Stock Code: 8240

Wah Hong Industrial Corporation And Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 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 June 30, 2026 and 2025, the consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended June 30, 2026 and 2025, 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 June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 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
August 6, 2026

Notice to Readers

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

JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	$ 1,116,797	14	$ 1,174,252	16	$ 914,032	13
1110	Financial assets at fair value through profit or loss – current (Note 7)	273,511	3	241,761	3	216,037	3
1150	Notes receivable, net (Notes 9 and 22)	440,731	5	484,986	7	366,079	5
1170	Accounts receivable, net (Notes 9, 22 and 28)	2,078,520	26	2,186,004	30	2,050,672	30
1200	Other receivables (Notes 9, 11 and 28)	58,663	1	15,046	-	48,160	1
1220	Current tax assets	2,404	-	2,510	-	2,387	-
130X	Inventories (Note 10)	887,749	11	797,224	11	823,275	12
1476	Other financial assets (Notes 12 and 29)	228,176	3	139,435	2	162,602	2
1479	Other current assets	45,161	1	27,136	-	38,429	1
11XX	Total current assets	5,131,712	64	5,068,354	69	4,621,673	67
	NON-CURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	889,717	11	739,951	10	676,958	10
1550	Investments accounted for using equity method (Note 11)	333,670	4	4,441	-	4,419	-
1600	Property, plant and equipment (Notes 14, 29 and 30)	1,331,991	17	1,300,948	18	1,258,662	19
1755	Right-of-use assets (Note 15)	153,020	2	126,212	2	132,960	2
1780	Other intangible assets	63,081	1	52,915	1	42,956	1
1840	Deferred tax assets	45,371	1	40,915	-	89,044	1
1920	Refundable deposits	27,932	-	27,171	-	24,260	-
1990	Other non-current assets	531	-	390	-	1,868	-
15XX	Total non-current assets	2,845,313	36	2,292,943	31	2,231,127	33
1XXX	TOTAL	$ 7,977,025	100	$ 7,361,297	100	$ 6,852,800	100
CODE	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Note 16)	$ 571,552	7	$ 347,227	5	$ 236,249	3
2120	Financial liabilities at fair value through profit or loss - current (Notes 7 and 11)	32,362	-	203	-	-	-
2150	Notes payable (Note 17)	202,929	3	218,727	3	170,346	2
2170	Accounts payable (Notes 17 and 28)	871,172	11	883,875	12	790,879	12
2216	Dividends payable (Note 21)	130,006	2	-	-	160,007	2
2219	Other payables (Note 18)	485,023	6	518,402	7	479,843	7
2230	Current tax liabilities	54,647	1	49,991	1	36,312	1
2280	Lease liabilities - current (Note 15)	38,353	-	42,845	-	41,812	1
2399	Other current liabilities (Note 22)	17,517	-	19,635	-	19,519	-
21XX	Total current liabilities	2,403,561	30	2,080,905	28	1,934,967	28
	NON-CURRENT LIABILITIES						
2500	Financial liabilities at fair value through profit or loss – not-current (Notes 7 and 11)	31,900	-	-	-	-	-
2540	Long-term borrowings (Notes 19 and 29)	437,011	6	462,072	6	438,828	6
2570	Deferred tax liabilities	124,544	2	94,869	2	107,067	2
2580	Lease liabilities - non-current (Note 15)	70,686	1	51,648	1	55,048	1
2640	Net defined benefit liabilities	2,588	-	5,883	-	6,576	-
2645	Guarantee deposits received	1,596	-	1,526	-	1,836	-
25XX	Total non-current liabilities	668,325	9	615,998	9	609,355	9
2XXX	Total liabilities	3,071,886	39	2,696,903	37	2,544,322	37
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
3100	Share Capital	1,000,044	13	1,000,044	14	1,000,044	15
3200	Capital Surplus	1,994,505	25	1,994,505	27	1,994,505	29
	Retained earnings						
3310	Legal reserve	570,111	7	548,784	7	548,784	8
3320	Special reserve	245,019	3	181,614	2	181,614	3
3350	Unappropriated earnings	978,787	12	1,075,467	15	958,891	14
3300	Total retained earnings	1,793,917	22	1,805,865	24	1,689,289	25
3400	Other equity	4,575	-	(245,020)	(3)	(472,643)	(7)
31XX	Total equity attributable to owners of the Company	4,793,041	60	4,555,394	62	4,211,195	62
36XX	NON-CONTROLLING INTERESTS (Note 21)	112,098	1	109,000	1	97,283	1
3XXX	Total equity	4,905,139	61	4,664,394	63	4,308,478	63
	TOTAL	$ 7,977,025	100	$ 7,361,297	100	$ 6,852,800	100

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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

Code		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2026	%	2025	%	2026	%	2025	%
4100	OPERATING REVENUE (Notes 22 and 28)	$1,640,411	100	$1,736,874	100	$3,252,347	100	$3,621,624	100
5110	OPERATING COSTS (Notes 10, 23 and 28)	1,417,199	87	1,483,050	86	2,790,880	86	3,053,528	84
5900	GROSS PROFIT	223,212	13	253,824	14	461,467	14	568,096	16
	OPERATING EXPENSES (Notes 9, 23 and 28)								
6100	Selling and marketing expenses	53,154	3	45,673	3	99,419	3	94,456	3
6200	General and administrative expenses	99,522	6	86,602	5	192,042	6	182,273	5
6300	Research and development expenses	48,902	3	62,312	3	94,374	3	117,576	3
6450	Expected credit impairment loss (reversal of benefits)	(364)	-	(571)	-	(946)	-	(1,330)	-
6000	Total operating expenses	201,214	12	194,016	11	384,889	12	392,975	11
6900	OPERATING INCOME	21,998	1	59,808	3	76,578	2	175,121	5
	NON-OPERATING INCOME AND EXPENSES (Notes 23 and 28)								
7100	Interest income	3,308	-	4,828	-	6,571	-	8,603	-
7010	Other income	45,171	3	41,723	2	48,944	2	44,783	1
7020	Other gains and losses	20,092	1	(48,179)	(3)	17,980	1	(50,815)	(1)
7050	Finance costs	(11,092)	(1)	(9,683)	-	(21,769)	(1)	(21,275)	(1)
7060	Share of profit and loss of associates recognized by equity method	7,476	1	(1,135)	-	14,472	-	(1,135)	-
7000	Total non-operating income and expenses	64,955	4	(12,446)	(1)	66,198	2	(19,839)	(1)
7900	PROFIT BEFORE INCOME TAX	86,953	5	47,362	2	142,776	4	155,282	4
7950	INCOME TAX EXPENSE (Notes 4 and 24)	10,252	-	19,904	1	26,576	1	51,438	1
8200	NET PROFIT FOR THE PERIOD	76,701	5	27,458	1	116,200	3	103,844	3
	OTHER COMPREHENSIVE INCOME (Notes 21 and 24)								
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	91,902	6	(24,072)	(1)	149,766	5	(178,729)	(5)

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Code		For the Three Months Ended June 30 2026	%	For the Three Months Ended June 30 2025	%	For the Six Months Ended June 30 2026	%	For the Six Months Ended June 30 2025	%
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of the financial statements of foreign operations	$ 29,261	2	($ 363,531)	(21)	$ 129,742	4	($ 318,278)	(9)
8399	Income tax expense relating to items that may be reclassified subsequently to profit or loss	(5,602)	(1)	69,964	4	(24,957)	(1)	61,245	2
8360		23,659	1	(293,567)	(17)	104,785	3	(257,033)	(7)
8300	Other comprehensive income (loss) for the period, net of income tax	115,561	7	(317,639)	(18)	254,551	8	(435,762)	(12)
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 192,262	12	($ 290,181)	(17)	$ 370,751	11	($ 331,918)	(9)
	NET PROFIT (LOSS) ATTRIBUTABLE TO:								
8610	Owners of the Company	$ 77,823		$ 25,484		$ 118,058		$ 101,138	
8620	Non-controlling interests	(1,122)		1,974		(1,858)		2,706	
8600		$ 76,701		$ 27,458		$ 116,200		$ 103,844	
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
8710	Owners of the Company	$ 192,132		($ 278,455)		$ 367,653		($ 322,582)	
8720	Non-controlling interests	130		(11,726)		3,098		(9,336)	
8700		$ 192,262		($ 290,181)		$ 370,751		($ 331,918)	
	EARNINGS PER SHARE (Note 25)								
9710	Basic	$ 0.78		$ 0.25		$ 1.18		$ 1.01	
9810	Diluted	$ 0.77		$ 0.25		$ 1.17		$ 1.00	

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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company										
				Retained Earnings			Other Equity					
Code		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated 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	Subtotal	Non-controlling Interests	Total Equity
A1	BALANCE AT JANUARY 1, 2026	$1,000,044	$1,994,505	$ 548,784	$ 181,614	$1,075,467	($ 188,117)	($ 56,903)	($ 245,020)	$4,555,394	$ 109,000	$4,664,394
	Appropriation of 2025 earnings (Note 21)											
B1	Legal reserve	-	-	21,327	-	(21,327)	-	-	-	-	-	-
B3	Special reserve	-	-	-	63,405	(63,405)	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(130,006)	-	-	-	(130,006)	-	(130,006)
		-	-	21,327	63,405	(214,738)	-	-	-	(130,006)	-	(130,006)
D1	Net profit for the six months ended June 30, 2026	-	-	-	-	118,058	-	-	-	118,058	(1,858)	116,200
D3	Other comprehensive income (loss) for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	99,829	149,766	249,595	249,595	4,956	254,551
D5	Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	118,058	99,829	149,766	249,595	367,653	3,098	370,751
Z1	BALANCE AT JUNE 30, 2026	$1,000,044	$1,994,505	$ 570,111	$ 245,019	$ 978,787	($ 88,288)	$ 92,863	$ 4,575	$4,793,041	$ 112,098	$4,905,139
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 21)											
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 21)	-	(30,001)	-	-	-	-	-	-	(30,001)	-	(30,001)
D1	Net profit for the six months ended June 30, 2025	-	-	-	-	101,138	-	-	-	101,138	2,706	103,844
D3	Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(244,991)	(178,729)	(423,720)	(423,720)	(12,042)	(435,762)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	101,138	(244,991)	(178,729)	(423,720)	(322,582)	(9,336)	(331,918)
M5	Changes in associates recognized by equity method (Note 11)	-	-	-	-	(4,445)	-	-	-	(4,445)	-	(4,445)
O1	Decrease in non-controlling interests (Note 21)	-	-	-	-	-	-	-	-	-	(9,278)	(9,278)
Z1	BALANCE AT JUNE 30, 2025	$1,000,044	$1,994,505	$ 548,784	$ 181,614	$ 958,891	($ 392,373)	($ 80,270)	($ 472,643)	$4,211,195	$ 97,283	$4,308,478

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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(In Thousands of New Taiwan Dollars)

CODE		For the Six Months Ended June 30 2026	2025
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit before income tax	$ 142,776	$ 155,282
A20010	Adjustments for:		
A20100	Depreciation expense	111,669	114,810
A20200	Amortization expense	25,516	22,696
A20300	Expected credit impairment loss (reversal of benefits)	(946)	(1,330)
A20400	Loss (gain) on financial instruments at fair value through profit or loss	(24,907)	14,347
A20900	Finance costs	21,769	21,275
A21200	Interest income	(6,571)	(8,603)
A21300	Dividend income	(39,949)	(38,007)
A22300	Share of profit or loss of associates recognized by equity method	(14,472)	1,135
A22500	Net loss on disposal of property, plant and equipment	323	1,957
A23700	Inventories losses	29,123	15,269
A24100	Unrealized net gain from foreign currency borrowings	(9,889)	(62,506)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	44,332	29,069
A31150	Accounts receivable	107,160	455,734
A31180	Other receivables	(2,369)	14,174
A31200	Inventories	(120,998)	12,512
A31240	Other current assets	(18,024)	1,265
A32130	Notes payable	(15,798)	(84,147)
A32150	Accounts payable	(12,702)	(436,679)
A32180	Other payables	(23,340)	(51,113)
A32230	Other current liabilities	(2,117)	1,341
A32240	Net defined benefit liabilities	(3,295)	(3,957)
A33000	Cash generated from operations	187,291	174,524
A33100	Interest received	7,900	10,636
A33200	Dividends received	1,615	1,593
A33300	Interest paid	(25,329)	(22,163)
A33500	Income tax paid	(60,248)	(58,524)
AAAA	Net cash generated from operating activities	111,229	106,066

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CODE		For the Six Months Ended June 30 2026	2025
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive income	$ -	($ 6,548)
B00200	Disposal of financial assets at fair value through profit or loss	-	(730)
B01800	Investments accounted for using equity method	(255,200)	-
B02700	Acquisitions for property, plant and equipment	(92,867)	(43,586)
B02800	Proceeds from disposal of property, plant and equipment	133	2,052
B03700	Decrease (increase) in guarantee deposits paid	178	(562)
B04500	Acquisitions of Intangible assets	(35,295)	(17,611)
B06500	Decrease (increase) in other financial assets	(88,741)	15,120
BBBB	Net cash used in investing activities	(471,792)	(51,865)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	221,534	58,474
C01600	Proceeds from long-term borrowings	413,140	-
C01700	Repayments of long-term borrowings	(410,631)	-
C03100	Increase in guarantee deposits received	-	589
C04020	Repayments of the principal portion of lease liabilities	(33,044)	(24,227)
C05800	Cash dividends paid to non-controlling interests	-	(9,278)
CCCC	Net cash used in financing activities	190,999	25,558
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	112,109	(227,489)
EEEE	NET DNCREASE IN CASH AND CASH EQUIVALENTS	(57,455)	(147,730)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,174,252	1,061,762
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$1,116,797	$ 914,032

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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(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 August 6, 2026.

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).

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the Financial Supervisory Commission did not have a material impact on the accounting policies of the Company and entities controlled by the Company (collectively as the “Group”).

(II) The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation into a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: Domestic entities are required to apply IFRS 18 starting January 1, 2028, with the option for early adoption.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments</u>

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

- The Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers, as a basis for classifying items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories.
- 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.
- 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.

- 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.

Upon the initial application of IFRS 18, an entity that is a venture capital organization or a mutual fund, unit trust or similar entity (or that invests indirectly through such entities) may change its election for measuring its investments in associates or joint ventures from using the equity method to measuring them at fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned 'similar entities' include entities that are assessed under IFRS 18 as having specified main business activities of investing in particular types of assets. If the Group meets the aforementioned conditions, it may elect to make this change at the date of initial application.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the

statement of cash flows.

The Group except not to early apply IFRS 18 and consequential amendments.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, 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 impacts 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, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

As of the date the consolidated financial statements were authorized for issue, 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 impacts when the assessment is completed.

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, income 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 13, 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, 2025.

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 Expense

   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, 2025.

VI. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 1,009	$ 978	$ 824
Checking accounts	51	51	51
Demand deposits	657,372	814,989	619,682
Cash equivalents			
Time deposits with original maturities of 3 months or less	458,365	358,234	293,475
	$ 1,116,797	$ 1,174,252	$ 914,032

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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash equivalents			
Time deposits with original maturities of 3 months or less (%)	0.65～3.82	0.65～3.94	1.00～4.30

(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

Financial assets - current	June 30, 2026	December 31, 2025	June 30, 2025
Mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ -	$ -	$ 657
Non-derivative financial assets			
Domestic listed shares	121,940	98,849	86,450

	June 30, 2026	December 31, 2025	June 30, 2025
Guaranteed floating income financial products	$151,571	$142,912	$128,930
	$273,511	$241,761	$216,037

Financial liabilities	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 378	$ 203	$ -
Foreign exchange option contracts	84	-	-
Contingent consideration from associates (Note 11)	63,800	-	-
	$ 64,262	$ 203	$ -
Current	$ 32,362	$ 203	$ -
Noncurrent	31,900	-	-
	$ 64,262	$ 203	$ -

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:

	Currency	Maturity Date	Contract Amount (In Thousands)
June 30, 2026			
Sell forward exchange contracts	USD to NTD	2026.07～2026.08	USD2,000／TWD63,299
December 31, 2025			
Sell forward exchange contracts	USD to NTD	2026.01	USD1,500／TWD46,890
June 30, 2025			
Sell forward exchange contracts	USD to NTD	2025.07～2025.08	USD1,500／TWD44,207

Details of profit and loss of financial instruments at FVTPL for the reporting periods 2026 and 2025 list on Note 23.

(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

	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments			
Domestic listed shares	$881,579	$731,813	$604,263
Domestic unlisted shares	-	-	64,557
Foreign unlisted shares	8,138	8,138	8,138
	$889,717	$739,951	$676,958

IX. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHERS RECEIVABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable			
At amortized cost			
Gross carrying amount	$ 442,121	$ 486,452	$ 367,218
Less: Allowance for impairment loss	1,390	1,466	1,139
	$ 440,731	$ 484,986	$ 366,079
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 2,106,762	$ 2,213,922	$ 2,076,160
Less: Allowance for impairment loss	28,242	27,918	25,488
	$ 2,078,520	$ 2,186,004	$ 2,050,672
Other receivables			
At amortized cost			
Gross carrying amount	$ 58,663	$ 15,046	$ 48,160

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. Accordingly, the management of the Group believes that the credit risk has been significantly reduced.

The Group measures the loss allowance for accounts receivable based on lifetime ECLs. The lifetime expected credit losses are calculated using a provision matrix, which takes into the customers' historical default records and current financial conditions. As the Group's historical credit loss experience indicates that there are no significant differences in loss patterns among different customer segments, the provision matrix does not further distinguish between customer segments and only determines the expected credit loss rates based on the aging days of accounts receivable.

If there is evidence indicating that a counterparty is experiencing severe financial difficulties and the Group cannot reasonably expect to recover the amount, the Group directly writes off the related accounts receivable. However, recourse activities will still be pursued, and any amounts recovered through such activities will be recognized in profit or loss.

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

June 30, 2026

	Counterparty no signs of default					
	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	Counterparty with signs of default	Total
Lifetime expected credit losses (%)	0～0.3	0～10	50	100	100	
Gross carrying amount	$2,517,820	$ 9,768	$ 66	$ 1,546	$ 19,683	$2,548,883
Loss allowance (lifetime ECLs)	(7,948)	(421)	(34)	(1,546)	(19,683)	(29,632)
Amortized cost	$2,509,872	$ 9,347	$ 32	$ -	$ -	$2,519,251

December 31, 2025

	Counterparty no signs of default					
	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	Counterparty with signs of default	Total
Lifetime expected credit losses (%)	0～0.3	0～10	50	100	100	
Gross carrying amount	$2,673,913	$ 5,367	$ 380	$ 1,291	$ 19,423	$2,700,374
Loss allowance (lifetime ECLs)	(7,980)	(500)	(190)	(1,291)	(19,423)	(29,384)
Amortized cost	$2,665,933	$ 4,867	$ 190	$ -	$ -	$2,670,990

June 30, 2025

	Counterparty no signs of default					
	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	Counterparty with signs of default	Total
Lifetime expected credit losses (%)	0～0.3	0～10	-	100	100	
Gross carrying amount	$2,421,088	$ 3,466	$ -	$ 717	$ 18,107	$2,443,378
Loss allowance (lifetime ECLs)	(7,456)	(347)	-	(717)	(18,107)	(26,627)
Amortized cost	$2,413,632	$ 3,119	$ -	$ -	$ -	$2,416,751

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

	For the Six Months Ended June 30			
	2026		2025	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
Balance at January 1	$ 1,466	$ 27,918	$ 1,177	$ 29,580
Impairment losses recognized (reversal)	(135)	(811)	85	(1,415)
Exchange differences	59	1,135	(123)	(2,677)
Balance at June 30	$ 1,390	$ 28,242	$ 1,139	$ 25,488

X. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 431,397	$ 371,984	$ 425,365
Work in process	23,626	22,180	21,309
Finished goods	432,726	403,060	376,601
	$ 887,749	$ 797,224	$ 823,275

The costs of inventories recognized in cost of goods sold for the three months and six months ended June 30, 2026 and 2025 were NT$1,417,199 thousand, NT$1,483,050 thousand, NT$2,790,880 thousand and NT$3,053,528 thousand respectively, which included the following items:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Inventories depreciation losses	$ 7,100	$ 5,039	$ 20,073	$ 996
Inventory losses	5,368	6,959	9,050	14,273
Unallocated manufacturing cost	26,678	24,407	53,244	47,379
Revenue from the sale of scraps	(293)	(414)	(888)	(1,073)
	$ 38,853	$ 35,991	$ 81,479	$ 61,575

XI. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
Individually insignificant affiliated enterprises			
Jing De Gases Co., Ltd. ("Jing De")	$333,670	$ -	$ -
Wah Sheng Industrial Corp. ("Wah Sheng")	-	4,441	4,419
	$333,670	$ 4,441	$ 4,419

The brief description of investments using the equity method is detailed in Table 6.

In order to enter the niche standard gas market and accelerate the development of high value-added businesses, the Group resolved by the Board of Directors in December 2025 to acquire a 29% equity interest in Jing De Gases Co., Ltd., amounting to 3,944 thousand shares, for an investment amount of NT$319 million. Pursuant to the share purchase agreement, the equity transfer was completed in January 2026, and 80% of the purchase price, amounting to NT$255.2 million, was paid. The remaining 20% of the purchase price, amounting to NT$63.8 million, was held as a retained payment, with 10% of the purchase price to be paid no later than the end of April 2027 and April 2028, respectively. The payment of the retained amount is conditional upon the gross profit stated in the audited financial statements of Jing De Gases Co., Ltd. for the years 2026 and 2027 achieving a certain amount. If the targets are not met, the payable amount shall be calculated proportionally based on the achievement rate of the gross profit.

The aforementioned contingent consideration was measured at fair value on the acquisition date. Based on the average gross profit of Jing De Gases Co., Ltd. over the past three years, the management of the Group assessed that the payment of the aforementioned contingent consideration, amounting to NT$63.8 million was highly probable. Therefore, the estimated fair value of the contingent consideration obligation was NT$63.8 million both on the acquisition date and as of the end of June 2026.

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 from 33.33% to 50%. However, the Company assessed that it had no control over the investment and therefore still adopted the equity method of accounting. The Company's retained earnings decreased by NT$4,445 thousand due to the adjustment of changes in affiliated enterprises recognized by equity method. Wah Sheng Industrial Corp. was liquidated in June 2026. As of June 30, 2026, the Group has transferred

NT$4,243 thousand of the receivable of remaining property distribution to other receivables.

The Group's share of profit or loss and other comprehensive income of the aforementioned Wah Sheng Industrial Corp., accounted for using the equity method, was recognized based on financial statements that have not been reviewed by independent auditors. However, the management of the Group believes that the lack of an auditor's review on the investee company's financial report would not have a material impact.

The accumulated losses of the Group's investments in associates, Toprising Precision Tech. Co., Ltd., have exceeded their respective total capital. The Group 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:

	For the Six Months Ended June 30	
	2026	2025
Current amount	$ -	$ -
Cumulative amount	$ 4,463	$ 4,383

XII. OTHER FINANCIAL ASSETS – CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Restricted time deposits	$ 3,777	$ -	$ -
Time deposits with original maturities of more than 3 months	224,399	139,435	162,602
	$ 228,176	$ 139,435	$ 162,602
Annual interest rate (%)	1.55～3.75	1.60～3.95	1.60～3.95

For details on information of time deposits pledged is referred to Note 29.

XIII. SUBSIDIARIES

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

			Percentage of Ownership (%)		
Investor	Investee	Main Businesses and Products	June 30, 2026	December 31, 2025	June 30, 2025
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)	99	99	99

		material and molded product			
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
	PT. Wah Hong Indonesia (“WH Indonesia”)	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	1	1	1
Wah Hong Technology Ltd.	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
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
Ningbo Changhong	Ningbo Changli New Material Limited (“Ningbo Changli”)	Trading business of LCD material and BMC material	100	100	100

XIV. PROPERTY, PLANT AND EQUIPMENT

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

For the Six months ended June 30, 2026

	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Cost						
Balance at January 1, 2026	$ 204,199	$ 1,792,127	$ 2,378,381	$ 562,723	$ 21,274	$ 4,958,704
Additions	-	24,147	10,841	9,345	42,361	86,694
Disposals	-	(791)	(1,461)	(2,981)	-	(5,233)
Exchange differences	43	48,552	56,208	11,456	1,096	117,355
Balance at June 30, 2026	$ 204,242	$ 1,864,035	$ 2,443,969	$ 580,543	$ 64,731	$ 5,157,520
Accumulated depreciation						
Balance at January 1, 2026	$ -	$ 1,198,322	$ 1,950,430	$ 414,452	$ -	$ 3,563,204
Depreciation expense	-	40,924	32,029	16,593	-	89,546
Disposals	-	(791)	(1,296)	(2,690)	-	(4,777)
Exchange differences	-	30,457	44,718	7,558	-	82,733
Balance at June 30, 2026	$	$ 1,268,912	$ 2,025,881	$ 435,913	$ -	$ 3,730,706
Accumulated impairment						
Balance at January 1, 2026	$ -	$ -	$ 75,730	$ 18,822	$ -	$ 94,552
Exchange differences	-	-	154	117	-	271
Balance at June 30, 2026	$ -	$ -	$ 75,884	$ 18,939	$ -	$ 94,823
Carrying amount at January 1, 2026	$ 204,199	$ 593,805	$ 352,221	$ 129,449	$ 21,274	$ 1,300,948
Carrying amount at June 30, 2026	$ 204,242	$ 595,123	$ 342,204	$ 125,691	$ 64,731	$ 1,331,991

For the Six months ended June 30, 2025

	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Cost						
Balance at January 1, 2025	$ 203,956	$ 1,800,292	$ 2,397,957	$ 563,866	$ 18,342	$ 4,984,413
Additions	-	8,044	16,130	9,915	12,526	46,615
Disposals	-	(768)	(40,432)	(6,093)	-	(47,293)
Exchange differences	(219)	(116,356)	(140,364)	(30,914)	(995)	(288,848)
Balance at June 30, 2025	$ 203,737	$1,691,212	$ 2,233,291	$ 536,774	$ 29,873	$ 4,694,887
Accumulated depreciation						
Balance at January 1, 2025	$ -	$ 1,132,420	$ 1,961,909	$ 402,703	$ -	$ 3,497,032
Depreciation expense	-	41,467	32,044	17,218	-	90,729
Disposals	-	(768)	(36,893)	(5,623)	-	(43,284)
Exchange differences	-	(70,271)	(111,025)	(21,007)	-	(202,303)
Balance at June 30, 2025	$ -	$ 1,102,848	$ 1,846,035	$ 393,291	$	$ 3,342,174
Accumulated impairment						
Balance at January 1, 2025	$ -	$ -	$ 75,797	$ 18,873	$ -	$ 94,670
Exchange differences	-	-	(351)	(268)	-	(619)
Balance at June 30, 2025	$ -	$ -	$ 75,446	$ 18,605	$ -	$ 94,051
Carrying amount at June 30, 2025	$ 203,737	$ 588,364	$ 311,810	$ 124,878	$ 29,873	$ 1,258,662

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

	For the Six Months Ended June 30	
	2026	2025
Investing activities affected cash and cash equivalents		
Additions to property, plant and equipment	$ 86,694	$ 46,615
Decrease (increase) in payables for equipment (under other payables)	6,173	(3,029)
Cash paid for acquis the property, plant and equipment	$ 92,867	$ 43,586

(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 29 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

XV. LEASING ARRANGEMENTS

(I) Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land	$ 35,081	$ 34,493	$ 29,871
Buildings	117,137	90,480	101,412
Other equipment	802	1,239	1,677
	$153,020	$126,212	$132,960

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Additions to right-of-use assets			$ 44,650	$ 19,041
Depreciation of right-of-use assets				
Land	$ 436	$ 283	$ 867	$ 585
Buildings	10,544	10,868	20,819	23,059
Other equipment	219	218	437	437
	$ 11,199	$ 11,369	$ 22,123	$ 24,081

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets in June 30, 2026, and 2025.

(II) Leasing liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Current portion	$ 38,353	$ 42,845	$ 41,812
Non-current portion	$ 70,686	$ 51,648	$ 55,048

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

	June 30, 2026	December 31, 2025	June 30, 2025
Land	1.65	1.65	-
Buildings	1.63～2.42	2.18～2.42	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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 3,438	$ 3,889	$ 6,372	$ 7,518
Expenses relating to low-value asset leases	$ 2,262	$ 1,861	$ 4,409	$ 3,589
Total cash outflow for leases			$ 44,875	$ 36,549

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.

XVI. SHORT-TERM BORROWINGS

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings			
Procurement loans	$ 139,201	$ 124,963	$ 147,101
Revolving loans	432,351	222,264	89,148
	$ 571,552	$ 347,227	$ 236,249
Annual interest rate (%)	1.83～5.60	1.85～5.70	1.85～5.36

XVII. 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.

XVIII. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Payable for salaries or bonuses	$153,373	$199,489	$157,729
Payable for employees’ compensation and remuneration to directors	97,691	79,527	90,518
Payable for annual leave bonuses	32,949	32,878	31,012
Payable for packing fees	17,487	17,196	18,828
Payable for die-cut fees	9,179	12,467	13,042
Payable for freight fee	13,684	14,326	13,372
Payable for equipment	10,473	16,646	8,643
Others	150,187	145,873	146,699
	$485,023	$518,402	$479,843

XIX. LONG-TERM BORROWINGS

	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings (Note 29)			
Syndicated bank loans			
E.SUN BANK (USD syndicated bank loan) - credit limit A, annual interest rate for December 31, 2025, and June 30, 2025 is 5.2643% and 5.6977%, respectively	$ -	$440,020	$439,500
Less: Syndicated loan fee	-	306	672
	-	439,714	438,828
Unsecured borrowings			
Bank loans	437,011	22,358	-
	$437,011	$462,072	$438,828
Annual interest rate (%)	2.6～5.11	2.6～3.0	-
Maturity Date	2028.10～2031.01	2028.10～2028.12	-

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 Company prepaid the syndicated loans in June, 2026.

XX. RETIREMENT BENEFIT PLANS

(I) Defined contribution plans

The retirement pension system implemented by the Company in accordance with the "Labor Pension Act" is a defined contribution plan administered by the government, under which pension contributions equal to 6% of each employee’s monthly salary are contributed to the employees’ individual pension accounts maintained by the Bureau of Labor Insurance.

The retirement pension contributions made by the subsidiaries in China, in accordance with local government regulations, are also recognized as defined contribution plans.

The subsidiaries, Wah Ma Technology Sdn. Bhd. and PT. Wah Hong Indonesia, make pension contributions to the provident fund accounts based on a specific percentage of employees' total salaries in accordance with local government regulations, which are likewise classified as defined contribution plans.

(II) Defined benefit plans

The retirement expenses of defined benefit plan for the three months and six months ended June 30, 2026 and 2025 were calculated using the actuarially determined pension cost discount rate of December 31 2025 and 2024.

XXI. EQUITY

(I) Share capital

	June 30, 2026	December 31, 2025	June 30, 2025
Number of authorized shares (in thousands)	150,000	150,000	150,000
Amount of authorized shares	$ 1,500,000	$ 1,500,000	$ 1,500,000
Number of issued and fully paid shares (in thousands)	100,004	100,004	100,004
Amount of issued shares	$ 1,000,044	$ 1,000,044	$ 1,000,044

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

	June 30, 2026	December 31, 2025	June 30, 2025
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	$ 1,844,657	$ 1,844,657
Arising from conversion of bonds	511	511	511
Consolidation excess	142,560	142,560	142,560
Difference between consideration paid and the carrying amount	6,777	6,777	6,777
	$ 1,994,505	$ 1,994,505	$ 1,994,505

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 2025 and 2024 had been approved by the shareholders' meeting in May, 2026 and 2025, respectively; the amounts were as follows:

	Appropriation of earnings		Dividends per share (NT$)	
	2025	2024	2025	2024
Legal reserve	$ 21,327	$ 30,805		
Special surplus reserve (reversed)	63,405	(161,537)		
Cash dividends	130,006	130,006	$ 1.3	$ 1.3

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

The above-mentioned cash dividends and cash distributions from capital surplus for 2025 and 2024 were resolved by the Board of Directors in March 2026 and 2025, respectively, that were recognized in the dividends payable as of June 30, 2026 and 2025, respectively.

(IV) Special reserve

When the company adopted IFRS Accounting Standards for the first time, the unrealized revaluation gains and cumulative translation adjustments transferred to retained earnings amounted to NT$13,747 thousand and NT$231,169 thousand respectively. However, since the increase in retained earnings resulting from the adoption of IFRS Accounting Standards for the first time was insufficient to cover the full appropriation, only the increase in retained earnings of NT$181,615 thousand resulting from the transition to IFRS Accounting Standards was appropriated as a special surplus reserve.

(V) Other equity

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	($188,117)	($147,382)
Exchange differences on translating the financial statements of foreign operations	124,786	(306,236)
Tax arising on translation of foreign operations	(24,957)	61,245
Balance at June 30	($ 88,288)	($392,373)

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	($ 56,903)	$ 98,459
Recognized for the year		
Unrealized gain (loss) - equity instruments	149,766	(178,729)
Balance at June 30	$ 92,863	($ 80,270)

(VI) Non-controlling interests

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$109,000	$115,897
Other comprehensive income (loss) during the period		
Net profit (loss)	(1,858)	2,706
Exchange differences on translation of the financial statements of foreign operations	4,956	(12,042)
Cash dividends paid by subsidiaries	-	(9,278)
Balance at June 30	$112,098	$ 97,283

XXII. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Revenue from contracts with customers				
Revenue from sale of goods	$ 1,639,442	$ 1,736,035	$ 3,250,895	$ 3,619,985
Service revenue	969	839	1,452	1,639
	$ 1,640,411	$ 1,736,874	$ 3,252,347	$ 3,621,624

(I) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivable and accounts receivable (Note 9)	$2,519,251	$2,670,990	$2,416,751	$2,897,425
Contract liabilities (classified under other current liabilities)				
Sale of goods	$ 11,865	$ 13,508	$ 13,706	$ 12,052

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 Six Months Ended June 30, 2026

	Reportable Segments				
	Taiwan	South China	Eastern China	Others	Total
Types					
Revenue from sale of goods	$ 1,034,178	$ 750,962	$ 1,350,112	$ 115,643	$ 3,250,895
Service revenue	123	5	1,320	4	1,452
	$ 1,034,301	$ 750,967	$ 1,351,432	$ 115,647	$ 3,252,347

For the Six Months Ended June 30, 2025

	Reportable Segments				
	Taiwan	South China	Eastern China	Others	Total
Types					
Revenue from sale of goods	$ 1,225,558	$ 653,340	$ 1,628,949	$ 112,138	$ 3,619,985
Service revenue	367	4	1,258	10	1,639
	$ 1,225,925	$ 653,344	$ 1,630,207	$ 112,148	$ 3,621,624

XXIII. PROFIT BEFORE INCOME TAX

(I) Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Bank deposits	$ 3,308	$ 4,828	$ 6,571	$ 8,603

(II) Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Dividend income	$ 39,949	$ 38,007	$ 39,949	$ 38,007
Rental income	1,745	1,512	3,546	3,749
Others	3,477	2,204	5,449	3,027
	$ 45,171	$ 41,723	$ 48,944	$ 44,783

(III) Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Gaines (loss) of financial instruments measured at fair value through profit or loss	$ 26,102	($ 6,124)	$ 24,229	($ 14,347)
Net loss from foreign currency exchange	(5,683)	(39,748)	(5,515)	(33,596)
Loss on disposal of property, plant and equipment	(170)	(1,992)	(323)	(1,957)
Others	(157)	(315)	(411)	(915)
	$ 20,092	($ 48,179)	$ 17,980	($ 50,815)

(IV) Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	$ 10,016	$ 8,586	$ 19,533	$ 18,871
Interest on lease liabilities	517	581	1,050	1,215
Other interest expenses	559	516	1,186	1,189
	$ 11,092	$ 9,683	$ 21,769	$ 21,275

(V) Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Property, plant and equipment	$ 44,892	$ 43,886	$ 89,546	$ 90,729
Right-of-use assets	11,199	11,369	22,123	24,081
Intangible assets	14,351	11,857	25,516	22,696
	$ 70,442	$ 67,112	$ 137,185	$ 137,506
An analysis of depreciation by function				
Operating costs	$ 47,033	$ 45,306	$ 93,984	$ 94,355
Operating expenses	9,058	9,949	17,685	20,455
	$ 56,091	$ 55,255	$ 111,669	$ 114,810
An analysis of amortization by function				
Operating costs	$ 2,169	$ 1,532	$ 4,000	$ 3,075
Operating expenses	12,182	10,325	21,516	19,621
	$ 14,351	$ 11,857	$ 25,516	$ 22,696

(VI) Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 245,116	$ 220,890	$ 474,992	$ 468,707
Retirement benefits				
Defined contribution plans	14,143	12,670	27,518	26,043
Defined benefit plans (Note 20)	40	54	81	109
	14,183	12,724	27,599	26,152
	$ 259,299	$ 233,614	$ 502,591	$ 494,859
An analysis of employee benefits expense by function				
Operating costs	$ 141,157	$ 135,272	$ 274,728	$ 282,310
Operating expenses	118,142	98,342	227,863	212,549
	$ 259,299	$ 233,614	$ 502,591	$ 494,859

(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.

In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company approved the amendment to the Articles of Incorporation at 2025 Annual Shareholders' Meeting. The amended Articles provide that at least 4% of the aforementioned net profit shall be allocated as employee compensation, and explicitly specify that no less than 15% of such employee compensation shall be distributed to grassroots employees.

The compensation of employees and remuneration of directors for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the Six Months Ended June 30	
	2026	2025
Accrual rate		
Employees' compensation (%)	15	15
Remuneration of directors (%)	2.5	2.5

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Amount				
Employees' compensation	$ 14,080	$ 6,779	$ 22,311	$ 23,425
Remuneration of directors	$ 2,347	$ 1,130	$ 3,719	$ 3,904

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, 2025 and 2024 which have been approved by the Company's Board of Directors on March 2026 and 2025, were paid in cash as follows:

	2025	2024
Employees' compensation	$ 47,193	$ 60,739
Remuneration of directors	7,865	10,123

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, 2025 and 2024.

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.

XXIV. INCOME TAX

(I) The major components of income tax expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current year	$ 11,928	$ 18,657	$ 29,144	$ 43,695
Addition from unappropriated earnings	-	14,790	-	14,790
Adjustments for prior years	(2,873)	(6,735)	(3,952)	(6,735)
	9,055	26,712	25,192	51,750
Deferred tax				
In respect of the current year	1,197	(6,808)	1,384	(312)
	$ 10,252	$ 19,904	$ 26,576	$ 51,438

(II) Income tax recognized in other comprehensive

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Deferred tax benefit (expense)				
In respect of the current year				
Exchange differences on translation of the financial statements of foreign operations	($ 5,602)	$ 69,964	($ 24,957)	$ 61,245

(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.

XXV. 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Earnings used in the computation to basic/diluted EPS	$ 77,823	$ 25,484	$ 118,058	$ 101,138

(II) Number of shares (in thousands)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of shares outstanding used in computation of basic EPS	100,004	100,004	100,004	100,004
Effect of potentially dilutive shares				
Employees' compensation	419	783	880	1,329
Weighted average number of shares outstanding used in computation of diluted EPS	100,423	100,787	100,884	101,333

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.

XXVI. 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.

XXVII. 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

June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 121,940	$ -	$ -	$ 121,940
Guaranteed floating income financial products	-	-	151,571	151,571
	$ 121,940	$ -	$ 151,571	$ 273,511
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 881,579	$ -	$ -	$ 881,579
Foreign unlisted shares	-	-	8,138	8,138
	$ 881,579	$ -	$ 8,138	$ 889,717
Financial liabilities at FVTPL				
Derivatives	$ -	$ 462	$ -	$ 462
Contingent consideration from associates	-	-	63,800	63,800
	$ -	$ 462	$ 63,800	$ 64,262

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 98,849	$ -	$ -	$ 98,849
Guaranteed floating income financial products	-	-	142,912	142,912
	$ 98,849	$ -	$ 142,912	$ 241,761
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 731,813	$ -	$ -	$ 731,813
Foreign unlisted shares	-	-	8,138	8,138
	$ 731,813	$ -	$ 8,138	$ 739,951
Financial liabilities at FVTPL				
Derivatives	$ -	$ 203	$ -	$ 203

June 30, 2025

Financial assets at FVTPL	Level 1	Level 2	Level 3	Total
Domestic listed shares	$ 86,450	$ -	$ -	$ 86,450
Guaranteed floating income financial products	-	-	128,930	128,930
Derivatives	-	657	-	657
	$ 86,450	$ 657	$ 128,930	$ 216,037

Financial assets at FVTOCI	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Domestic listed shares	$ 604,263	$ -	$ -	$ 604,263
Domestic unlisted shares	-	-	64,557	64,557
Foreign unlisted shares	-	-	8,138	8,138
	$ 604,263	$ -	$ 72,695	$ 676,958

There were no transfers between Level 1 and Level 2 for the six months ended June 30, 2026 and 2025.

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

	Financial assets at FVTPL		Financial assets at FVTOCI	
	For the Three Months Ended June 30		For the Six Months Ended June 30	
Financial assets	2026	2025	2026	2025
Balance at January 1	$ 142,912	$ 141,601	$ 8,138	$ 72,695
Recognized in profit or loss	2,075	2,006	-	-
Exchange differences	6,584	(14,677)	-	-
Balance at June 30	$ 151,571	$ 128,930	$ 8,138	$ 72,695

	For the Sis Months Ended June 30	For the Sis Months Ended June 30
Financial liabilities	2026	2025
Balance at January 1	$ -	$ -
Contingent consideration from associates	63,800	-
Balance at June 30	$ 63,800	$ -

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.
Derivatives - foreign exchange option contracts	Foreign exchange options are estimated using option evaluation models based on observable the period-end exchange rates and contractual exchange rates.

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

    (1) 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.

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

    (3) The fair value of the contingent consideration acquired by the Group from associates is assessed based on the probability of achieving the terms of the agreement.

(III) Categories of financial instruments

Financial Assets	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost (Note 1)	$ 3,950,819	$ 4,026,894	$ 3,565,805
Measured at FVTPL			
Mandatorily classified as at FVTPL	273,511	241,761	216,037
Financial assets at FVTOCI			
Investments in equity instruments	889,717	739,951	676,958

Financial Liabilities	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities at amortized cost (Note 2)	2,569,283	2,431,829	2,117,981
Measured at FVTPL			
Mandatorily classified as at FVTPL	462	203	-
Contingent consideration from associates	63,800	-	-

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, short-term bills payable, 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 31.

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 Six Months Ended June 30	
	2026	2025
Profit or loss	$ 6,786	$ 6,590

(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:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	$ 686,465	$ 497,595	$ 456,009
Financial liabilities	423,381	341,382	215,857
Cash flow interest rate risk			
Financial assets	657,448	815,063	619,749
Financial liabilities	694,221	562,410	556,080

<u>Sensitivity analysis</u>

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 six months ended June 30, 2026 and 2025 would have been decreases/increases by NT$184 thousand and increases/decreases NT$318 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 six months ended June 30, 2026 and 2025 will increase/decrease by NT$1,219 thousand and NT$865 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 six months ended June 30, 2026 and 2025 will increase/decrease by NT$8,897 thousand and NT$6,770 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Company A	$155,895	$102,244	$104,296

As of June 30, 2026, December 31, 2025 and June 30, 2025, the ratio of total receivables from the aforementioned companies were 8%, 5% and 5%, 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.

June 30, 2026	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$1,655,878	$ 34,653	$ 195	$ -
Leasing liabilities	17,245	23,224	36,934	38,129
Variable interest rate liabilities	292,595	10,076	349,734	114,281
Fixed interest rate liabilities	293,190	-	24,527	-
Financial guarantee contracts	228,090	-	-	-
	$2,486,998	$ 67,953	$ 411,390	$ 152,410

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	$ 40,469	$ 36,934	$ 22,011	$ 16,118

December 31, 2025	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$1,607,273	$ 15,070	$ 187	$ -
Leasing liabilities	32,054	12,422	33,551	20,038
Variable interest rate liabilities	113,232	11,775	451,167	-
Fixed interest rate liabilities	247,911	-	24,202	-
Financial guarantee contracts	191,497	-	-	-
	$2,191,967	$ 39,267	$ 509,107	$ 20,038

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years
Leasing liabilities	$ 44,476	$ 33,551	$ 20,038

June 30, 2025	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$1,560,198	$ 42,542	$ 171	$ -
Leasing liabilities	14,453	29,254	35,511	21,823
Variable interest rate liabilities	131,624	12,474	463,914	-
Fixed interest rate liabilities	120,581	-	-	-
Financial guarantee contracts	156,306	-	-	-
	$1,983,162	$ 84,270	$ 499,596	$ 21,823

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years
Leasing liabilities	$ 43,707	$ 35,511	$ 21,823

The amount of the above-mentioned financial guarantee contract refers to the amount that the Group 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.

	On Demand or Less than 1 Month	1-3 Months
June 30, 2026		
Total settlement		
Foreign exchange forward contracts		
Inflows	$ 47,400	$ 15,899
Outflows	(47,778)	(15,899)
	($ 378)	$ -
December 31, 2025		
Total settlement		
Foreign exchange forward contracts		
Inflows	$ 46,890	$ -
Outflows	(47,093)	-
	($ 203)	$ -
June 30, 2025		
Total settlement		
Foreign exchange forward contracts		
Inflows	$ 29,697	$ 14,510
Outflows	(29,057)	(14,493)
	$ 640	$ 17

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 June 30, 2026, December 31, 2025 and June 30, 2025, the face amount of these unsettled bills receivable was NT$228,090 thousand, NT$191,497 thousand and NT$156,306 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 six months ended June 30, 2026 and 2025, 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.

XXVIII. RELATED PARTY TRANSACTIONS

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

(I) Name of related parties and relation

Related Parties	Relation with the Group
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
Wahlee Innovation Materials Private Limited	Subsidiary of Investor with significant influence
Tranceed Logistics Co. Ltd.	Subsidiary of Investor with significant influence
Wah Sheng Industrial Corp.	Associate
Jing De Gases Co., Ltd.	Associate
Nagase Wahlee Plastics Corp.	Substantive related party
Hightech Polymer Sdn. Bhd.	Substantive related party

(II) Operating transactions

1. Sales of goods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	2026	2025	2026	2025
Investor with significant influence and their subsidiaries	$ 28,138	$ 24,119	$ 55,138	$ 45,772

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

2. Purchase of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Investor with significant influence and their subsidiaries	$ 12,137	$ 7,007	$ 35,677	$ 17,941
Substantive related party	1,207	3,566	1,873	5,415
	$ 13,344	$ 10,573	$ 37,550	$ 23,356

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. Non-operating income - Other revenue

(1) Rental revenue

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Investor with significant influence	$ 14	$ 14	$ 24	$ 19
Substantive related party	230	124	461	252
	$ 244	$ 138	$ 485	$ 271

(2) Service revenue (Only in the first half of 2026)

Related party category	For the Three Months Ended June 30	For the Six Months Ended June 30
	2026	2026
Associate	$1,741	$1,741

4. Receivables from related parties

(1) Accounts receivable

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Investor with significant influence and their subsidiaries	$ 39,561	$ 22,494	$ 27,787

(2) Other receivables

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Associate	$ 6,071	$ -	$ -
Substantive related party	-	90	-
Investor with significant influence	11	74	41
	$ 6,082	$ 164	$ 41

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

5. Payables to related parties

Accounts payable

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Investor with significant influence and their subsidiaries	$ 10,708	$ 17,882	$ 8,393
Substantive related party	643	2,012	2,283
	$ 11,351	$ 19,894	$ 10,676

The outstanding payables to related parties are unsecured.

6. Rent Expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category	2026	2025	2026	2025
Investor with significant influence and their subsidiaries	$ 386	$ 386	$ 771	$ 747

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.

(III) Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 7,492	$ 9,297	$ 18,015	$ 22,197
Retirement benefits	157	1,253	352	1,405
	$ 7,649	$ 10,550	$ 18,367	$ 23,602

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

XXIX. ASSETS PLEDGED AS COLLATERAL

The Group provided the following assets (show as net book value) as collaterals for part of borrowings and as deposit for electricity charges.

	June 30, 2026	December 31, 2025	June 30, 2025
Other financial assets			
Deposit account	$ 3,777	$ -	$ -
Property, plant and equipment			
Land	171,108	171,108	171,108
Buildings	178,061	180,430	184,115
	349,169	351,538	355,223
	$352,946	$351,538	$355,223

XXX. 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)

	June 30, 2026	December 31, 2025	June 30, 2025
USD	$ 916	$ 1,607	$ 1,504

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

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of equipment	$ 20,283	$ 27,305	$ 39,132

(III) As of June 30, 2026 and December 31 and June 30, 2025, the performance bond issued by the bank to the Group importing goods are NT$1,800 thousand, NT$1,800 thousand and NT$1,500 thousand, respectively.

XXXI. 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
June 30, 2026				
Foreign currency assets				
Monetary items				
USD	$ 32,674	31.85	(USD:NTD)	$ 1,040,652
USD	35,253	6.8109	(USD:RMB)	1,122,800
Foreign currency liabilities				
Monetary items				
USD	24,575	31.85	(USD:NTD)	782,716
USD	22,045	6.8109	(USD:RMB)	702,123
December 31, 2025				
Foreign currency assets				
Monetary items				
USD	34,186	31.43	(USD:NTD)	1,074,471
USD	38,621	7.0288	(USD:RMB)	1,213,843
Foreign currency liabilities				
Monetary items				
USD	28,656	31.43	(USD:NTD)	900,653
USD	23,796	7.0288	(USD:RMB)	747,923
June 30, 2025				
Foreign currency assets				
Monetary items				
USD	35,653	29.30	(USD:NTD)	1,044,638
USD	39,138	7.1586	(USD:RMB)	1,146,741
Foreign currency liabilities				
Monetary items				
USD	28,387	29.30	(USD:NTD)	831,748
USD	23,914	7.1586	(USD:RMB)	700,667

For the three months and six months ended June 30, 2026 and 2025, realized and unrealized net foreign exchange gains and losses were loss of NT$5,683 thousand, loss of NT$39,748 thousand, loss of NT$5,515 thousand and loss of NT$33,596 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.

XXXII. ADDITIONAL DISCLOSURES

(I) Information about significant transactions and (II) investees:

1. Lending funds to others: None
2. Endorsements/guarantees provided: Table 1
3. Significant marketable securities held at the end of the period: 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:

	Purchase of Goods		Accounts payable	
	Amount	%	Amount	%
SIP Chang Hong	$ 336	-	$ 883	-
Sun Hong	10,240	1	7,452	2
Xiamen Guang Hong	382	-	599	-
	$ 10,958	1	$ 8,934	2

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

	Sales of goods		Accounts receivable	
	Amount	%	Amount	%
SIP Chang Hong	$ 355,283	22	$ 287,501	27
Suzhou Alliance	69,152	4	39,674	4
Xiamen Guang Hong	75,864	5	55,803	5
Ningbo Changhong	10,035	1	8,568	1
Sun Hong	33,645	2	22,335	2
Qingdao Changhong	100	-	114	-
Ningbo Changli	732	-	247	-
SIP Chang Jun	1,347	-	974	-
	$ 546,158	34	$ 415,216	39

(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

XXXIII. 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, Ningbo Changli, Smart Succeed Ltd., Granite International Ltd., Allied Royal LLC. and Suzhou Alliance. (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 Six Months Ended June 30, 2026						
Revenue from external customers	$ 1,034,301	$ 750,967	$ 1,351,432	$ 115,647	$ -	$ 3,252,347
Inter-segment revenue	558,599	31,277	206,474	-	(796,350)	-
Segment revenue	$ 1,592,900	$ 782,244	$ 1,557,906	$ 115,647	($ 796,350)	$ 3,252,347
Segment income (loss)	($ 14,430)	$ 62,148	$ 21,206	($ 4,351)	$ 12,005	$ 76,578
Interest income						6,571
Other income						48,944
Other gains and losses						17,980
Finance costs						(21,769)
Share of profit and loss of affiliated enterprises recognized by equity method						14,472
Profit before income tax						142,776
Income tax expenses						(26,576)
Net profit						$ 116,200
June 30, 2026						
Identifiable assets	$ 2,436,578	$ 1,746,160	$ 2,889,345	$ 304,367	($ 622,812)	$ 6,753,638
Financial assets at FVTOCI						889,717
Investments accounted for using equity method						333,670
Total assets						$ 7,977,025
For the Six Months Ended June 30, 2025						
Revenue from external customers	$ 1,225,925	$ 653,344	$ 1,630,207	$ 112,148	$ -	$ 3,621,624
Inter-segment revenue	686,420	28,864	301,129	-	(1,016,413)	-
Segment revenue	$ 1,912,345	$ 682,208	$ 1,931,336	$ 112,148	($ 1,016,413)	$ 3,621,624
Segment income (loss)	$ 67,261	$ 25,635	$ 72,706	($ 938)	$ 10,457	$ 175,121
Interest income						8,603
Other income						44,783
Other gains and losses						(50,815)
Finance costs						(21,275)
Share of profit and loss of affiliated enterprises recognized by equity method						(1,135)
Profit before income tax						155,282
Income tax expenses						(51,438)
Net profit						$ 103,844

June 30, 2025	Taiwan	South China	Eastern China	Others	Adjustment and Elimination	Total
Identifiable assets	$ 2,390,920	$ 1,367,825	$ 2,809,416	$ 266,715	($ 663,453)	$ 6,171,423
Financial assets at FVTOCI						676,958
Investments accounted for using equity method						4,419
Total assets						$ 6,852,800

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 SIX MONTHS ENDED JUNE 30, 2026

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	Wah Ma Technology Sdn.Bhd. (Wah Ma)	Subsidiary of the Company	$ 1,437,912	$ 6,993	$ 6,799	$ 1,133	$ -	0.14	$ 3,355,128	Y	N	N	
0	The Company	Wah Hong Holding Limited	Subsidiary of the Company	1,437,912	95,985	95,550	-	-	1.99	3,355,128	Y	N	N	
0	The Company	PT. Wah Hong Indonesia (“WH Indonesia”)	Subsidiary of the Company	1,437,912	70,389	35,035	24,839	-	0.73	3,355,128	Y	N	N	
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Subsidiary of the Company	1,437,912	67,737	46,763	-	-	0.98	3,355,128	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$31.850; RMB is converted by USD spot exchange US$1 = RMB6.8109; MYR is converted by spot exchange MYR$1 = NT$7.5545; IDR is converted by spot exchange IDR$1 = NT$0.00178.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2026

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	JUNE 30, 2026				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	11.54	832	
	Jun Hong Optronics Corporation	-	Financial assets at FVTOCI - non-current	19,800,000	-	14.48	-	
	Wah Lee Industrial Corp.	Investor with significant influence	Financial assets at FVTOCI - non-current	6,807,559	881,579	2.62	881,579	
					$882,411		$882,411	
	Chang Wah Electromaterials Inc.	Associate of investor with significant influence	Financial assets at FVTPL - current	2,275,000	$121,940	0.31	$121,940	
Wah Hong Holding Ltd.	Stock							
	SiLican Inc	-	Financial assets at FVTOCI - non-current	250,000	$ 7,306	7.20	$ 7,306	

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 SIX MONTHS ENDED JUNE 30, 2026

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	
The Company	SIP Chang Hong Optoelectronics Ltd.	Subsidiaries	Sales of goods	($ 355,283)	(22)	120 days after monthly closing	No comparable transactions with third party	Normal trade terms	$ 287,501	27	Note
Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	The same parent company	Sales of goods	(141,348)	(38)	120 days after monthly closing	No comparable transactions with third party	Normal trade terms	76,492	31	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

JUNE 30, 2026

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		
Wah Hong Industrial Corp.	SIP Chang Hong Optoelectronics Ltd.	Subsidiaries	$287,501	2.12	$ -	-	$ 51,305	$ -

Note: It was eliminated on consolidation.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

Table 5

(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets%
0	The Company	SIP Chang Hong Optoelectronics Ltd.	Parent company to subsidiary	Sales	$ 355,283	No comparable transactions with third party	10.92
0	The Company	SIP Chang Hong Optoelectronics Ltd.	Parent company to subsidiary	Accounts receivable	287,501	120 days after monthly closing	3.60
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Sales	33,645	No comparable transactions with third party	1.03
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Accounts receivable	22,335	120 days after monthly closing	0.28
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Sales	10,035	No comparable transactions with third party	0.31
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Accounts receivable	8,568	120 days after monthly closing	0.11
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Other receivables	1,828	Subject to the contract	0.02
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Sales	75,864	No comparable transactions with third party	2.33
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Accounts receivable	55,803	120 days after monthly closing	0.70
0	The Company	SIP Chang Jun Trading Limited	Parent company to subsidiary	Sales	1,347	No comparable transactions with third party	0.04
0	The Company	SIP Chang Jun Trading Limited	Parent company to subsidiary	Other receivables	3,091	Subject to the contract	0.04
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Sales	12,229	No comparable transactions with third party	0.38
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Accounts receivable	27,479	120 days after monthly closing	0.34
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Other receivables	1,250	Subject to the contract	0.02
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Sales	69,152	No comparable transactions with third party	2.13
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Accounts receivable	39,674	120 days after monthly closing	0.50
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Other receivables	2,746	Subject to the contract	0.03
1	SIP Chang Hong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Sales	6,273	No comparable transactions with third party	0.19
1	SIP Chang Hong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	6,258	120 days after monthly closing	0.08
1	SIP Chang Hong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Sales	4,788	No comparable transactions with third party	0.15
2	Sun Hong Optronics Ltd.	The Company	Subsidiary to parent company	Sales	10,240	No comparable transactions with third party	0.31
2	Sun Hong Optronics Ltd.	The Company	Subsidiary to parent company	Accounts receivable	7,452	120 days after monthly closing	0.09
2	Sun Hong Optronics Ltd.	SIP Chang Hong Optoelectronics Ltd.	Between subsidiaries	Sales	20,649	No comparable transactions with third party	0.63
2	Sun Hong Optronics Ltd.	SIP Chang Hong Optoelectronics Ltd.	Between subsidiaries	Accounts receivable	20,387	120 days after monthly closing	0.26
3	Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Sales	141,348	No comparable transactions with third party	4.35
3	Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Accounts receivable	76,492	120 days after monthly closing	0.96
4	Xiamen Guang Hong Optronics Ltd.	The Company	Subsidiary to parent company	Other receivables	5,443	Subject to the contract	0.07

(Continued)

(Continued from previous page)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets%
5	Ningbo Changhong Optoelectronics Ltd.	Granite International Ltd.	Between subsidiaries	Sales	$ 40,087	No comparable transactions with third party	1.23
5	Ningbo Changhong Optoelectronics Ltd.	Granite International Ltd.	Between subsidiaries	Accounts receivable	28,335	120 days after monthly closing	0.36
5	Ningbo Changhong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Sales	5,586	No comparable transactions with third party	0.17
5	Ningbo Changhong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	5,242	120 days after monthly closing	0.07
6	SuZhou Alliance Material.Co.Ltd.	Xiamen Guang Hong Optronics Ltd.	Between subsidiaries	Sales	1,063	No comparable transactions with third party	0.03
6	SuZhou Alliance Material.Co.Ltd.	Xiamen Guang Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	1,183	120 days after monthly closing	0.04
12	Ningbo Changli New Material Limited	Granite International Ltd.	Between subsidiaries	Sales	5,600	No comparable transactions with third party	0.17
12	Ningbo Changli New Material Limited	Granite International Ltd.	Between subsidiaries	Accounts receivable	3,005	120 days after monthly closing	0.04

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE SIX MONTHS ENDED JUNE 30, 2026

Table 6

(In Thousands of New Taiwan Dollars)

Investor	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Remark
				June 30, 2026	January 1, 2026	Shares	%	Carrying Amount			
The Company	Wah Hong Holding Ltd.	Mauritius	International investment business	$ 644,137	$ 644,137	20,604,940	100.00	$ 3,092,185	$ 62,232	$ 62,232	Note 2
The Company	Toprising Precision Tech. Co., Ltd.	New Taipei City	Production and trading business of components	7,200	7,200	720,000	27.48	-	-	-	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	28,698	(10,489)	(10,384)	Note 2
The Company	Wah Sheng Industrial Corp.	Taoyuan City	Production and trading business of components	-	20,000	-	-	-	-	-	Note 1
The Company	Jing De Gases Co., Ltd.	Kaohsiung City	Mixed gas manufacturing	319,000	-	3,944,000	29.00	333,670	56,001	16,240	Note 1
Wah Hong Holding Ltd.	Wah Hong Technology Ltd.	Mauritius	International investment business	142,365	142,365	3,948,025	100.00	1,644,830	17,890	17,890	Note 2
Wah Hong Holding Ltd.	Wah Hong International Ltd.	Mauritius	International investment business	658,444	658,444	20,648,000	100.00	1,011,427	43,486	43,486	Note 2
Wah Hong Holding Ltd.	Wah Hong Development Ltd.	Mauritius	International investment business	15,095	15,095	500,000	100.00	-	-	-	Note 2
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	187,053	4,502	4,502	Note 2
Wah Hong Holding Ltd.	Granite International Ltd.	Samoa	International trading business	30,018	30,018	960,000	100.00	1,178	6	6	Note 2
Wah Hong Holding Ltd.	Smart Succeed Ltd.	Samoa	International trading business	-	-	-	100.00	(1,137)	(6)	(6)	Note 2
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	298	(10,489)	(105)	Note 2
Wah Hong Holding Ltd.	Allied Royal LLC.	Anguilla	International investment business	49,200	49,200	2,715,000	67.50	232,819	(5,716)	(3,858)	Note 2

Note 1: Associate accounted for using the equity method.

Note 2: It was eliminated on consolidation.

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment %	Investment Gain (Loss)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026	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	$ 453,863	Reinvestment in Mainland China through companies registered in a third region.	$ 62,662	$ -	$ -	$ 62,662	($ 726)	100.00	($ 726)	$ 809,368	$ 849,692	
Ningbo Changhong Optoelectronics Ltd. ("Ningbo Changhong")	Production and trading of panel display compound and LCD optical film etc.	63,700	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	(8,269)	100.00	(8,269)	293,382	337,835	
Qingdao Changhong Optoelectronics Ltd. ("Qingdao Changhong")	Production and trading of panel display compound and LCD optical film etc.	63,700	Reinvestment in Mainland China through companies registered in a third region.	44,990	-	-	44,990	13,059	100.00	13,059	447,666	49,716	
SIP Chang Jun Trading Limited ("SIP Chang Jun")	Sale of BMC materials and finished products, diffusion films, reflectors and other LCD products	4,676	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	13,829	100.00	13,829	94,351	20,008	Note 1
SuZhou Alliance Material.Co.Ltd. ("Suzhou Alliance")	Production and trading business of LCD materials	128,993	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	(5,716)	67.50	(3,858)	232,816	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	436,345	Reinvestment in Mainland China through companies registered in a third region.	238,092	-	-	238,092	47,968	100.00	47,968	805,808	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	270,725	Reinvestment in Mainland China through companies registered in a third region.	227,204	-	-	227,204	(4,481)	100.00	(4,481)	205,588	-	

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment %	Investment Gain (Loss)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026	Remark
					Outward	Inward							
Guangzhou Youguang Optoelectronics Co., Ltd. (“Guangzhou Youguang”)	Production of light box, LED Opto-electronic compound and lighting products	132,518	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	7,014	Reinvestment in mainland companies through existing companies in the third party regions	-	-	-	-	(232)	100.00	(232)	21,985	-	

Investor	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026	Investment Amount Authorized by Investment Commission, MOEA (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)
Wah Hong Industrial Corp.	$ 588,043	$ 1,356,908	$ 2,875,825

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 Royal LLC.

Note 3: The difference of NT$768,865 thousand between the investment amount approved by the Investment Committee of the Ministry of Economic Affairs and the cumulated investment amount remitted from Taiwan was due to a capital increase of NT$518,691 thousand from the sub-subsidiary surplus in mainland China, and the reinvestment of NT$250,174 thousand from Wah Hong Holding Ltd.’s own funds

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