

Wah Hong Industrial Corporation And Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 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 March 31, 2024 and 2023, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). 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 March 31, 2024 and 2023, its consolidated financial performance and its consolidated cash flows for the three months ended March 31,

2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 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' report are Chiu-Yen, Wu and Tzu-Yuan, Chang.

Deloitte & Touche

Taipei, Taiwan

Republic of China

May 7, 2024

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

MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31,2024		December 31,2023		March 31,2023	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Notes 6)	\$ 1,280,167	16	\$ 1,182,925	15	\$ 1,467,691	18
1110	Financial assets at fair value through profit or loss – current (Notes 7)	491,903	6	432,536	5	718,660	9
1150	Notes receivable, net (Notes 9 and 24)	344,384	4	360,135	4	198,076	3
1170	Accounts receivable, net (Notes 9, 24 and 30)	2,298,360	29	2,526,933	32	2,137,382	27
1200	Other receivables, net (Notes 9 and 30)	14,057	-	18,207	-	12,275	-
1220	Current tax assets	5,706	-	3,660	-	1,513	-
130X	Inventories (Notes 10)	737,039	9	691,426	9	838,150	11
1460	Non-current Assets Held for Sale (Notes 4 and 11)	44,294	1	-	-	-	-
1476	Other financial assets (Notes 13 and 31)	184,830	2	151,694	2	80,144	1
1479	Other current assets	77,631	1	56,152	1	78,410	1
11XX	Total current assets	<u>5,478,371</u>	<u>68</u>	<u>5,423,668</u>	<u>68</u>	<u>5,532,301</u>	<u>70</u>
	NON-CURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8)	782,821	10	691,920	9	609,409	8
1550	Investments accounted for using equity method (Notes 12)	3,066	-	5,298	-	11,681	-
1600	Property, plant and equipment (Notes 15, 31 and 32)	1,456,424	18	1,474,132	19	1,504,705	19
1755	Right-of-use assets (Notes 16)	185,455	2	206,218	3	127,237	2
1780	Other intangible assets	46,741	1	39,527	-	32,377	-
1840	Deferred tax assets	54,014	1	66,237	1	97,748	1
1920	Refundable deposits	26,373	-	25,623	-	26,844	-
1990	Other non-current assets	1,823	-	2,362	-	1,129	-
15XX	Total non-current assets	<u>2,556,717</u>	<u>32</u>	<u>2,511,317</u>	<u>32</u>	<u>2,411,130</u>	<u>30</u>
1XXX	TOTAL	<u>\$ 8,035,088</u>	<u>100</u>	<u>\$ 7,934,985</u>	<u>100</u>	<u>\$ 7,943,431</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 17)	\$ 799,829	10	\$ 780,049	10	\$ 1,264,041	16
2110	Short-term bills payable (Notes 18)	50,000	1	170,000	2	130,000	2
2120	Financial liabilities at fair value through profit or loss - current (Notes 7)	2,455	-	-	-	438	-
2150	Notes payable (Notes 19)	251,868	3	251,463	3	116,683	1
2170	Accounts payable (Notes 19 and 30)	1,038,314	13	1,088,691	14	871,874	11
2216	Dividend payable	147,780	2	-	-	147,781	2
2219	Other payables (Notes 20)	487,410	6	508,377	6	451,837	6
2230	Current tax liabilities	19,137	-	16,193	-	29,168	-
2280	Lease liabilities - current (Notes 16)	41,815	-	41,559	1	15,432	-
2399	Other current liabilities (Notes 24)	19,980	-	15,490	-	27,127	-
21XX	Total current liabilities	<u>2,858,588</u>	<u>35</u>	<u>2,871,822</u>	<u>36</u>	<u>3,054,381</u>	<u>38</u>
	NON-CURRENT LIABILITIES						
2540	Long-term borrowings (Notes 21 and 31)	478,411	6	458,802	6	454,427	6
2570	Deferred tax liabilities	172,051	2	157,253	2	217,914	3
2580	Lease liabilities - non-current (Notes 16)	101,452	1	107,298	2	66,706	1
2640	Net defined benefit liabilities - non-current	25,664	1	27,073	-	34,652	-
2645	Guarantee deposits received	2,154	-	1,887	-	2,370	-
25XX	Total non-current liabilities	<u>779,732</u>	<u>10</u>	<u>752,313</u>	<u>10</u>	<u>776,069</u>	<u>10</u>
2XXX	Total liabilities	<u>3,638,320</u>	<u>45</u>	<u>3,624,135</u>	<u>46</u>	<u>3,830,450</u>	<u>48</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 23)						
3100	Share Capital	<u>1,000,044</u>	<u>12</u>	<u>1,000,044</u>	<u>13</u>	<u>1,000,044</u>	<u>12</u>
3200	Capital Surplus	<u>2,019,178</u>	<u>25</u>	<u>2,048,734</u>	<u>26</u>	<u>2,048,734</u>	<u>26</u>
	Retained earnings						
3310	Legal reserve	497,824	6	497,824	6	470,193	6
3320	Special reserve	368,706	5	368,706	5	310,734	4
3350	Unappropriated earnings	581,880	7	666,247	8	554,315	7
3300	Total retained earnings	<u>1,448,410</u>	<u>18</u>	<u>1,532,777</u>	<u>19</u>	<u>1,335,242</u>	<u>17</u>
3400	Other equity	(148,918)	(2)	(343,152)	(4)	(345,987)	(4)
3500	Treasury stock (Notes 23)	(40,228)	-	(40,228)	(1)	(40,228)	(1)
31XX	Total equity attributable to owners of the Company	<u>4,278,486</u>	<u>53</u>	<u>4,198,175</u>	<u>53</u>	<u>3,997,805</u>	<u>50</u>
36XX	NON-CONTROLLING INTERESTS (Notes 23)	<u>118,282</u>	<u>2</u>	<u>112,675</u>	<u>1</u>	<u>115,176</u>	<u>2</u>
3XXX	Total equity	<u>4,396,768</u>	<u>55</u>	<u>4,310,850</u>	<u>54</u>	<u>4,112,981</u>	<u>52</u>
	TOTAL	<u>\$ 8,035,088</u>	<u>100</u>	<u>\$ 7,934,985</u>	<u>100</u>	<u>\$ 7,943,431</u>	<u>100</u>

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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

Code		For the Three Months Ended March 31			
		2024		2023	
		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 24 and 30)	\$1,653,814	100	\$1,614,727	100
5110	OPERATING COSTS (Notes 10, 25 and 30)	<u>1,430,018</u>	<u>86</u>	<u>1,458,464</u>	<u>90</u>
5900	GROSS PROFIT	<u>223,796</u>	<u>14</u>	<u>156,263</u>	<u>10</u>
	OPERATING EXPENSES (Notes 9 and 25)				
6100	Selling and marketing expenses	51,581	3	50,598	3
6200	General and administrative expenses	94,356	6	71,905	5
6300	Research and development	49,358	3	48,437	3
6450	Benefits from reversal of expected credit impairment loss	(<u>2,795</u>)	<u>-</u>	(<u>3,427</u>)	<u>-</u>
6000	Total operating expenses	<u>192,500</u>	<u>12</u>	<u>167,513</u>	<u>11</u>
6900	OPERATING INCOME (LOSS)	<u>31,296</u>	<u>2</u>	(<u>11,250</u>)	(<u>1</u>)
	NON-OPERATING INCOME AND EXPENSES (Notes 25)				
7100	Interest income	4,344	-	5,557	1
7010	Other income	3,112	-	3,109	-
7020	Other gains and losses	28,792	2	18,204	1
7050	Finance costs	(17,928)	(1)	(15,505)	(1)
7060	Share of profit and loss of affiliated enterprises recognized by equity method	(<u>439</u>)	<u>-</u>	<u>1,234</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>17,881</u>	<u>1</u>	<u>12,599</u>	<u>1</u>
7900	PROFIT BEFORE INCOME TAX	49,177	3	1,349	-
7950	INCOME TAX EXPENSE (Notes 4 and 26)	(<u>12,488</u>)	(<u>1</u>)	<u>3,014</u>	<u>-</u>

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Code		For the Three Months Ended March 31			
		2024		2023	
		Amount	%	Amount	%
8200	NET PROFIT FOR THE PERIOD	<u>36,689</u>	<u>2</u>	<u>4,363</u>	<u>-</u>
	OTHER COMPREHENSIVE				
	INCOME (Notes 23 and 26)				
8310	Items that will not be reclassified				
	subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments				
	in equity instruments designated as				
	at fair value through other				
	comprehensive income	<u>\$ 90,901</u>	<u>5</u>	<u>\$ 8,378</u>	<u>1</u>
	Items that may be reclassified				
	subsequently to profit or loss:				
8361	Exchange differences on translation				
	of the financial statements of				
	foreign operations	133,734	8	18,492	1
8399	Income tax relating to items that may				
	be reclassified subsequently to				
	profit or loss	<u>(25,833)</u>	<u>(1)</u>	<u>(3,587)</u>	<u>-</u>
8360		<u>107,901</u>	<u>7</u>	<u>14,905</u>	<u>1</u>
8300	Other comprehensive gain (loss) for				
	the year, net of income tax	<u>198,802</u>	<u>12</u>	<u>23,283</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE				
	INCOME FOR THE YEAR	<u>\$ 235,491</u>	<u>14</u>	<u>\$ 27,646</u>	<u>2</u>
	NET PROFIT ATTRIBUTABLE				
	TO:				
8610	Owners of the Company	<u>\$ 35,650</u>		<u>\$ 4,015</u>	
8620	Non-controlling interests	<u>1,039</u>		<u>348</u>	
8600		<u>\$ 36,689</u>		<u>\$ 4,363</u>	
	TOTAL COMPREHENSIVE				
	INCOME ATTRIBUTABLE TO:				
8710	Owners of the Company	<u>\$ 229,884</u>		<u>\$ 26,734</u>	
8720	Non-controlling interests	<u>5,607</u>		<u>912</u>	
8700		<u>\$ 235,491</u>		<u>\$ 27,646</u>	
	EARNINGS PER SHARE (Notes				
	27)				
9710	Basic	<u>\$ 0.36</u>		<u>\$ 0.04</u>	
9810	Diluted	<u>\$ 0.36</u>		<u>\$ 0.04</u>	

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company										
Code		Share Capital	Capital Surplus	Retained earnings			Other Equity		Treasury Stock	Subtotal	Non-controlling Interests	Total Equity
				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				
A1	BALANCE AT JANUARY 1, 2024	\$ 1,000,044	\$ 2,048,734	\$ 497,824	\$ 368,706	\$ 666,247	(\$ 284,391)	(\$ 58,761)	(\$ 40,228)	\$ 4,198,175	\$ 112,675	\$ 4,310,850
B5	Appropriation of 2023 earnings (Notes 23) Cash dividends to shareholders	-	-	-	-	(118,224)	-	-	-	(118,224)	-	(118,224)
C7	Changes in affiliated enterprises recognized by equity method (Notes 12)	-	-	-	-	(1,793)	-	-	-	(1,793)	-	(1,793)
C15	Cash dividend from capital surplus (Notes 23)	-	(29,556)	-	-	-	-	-	-	(29,556)	-	(29,556)
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	35,650	-	-	-	35,650	1,039	36,689
D3	Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	103,333	90,901	-	194,234	4,568	198,802
D5	Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	35,650	103,333	90,901	-	229,884	5,607	235,491
Z1	BALANCE AT MARCH 31, 2024	\$ 1,000,044	\$ 2,019,178	\$ 497,824	\$ 368,706	\$ 581,880	(\$ 181,058)	\$ 32,140	(\$ 40,228)	\$ 4,278,486	\$ 118,282	\$ 4,396,768
A1	BALANCE AT JANUARY 1, 2023	\$ 1,000,044	\$ 2,048,734	\$ 470,193	\$ 310,734	\$ 698,081	(\$ 240,008)	(\$ 128,698)	(\$ 40,228)	\$ 4,118,852	\$ 114,264	\$ 4,233,116
B5	Appropriation of 2022 earnings (Notes 23) Cash dividends to shareholders	-	-	-	-	(147,781)	-	-	-	(147,781)	-	(147,781)
D1	Net profit for the three months ended March 31, 2023	-	-	-	-	4,015	-	-	-	4,015	348	4,363
D3	Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	14,341	8,378	-	22,719	564	23,283
D5	Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	4,015	14,341	8,378	-	26,734	912	27,646
Z1	BALANCE AT MARCH 31, 2023	\$ 1,000,044	\$ 2,048,734	\$ 470,193	\$ 310,734	\$ 554,315	(\$ 225,667)	(\$ 120,320)	(\$ 40,228)	\$ 3,997,805	\$ 115,176	\$ 4,112,981

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 THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)
For the Three Months Ended
March 31

Code		2024	2023
	CASH FLOWS FROM OPERATING		
	ACTIVITIES		
A10000	Profit before income tax	\$ 49,177	\$ 1,349
A20010	Adjustments for:		
A20100	Depreciation expense	60,332	62,330
A20200	Amortization expense	10,411	6,839
A20300	Benefits from reversal of expected credit impairment loss	(2,795)	(3,427)
A20400	Gain on financial instruments at fair value through profit or loss	(7,355)	(20,850)
A20900	Finance costs	17,928	15,505
A21200	Interest income	(4,344)	(5,557)
A22300	Share of profit and loss of affiliated enterprises recognized by equity method	439	(1,234)
A22500	Loss (gain) on disposal of property, plant and equipment	(238)	99
A23700	Inventories losses	1,844	24,771
A24100	Unrealized loss on foreign exchange	45,898	18,863
A29900	Others	(18)	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	15,800	(8,814)
A31150	Accounts receivable	229,403	381,681
A31180	Other receivables	4,589	6,394
A31200	Inventories	(49,674)	135,241
A31240	Other current assets	(21,479)	(42,879)
A32130	Notes payable	405	3,016
A32150	Accounts payable	(50,377)	(320,487)
A32180	Other payables	(26,308)	(83,913)
A32230	Other current liabilities	4,490	10,664
A32240	Net defined benefit liabilities	(1,409)	(2,856)
A33000	Cash generated from operations	276,719	176,735
A33100	Interest received	4,265	5,820
A33200	Dividends received	1,229	2,141
A33300	Interest paid	(18,041)	(15,906)

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		For the Three Months Ended March 31	
Code		2023	2022
A33500	Income tax paid	(\$ 9,860)	(\$ 93,213)
AAAA	Net cash generated from operating activities	<u>254,312</u>	<u>75,577</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00100	Purchase of financial assets at fair value through profit or loss	(123,967)	(155,488)
B00200	Disposal of financial assets at fair value through profit or loss	89,207	158,930
B02700	Payments for property, plant and equipment	(21,037)	(38,061)
B02800	Proceeds from disposal of property, plant and equipment	417	2,745
B03700	Decrease (increase) in guarantee deposits paid	107	(923)
B04500	Acquisitions of Intangible assets	(16,418)	(17,251)
B06500	Increase in other financial assets	(33,136)	(1,699)
BBBB	Net cash used in investing activities	<u>(104,827)</u>	<u>(51,747)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase (decrease) in short-term borrowings	9,788	(249,723)
C00600	Increase (decrease) in short-term bills payable	(120,000)	130,000
C03100	Increase in guarantee deposits received	221	4
C04020	Repayment of the principal portion of lease liabilities	(7,434)	(10,280)
CCCC	Net cash used in financing activities	<u>(117,425)</u>	<u>(129,999)</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>65,182</u>	<u>(9,155)</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	97,242	(115,324)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,182,925</u>	<u>1,583,015</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$1,280,167</u>	<u>\$1,467,691</u>

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(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 May 7, 2024.

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 “IFRSs”) endorsed by the Financial Supervisory Commission (FSC).

The application of the revised IFRSs approved and issued by the Financial Supervisory Commission will not cause major changes in the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as the “Group”).

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

1. Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
2. The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
3. Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on

shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as 'other' only if it cannot find a more informative label.

4. Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date when this consolidated financial report is approved by the board of directors, the amendments to other standards and interpretations for the assessment of the merged companies will not have a significant impact on the consolidated financial position and consolidated financial performance.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Compliance statement

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

(II) Basis of preparation

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

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

The detailed information of subsidiaries (including the percentage of ownership and main business) is referred to Note 14, Tables 8 and 9.

(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, 2023.

1. Classification of current and non-current assets and liabilities

Current assets include:

- (1) Assets held primarily for the purpose of trading;
- (2) Assets expected to be realized within 12 months after the reporting period; and
- (3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- (1) Liabilities held primarily for the purpose of trading;
- (2) Liabilities due to be settled within 12 months after the reporting period; and

- (3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2. Non-current assets held for sale

The carrying amounts of non-current assets are classified as held for sale when they are expected to be recovered primarily through sales transactions rather than continued use. Non-current assets that qualify for this classification must be immediately available for sale in their current state, and must be highly likely to be sold. It will qualify for the sale is highly likely when the appropriate level of management is committed to sell the asset and the sale is expected to be completed within one year from the classification date.

Non-current assets are classified as held for sale are measured at the lower of the carrying amount and fair value less costs of sale, and depreciation of such assets is discontinued.

3. 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.

4. Income Tax

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

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical 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, 2023.

VI. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 1,212	\$ 983	\$ 1,012
Checking accounts	51	51	51
Demand deposits	706,807	841,987	695,002
Cash equivalents			
Time deposits with original maturities of 3 months or less	<u>572,097</u>	<u>339,904</u>	<u>771,626</u>
	<u>\$ 1,280,167</u>	<u>\$ 1,182,925</u>	<u>\$ 1,467,691</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Cash equivalents			
Time deposits with original maturities of 3 months or less (%)	1.35~5.15	1.45~5.26	1.75~4.40

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets - current</u>			
Mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ 3,338	\$ -
Non-derivative financial assets			
Domestic listed shares	\$ 91,228	\$ 79,398	\$ 84,175
Guaranteed floating income financial products	<u>400,675</u>	<u>349,800</u>	<u>634,485</u>
	<u>\$ 491,903</u>	<u>\$ 432,536</u>	<u>\$ 718,660</u>
<u>Financial liabilities - current</u>			
Financial liabilities hold for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 2,455</u>	<u>\$ -</u>	<u>\$ 438</u>

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

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

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>March 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2024.04~2024.06	USD4,000/TWD124,815
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2024.01~2024.03	USD4,000/TWD125,409
<u>March 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2023.04~2023.06	USD4,000/TWD120,710

Details of profit and loss of financial instruments at FVTPL for the reporting periods 2024 and 2023 list on Note 25.

- (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

	March 31, 2024	December 31, 2023	March 31, 2023
Equity instruments			
Domestic listed shares	\$ 713,319	\$ 622,418	\$ 544,220
Domestic unlisted shares	54,930	54,930	62,841
Foreign unlisted shares	14,572	14,572	2,348
	<u>\$ 782,821</u>	<u>\$ 691,920</u>	<u>\$ 609,409</u>

IX. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHERS RECEIVABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable			
At amortized cost			
Gross carrying amount	\$ 345,459	\$ 361,259	\$ 198,668
Less: Allowance for impairment loss	<u>1,075</u>	<u>1,124</u>	<u>592</u>
	<u>\$ 344,384</u>	<u>\$ 360,135</u>	<u>\$ 198,076</u>
Accounts receivable			
At amortized cost			
Gross carrying amount	\$ 2,306,244	\$ 2,535,646	\$ 2,145,457
Less: Allowance for impairment loss	<u>7,884</u>	<u>8,713</u>	<u>8,075</u>
	<u>\$ 2,298,360</u>	<u>\$ 2,526,933</u>	<u>\$ 2,137,382</u>
Other receivables			
At amortized cost			
Gross carrying amount	\$ 14,057	\$ 20,364	\$ 18,336
Less: Allowance for impairment loss	<u>-</u>	<u>2,157</u>	<u>6,061</u>
	<u>\$ 14,057</u>	<u>\$ 18,207</u>	<u>\$ 12,275</u>

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

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

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

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

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

March 31, 2024

	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	Total
Lifetime expected credit losses(%)	0.3	10	-	100	
Gross carrying amount	\$2,647,418	\$ 3,482	\$ -	\$ 803	\$2,651,703
Loss allowance (lifetime ECLs)	(7,810)	(346)	-	(803)	(8,959)
Amortized cost	<u>\$2,639,608</u>	<u>\$ 3,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,642,744</u>

December 31, 2023

	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	Total
Lifetime expected credit losses(%)	0.3	10	-	100	
Gross carrying amount	\$2,889,505	\$ 6,621	\$ -	\$ 779	\$2,896,905
Loss allowance (lifetime ECLs)	(8,393)	(665)	-	(779)	(9,837)
Amortized cost	<u>\$2,881,112</u>	<u>\$ 5,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,887,068</u>

March 31, 2023

	Not Past Due	1 to 180 Days	181 to 360 Days	More than 360 Days	Total
Lifetime expected credit losses(%)	0.3	10	-	100	
Gross carrying amount	\$2,335,369	\$ 7,971	\$ -	\$ 785	\$2,344,125
Loss allowance (lifetime ECLs)	(7,142)	(740)	-	(785)	(8,667)
Amortized cost	<u>\$2,328,227</u>	<u>\$ 7,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,335,458</u>

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

	For the Three Months Ended March 31					
	2024			2023		
	Notes Receivable	Accounts Receivable	Other Receivables	Notes Receivable	Accounts Receivable	Other Receivables
Balance at January 1	\$ 1,124	\$ 8,713	\$ 2,157	\$ 605	\$ 10,109	\$ 7,354
Reversal	(87)	(1,075)	(1,633)	(15)	(2,079)	(1,333)
Amounts written off	-	-	(570)	-	-	-
Exchange differences	38	246	46	2	45	40
Balance at March 31	<u>\$ 1,075</u>	<u>\$ 7,884</u>	<u>\$ -</u>	<u>\$ 592</u>	<u>\$ 8,075</u>	<u>\$ 6,061</u>

X. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 370,696	\$ 357,944	\$ 472,034
Work in process	19,463	20,570	22,401
Finished goods	<u>346,880</u>	<u>312,912</u>	<u>343,715</u>
	<u>\$ 737,039</u>	<u>\$ 691,426</u>	<u>\$ 838,150</u>

The costs of inventories recognized in cost of goods sold for the three months ended March 31, 2024 and 2023 were NT\$1,430,018 thousand and NT\$1,458,464 thousand respectively, which included the following items:

	For the Three Months Ended March 31	
	2024	2023
Inventories depreciation losses (recovered benefits)	(\$ 2,980)	\$ 16,777
Inventory losses	4,824	7,994
Unallocated manufacturing cost	20,078	29,675
Revenue from the sale of scraps	(<u>703</u>)	(<u>865</u>)
	<u>\$ 21,219</u>	<u>\$ 53,581</u>

XI. NON-CURRENT ASSETS HELD FOR SALE

	113 年 3 月 31 日
Right-of-use assets held for sale	\$ 12,208
Buildings held for sale	29,081
Machinery and Equipment held for sale	787
Other Equipment held for sale	<u>2,218</u>
	<u>\$ 44,294</u>

Ningbo Changhong Optoelectronics Ltd. has moved to the new factory, the Board of Directors decided to sell land, old plant and equipment to enrich the working capital in March, 2024, subsequently, a sales contract was signed with an unrelated party in April, 2024, and the sale price of RMB\$47,447 thousand was determined based on the appraisal report. The company expects to complete the disposal procedure within 12 months by reclassifying its assets as non-current assets held for sale, expressed separately in the consolidated balance sheet. The sale price will exceed the carrying amount of net asset value after deducting the related expenses. Therefore, there is no impairment loss to be recognized when classifying such assets as non-current assets held for sale.

XII. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in associates	<u>\$ 3,066</u>	<u>\$ 5,298</u>	<u>\$ 11,681</u>

The brief description of investments using the equity method is detailed in Table 8.

Investments in Associates

	March 31, 2024	December 31, 2023	March 31, 2023
Individually insignificant affiliated enterprises			
Wah Sheng Industrial Corp. (“Wah Sheng”)	<u>\$ 3,066</u>	<u>\$ 5,298</u>	<u>\$ 11,681</u>

In October 2022, the Company invested NT\$10,000 thousand in cash to jointly establish Wah Sheng Industrial Corp., with a shareholding ratio of 25%. Wah Sheng refunded the shares by other shareholders with services for price of NT\$10,000 thousand by capital reduction in February 2024, as a result, the Company's shareholding ratio increased from 25% to 33.33%. The Company's retained earnings decreased by NT\$1,793 thousand due to the adjustment of changes in affiliated enterprises recognized by equity method.

XIII. OTHER FINANCIAL ASSETS – CURRENT

	March 31, 2024	December 31, 2023	March 31, 2023
Restricted time deposits	\$ 45,102	\$ 43,352	\$ -
Time deposits with original maturities of more than 3 months	<u>139,728</u>	<u>108,342</u>	<u>80,144</u>
	<u>\$ 184,830</u>	<u>\$ 151,694</u>	<u>\$ 80,144</u>
Annual interest rate (%)	1.80~4.20	1.50~4.40	2.30~4.20

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

XIV. SUBSIDIARIES

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

Investor	Investee	Main Businesses and Products	Percentage of Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	Wah Hong Holding Ltd.	International investment business	100	100	100
	PT. Wah Hong Indonesia (“WH Indonesia”)	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	99	99	99
Wah Hong Holding Ltd.	Wah Hong Technology Ltd.	International investment business	100	100	100
	Wah Hong International Ltd.	International investment business	100	100	100
	Granite International Ltd.	International trading business	100	100	100
	Wah Hong Development Ltd.	International investment business	100	100	100
	Smart Succeed Ltd.	International trading business	100	100	100
	Allied Royal LLC.	International investment business	67.5	67.5	67.5
	Wah Ma Technology Sdn. Bhd.	Production and trading business of BMC (bulk molding compound) material and molded product	100	100	100
	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

(Continued)

(Continued from previous page)

Investor	Investee	Main Businesses and Products	Percentage of Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
Allied Royal LLC.	Xiamen Guang Hong Optronics Ltd. ("Xiamen Guang Hong")	Production and trading of panel display compound and LCD optical film etc.	100	100	100
	SuZhou Alliance Material.Co.Ltd. ("Suzhou Alliance")	Production and trading business of LCD material molded product	100	100	100
	Best Honor Inc.	International trading business	100	100	100
SIP Chang Hong	Chang Hong (HK) Optronics Limited ("Chang Hong (HK)")	Trading business of LCD material and BMC material	100	100	100
Ningbo Changhong	Ningbo Changli New Material Limited ("Ningbo Changli")	Trading business of LCD material and BMC material	100	100	100

XV. PROPERTY, PLANT AND EQUIPMENT

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

For the three months ended March 31, 2024

Cost	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Balance at January 1, 2024	\$ 203,574	\$ 1,812,293	\$ 2,361,210	\$ 536,314	\$ 25,061	\$ 4,938,452
Additions	-	2,705	9,696	11,476	2,797	26,674
Disposals	-	(628)	(15,639)	(953)	-	(17,220)
Reclassified to non-current Assets Held for Sale	-	(89,460)	(5,851)	(10,870)	-	(106,181)
Exchange differences	50	45,900	53,338	10,896	464	110,648
Balance at March 31, 2024	<u>\$ 203,624</u>	<u>\$ 1,770,810</u>	<u>\$ 2,402,754</u>	<u>\$ 546,863</u>	<u>\$ 28,322</u>	<u>\$ 4,952,373</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ -	\$ 1,079,874	\$ 1,913,313	\$ 376,765	\$ -	\$ 3,369,952
Depreciation expense	-	22,014	17,467	9,047	-	48,528
Disposals	-	(628)	(15,527)	(886)	-	(17,041)
Reclassified to non-current Assets Held for Sale	-	(60,379)	(5,064)	(8,652)	-	(74,095)
Exchange differences	-	25,464	41,182	7,359	-	74,005
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 1,066,345</u>	<u>\$ 1,951,371</u>	<u>\$ 383,633</u>	<u>\$ -</u>	<u>\$ 3,401,349</u>
<u>Accumulated impairment</u>						
Balance at January 1, 2024	\$ -	\$ -	\$ 75,625	\$ 18,743	\$ -	\$ 94,368
Exchange differences	-	-	131	101	-	232
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,756</u>	<u>\$ 18,844</u>	<u>\$ -</u>	<u>\$ 94,600</u>
Carrying amount at January 1, 2024	<u>\$ 203,574</u>	<u>\$ 732,419</u>	<u>\$ 372,272</u>	<u>\$ 140,806</u>	<u>\$ 25,061</u>	<u>\$ 1,474,132</u>
Carrying amount at March 31, 2024	<u>\$ 203,624</u>	<u>\$ 704,465</u>	<u>\$ 375,627</u>	<u>\$ 144,386</u>	<u>\$ 28,322</u>	<u>\$ 1,456,424</u>

For the three months ended March 31, 2023

	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 203,742	\$ 1,776,392	\$ 2,400,726	\$ 495,573	\$ 35,596	\$ 4,912,029
Additions	-	9,125	20,546	3,825	(808)	32,688
Disposals	-	-	(8,330)	(834)	-	(9,164)
Exchange differences	(47)	5,616	6,430	1,400	115	13,514
Balance At March 31, 2023	<u>\$ 203,695</u>	<u>\$ 1,791,133</u>	<u>\$ 2,419,372</u>	<u>\$ 499,964</u>	<u>\$ 34,903</u>	<u>\$ 4,949,067</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ -	\$ 1,018,456	\$ 1,917,442	\$ 359,631	\$ -	\$ 3,295,529
Depreciation expense	-	22,463	19,776	8,292	-	50,531
Disposals	-	-	(5,579)	(741)	-	(6,320)
Exchange differences	-	3,045	4,617	1,051	-	8,713
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 1,043,964</u>	<u>\$ 1,936,256</u>	<u>\$ 368,233</u>	<u>\$ -</u>	<u>\$ 3,348,453</u>
<u>Accumulated impairment</u>						
Balance at January 1, 2023	\$ -	\$ -	\$ 77,094	\$ 18,786	\$ -	\$ 95,880
Exchange differences	-	-	16	13	-	29
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,110</u>	<u>\$ 18,799</u>	<u>\$ -</u>	<u>\$ 95,909</u>
Carrying amount at March 31, 2023	<u>\$ 203,695</u>	<u>\$ 747,169</u>	<u>\$ 406,006</u>	<u>\$ 112,932</u>	<u>\$ 34,903</u>	<u>\$ 1,504,705</u>

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

	<u>For the Three Months Ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Investing activities affected cash and cash equivalents		
Additions to property, plant and equipment	\$ 26,674	\$ 32,688
Decrease (increase) in payables for equipment (under other payables)	(5,637)	5,373
Cash paid for acquis the property, plant and equipment	<u>\$ 21,037</u>	<u>\$ 38,061</u>

(II) Estimated useful life:

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

Buildings	
Reinforced concrete buildings	30 - 60 years
Sheet metal buildings	10 - 20 years
Decoration and Design	2 - 10 years
Electrical and mechanical work	2 - 8 years

Machinery and equipment	2 - 10 years
Other equipment	2 - 15 years

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

XVI. LEASING ARRANGEMENTS

(I) Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Land	\$ 34,402	\$ 45,198	\$ 47,414
Buildings	148,283	158,031	76,178
Other equipment	<u>2,770</u>	<u>2,989</u>	<u>3,645</u>
	<u>\$185,455</u>	<u>\$206,218</u>	<u>\$127,237</u>
	For the Three Months Ended March 31		
	2024	2023	
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 1,586</u>	
Depreciation of right-of-use assets			
Land	\$ 405	\$ 406	
Buildings	11,180	11,174	
Other equipment	<u>219</u>	<u>219</u>	
	<u>\$ 11,804</u>	<u>\$ 11,799</u>	

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets in March 31, 2024, and 2023.

In addition, the Group terminated in advance and modified some leasing contracts from January 1 to March 31, 2024, resulting in a decrease in right-of-use assets of NT\$3,776 thousand and recognized leasing modification benefits of NT\$18 thousand. Due to the reclassification to non-current assets held for sale, the right-of-use assets decreased by NT\$12,208 thousand, detailed in Note 11.

(II) Leasing liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Current portion	<u>\$ 41,815</u>	<u>\$ 41,559</u>	<u>\$ 15,432</u>
Non-current portion	<u>\$101,452</u>	<u>\$107,298</u>	<u>\$ 66,706</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.83~2.42	1.83~2.26	1.80~2.23
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

	March 31, 2024	March 31, 2023
Expenses relating to short-term leases	<u>\$ 7,883</u>	<u>\$ 7,171</u>
Expenses relating to low-value asset leases	<u>\$ 1,751</u>	<u>\$ 1,637</u>
Total cash outflow for leases	<u>\$18,596</u>	<u>\$19,533</u>

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

XVII. SHORT-TERM BORROWINGS

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured borrowings			
Procurement loans	\$ 157,374	\$ 225,068	\$ 154,581
Revolving loans	<u>642,455</u>	<u>554,981</u>	<u>1,109,460</u>
	<u>\$ 799,829</u>	<u>\$ 780,049</u>	<u>\$ 1,264,041</u>
Annual interest rate (%)	1.70~6.47	1.75~6.86	1.51~6.10

XVIII. SHORT-TERM BILLS PAYABLE

The commercial paper payables are guaranteed and issued by China Bills Finance Corporation, MEGA Bills Finance Co. and International Bill Finance Corporation. The annual interest rate for March 31, 2024, December 31, 2023 and March 31, 2023 is 1.87%, 1.79% - 1.81% and 1.69% - 1.79%.

XIX. 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.

XX. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payable for salaries or bonuses	\$ 120,808	\$ 166,233	\$ 101,422
Payable for employees' compensation and remuneration to directors	95,429	88,078	95,007
Payable for annual leave bonuses	29,061	29,845	27,023
Payable for packing fees	22,238	25,809	18,732
Payable for equipment	19,328	13,691	11,111
Payable for die-cut fees	15,953	18,900	17,311
Payable for freight fee	14,880	16,324	13,919
Others	169,713	149,497	167,312
	<u>\$487,410</u>	<u>\$508,377</u>	<u>\$451,837</u>

XXI. LONG-TERM BORROWINGS

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings (Note 31)			
Syndicated bank loans			
E.SUN BANK (USD syndicated bank loan) - credit limit A, annual interest rate for March 31, 2024, December 31, 2023, and March 31, 2023 is 6.7125%, 7.0402% and 6.0465%, respectively	\$ 480,000	\$ 460,575	\$ 456,750
Less: Syndicated loan fee	<u>1,589</u>	<u>1,773</u>	<u>2,323</u>
	<u>\$478,411</u>	<u>\$458,802</u>	<u>\$454,427</u>

The Company signed a syndicated loan agreement which repaid the previous syndicated loan with banks led by E.SUN BANK in June 2018. The total amount of syndicated

bank loans is US\$50 million, including credit limit A (US\$50 million), credit limit B (NT\$1 billion) and credit limit C (NT\$500 million).

In addition, the Company has signed a new syndicated loan agreement with E.SUN BANK in May 2022 in order to pay back the syndicated loan signed in 2018. The total amount of bank loan is US\$50 million including credit limit A (US\$50 million) and credit limit B (NT\$840 million).

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

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

The financial ratios of the Company's 2023 and 2022 consolidated annual financial reports did not violate the provisions of the syndicated loan contract.

XXII. RETIREMENT BENEFIT PLANS

(I) Defined contribution plans

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

(II) Defined benefit plans

The retirement expenses of defined benefit plan for the three months ended March 31, 2024 and 2023 were calculated using the actuarially determined pension cost discount rate of December 31, 2023 and 2022. The amounts for the three months ended March 31, 2024 and 2023 was NT\$97 thousand and NT\$153 thousand, respectively.

XXIII. EQUITY

(I) Share capital

	March 31, 2024	December 31, 2023	March 31, 2023
Number of authorized shares (in thousands)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Amount of authorized shares	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued and fully paid shares (in thousands)	<u>100,004</u>	<u>100,004</u>	<u>100,004</u>
Amount of issued shares	<u>\$ 1,000,044</u>	<u>\$ 1,000,044</u>	<u>\$ 1,000,044</u>

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

(II) Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Arising from issuance of share capital	\$ 1,869,330	\$ 1,898,886	\$ 1,898,886
Arising from conversion of bonds	511	511	511
Consolidation excess	142,560	142,560	142,560
Difference between consideration paid and the carrying amount	<u>6,777</u>	<u>6,777</u>	<u>6,777</u>
	<u>\$ 2,019,178</u>	<u>\$ 2,048,734</u>	<u>\$ 2,048,734</u>

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

(III) Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the Company's total issued capital, setting aside or reversing a special

reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, if the Company issues new stocks for distribution of earnings, it shall be submitted to the Shareholders' Meeting for resolution. However, if the company issues cash for distribution of earnings, it shall be resolved by the Board of Directors.

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 cash 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 2023 and 2022 had been approved by the board of directors in March 2024 and shareholders' meeting in May 2023, respectively; the amounts were as follows:

	Appropriation of earnings		Dividends per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ 20,155	\$ 27,631		
Provision (Reversal) of special surplus reserve	(25,555)	57,972		
Cash dividends	<u>118,224</u>	<u>147,781</u>	<u>\$ 1.2</u>	<u>\$ 1.5</u>
	<u>\$112,824</u>	<u>\$233,384</u>		

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

The appropriations of earnings for 2023 and 2022 had been approved by the Board of Directors in March, 2024 and March, 2023 and included in the dividend payable. The remaining surplus distribution items for 2023 are yet to be resolved at the regular Shareholders' Meeting expected to be held in May 2024.

(IV) Special reserve

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

(V) Other equity

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	(\$284,391)	(\$240,008)
Exchange differences on translating the financial statements of foreign operations	129,166	17,928
Tax arising on translation of foreign operations	(25,833)	(3,587)
Balance at March 31	(\$181,058)	(\$225,667)

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	(\$ 58,761)	(\$128,698)
Recognized for the year		
Unrealized gain (loss) - equity instruments	90,901	8,378
Balance at March 31	\$ 32,140	(\$120,320)

(VI) Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$112,675	\$114,264
Other comprehensive income (loss) during the period		
Net profit	1,039	348
Exchange differences on translation of the financial statements of foreign operations	<u>4,568</u>	<u>564</u>
Balance at March 31	<u>\$118,282</u>	<u>\$115,176</u>

(VII) Treasury stock

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

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

XXIV. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	\$ 1,653,315	\$ 1,613,882
Service revenue	<u>499</u>	<u>845</u>
	<u>\$ 1,653,814</u>	<u>\$ 1,614,727</u>

(I) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes receivable and accounts receivable (including related parties) (Note 9)	<u>\$2,642,744</u>	<u>\$2,887,068</u>	<u>\$2,335,458</u>	<u>\$2,706,279</u>
Contract liabilities (classified under other current liabilities)				
Sale of goods	<u>\$ 14,468</u>	<u>\$ 8,275</u>	<u>\$ 21,192</u>	<u>\$ 10,594</u>

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

(II) Disaggregation of revenue by products

For the Three Months Ended March 31, 2024

Types	Reportable Segments				Total
	Taiwan	South China	Eastern China	Others	
Revenue from sale of goods	\$ 527,303	\$ 306,100	\$ 754,030	\$ 65,882	\$ 1,653,315
Service revenue	<u>26</u>	<u>30</u>	<u>423</u>	<u>20</u>	<u>499</u>
	<u>\$ 527,329</u>	<u>\$ 306,130</u>	<u>\$ 754,453</u>	<u>\$ 65,902</u>	<u>\$ 1,653,814</u>

For the Three Months Ended March 31, 2023

Types	Reportable Segments				Total
	Taiwan	South China	Eastern China	Others	
Revenue from sale of goods	\$ 495,798	\$ 314,333	\$ 763,547	\$ 40,204	\$ 1,613,882
Service revenue	<u>195</u>	<u>-</u>	<u>634</u>	<u>16</u>	<u>845</u>
	<u>\$ 495,993</u>	<u>\$ 314,333</u>	<u>\$ 764,181</u>	<u>\$ 40,220</u>	<u>\$ 1,614,727</u>

XXV. PROFIT BEFORE INCOME TAX

(I) Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	<u>\$ 4,344</u>	<u>\$ 5,557</u>

(II) Other income

	For the Three Months Ended March 31	
	2024	2023
Rental income	\$ 2,148	\$ 2,150
Others	<u>964</u>	<u>959</u>
	<u>\$ 3,112</u>	<u>\$ 3,109</u>

(III) Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Gains (loss) of financial assets measured at fair value through profit or loss	\$ 7,355	\$ 20,850
Net gain (loss) from foreign currency exchange	21,654	(2,453)
Gains (loss) on disposal of property, plant and equipment	238	(99)
Others	<u>(455)</u>	<u>(94)</u>
	<u>\$ 28,792</u>	<u>\$ 18,204</u>

(IV) Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	\$ 15,745	\$ 14,491
Interest on lease liabilities	1,528	445
Other interest expenses	<u>655</u>	<u>569</u>
	<u>\$ 17,928</u>	<u>\$ 15,505</u>

(V) Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	\$ 48,528	\$ 50,531
Right-of-use assets	11,804	11,799
Intangible assets	<u>10,411</u>	<u>6,839</u>
	<u>\$ 70,743</u>	<u>\$ 69,169</u>

An analysis of depreciation by function

Operating costs	\$ 48,638	\$ 53,270
Operating expenses	<u>11,694</u>	<u>9,060</u>
	<u>\$ 60,332</u>	<u>\$ 62,330</u>

An analysis of amortization by function

Operating costs	\$ 1,457	\$ 1,700
Operating expenses	<u>8,954</u>	<u>5,139</u>
	<u>\$ 10,411</u>	<u>\$ 6,839</u>

(VI) Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	<u>\$ 242,337</u>	<u>\$ 218,035</u>
Retirement benefits		
Defined contribution plans	12,914	12,452
Defined benefit plans		
(Note 22)	<u>97</u>	<u>153</u>
	<u>13,011</u>	<u>12,605</u>
	<u>\$ 255,348</u>	<u>\$ 230,640</u>

An analysis of employee benefits expense by function

Operating costs	\$ 147,959	\$ 142,808
Operating expenses	<u>107,389</u>	<u>87,832</u>
	<u>\$ 255,348</u>	<u>\$ 230,640</u>

(VII) Compensation of employees and remuneration of directors

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

The compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
<u>Accrual rate</u>		
Employees' compensation (%)	15	15
Remuneration of directors (%)	2.5	2.5
<u>Amount</u>		
Employees' compensation	\$ 7,330	\$ 494
Remuneration of directors	\$ 1,222	\$ 83

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, 2023 and 2022 which have been approved by the Company's board of directors on March, 2024 and 2023, were paid in cash as follows:

	2023	2022
Employees' compensation	\$ 41,500	\$ 57,036
Remuneration of directors	6,917	9,506

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, 2023 and 2022.

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

XXVI. INCOME TAX

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

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current year	(\$ 9,689)	(\$ 6,190)
Adjustments for prior years	(<u>14</u>)	<u>3,377</u>
	(<u>9,703</u>)	(<u>2,813</u>)
Deferred tax		
In respect of the current year	(\$ <u>2,785</u>)	\$ <u>5,827</u>
	(\$ <u>12,488</u>)	\$ <u>3,014</u>

(II) Income tax benefit (expenses) recognized in other comprehensive

	For the Three Months Ended March 31	
	2024	2023
Deferred tax		
In respect of the current year		
Exchange differences on translation of the financial statements of foreign operations	(\$ <u>25,833</u>)	(\$ <u>3,587</u>)

(III) Income tax assessments

The company's income tax declaration for profit-making business up to the year of 2021 have been approved by the tax collection authorities.

XXVII. 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 March 31	
	2024	2023
Earnings used in the computation to basic/diluted EPS	\$ <u>35,650</u>	\$ <u>4,015</u>

(II) Number of shares (in thousands)

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of shares outstanding used in computation of basic EPS	98,520	98,520
Effect of potentially dilutive shares		
Employees' compensation	<u>1,200</u>	<u>1,623</u>
Weighted average number of shares outstanding used in computation of diluted EPS	<u>99,720</u>	<u>100,143</u>

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

XXVIII. CAPITAL RISK MANAGEMENT

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

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

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

The Group is not subject to any externally imposed capital requirements, except those discussed in Note 21.

XXIX. FINANCIAL INSTRUMENTS

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

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

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

1. Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 91,228	\$ -	\$ -	\$ 91,228
Guaranteed floating income financial products	-	-	400,675	400,675
	<u>\$ 91,228</u>	<u>\$ -</u>	<u>\$ 400,675</u>	<u>\$ 491,903</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 713,319	\$ -	\$ -	\$ 713,319
Domestic unlisted shares	-	-	54,930	54,930
Foreign unlisted shares	-	-	14,572	14,572
	<u>\$ 713,319</u>	<u>\$ -</u>	<u>\$ 69,502</u>	<u>\$ 782,821</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 2,455	\$ -	\$ 2,455

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 3,338	\$ -	\$ 3,338
Domestic listed shares	79,398	-	-	79,398
Guaranteed floating income financial products	-	-	349,800	349,800
	<u>\$ 79,398</u>	<u>\$ 3,338</u>	<u>\$ 349,800</u>	<u>\$ 432,536</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 622,418	\$ -	\$ -	\$ 622,418
Domestic unlisted shares	-	-	54,930	54,930
Foreign unlisted shares	-	-	14,572	14,572
	<u>\$ 622,418</u>	<u>\$ -</u>	<u>\$ 69,502</u>	<u>\$ 691,920</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 84,175	\$ -	\$ -	\$ 84,175
Guaranteed floating income financial products	-	-	634,485	634,485
	<u>\$ 84,175</u>	<u>\$ -</u>	<u>\$ 634,485</u>	<u>\$ 718,660</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 544,220	\$ -	\$ -	\$ 544,220
Domestic unlisted shares	-	-	62,841	62,841
Foreign unlisted shares	-	-	2,348	2,348
	<u>\$ 544,220</u>	<u>\$ -</u>	<u>\$ 65,189</u>	<u>\$ 609,409</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ -</u>	<u>\$ 438</u>

There were no transfers between Level 1 and Level 2 for the three months ended March 31, 2024 and 2023.

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

	<u>Financial assets at FVTPL</u>		<u>Financial assets at FVTOCI</u>	
	<u>For the Three Months Ended</u>		<u>For the Three Months Ended</u>	
	<u>March 31</u>		<u>March 31</u>	
	2024	2023	2024	2023
<u>Financial assets</u>				
Balance at January 1	\$ 349,800	\$ 607,512	\$ 69,502	\$ 80,418
Increase in current three month	123,967	155,488	-	-
Decrease in current three month	(90,665)	(135,465)	-	-
Recognized in profit or loss	2,777	4,008	-	(15,229)
Exchange differences	14,796	2,942	-	-
Balance at March 31	<u>\$ 400,675</u>	<u>\$ 634,485</u>	<u>\$ 69,502</u>	<u>\$ 65,189</u>

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

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

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

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

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

(III) Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial Assets</u>			
Measured at amortized cost (Note 1)	\$ 4,148,171	\$ 4,265,517	\$ 3,922,412
Measured at FVTPL			
Mandatorily classified as at FVTPL	491,903	432,536	718,660
Financial assets at FVTOCI			
Investments in equity instruments	782,821	691,920	609,409
<u>Financial Liabilities</u>			
Measured at amortized cost (Note 2)	\$ 3,107,986	\$ 3,259,269	\$ 3,291,232
Measured at FVTPL			
Derivatives	2,455	-	438

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, short-term bills payable, 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 33.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (functional currency) against the relevant foreign currencies. A sensitivity rate of 1% is used internally when reporting to management from the Group on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates. The following

table details the Group's sensitivity analysis included only the outstanding foreign currency (USD) denominated monetary items at the balance sheet date. The sensitivity analysis included foreign currency deposit (USD), receivables and payables, and long-term and short-term borrowings. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	Currency USD Impact	
	For the Three Months Ended March 31	
	2024	2023
Profit or loss	\$ 6,976	\$ 7,231

(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:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 756,862	\$ 491,598	\$ 851,771
Financial liabilities	526,770	610,291	671,762
Cash flow interest rate risk			
Financial assets	706,872	841,987	695,002
Financial liabilities	944,737	947,417	1,258,844

Sensitivity analysis

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

was prepared assuming the amount of the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year.

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

If interest rates had been 1% increases/decreases and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2024 and 2023 would have been decreases/increases by NT\$595 thousand and NT\$1,410 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 three months ended March 31, 2024 and 2023 will increase/decrease by NT\$912 thousand and NT\$842 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 three months ended March 31, 2024 and 2023 will increase/decrease by NT\$7,828 thousand and NT\$6,094 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:

	March 31, 2024	December 31, 2023	March 31, 2023
Company A	<u>\$ 331,463</u>	<u>\$ 337,105</u>	<u>\$ 172,583</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the ratio of receivables from the aforementioned companies was 12%, 11% and 7% respectively.

3. Liquidity risk

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

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

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both

interest and principal cash flows. Specifically, liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of the counterparties choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates. To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at the end of the year.

	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
<u>March 31, 2024</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$1,889,295	\$ 37,159	\$ 1,072	\$ -
Leasing liabilities	27,798	16,580	58,808	47,776
Variable interest rate liabilities	487,902	16,200	65,245	486,286
Fixed interest rate liabilities	385,153	-	-	-
Financial guarantee contracts	61,011	-	-	-
	<u>\$2,851,159</u>	<u>\$ 69,939</u>	<u>\$ 125,125</u>	<u>\$ 534,062</u>

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	<u>\$44,378</u>	<u>\$58,808</u>	<u>\$30,860</u>	<u>\$16,916</u>

	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
<u>December 31, 2023</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$1,743,088	\$ 106,310	\$ 1,020	\$ -
Leasing liabilities	27,551	17,135	63,401	48,379
Variable interest rate liabilities	509,506	16,483	65,661	474,835
Fixed interest rate liabilities	462,300	-	-	-
Financial guarantee contracts	47,974	-	-	-
	<u>\$2,790,419</u>	<u>\$ 139,928</u>	<u>\$ 130,082</u>	<u>\$ 523,214</u>

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	<u>\$ 44,686</u>	<u>\$ 63,401</u>	<u>\$ 29,835</u>	<u>\$ 18,544</u>

	Less than 6 Months	6 Months to 1 Year	1-3 Years	More than 3 Years
March 31, 2023				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$1,567,020	\$ 22,042	\$ 1,483	\$ -
Leasing liabilities	10,061	6,870	26,038	45,030
Variable interest rate liabilities	823,190	13,962	83,926	461,178
Fixed interest rate liabilities	390,594	200,000	-	-
Financial guarantee contracts	<u>36,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$2,827,241</u>	<u>\$ 242,874</u>	<u>\$ 111,447</u>	<u>\$ 506,208</u>

Lease liabilities further analysis are as follows:

	Less than 1 Year	1-3 Years	3-5 Years	5-10 Years
Leasing liabilities	<u>\$ 16,931</u>	<u>\$ 26,038</u>	<u>\$ 19,069</u>	<u>\$ 25,961</u>

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

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

(2) Liquidity risk tables for derivative financial liabilities

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

	On Demand or Less than 1 Month	1-3 Months
<u>March 31, 2024</u>		
Total settlement		
Foreign exchange forward contracts		
Inflows	\$ 46,518	\$ 78,297
Outflows	(47,876)	(79,394)
	<u>(\$ 1,358)</u>	<u>(\$ 1,097)</u>
<u>December 31, 2023</u>		
Total settlement		
Foreign exchange forward contracts		
Inflows	\$ 47,955	\$ 77,454
Outflows	(45,913)	(76,158)
	<u>\$ 2,042</u>	<u>\$ 1,296</u>
<u>March 31, 2023</u>		
Total settlement		
Foreign exchange forward contracts		
Inflows	\$ 45,224	\$ 75,486
Outflows	(45,569)	(75,579)
	<u>(\$ 345)</u>	<u>(\$ 93)</u>

4. Transfers of financial assets

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

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of March 31, 2024, December 31, 2023 and March 31, 2023, the face amount of these unsettled bills receivable was NT\$61,011 thousand, NT\$47,974 thousand and NT\$36,376 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 three months ended March 31, 2024 and 2023, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

XXX. RELATED PARTY TRANSACTIONS

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

(I) Name of related parties and relation

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

(II) Operating transactions

1. Sales of goods

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Investor with significant influence and their subsidiaries	\$ 19,251	\$ 20,066
Substantive related party	-	13
	<u>\$ 19,251</u>	<u>\$ 20,079</u>

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

2. Purchase of goods

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Investor with significant influence and their subsidiaries	\$ 8,075	\$ 2,873
Substantive related party	<u>1,234</u>	<u>227</u>
	<u>\$ 9,309</u>	<u>\$ 3,100</u>

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

3. Rental income

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Investor with significant influence	\$ 5	\$ 5
Substantive related party	<u>26</u>	<u>40</u>
	<u>\$ 31</u>	<u>\$ 45</u>

4. Receivables from related parties

(1) Accounts receivable

<u>Related Party Category</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Investor with significant influence and their subsidiaries	\$ 24,954	\$ 14,788	\$ 20,913
Substantive related party	<u>-</u>	<u>-</u>	<u>13</u>
	<u>\$ 24,954</u>	<u>\$ 14,788</u>	<u>\$ 20,926</u>

(2) Other receivables

<u>Related Party Category</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Associate	\$ 1,924	\$ 2,359	\$ -
Substantive related party	34	35	46
Investor with significant influence	<u>-</u>	<u>3</u>	<u>8</u>
	<u>\$ 1,958</u>	<u>\$ 2,397</u>	<u>\$ 54</u>

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

5. Payables to related parties

(1) Accounts payable

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Related Party Category</u>			
Investor with significant influence and their subsidiaries	\$ 8,340	\$ 4,339	\$ 3,881
Substantive related party	<u>1,793</u>	<u>739</u>	<u>1,122</u>
	<u>\$ 10,133</u>	<u>\$ 5,078</u>	<u>\$ 5,003</u>

The outstanding payables to related parties are unsecured.

(III) Rent Expense

	<u>For the Three Months Ended March 31</u>	
	2024	2023
<u>Related Party Category</u>		
Investor with significant influence and their subsidiaries	<u>\$ 361</u>	<u>\$ 361</u>

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

(IV) Compensation of key management personnel

	<u>For the Three Months Ended March 31</u>	
	2024	2023
Short-term employee benefits	\$ 9,211	\$ 7,527
Retirement benefits	<u>135</u>	<u>122</u>
	<u>\$ 9,346</u>	<u>\$ 7,649</u>

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

XXXI. ASSETS PLEDGED AS COLLATERAL

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

	March 31, 2024	December 31, 2023	March 31, 2023
Other financial assets			
Deposit account	<u>\$ 45,102</u>	<u>\$ 43,352</u>	<u>\$ -</u>

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment			
Land	171,108	171,108	171,108
Buildings	<u>204,349</u>	<u>208,519</u>	<u>219,370</u>
	<u>375,457</u>	<u>379,627</u>	<u>390,478</u>
	<u>\$ 420,559</u>	<u>\$ 422,979</u>	<u>\$ 390,478</u>

XXXII. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

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

Unit: Foreign Currencies / NTD (In Thousands)			
	March 31, 2024	December 31, 2023	March 31, 2023
USD	\$ 2,346	\$ 2,959	\$ 1,372
NTD	-	-	551

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

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of equipment	<u>\$ 4,171</u>	<u>\$ 10,155</u>	<u>\$ 30,576</u>

- (III) As of December 31, 2023 and March 31, 2023, the performance bond issued by the bank to the Group importing goods are NT\$1,300 thousand and NT\$800 thousand respectively.

XXXIII. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

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

Unit: Foreign Currencies/ NTD/ Forex rate (In Thousands)					
	Foreign Currencies		Exchange Rate		Carrying Amount
<hr/>					
March 31, 2024					
Foreign currency assets					
Monetary items					
USD	\$	40,422	32.00	(USD:NTD)	\$ 1,293,495
USD		44,354	7.0950	(USD:RMB)	1,419,334
Foreign currency liabilities					
Monetary items					
USD		32,163	32.00	(USD:NTD)	1,029,217
USD		30,813	7.0950	(USD:RMB)	986,027
<hr/>					
December 31, 2023					
Foreign currency assets					
Monetary items					
USD		44,671	30.705	(USD:NTD)	1,371,622
USD		55,754	7.0827	(USD:RMB)	1,711,939
Foreign currency liabilities					
Monetary items					
USD		35,966	30.705	(USD:NTD)	1,104,327
USD		38,637	7.0827	(USD:RMB)	1,186,360
<hr/>					
March 31, 2023					
Foreign currency assets					
Monetary items					
USD		40,603	30.45	(USD:NTD)	1,236,366
USD		45,279	6.8717	(USD:RMB)	1,378,744
Foreign currency liabilities					
Monetary items					
USD		30,839	30.45	(USD:NTD)	939,047
USD		31,295	6.8717	(USD:RMB)	952,935

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange gains and losses were gain of NT\$21,654 thousand and loss of NT\$2,453 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

XXXIV. ADDITIONAL DISCLOSURES

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

1. Lending funds to others: Table 1
2. Endorsements/guarantees provided: Table 2
3. Marketable securities held: Table 3

4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
6. Disposal of individual real estate property at prices of at least NT\$300 million or 20% of the paid-in capital: Table 4
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6
9. Trading in derivative instruments: Note 7
10. Intercompany relationships and significant intercompany transactions: Table 7
11. Information on investees: Table 8

(II) 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 9
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	%
Sun Hong	<u>\$ 3,457</u>	<u>-</u>	<u>\$ 6,894</u>	<u>1</u>

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

	Sales of goods		Accounts receivable	
	Amount	%	Amount	%
SIP Chang Hong	\$ 192,465	23	\$ 443,220	32

	Sales of goods		Accounts receivable	
	Amount	%	Amount	%
Suzhou Alliance	\$ 47,795	6	\$ 82,744	6
Xiamen Guang				
Hong	24,928	3	44,370	3
Sun Hong	14,430	2	20,024	1
Ningbo				
Changhong	14,352	2	23,853	2
Qingdao				
Changhong	1,545	-	-	-
Ningbo Changli	485	-	744	-
	<u>\$ 296,000</u>	<u>36</u>	<u>\$ 614,955</u>	<u>44</u>

- (3) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2
 - (4) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1
 - (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
- (III) Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 10

XXXV. SEGMENT INFORMATION

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

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

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

Other operating segments were as follows:

- Wah Hong Holding Ltd. and Wah Hong Development Ltd. - International investment business
- Wah Ma Technology Sdn. Bhd. - Manufacturing and trading of BMC materials (Bulk Molding Compounds) and Molding products
- 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 Three Months Ended March 31, 2024						
Revenue from external customers	\$ 527,329	\$ 306,130	\$ 754,453	\$ 65,902	\$ -	\$ 1,653,814
Inter-segment revenue	320,119	12,340	142,339	(6)	(474,792)	-
Segment revenue	<u>\$ 847,448</u>	<u>\$ 318,470</u>	<u>\$ 896,792</u>	<u>\$ 65,896</u>	<u>(\$ 474,792)</u>	<u>\$ 1,653,814</u>
Segment income (loss)	<u>\$ 10,207</u>	<u>\$ 6,225</u>	<u>\$ 13,685</u>	<u>(\$ 3,027)</u>	<u>\$ 4,206</u>	\$ 31,296
Interest income						4,344
Other income						3,112
Other gains and losses						28,792
Finance costs						(17,928)
Share of profit and loss of affiliated enterprises recognized by equity method						(439)
Profit before income tax						49,177
Income tax expenses						(12,488)
Net profit						<u>\$ 36,689</u>
March 31, 2024						
Identifiable assets	<u>\$ 2,598,146</u>	<u>\$ 1,643,339</u>	<u>\$ 3,601,936</u>	<u>\$ 293,531</u>	<u>(\$ 887,751)</u>	\$ 7,249,201
Financial assets at FVTOCI						782,821
Investments accounted for using equity method						3,066
Total assets						<u>\$ 8,035,088</u>
For the Three Months Ended March 31, 2023						
Revenue from external customers	\$ 495,993	\$ 314,333	\$ 764,181	\$ 40,220	\$ -	\$ 1,614,727
Inter-segment revenue	331,920	15,221	153,686	-	(500,827)	-
Segment revenue	<u>\$ 827,913</u>	<u>\$ 329,554</u>	<u>\$ 917,867</u>	<u>\$ 40,220</u>	<u>(\$ 500,827)</u>	<u>\$ 1,614,727</u>
Segment income (loss)	<u>(\$ 2,407)</u>	<u>(\$ 19,355)</u>	<u>\$ 9,905</u>	<u>(\$ 7,647)</u>	<u>\$ 8,254</u>	(\$ 11,250)
Interest income						5,557
Other income						3,109
Other gains and losses						18,204
Finance costs						(15,505)
Share of profit and loss of affiliated enterprises recognized by equity method						1,234

	Taiwan	South China	Eastern China	Others	Adjustment and Elimination	Total
Profit before income tax						1,349
Income tax expenses						<u>3,014</u>
Net profit						<u>\$ 4,363</u>
 March 31, 2023						
Identifiable assets	<u>\$ 2,526,429</u>	<u>\$ 1,696,201</u>	<u>\$ 3,746,542</u>	<u>\$ 274,044</u>	<u>(\$ 920,875)</u>	\$ 7,322,341
Financial assets at FVTOCI						609,409
Investments accounted for using equity method						<u>11,681</u>
Total assets						<u>\$ 7,943,431</u>

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

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
LENDING FUNDS TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Table 1

(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-Term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)	Remark
													Item	Value			
1	Ningbo Changhong Optoelectronics Ltd.	Ningbo Changli New Material Limited	Other receivables - related parties	Yes	\$ 6,765	\$ 6,765	\$ 6,765	3.50	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 116,163	\$ 309,768	Note 4

Note 1: Loan and limit of funds for individual objects: For Ningbo Changhong, if the single guarantee object is a subsidiary that the Company directly or indirectly holds 100% of the voting shares, the limit shall not exceed 30% of the Company's net value.

Note 2: Loan and total limit: For Ningbo Changhong, it shall not exceed 80% of the company's net value.

Note 3: USD is converted by spot exchange US\$1 = NT\$32; RMB is converted by USD spot exchange with US\$1 = RMB7.095.

Note 4: It was eliminated on consolidation.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
ENDORSEMENTS/ GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Table 2

(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Benefit of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Year	Outstanding Endorsement/ Guarantee at the End of the Period	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Remark
		Name	Relationship											
0	The Company	Sun Hong Optronics Ltd.	Subsidiary of the Company	\$ 1,283,545	\$ 544,000	\$ 544,000	\$ 250,540	\$ -	12.71	\$ 2,994,940	Y	N	Y	
0	The Company	Wah Ma Technology Sdn.Bhd.	Subsidiary of the Company	1,283,545	5,847	5,847	974	-	0.14	2,994,940	Y	N	N	
0	The Company	Xiamen Guang Hong Optronics Ltd.	Subsidiary of the Company	1,283,545	160,000	160,000	-	-	3.74	2,994,940	Y	N	Y	
0	The Company	Wah Hong Holding Limited	Subsidiary of the Company	1,283,545	96,000	96,000	-	-	2.24	2,994,940	Y	N	N	
0	The Company	SuZhou Alliance Material.Co.Ltd.	Subsidiary of the Company	855,697	32,000	32,000	-	-	0.75	2,994,940	Y	N	Y	
0	The Company	SIP Chang Jun Trading Limited	Subsidiary of the Company	1,283,545	119,069	119,069	119,069	-	2.78	2,994,940	Y	N	Y	
0	The Company	PT. Wah Hong Indonesia	Subsidiary of the Company	1,283,545	69,476	35,200	-	-	0.82	2,994,940	Y	N	N	

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

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\$32; RMB is converted by USD spot exchange US\$1 = RMB7.095; MYR is converted by spot exchange MYR\$1 = NT\$6.496; IDR is converted by spot exchange IDR\$1 = NT\$0.00203.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
MARCH 31, 2024

Table 3

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Remark
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	Imat Corporation	-	Financial assets at FVTOCI - non-current	1,900,000	\$ -	8.26	\$ -	
	Forming Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,000,000	-	11.68	-	
	Wah Lee Japan Corporation	Subsidiary of Investor with significant influence	Financial assets at FVTOCI - non-current	300	832	16.67	832	
	Jun Hong Optronics Corporation	-	Financial assets at FVTOCI - non-current	19,800,000	54,930	14.48	54,930	
	Wah Lee Industrial Corp.	Investor with significant influence	Financial assets at FVTOCI - non-current	6,312,559	713,319	2.67	713,319	
					<u>\$769,081</u>		<u>\$769,081</u>	
	Chang Wah Electromaterials Inc.	Associate of investor with significant influence	Financial assets at FVTPL - current	2,275,000	<u>\$ 91,228</u>	0.33	<u>\$ 91,228</u>	
Wah Hong Holding Ltd.	Stock							
	SiLican Inc	-	Financial assets at FVTOCI - non-current	250,000	<u>\$ 13,740</u>	7.20	<u>\$ 13,740</u>	

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
DISPOSAL OF INDIVIDUAL REAL ESTATE PROPERTY AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Table 4

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

Disposing Company Name	Name of property	Occurrence date	Acquisition date	Carrying amount	Amount	Price collection situation	Gaines (loss) on disposal	Counterparty	Relationship	Purpose of disposal	Reference basis for price determination	Other agreed matters
The Company	Land and buildings	March 13, 2024 (Note)	September 30, 2008	\$ 44,294	RMB\$ 47,447	Note	Note	Ningbo Songli Stationery & Gifts Manufacture CO.,Ltd	None	Enrich the working capital	Appraisal report	-

Note: The disposal had been approved by the Board of Directors in March, 2024, subsequently, a sales contract was signed in April, 2024, and the carrying amount includes accessory equipment. As of the reporting date, the disposal procedure has not been completed yet.

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 THREE MONTHS ENDED MARCH 31, 2024

Table 5 (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			Ending Balance	% of Total	
							Unit Price	Payment Terms			
The Company	SIP Chang Hong Optoelectronics Ltd.	Subsidiaries	Sales of goods	(\$ 192,465)	23	150 days after monthly closing	No comparable transactions with third party	Normal trade terms	\$ 443,220	32	Note
Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	The same parent company	Sales of goods	(104,757)	59	150 days after monthly closing	No comparable transactions with third party	Normal trade terms	103,002	49	Note

Note: It was eliminated on consolidation.

Table 6

[illegible]

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WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Table 7

(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	\$ 192,465	No comparable transactions with third party	11.64
0	The Company	SIP Chang Hong Optoelectronics Ltd.	Parent company to subsidiary	Accounts receivable	443,220	150 days after monthly closing	5.52
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Sales	14,430	No comparable transactions with third party	0.87
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Accounts receivable	20,024	150 days after monthly closing	0.25
0	The Company	Sun Hong Optronics Ltd.	Parent company to subsidiary	Other receivables	2,407	Subject to the contract	0.03
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Sales	14,352	No comparable transactions with third party	0.87
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Accounts receivable	23,853	150 days after monthly closing	0.30
0	The Company	Ningbo Changhong Optoelectronics Ltd.	Parent company to subsidiary	Other receivables	1,134	Subject to the contract	0.01
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Sales	24,928	No comparable transactions with third party	1.51
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Accounts receivable	44,370	150 days after monthly closing	0.55
0	The Company	Xiamen Guang Hong Optronics Ltd.	Parent company to subsidiary	Other receivables	1,099	Subject to the contract	0.01
0	The Company	Qingdao Changhong Optoelectronics Ltd.	Parent company to subsidiary	Sales	1,545	No comparable transactions with third party	0.09
0	The Company	Qingdao Changhong Optoelectronics Ltd.	Parent company to subsidiary	Other receivables	1,359	Subject to the contract	0.02
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Sales	47,795	No comparable transactions with third party	2.89
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Accounts receivable	82,744	150 days after monthly closing	1.03
0	The Company	SuZhou Alliance Material.Co.Ltd.	Parent company to subsidiary	Other receivables	1,641	Subject to the contract	0.02
0	The Company	SIP Chang Jun Trading Limited	Parent company to subsidiary	Other receivables	4,096	Subject to the contract	0.05
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Sales	24,118	No comparable transactions with third party	1.46
0	The Company	PT. Wah Hong Indonesia	Parent company to subsidiary	Accounts receivable	45,947	150 days after monthly closing	0.57
1	SIP Chang Hong Optoelectronics Ltd.	The Company	Subsidiary to parent company	Other receivables	3,279	Subject to the contract	0.04
1	SIP Chang Hong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Sales	2,182	No comparable transactions with third party	0.13
1	SIP Chang Hong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	5,301	150 days after monthly closing	0.07
1	SIP Chang Hong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Sales	10,783	No comparable transactions with third party	0.65
1	SIP Chang Hong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Accounts receivable	9,059	150 days after monthly closing	0.11

(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%
2	Sun Hong Optronics Ltd.	The Company	Subsidiary to parent company	Sales	\$ 3,457	No comparable transactions with third party	0.21
2	Sun Hong Optronics Ltd.	The Company	Subsidiary to parent company	Accounts receivable	6,894	150 days after monthly closing	0.09
2	Sun Hong Optronics Ltd.	SIP Chang Hong Optoelectronics Ltd.	Between subsidiaries	Sales	8,884	No comparable transactions with third party	0.54
2	Sun Hong Optronics Ltd.	SIP Chang Hong Optoelectronics Ltd.	Between subsidiaries	Accounts receivable	17,050	150 days after monthly closing	0.21
3	Qingdao Changhong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Sales	1,956	No comparable transactions with third party	0.12
3	Qingdao Changhong Optoelectronics Ltd.	Sun Hong Optronics Ltd.	Between subsidiaries	Accounts receivable	4,652	150 days after monthly closing	0.06
3	Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Sales	104,757	No comparable transactions with third party	6.33
3	Qingdao Changhong Optoelectronics Ltd.	Smart Succeed Ltd.	Between subsidiaries	Accounts receivable	103,002	150 days after monthly closing	1.28
4	Xiamen Guang Hong Optronics Ltd.	The Company	Subsidiary to parent company	Other receivables	2,334	Subject to the contract	0.03
5	Ningbo Changhong Optoelectronics Ltd.	Granite International Ltd.	Between subsidiaries	Sales	22,176	No comparable transactions with third party	1.34
5	Ningbo Changhong Optoelectronics Ltd.	Granite International Ltd.	Between subsidiaries	Accounts receivable	38,424	150 days after monthly closing	0.48
5	Ningbo Changhong Optoelectronics Ltd.	Ningbo Changli New Material Limited	Between subsidiaries	Other receivables	6,765	Subject to the contract	0.08
12	Ningbo Changli New Material Limited	Granite International Ltd.	Between subsidiaries	Accounts receivable	1,258	150 days after monthly closing	0.02

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Table 8

(In Thousands of New Taiwan Dollars)

Investor	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 3)	Remark
				March 31, 2024	December 31, 2023	Shares	%	Carrying Amount			
The Company	Wah Hong Holding Ltd.	Mauritius	International investment business	\$ 969,225	\$ 969,225	30,624,940	100.00	\$ 3,412,914	\$ 23,235	\$ 23,235	Note 4
The Company	Toprising Precision Tech. Co., Ltd.	New Taipei City	Production and trading business of components	7,200	7,200	720,000	27.48	-	56	-	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	59,102	(6,077)	(6,016)	Note 4
The Company	Wah Sheng Industrial Corp.	Taoyuan City	Production and trading business of components	10,000	10,000	1,000,000	33.33	3,066	(1,296)	(439)	Note 1
Wah Hong Holding Ltd.	Wah Hong Technology Ltd.	Mauritius	International investment business	433,005	433,005	13,968,025	100.00	1,937,622	12,057	12,057	Note 4
Wah Hong Holding Ltd.	Wah Hong International Ltd.	Mauritius	International investment business	658,444	658,444	20,648,000	100.00	1,065,582	5,367	5,367	Note 4
Wah Hong Holding Ltd.	Wah Hong Development Ltd.	Mauritius	International investment business	15,095	15,095	500,000	100.00	-	-	-	Note 4
Wah Hong Holding Ltd.	Wah Ma Technology Sdn. Bhd.	Malaysia	Production and trading business of BMC (bulk molding compound) material and molded product	96,869	96,869	6,500,000	100.00	148,641	3,198	3,198	Note 4
Wah Hong Holding Ltd.	Granite International Ltd.	Samoa	International trading business	30,018	30,018	960,000	100.00	1,217	52	52	Note 4
Wah Hong Holding Ltd.	Smart Succeed Ltd.	Samoa	International trading business	-	-	-	100.00	(1,196)	213	213	Note 4
Wah Hong Holding Ltd.	PT Wah Hong Indonesia	Indonesia	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	2,455	2,455	80,000	1.00	608	(6,077)	(61)	Note 4
Wah Hong Holding Ltd.	Allied Royal LLC.	Anguilla	International investment business	49,200	49,200	2,715,000	67.50	245,663	3,197	2,158	Note 4
Allied Royal LLC.	Best Honor Inc.	Anguilla	Production and trading business of LCD material, BMC (bulk molding compound) material and molded product	-	-	-	100.00	-	-	-	Note 4
SIP Chang Hong Optoelectronics Ltd.	Chang Hong (HK) Optronics Limited	Hong Kong	Sale of BMC materials and finished products, diffusion films, reflectors and other LCD materials	3,217	3,217	-	100.00	1,331	2	2	Note 4

Note 1: Associate accounted for using the equity method.

Note 2: The share of profit (loss) recognized for the three months ended March 31, 2024 included adjustment of unrealized sales between intra-group companies according to the buyer's tax rate.

Note 3: Please refer to Table 9 for information on investments in mainland China.

Note 4: It was eliminated on consolidation.

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Table 9

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	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	\$ 648,000	Reinvestment in Mainland China through companies registered in a third region.	\$ 257,482	\$ -	\$ -	\$ 257,482	\$ 3,096	100.00	\$ 3,096	\$ 1,133,605	\$ 644,286	
Ningbo Changhong Optoelectronics Ltd. (“Ningbo Changhong”)	Production and trading of panel display compound and LCD optical film etc.	192,640	Reinvestment in Mainland China through companies registered in a third region.	95,820	-	-	95,820	(3,099)	100.00	(3,099)	387,211	288,636	
Qingdao Changhong Optoelectronics Ltd. (“Qingdao Changhong”)	Production and trading of panel display compound and LCD optical film etc.	64,000	Reinvestment in Mainland China through companies registered in a third region.	44,990	-	-	44,990	6,941	100.00	6,941	365,698	-	
SIP Chang Jun Trading Limited (“SIP Chang Jun”)	Sale of BMC materials and finished products, diffusion films, reflectors and other LCD products	4,510	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	5,119	100.00	5,119	51,047	-	Note 1
SuZhou Alliance Material.Co.Ltd. (“Suzhou Alliance”)	Production and trading business of LCD materials	129,600	Reinvestment in Mainland China through companies registered in a third region.	-	-	-	-	3,197	67.50	2,158	245,660	117,421	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	438,400	Reinvestment in Mainland China through companies registered in a third region.	238,092	-	-	238,092	6,563	100.00	6,563	843,509	488,880	
Xiamen Guang Hong Optronics Ltd. (“Xiamen Guang Hong”)	Production and processing of optical film products for LCD displays, assembly and design for LCD modules	272,000	Reinvestment in Mainland China through companies registered in a third region.	227,204	-	-	227,204	(1,196)	100.00	(1,196)	222,043	-	

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Remark
					Outward	Inward							
Guangzhou Youguang Optoelectronics Co., Ltd. (“Guangzhou Youguang”)	Production of light box, LED Opto-electronic compound and lighting products	\$ 127,810	Reinvestment in Mainland China through companies registered in a third region.	\$ 15,095	-	-	15,095	-	12.82	-	-	-	
Ningbo Changli New Material Limited (“Ningbo Changli”)	Trading business of LCD material and BMC material	6,765	Reinvestment in mainland companies through existing companies in the third party regions	-	-	-	-	(1)	100.00	(1)	19,569	-	

Investor	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	Investment Amount Authorized by Investment Commission, MOEA (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)
Wah Hong Industrial Corp.	\$ 878,683	\$ 1,681,996	\$ 2,567,091

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 Royl LLC.

Note 3: The difference between the investment amount of NT\$1,681,996 thousand approved by the Investment Committee of the Ministry of Economic Affairs and the accumulated investment amount of NT\$878,683 thousand remitted from Taiwan is NT\$803,313 thousand, which is due to the capital increase of NT\$553,139 thousand from the sub-subsidiary surplus in mainland China and the reinvestment of NT\$250,174 thousand from Wah Hong Holding Ltd.

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

Table 10

Note: The table discloses stockholding information of stockholders whose ownership percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of common stocks and special stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter. The stocks reported in the financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.