including cash and cash equivalents, notes receivable and accounts receivable, others receivable, other financial assets and refundable deposits measured at amortized cost, which comprise.

Note 2: Including short-term borrowings, notes payable and accounts payable, other payables, long-term borrowings and guarantee deposits received measured at amortized cost, which comprise.

(IV) Financial risk Management objectives and policies

The Group's major financial instruments included equity and investments, notes receivable and accounts receivable, other financial assets, lease liability, notes payable and accounts payable, lease liability and long-term and short-term loans, etc. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange rates and interest rates), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The Group's activities exposed is primarily to the financial risks of changes in foreign currency exchange rates (detail refers below (1)) and interest rates (detail refers below (2)).

(1) Foreign currency risk

The Group had foreign currency trades, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency of the Group on the balance sheet date (including monetary items denominated in non-functional currency that have been reversed in the consolidated financial report), please refer to Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (functional currency) against the relevant foreign currencies. A sensitivity rate of 1% is used internally when reporting to management from the Group on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates. The following table details the Group's sensitivity analysis included only the outstanding foreign currency (USD) denominated monetary items at the balance sheet date. The sensitivity analysis included foreign currency deposit (USD), receivables and payables, and long-term and short-term borrowings. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	Currency USD Impact	
	For the Nine Months Ended September 30	
	2025	2024
Profit or loss	\$ 6,586	\$ 7,030

(2) Interest rate risk

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

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

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial assets	\$ 644,573	\$ 631,142	\$ 750,970
Financial liabilities	344,573	180,388	173,081
Cash flow interest rate risk			
Financial assets	\$ 590,309	\$ 607,083	\$ 656,924
Financial liabilities	660,503	611,564	1,058,877

Sensitivity analysis

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

The rate of change used internally in reporting interest rates to the management from the Group is the 1% basis points increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates.

If interest rates had been 1% increases/decreases and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2025 and 2024 would have been

decreases/increases by NT\$526 thousand and NT\$3,015 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings.

(3) Other price risk

The Group were exposed to equity price risk through their investments in listed shares.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk on the balance sheet date.

If the equity price increases/decreases by 1%, the Group's net profit before tax for the nine months ended September 30, 2025 and 2024 will increase/decrease by NT\$907 thousand and NT\$1,390 thousand respectively due to the change in the fair value of financial assets measured at fair value through profit and loss.

If the equity price increases/decreases by 1%, the Group's pre-tax other comprehensive profit and loss for the nine months ended September 30, 2025 and 2024 will increase/decrease by NT\$7,058 thousand and NT\$8,807 thousand respectively due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive profit and loss.

2. Credit risk

Credit risk refers to the risk of financial loss of the Group caused by the counterparty's default of contractual obligations. As of the balance sheet date, the Group's maximum credit risk exposure that may cause financial losses due to the failure of the counterparty to fulfill the obligation and the financial guarantee provided by the Group is mainly from:

- (1) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- (2) The amount of contingent liabilities in relation to financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and

credit exposure is controlled by setting credit limits of counterparties annually.

The credit risk of the Group is mainly concentrated on receivables of the following companies:

	September 30, 2025	December 31, 2024	September 30, 2024
Company A	<u>\$ 385,866</u>	<u>\$ 401,533</u>	<u>\$ 353,001</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the ratio of receivables from the aforementioned companies was 15%, 14% and 13% respectively.

### 3. Liquidity risk

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

#### (1) Liquidity risk tables for non-derivative financial liabilities

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

	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
<u>September 30, 2025</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$1,546,363	\$ 10,736	\$ 179	\$ -
Leasing liabilities	14,754	29,726	35,825	21,633
Variable interest rate liabilities	219,148	12,935	475,375	-
Fixed interest rate liabilities	238,283	10,216	-	-
Financial guarantee contracts	<u>171,965</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$2,190,513</u>	<u>\$ 63,613</u>	<u>\$ 511,379</u>	<u>\$ 21,633</u>

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	<u>\$ 44,480</u>	<u>\$ 35,825</u>	<u>\$ 19,309</u>	<u>\$ 2,324</u>

	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
<u>December 31, 2024</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$1,993,370	\$ 19,076	\$ 195	\$ -
Leasing liabilities	24,809	8,683	55,215	29,124
Variable interest rate liabilities	136,971	14,983	535,195	-
Fixed interest rate liabilities	69,380	-	-	-
Financial guarantee contracts	<u>155,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$2,380,324</u>	<u>\$ 42,742</u>	<u>\$ 590,605</u>	<u>\$ 29,124</u>

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	<u>\$ 33,492</u>	<u>\$ 55,215</u>	<u>\$ 19,230</u>	<u>\$ 9,894</u>

September 30, 2024	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$1,817,511	\$ 15,531	\$ 1,073	\$ -
Leasing liabilities	17,354	20,500	56,812	31,156
Variable interest rate liabilities	606,602	16,161	56,388	473,527
Fixed interest rate liabilities	54,287	-	-	-
Financial guarantee contracts	<u>100,494</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$2,596,248</u>	<u>\$ 52,192</u>	<u>\$ 114,273</u>	<u>\$ 504,683</u>

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	<u>\$37,854</u>	<u>\$56,812</u>	<u>\$18,977</u>	<u>\$12,179</u>

The amount of the above-mentioned financial guarantee contract refers to the amount that the Company may have to pay to fulfill the guarantee obligation if the holder of the financial guarantee contract claims the full guarantee amount from the guarantor. However, according to the expectation on the balance sheet date, the Company believes that it is unlikely to pay these contract payments.

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

(2) Liquidity risk tables for derivative financial liabilities

On the liquidity analysis of derivative financial instruments, derivative instruments settled by gross amount is compiled based on the undiscounted total cash inflow and outflow. When the amount payable is not fixed, the disclosed amount is based on the spot exchange rate on the balance sheet date.

	<u>On Demand or Less than 1 Month</u>	<u>1-3 Months</u>
<u>September 30, 2025</u>		
Total settlement		
Foreign exchange forward contracts		
Inflows	\$ 30,243	\$ -
Outflows	( 30,471)	-
	<u>(\$ 229)</u>	<u>\$ -</u>
 <u>December 31, 2024</u>		
Total settlement		
Foreign exchange forward contracts		
Inflows	\$ 32,164	\$ 32,424
Outflows	( 32,731)	( 32,639)
	<u>(\$ 567)</u>	<u>(\$ 215)</u>
 <u>September 30, 2024</u>		
Total settlement		
Foreign exchange forward contracts		
Inflows	\$ 48,654	\$ 47,601
Outflows	( 47,285)	( 47,122)
	<u>\$ 1,369</u>	<u>\$ 479</u>

4. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in China to some of its suppliers in order to settle the accounts payable to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills' receivable, it derecognized the full carrying amount of the bills receivable and the associated accounts payable. However, if the derecognized bills receivable is not paid at maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills' receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of September 30, 2025, December 31, 2024 and September 30, 2024, the face amount of these unsettled bills receivable was NT\$171,965 thousand, NT\$155,794 thousand and NT\$100,494 thousand, respectively. The unsettled bills

receivable will be due in 6 months after the balance sheet date. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair value of its continuing involvement is not significant.

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

XXX. RELATED PARTY TRANSACTIONS

Transactions between the Group and related parties were disclosed as follows:

(I) Name of related parties and relation

<u>Related Parties</u>	<u>Relation with the Group</u>
Wah Lee Industrial Corp.	Investor with significant influence
Shanghai Yikang Chemical Industry Material Limited Company	Subsidiary of Investor with significant influence
DongGuan HuaGang International Trading Co., Ltd.	Subsidiary of Investor with significant influence
Raycong Industrial (Hong Kong) Limited	Subsidiary of Investor with significant influence
Wah Tech Industrial Co., Ltd.	Subsidiary of Investor with significant influence
Tranceed Logistics Co. Ltd.	Subsidiary of Investor with significant influence
Wahlee Innovation Materials Private Limited	Subsidiary of Investor with significant influence
Wah Sheng Industrial Corp.	Associate
Nagase Wahlee Plastics Corp.	Substantive related party
Hightech Polymer Sdn. Bhd.	Substantive related party

(II) Operating transactions

1. Sales of goods

<u>Related Party Category</u>	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Investor with significant influence and their subsidiaries	<u>\$ 16,226</u>	<u>\$ 25,834</u>	<u>\$ 61,998</u>	<u>\$ 74,502</u>

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

2. Purchase of goods

<u>Related Party Category</u>	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Investor with significant influence and their subsidiaries	\$ 13,471	\$ 13,413	\$ 31,412	\$ 32,604
Substantive related party	<u>4,743</u>	<u>698</u>	<u>10,158</u>	<u>2,593</u>
	<u>\$ 18,214</u>	<u>\$ 14,111</u>	<u>\$ 41,570</u>	<u>\$ 35,197</u>

The prices of purchases from related parties were made under arm's length terms and there were no similar transactions with third parties for comparison. Payment terms are not significantly different from those of general manufacturers.

3. Other revenue

(1) Rental revenue

<u>Related Party Category</u>	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Investor with significant influence	\$ 6	\$ 8	\$ 25	\$ 26
Substantive related party	<u>178</u>	<u>140</u>	<u>430</u>	<u>205</u>
	<u>\$ 184</u>	<u>\$ 148</u>	<u>\$ 455</u>	<u>\$ 231</u>

(2) Service revenue (Only in 2024)

<u>Related party category</u>	<u>For the Three Months</u>	<u>For the Nine Months</u>
	<u>Ended September 30</u>	<u>Ended September 30</u>
	<u>2024</u>	<u>2024</u>
Associate	<u>\$ -</u>	<u>\$370</u>

4. Receivables from related parties

(1) Accounts receivable

<u>Related Party Category</u>	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Investor with significant influence and their subsidiaries	<u>\$17,754</u>	<u>\$28,012</u>	<u>\$24,414</u>

(2) Other receivables

<u>Related Party Category</u>	September 30,	December 31,	September 30,
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Investor with significant influence	\$ 22	\$ 27	\$ 4
Associate	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	<u>\$ 22</u>	<u>\$ 10,027</u>	<u>\$ 10,004</u>

The outstanding accounts receivable from related parties are unsecured and not recognized for impairment losses.

5. Rent Expense

<u>Related Party Category</u>	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Investor with significant influence and their subsidiaries	<u>\$ 385</u>	<u>\$ 361</u>	<u>\$1,132</u>	<u>\$1,084</u>

The rent is determined by both parties through negotiation between them by referring to local rent, and the rent is collected as agreed in the contract.

6. Payables to related parties

Accounts payable

<u>Related Party Category</u>	September 30,	December 31,	September 30,
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Investor with significant influence and their subsidiaries	\$ 13,017	\$ 10,108	\$ 14,989
Substantive related party	<u>4,538</u>	<u>1,555</u>	<u>1,358</u>
	<u>\$ 17,555</u>	<u>\$ 11,663</u>	<u>\$ 16,347</u>

Other payables

<u>Related Party Category</u>	September 30,	December 31,	September 30,
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Investor with significant influence and their subsidiaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355</u>

The outstanding payables to related parties are unsecured.

(III) Compensation of key management personnel

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 9,085	\$ 15,848	\$ 31,282	\$ 35,976
Retirement benefits	<u>191</u>	<u>138</u>	<u>1,596</u>	<u>409</u>
	<u>\$ 9,276</u>	<u>\$ 15,986</u>	<u>\$ 32,878</u>	<u>\$ 36,385</u>

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

XXXI. ASSETS PLEDGED AS COLLATERAL

The Group provided the following assets (show as net book value) as collaterals for part of borrowings, performance guarantee, endorsements/guarantees for others and customs.

	September 30,	December 31,	September 30,
	2025	2024	2024
Other financial assets			
Deposit account	\$ -	\$ 22,804	\$ 22,584
Property, plant and equipment			
Land	171,108	171,108	171,108
Buildings	<u>182,435</u>	<u>191,287</u>	<u>196,792</u>
	<u>353,543</u>	<u>362,395</u>	<u>367,900</u>
	<u>\$ 353,543</u>	<u>\$ 385,199</u>	<u>\$ 390,484</u>

XXXII. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of balance sheet date were as follows:

- (I) The Group's unused letters of credit for purchase of merchandise balance as follows:

	Unit: Foreign Currencies / NTD (In Thousands)		
	September 30,	December 31,	September 30,
	2025	2024	2024
USD	<u>\$ 2,363</u>	<u>\$ 2,901</u>	<u>\$ 3,102</u>

(II) The Group's unrecognized contractual commitment are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Acquisition of equipment	<u>\$ 29,841</u>	<u>\$ 15,349</u>	<u>\$ 9,573</u>

(III) As of September 30, 2025 and December 31, 2024, the performance bond issued by the bank to the Group importing goods are both NT\$1,800 thousand and NT\$1,500 thousand respectively.

### XXXIII. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

The following information was summarized according to the foreign currencies other than the functional currency of the Group. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

Unit: Foreign Currencies/ NTD/ Forex rate (In Thousands)				
	Foreign Currencies	Exchange Rate		Carrying Amount
<u>September 30, 2025</u>				
Foreign currency assets				
Monetary items				
USD	\$ 37,503	30.445	(USD:NTD)	\$ 1,141,772
USD	38,004	7.1055	(USD:RMB)	1,157,232
Foreign currency liabilities				
Monetary items				
USD	30,377	30.445	(USD:NTD)	924,833
USD	23,499	7.1055	(USD:RMB)	715,532
 <u>December 31, 2024</u>				
Foreign currency assets				
Monetary items				
USD	35,959	32.785	(USD:NTD)	1,178,932
USD	48,983	7.1884	(USD:RMB)	1,605,914
Foreign currency liabilities				
Monetary items				
USD	30,742	32.785	(USD:NTD)	1,007,872
USD	34,227	7.1884	(USD:RMB)	1,122,127
 <u>September 30, 2024</u>				
Foreign currency assets				
Monetary items				
USD	35,561	31.65	(USD:NTD)	1,125,519
USD	48,800	7.0074	(USD:RMB)	1,544,529

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign currency liabilities				
Monetary items				
USD	\$ 32,170	31.65	(USD:NTD)	\$1,018,194
USD	29,981	7.0074	(USD:RMB)	948,901

For the three months and nine months ended September 30, 2025 and 2024, realized and unrealized net foreign exchange gains and losses were gain of NT\$14,621 thousand, loss of NT\$12,242 thousand, loss of NT\$18,975 thousand and gain of NT\$19,477 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

#### XXXIV. ADDITIONAL DISCLOSURES

- (I) Information about significant transactions and (II) investees:
1. Lending funds to others: None
  2. Endorsements/guarantees provided: Table 1
  3. Marketable securities held: Table 2
  4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
  5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
  6. Others: Intercompany relationships and significant intercompany transactions: Table 5
  7. Information on investees: Table 6
- (III) 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, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7
  2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period:

	<u>Purchase of Goods</u>		<u>Accounts payable</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Sun Hong	\$ 12,719	1	\$ 4,075	1
SIP Chang Hong	<u>112</u>	<u>-</u>	<u>433</u>	<u>-</u>
	<u>\$ 12,831</u>	<u>1</u>	<u>\$ 4,508</u>	<u>1</u>

- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period:

	<u>Sales of goods</u>		<u>Accounts receivable</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
SIP Chang Hong	\$ 634,391	22	\$ 353,426	29
Suzhou Alliance	138,734	5	57,316	5
Xiamen Guang Hong	77,387	3	39,119	3
Ningbo Changhong	28,071	1	5,880	-
Sun Hong	59,678	2	19,218	2
Qingdao Changhong	1,340	-	68	-
Ningbo Changli	<u>741</u>	<u>-</u>	<u>236</u>	<u>-</u>
	<u>\$ 940,342</u>	<u>33</u>	<u>\$ 475,263</u>	<u>39</u>

- (3) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
- (4) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
- (5) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

#### XXXV. SEGMENT INFORMATION

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

- (I) Wah Hong Industrial Corporation (Taiwan)

- (II) Wah Hong International Ltd., Sun Hong and Xiamen Guang Hong (South China)
- (III) Wah Hong Technology Ltd., SIP Chang Hong, SIP Chang Jun, Ningbo Changhong, Qingdao Changhong, Chang Hong (HK), Ningbo Changli, Smart Succeed Ltd., Granite International Ltd., Allied Royal LLC., Suzhou Alliance and Best Honor Inc. (Eastern China)

The abovementioned reportable segments are mainly engaged in the manufacturing and trading of materials of LCD (Diffusion, Reflection films and optical films etc.), new model panel display, materials of Bulk Molding Compounds (BMC) and Molding products, products of carbon graphite, etc.

Other operating segments were as follows:

- (I) Wah Hong Holding Ltd. and Wah Hong Development Ltd. - International investment business
- (II) Wah Ma Technology Sdn. Bhd. - Manufacturing and trading of BMC materials (Bulk Molding Compounds) and Molding products
- (III) PT. Wah Hong Indonesia - Manufacturing and trading of LCD materials, BMC materials (Bulk Molding Compounds) and Molding products

#### Segment Revenue, Operating Results and Assets and Liabilities

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

	Taiwan	South China	Eastern China	Others	Adjustment and Elimination	Total
For the Nine Months Ended September 30, 2025						
Revenue from external customers	\$ 1,861,260	\$ 1,015,773	\$ 2,397,042	\$ 173,506	\$ -	\$ 5,447,581
Inter-segment revenue	<u>1,001,434</u>	<u>42,258</u>	<u>414,704</u>	<u>-</u>	<u>( 1,458,396)</u>	<u>-</u>
Segment revenue	<u>\$ 2,862,694</u>	<u>\$ 1,058,031</u>	<u>\$ 2,811,746</u>	<u>\$ 173,506</u>	<u>(\$ 1,458,396)</u>	<u>\$ 5,447,581</u>
Segment income (loss)	<u>\$ 65,703</u>	<u>\$ 54,225</u>	<u>\$ 108,898</u>	<u>\$ 1,016</u>	<u>\$ 15,742</u>	\$ 245,584
Interest income						12,734
Other income						49,095
Other gains and losses						( 35,004)
Finance costs						( 32,284)
Share of profit and loss of affiliated enterprises recognized by equity method						( 1,128)
Profit before income tax						238,997
Income tax expenses						( 81,387)
Net profit						<u>\$ 157,610</u>
September 30, 2025						
Identifiable assets	<u>\$ 2,451,291</u>	<u>\$ 1,469,303</u>	<u>\$ 2,976,594</u>	<u>\$ 271,365</u>	<u>(\$ 668,281)</u>	\$ 6,500,272
Financial assets at FVTOCI						705,823
Investments accounted for using equity method						<u>4,427</u>
Total assets						<u>\$ 7,210,522</u>

	Taiwan	South China	Eastern China	Others	Adjustment and Elimination	Total
<u>For the Nine Months Ended September 30, 2024</u>						
Revenue from external customers	\$ 1,754,681	\$ 1,019,144	\$ 2,547,750	\$ 192,879	\$ -	\$ 5,514,454
Inter-segment revenue	<u>1,065,592</u>	<u>44,290</u>	<u>473,471</u>	<u>(6)</u>	<u>(1,583,347)</u>	<u>-</u>
Segment revenue	<u>\$ 2,820,273</u>	<u>\$ 1,063,434</u>	<u>\$ 3,021,221</u>	<u>\$ 192,873</u>	<u>(\$ 1,583,347)</u>	<u>\$ 5,514,454</u>
Segment income (loss)	<u>\$ 30,533</u>	<u>\$ 36,760</u>	<u>\$ 92,080</u>	<u>(\$ 11,356)</u>	<u>\$ 14,021</u>	\$ 162,038
Interest income						15,536
Other income						47,988
Other gains and losses						240,113
Finance costs						( 49,843)
Share of profit and loss of affiliated enterprises recognized by equity method						( 3,505)
Profit before income tax						412,327
Income tax expenses						( 121,586)
Net profit						<u>\$ 290,741</u>
<u>September 30, 2024</u>						
Identifiable assets	<u>\$ 2,501,646</u>	<u>\$ 1,584,349</u>	<u>\$ 3,660,275</u>	<u>\$ 315,204</u>	<u>(\$ 837,389)</u>	\$ 7,224,085
Financial assets at FVTOCI						880,665
Investments accounted for using equity method						<u>-</u>
Total assets						<u>\$ 8,104,750</u>

Departmental interests refer to the profits earned by each department, excluding the share of profits and losses of affiliated companies using the equity method, other income, other gains and losses, financial costs, and income tax expenses. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
 ENDORSEMENTS/GUARANTEES PROVIDED  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

Table 1

(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Benefit of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Year	Outstanding Endorsement/ Guarantee at the End of the Period	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Remark
		Name	Relationship											
0	The Company	Sun Hong Optronics Ltd.	Subsidiary of the Company	\$ 1,311,397	\$ 498,075	\$ 365,340	\$ 234,648	\$ -	8.36	\$ 3,059,928	Y	N	Y	
0	The Company	Wah Ma Technology Sdn.Bhd. (Wah Ma)	Subsidiary of the Company	1,311,397	12,558	6,271	1,044	-	0.14	3,059,928	Y	N	N	
0	The Company	Xiamen Guang Hong Optronics Ltd.	Subsidiary of the Company	1,311,397	66,410	-	-	-	-	3,059,928	Y	N	Y	
0	The Company	Wah Hong Holding Limited	Subsidiary of the Company	1,311,397	179,430	91,335	-	-	2.09	3,059,928	Y	N	N	
0	The Company	SuZhou Alliance Material.Co.Ltd.	Subsidiary of the Company	874,265	33,205	-	-	-	-	3,059,928	Y	N	Y	
0	The Company	PT. Wah Hong Indonesia ("WH Indonesia")	Subsidiary of the Company	1,311,397	72,204	33,490	10,377	-	0.77	3,059,928	Y	N	N	
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Subsidiary of the Company	1,311,397	69,387	64,271	-	-	1.47	3,059,928	Y	N	Y	

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

Note 2: The maximum total amount of endorsement/guarantee shall not exceed 70% of the equity of the Company.

Note 3: USD is converted by spot exchange US\$1= NT\$30.445; RMB is converted by USD spot exchange US\$1 = RMB7.1055; MYR is converted by spot exchange MYR\$1 = NT\$6.9675; IDR is converted by spot exchange IDR\$1 = NT\$0.00183.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
SEPTEMBER 30, 2025

Table 2

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	SEPTEMBER 30, 2025				Remark
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	Imat Corporation	-	Financial assets at FVTOCI - non-current	1,900,000	\$ -	8.26	\$ -	
	Forming Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,000,000	-	11.68	-	
	Wah Lee Japan Corporation	Subsidiary of Investor with significant influence	Financial assets at FVTOCI - non-current	300	832	16.67	832	
	Jun Hong Optronics Corporation	-	Financial assets at FVTOCI - non-current	19,800,000	64,557	14.48	64,557	
	Wah Lee Industrial Corp.	Investor with significant influence	Financial assets at FVTOCI - non-current	6,636,559	633,128	2.56	633,128	
					<u>\$698,517</u>		<u>\$698,517</u>	
	Chang Wah Electromaterials Inc.	Associate of investor with significant influence	Financial assets at FVTPL - current	2,275,000	<u>\$ 90,659</u>	0.31	<u>\$ 90,659</u>	
Wah Hong Holding Ltd.	Stock							
	SiLican Inc	-	Financial assets at FVTOCI - non-current	250,000	<u>\$ 7,306</u>	7.20	<u>\$ 7,306</u>	

WAH HONG 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

Table 3

(In Thousands of New Taiwan Dollars)

Buyer	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
	SuZhou Alliance Material.Co.Ltd.	Subsidiaries	Sales of goods	( 138,734)	( 5)	120 days after monthly closing	No comparable transactions with third party	Normal trade terms	57,316	5	Note
Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	The same parent company	Sales of goods	( 306,673)	( 46)	150 days after monthly closing	No comparable transactions with third party	Normal trade terms	74,304	32	Note

Note: It was eliminated on consolidation.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
SEPTEMBER 30, 2025

Table 4

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	SIP Chang Hong Optoelectronics Ltd.	Subsidiaries	\$353,426	2.15	\$ -	-	\$ 59,059	\$ -

Note: It was eliminated on consolidation.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

Table 5

(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets%
				Financial Statements Item	Amount	Terms	
0	The Company	SIP Chang Hong Optoelectronics Ltd.	Parent company to subsidiary	Sales	\$ 634,391	No comparable transactions with third party	11.65
0	The Company	SIP Chang Hong Optoelectronics Ltd.	Parent company to subsidiary	Accounts receivable	353,426	120 days after monthly closing	4.90
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Sales	59,678	No comparable transactions with third party	1.10
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Accounts receivable	19,218	120 days after monthly closing	0.27
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Sales	28,071	No comparable transactions with third party	0.52
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Accounts receivable	5,880	120 days after monthly closing	0.08
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Sales	77,387	No comparable transactions with third party	1.42
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Accounts receivable	39,119	120 days after monthly closing	0.54
0	The Company	Qingdao Changhong Optoelectronics Ltd.	Parent company to subsidiary	Sales	1,340	No comparable transactions with third party	0.02
0	The Company	SIP Chang Jun Trading Limited	Parent company to subsidiary	Other receivables	5,231	Subject to the contract	0.07
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Sales	60,656	No comparable transactions with third party	1.11
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Accounts receivable	21,489	120 days after monthly closing	0.30
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Sales	138,734	No comparable transactions with third party	2.55
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Accounts receivable	57,316	120 days after monthly closing	0.79
1	SIP Chang Hong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Sales	9,568	No comparable transactions with third party	0.18
1	SIP Chang Hong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	5,570	120 days after monthly closing	0.08
1	SIP Chang Hong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Sales	35,929	No comparable transactions with third party	0.66
1	SIP Chang Hong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Accounts receivable	11,843	120 days after monthly closing	0.16
2	Sun Hong Optronics Ltd.	The Company	Subsidiary to parent company	Sales	12,719	No comparable transactions with third party	0.23
2	Sun Hong Optronics Ltd.	The Company	Subsidiary to parent company	Accounts receivable	4,075	120 days after monthly closing	0.06
2	Sun Hong Optronics Ltd.	SIP Chang Hong Optoelectronics Ltd.	Between subsidiaries	Sales	29,476	No comparable transactions with third party	0.54
2	Sun Hong Optronics Ltd.	SIP Chang Hong Optoelectronics Ltd.	Between subsidiaries	Accounts receivable	18,646	120 days after monthly closing	0.26
3	Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Sales	306,673	No comparable transactions with third party	5.63
3	Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Accounts receivable	74,304	120 days after monthly closing	1.03
4	Xiamen Guang Hong Optronics Ltd.	The Company	Subsidiary to parent company	Other receivables	3,592	Subject to the contract	0.05
5	Ningbo Changhong Optoelectronics Ltd.	The Company	Subsidiary to parent company	Other receivables	1,094	Subject to the contract	0.02

(Continued)

(Continued from previous page)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets%
				Financial Statements Item	Amount	Terms	
5	Ningbo Changhong Optoelectronics Ltd.	Granite International Ltd.	Between subsidiaries	Sales	\$ 42,897	No comparable transactions with third party	0.79
5	Ningbo Changhong Optoelectronics Ltd.	Granite International Ltd.	Between subsidiaries	Accounts receivable	22,070	120 days after monthly closing	0.31
5	Ningbo Changhong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Sales	10,133	No comparable transactions with third party	0.19
5	Ningbo Changhong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	8,436	120 days after monthly closing	0.12
6	SuZhou Alliance Material.Co.Ltd.	Xiamen Guang Hong Optronics Ltd.	Between subsidiaries	Sales	2,960	No comparable transactions with third party	0.05
6	SuZhou Alliance Material.Co.Ltd.	Xiamen Guang Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	2,812	120 days after monthly closing	0.04
12	Ningbo Changli New Material Limited	Granite International Ltd.	Between subsidiaries	Sales	4,494	No comparable transactions with third party	0.08
12	Ningbo Changli New Material Limited	Granite International Ltd.	Between subsidiaries	Accounts receivable	2,909	120 days after monthly closing	0.04

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

Table 6

(In Thousands of New Taiwan Dollars)

Investor	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Remark
				September 30, 2025	January 1, 2025	Shares	%	Carrying Amount			
The Company	Wah Hong Holding Ltd.	Mauritius	International investment business	\$ 644,137	\$ 644,137	20,604,940	100.00	\$ 2,895,982	\$ 126,384	\$ 126,384	Note 4
The Company	Toprising Precision Tech. Co., Ltd.	New Taipei City	Production and trading business of components	7,200	7,200	720,000	27.48	-	80	-	Note 1
The Company	PT Wah Hong Indonesia	Indonesia	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	243,085	243,085	7,920,000	99.00	41,610	( 2,749 )	( 2,722 )	Note 4
The Company	Wah Sheng Industrial Corp.	Taoyuan City	Production and trading business of components	20,000	10,000	2,000,000	50.00	4,427	( 11 )	( 1,128 )	Note 1
Wah Hong Holding Ltd.	Wah Hong Technology Ltd.	Mauritius	International investment business	142,365	142,365	3,948,025	100.00	1,638,432	80,359	80,359	Note 4
Wah Hong Holding Ltd.	Wah Hong International Ltd.	Mauritius	International investment business	658,444	658,444	20,648,000	100.00	865,027	35,105	35,105	Note 4
Wah Hong Holding Ltd.	Wah Hong Development Ltd.	Mauritius	International investment business	15,095	15,095	500,000	100.00	-	-	-	Note 4
Wah Hong Holding Ltd.	Wah Ma Technology Sdn. Bhd.	Malaysia	Production and trading business of BMC (bulk molding compound) material and molded product	96,869	96,869	6,500,000	100.00	163,861	3,577	3,577	Note 4
Wah Hong Holding Ltd.	Granite International Ltd.	Samoa	International trading business	30,018	30,018	960,000	100.00	1,130	( 42 )	( 42 )	Note 4
Wah Hong Holding Ltd.	Smart Succeed Ltd.	Samoa	International trading business	-	-	-	100.00	( 1,075 )	285	285	Note 4
Wah Hong Holding Ltd.	PT Wah Hong Indonesia	Indonesia	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	2,455	2,455	80,000	1.00	429	( 2,749 )	( 27 )	Note 4
Wah Hong Holding Ltd.	Allied Royal LLC.	Anguilla	International investment business	49,200	49,200	2,715,000	67.50	213,975	11,902	8,034	Note 4
SIP Chang Hong Optoelectronics Ltd.	Chang Hong (HK) Optronics Limited	Hong Kong	Sale of BMC materials and finished products, diffusion films, reflectors and other LCD materials	-	3,217	-	100.00	-	-	-	Note 5

Note 1: Associate accounted for using the equity method.

Note 2: The share of profit (loss) recognized for the nine months ended September 30, 2025 included adjustment of unrealized sales between intra-group companies according to the buyer's tax rate.

Note 3: Please refer to Table 7 for information on investments in mainland China.

Note 4: It was eliminated on consolidation.

Note 5: It has been disbanded in the first half of 2025.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

Table 7

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment %	Investment Gain (Loss)	Carrying Amount as of September 30, 2025	Accumulated Repatriation of Investment Income as of September 30, 2025	Remark
					Outward	Inward							
SIP Chang Hong Optoelectronics Ltd. (“SIP Chang Hong”)	Production and trading business of BMC materials and finished products, diffusion films, reflectors and other LCD materials	\$ 433,841	Reinvestment in Mainland China through companies registered in a third region.	\$ 62,662	\$ -	\$ -	\$ 62,662	\$ 25,515	100.00	\$ 25,515	\$ 835,975	\$ 751,344	
Ningbo Changhong Optoelectronics Ltd. (“Ningbo Changhong”)	Production and trading of panel display compound and LCD optical film etc.	60,890	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	( 8,948 )	100.00	( 8,948 )	326,826	288,636	
Qingdao Changhong Optoelectronics Ltd. (“Qingdao Changhong”)	Production and trading of panel display compound and LCD optical film etc.	60,890	Reinvestment in Mainland China through companies registered in a third region.	44,990	-	-	44,990	43,361	100.00	43,361	385,317	49,716	
SIP Chang Jun Trading Limited (“SIP Chang Jun”)	Sale of BMC materials and finished products, diffusion films, reflectors and other LCD products	4,285	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	20,432	100.00	20,432	90,254	-	Note 1
SuZhou Alliance Material.Co.Ltd. (“Suzhou Alliance”)	Production and trading business of LCD materials	123,302	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	11,902	67.50	8,034	213,972	163,518	Note 2
Sun Hong Optronics Ltd. (“Sun Hong”)	Production and trading business of BMC materials and finished products, diffusion films, reflectors and other LCD materials	417,097	Reinvestment in Mainland China through companies registered in a third region.	238,092	-	-	238,092	41,136	100.00	41,136	670,110	693,451	
Xiamen Guang Hong Optronics Ltd. (“Xiamen Guang Hong”)	Production and processing of optical film products for LCD displays, assembly and design for LCD modules	258,783	Reinvestment in Mainland China through companies registered in a third region.	227,204	-	-	227,204	( 6,030 )	100.00	( 6,030 )	194,889	-	

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment %	Investment Gain (Loss)	Carrying Amount as of September 30, 2025	Accumulated Repatriation of Investment Income as of September 30, 2025	Remark
					Outward	Inward							
Guangzhou Youguang Optoelectronics Co., Ltd. ("Guangzhou Youguang")	Production of light box, LED Opto-electronic compound and lighting products	\$ 121,420	Reinvestment in Mainland China through companies registered in a third region.	\$ 15,095	\$ -	\$ -	\$ 15,095	\$ -	12.82	\$ -	\$ -	\$ -	
Ningbo Changli New Material Limited ("Ningbo Changli")	Trading business of LCD material and BMC material	6,427	Reinvestment in mainland companies through existing companies in the third party regions	-	-	-	-	655	100.00	655	20,181	-	

Investor	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2025	Investment Amount Authorized by Investment Commission, MOEA (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)
Wah Hong Industrial Corp.	\$ 588,043	\$ 1,681,996	\$ 2,622,796

Note 1: Investments through Wah Hong Holding Ltd. and then invest through Wah Hong Technology Ltd.

Note 2: Investments through Wah Hong Holding Ltd. and then through Allied Royle LLC.

Note 3: The difference between the investment amount of NT\$1,681,996 thousand approved by the Investment Committee of the Ministry of Economic Affairs and the accumulated investment amount of NT\$588,043 thousand remitted from Taiwan is NT\$1,093,953 thousand, which is due to the capital increase of NT\$553,139 thousand from the sub-subsidary surplus in mainland China, the reinvestment of NT\$250,174 thousand from Wah Hong Holding Ltd. and the refunded share capital from the sub-subsidary surplus in mainland China by capital reduction of NT\$290,640 thousand in 2024 (there was also NT\$34,448 thousand repatriated from capital increase by surplus and capital reduction).

Note 4: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company's net worth.