

Stock Code: 3010



WAH LEE INDUSTRIAL CORP.

2025 Annual Report

Published on March 31, 2026

Taiwan Stock Exchange website: <https://www.twse.com.tw>

Market Observation Post System website: <https://mops.twse.com.tw>

the Company website: <https://www.wahlee.com>

1. Name, title, contact number, and email address of the Company's spokesperson and acting spokesperson:

Spokesperson:

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Title: Executive Assistant to the Chairman

Tel: (02)2715-2087

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3. Contact Information of Stock Affairs Agency:

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4. Name, firm name, address, website, and telephone number of the CPA who audited the most recent year:

CPAs: Wu, Chiu-Yen, Hsu, Jui-Hsuan

Accounting Firm: Deloitte & Touche

Address: 3F, No.88, Chenggong 2nd Rd. Kaohsiung City

Tel: (07)530-1888

Website: <https://www.deloitte.com.tw>

5. Name of the exchange where overseas securities are listed and the method for inquiring about information on such overseas securities: N/A.

6. Company website: <https://www.wahlee.com>

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I. Letter to Shareholders

Wah Lee 2025: Soaring Against the Wind, Pioneering a New Era of AI Leadership

Dear Shareholders:

In 2025, the global economic and trade landscape faced its first headwinds amid the transformation brought by the United States' reciprocal tariff policy. Facing the impact of the macroeconomic environment, the Company demonstrated the resilience of a leading electronic materials distributor, leveraging the powerful momentum of AI and major technology trends, precisely capturing Taiwan's niche position as the global core of computing power, and successfully turning challenges into opportunities.

Operating Performance: Steady Progress in Both Quality and Quantity

- **Outstanding Revenue Performance:** Leveraging its deep expertise in AI servers, high-end wafer foundry, and advanced packaging materials, the Company achieved a solid total consolidated revenue of **NT\$78.2 billion** in 2025. Supported by strong demand for related material sales, the company has firmly established its footing in a volatile market.
- **Quality Growth in Core Business Profit:** The Company continues to optimize its product portfolio, and our penetration rate in the high-end, high-margin materials market has increased significantly. This strategic transformation has yielded significant results, driving remarkable **double-digit growth** in core business profits, with performance that has drawn wide recognition across the industry.
- **AI Strategic Investment:** We are proactively positioning ourselves for the future by making **strategic** investments in AI-related industries, and building a more competitive industrial ecosystem through the integration of upstream and downstream resources.

Even under the impact of tariff policies, the Company still achieved a qualitative leap, driven by the strong momentum of AI high-end materials. We are not just responding to change, but accumulating strength for the next wave of explosive growth amidst the change.

The following is a summary report on the 2025 operating results, the 2026 business plan overview, future company development, and the impacts of external competition, regulatory environment, and overall economic environment:

1. Annual Business Report for 2025

(1) Business Plan Implementation Results

Unit: NT\$ Thousands

Item	2025	2024	Difference	
			Amount	%
Net Sales Revenue	78,189,260	80,030,914	(1,841,654)	(2.3%)
Cost of Revenue	71,874,551	74,072,856	(2,198,305)	(3%)
Gross Profit	6,314,709	5,958,058	356,651	6%
Operating Expenses	3,198,497	3,291,834	(93,337)	(2.8%)
Operating Net Income	3,116,212	2,666,224	449,988	16.9%
Non-operating Income and Expenses	335,352	607,846	(272,494)	(44.8%)
Net income before tax	3,451,564	3,274,070	177,494	5.4%
Income Tax Expense	850,799	734,219	116,580	15.9%
Net profit for the year	2,600,765	2,539,851	60,914	2.4%

Looking back over the past year, the global trade and economic landscape has undergone dramatic changes, with tariffs, regional economic slowdowns, and supply-demand imbalances in industrial chains being the most prominent issues. Facing the challenges of price competition and credit risk brought by the external environment, the Company does not blindly pursue scale expansion, but decisively adopts a strategic transformation of **"value-oriented"**.

Through actively optimizing the customer structure and a rigorous risk early-warning mechanism, we precisely adjusted the revenue allocation, concentrating resources on core businesses with high added value. This strategic transformation has already shown initial results: while effectively reducing collection risks and ensuring operational stability, core business profits have achieved strong double-digit growth. This not only demonstrates the company's resilience and flexibility in adapting to changing circumstances, but also proves that we have built a more resilient and profitable business model, continuously creating long-term, stable value returns for Shareholders.

(2) Budget Implementation Status: The Company did not announce financial forecasts for 2025.

(3) Profitability Analysis:

Analysis Items		Year	Financial Data for the Most Recent Five Years				
		2021	2022	2023	2024	2025	
Profitability	Return on Assets (%)	7.7	6.3	5.4	5.6	5.2	
	Return on Equity (%)	19.1	15.0	11.9	11.3	10.3	
	Pre-tax Net Income to Paid-in Capital Ratio (%)	170.2	149.8	130.3	126.2	133	
	Earning Ratio (%)	4.4	3.7	3.5	3.2	3.3	
	Earnings Per Share (NT\$)	12.05	10.53	8.96	8.89	8.84	

(4) Financial Revenue and Expenditure

For the Company sales revenue in 2025 was NT\$78,189,260 thousand, gross profit was NT\$6,314,709 thousand, operating expenses were NT\$3,198,497 thousand, net operating income was NT\$3,116,212 thousand, non-operating income and expenses were NT\$335,352 thousand, net income before tax was NT\$3,451,564 thousand, and net income after tax was NT\$2,600,765 thousand.

(5) Research and Development Status

1. Research and Development Expenditures for 2025

As the Company is a sales channel distributor, the main research and development activities occur at the supplier's end, and the Company does not recognize research and development expenditures in accordance with accounting principles.

2. Future Product Development Direction

Technology evolves rapidly, and the Company has always upheld the core philosophy of "Advanced Materials, Leading Technology" continuously exploring and developing next-generation key technologies. We focus not only on existing market demands, but also actively explore potential opportunities that have yet to be fulfilled. In the future, the Company will focus on high-potential fields such as AI servers and high-performance computing, 5G/6G communications, advanced semiconductors, high-end carrier boards,

high-end displays, new energy vehicles, low-orbit satellite communications, intelligent industrial automation production lines, green energy circular economy, and biotechnology and healthcare, continuously driving the development of innovative materials and equipment. Our goal is not only to meet customer needs, but to become a key partner in driving technological breakthroughs. We have started producing high-purity Neon and Helium gases, and have expanded investments in some gas companies to bring in products with high market share in standard gases, while further increasing the development of related technical personnel. The high-threshold southern logistics center is also nearing completion.

Meanwhile, the Company's technical team maintains close collaboration with suppliers, actively developing products with high technological barriers that are difficult to replace, establishing stronger competitive barriers in the industry, and ensuring a leading position in the global market.

2. Summary of Business Plan for 2026

(1) Subject to the impact of external competition, regulatory environment, and macroeconomic environment

1. External Competitive Environment

Under the trend of global supply chain restructuring, market competition is becoming increasingly fierce. However, with our unique market positioning and diversified product portfolio, the Company is able to flexibly respond to competitors' challenges. Currently, while the Company has no direct competitors in the overall market, it still faces fierce competition in individual industry sectors. In order to further widen the gap, the Company is continuously developing in the direction of high technical barriers, differentiated services, and global market expansion.

In terms of technology research and development, we continuously invest resources and collaborate with suppliers to focus on developing high-end products that are difficult to replace, raising market entry barriers through technological leadership advantages. In terms of market expansion, the Company continuously explores new suppliers and product domains, while actively expanding into Southeast Asia, India, the Americas, and European markets to build world-class supply chain competitiveness. In addition, the company has further strengthened its value-added services by providing customers with products and services of greater added value through integrated solutions and intelligent manufacturing. The Company is not only a participant in the market, but will also continue to lead industry development and maintain a solid advantage in the global competitive landscape.

2. Regulatory Environment

The current international regulatory environment is rapidly changing, from RE100 carbon reduction commitments, refrigerant and plastic regulations, global energy-saving and carbon reduction requirements, to changes in trade policies across various countries, the challenges of business operations are increasingly growing. However, the Company has long foreseen this trend and has actively positioned itself to respond, ensuring that the company can continue to move forward on the path of sustainable development. At the same time, we are promoting a supply chain localization strategy,

with a complete layout in the Chinese market, and expanding to Southeast Asia, India, Japan, the Americas, and Europe, to ensure that we maintain a competitive advantage amid the trend of trade bloc fragmentation. Furthermore, in response to regulatory changes in different markets, the Company flexibly adjusts its supply chain and product portfolio to ensure ongoing compliance and competitiveness.

In recent years, with the rise of environmental awareness, world-class plastic manufacturers have begun supplying Post Consumer Recycle (PCR) plastics. The Company has already obtained supply rights from multiple PCR suppliers. The trend of growing demand will continue to accelerate expansion, contributing further efforts toward a sustainable environment for our planet. In 2025, the Company sold a total of 609 metric tons of PCR plastics, contributing approximately NT\$62.9 million in revenue, representing an 88.5% growth compared to the previous year.

3. Macroeconomic Environment

According to the International Monetary Fund (IMF) forecast, the global economic growth rate will reach 3.3% in 2026. Among them, the markets that the Company focuses on are the highlights of global economic growth. The China market GDP is expected to grow by 4.5%, with technology and manufacturing sectors maintaining strong momentum; the Southeast Asian (ASEAN) market overall GDP growth rate stands at 4.0%, with regional supply chain advantages continuing to expand; the India market is projected to grow by 6.4%, becoming one of the most promising emerging markets globally. In addition, the steady economic growth in major markets such as the United States, Japan, and Europe has brought stable industrial demand. Facing these growth opportunities, the Company will fully leverage its own strengths, actively expand its market share, and capture more growth momentum amid the wave of global economic development.

(2) Expected Sales Volume and Key Production and Sales Policies

1. Expected Sales Quantity

The Company has not announced any financial forecasts, and the product units of each business unit are different, so expected sales volumes cannot be provided. Although there is no estimate of the Company's sales volume, several growth directions for major industry segments can be provided: The global AI server shipments from 2022 to 2026 are expected to grow at an average rate of 45%. The semiconductor industry and the PCB (printed circuit board) industry will also demonstrate high double-digit growth momentum, driven by demand for AI high-end computing centers, high-end communication equipment, and low-orbit satellite communication orbital-end and ground-end equipment. In terms of regional breakdown, Southeast Asian regions such as Vietnam's semiconductor industry, Thailand's PCB printed circuit board industry, and Malaysia's IC packaging and testing industry will all be the driving forces behind significant growth in the coming year.

2. Important Production and Sales Policies

The Company's suppliers focus on R&D and production. The Company maintains regular production and sales coordination meetings with suppliers to develop individual industries, and hopes to achieve breakthrough application market segmentation to expand the shared sales opportunities between the Company and its suppliers.

3. Specific business policies and development strategies

The specific business growth and development strategies for 2026 are formulated as follows:

- (1) **Agile Response to Industry Trends:** Establish a dedicated market monitoring system, focusing on AI, sustainable development, and digital transformation dynamics. Accelerating time-to-market through an agile development model in collaboration with suppliers, while flexibly adjusting resource allocation via quarterly strategic reviews to ensure business direction remains precisely aligned with global technology trends.
- (2) **Deepening Geopolitical Resilience:** Actively developing diverse supply sources to reduce geopolitical risks. Drive key suppliers to establish off-site backup production bases (such as ASEAN or Taiwan), and through flexible long-term supply contracts, ensure stable material flow can be maintained even in the event of force majeure or market fluctuations.
- (3) **Integrating Global National Competitive Advantages:** Adopting an "advantage-oriented" international trade strategy, precisely identifying the most competitive technology sectors and specialty areas of each country, and importing their core technologies, materials, or equipment for export to target markets. By acting as the optimal allocator of global technology resources, integrating the technical strengths of various countries with the Company's supply chain, and transforming them into international trade solutions with premium advantages.
- (4) **Building a complete supply and demand system:** Co-developing core materials and technologies with suppliers to gain control of key competitive advantages. Strengthen vertical integration with upstream partners through strategic alliances or investments, and introduce a real-time supply chain risk management system to enhance overall operational resilience and control.
- (5) **Precisely driving capital deployment:** Utilizing corporate venture capital and strategic mergers & acquisitions (such as the Jinde Gas model) to rapidly enter emerging industries and acquire key technologies or exclusive sales rights. At the same time, establish clear return on investment and exit mechanisms to ensure that capital is deployed in alignment with long-term strategic objectives, maximizing both financial and strategic benefits.

Marching Toward the Future, Creating a Brilliant Future Together

Looking ahead to 2026, we remain steadfast in our commitment to forging ahead and reaching new heights in revenue growth. Adhering to the core spirit of "Advanced Materials, Leading Technology" we accelerate the deepening of technological research and development, vigorously expand our global market presence, and create broader and more brilliant future value for shareholders!

Chairman: Chang, Tsuen-Hsien Manager: Chang, Tsuen-Hsien Accounting Supervisor: Lee, Kuo-Ping

II. Corporate Governance Report

1. Information on Board of Directors, President, Vice Presidents, Directors, and heads of Departments and branches:

(1) Board of Directors Information

Board of Directors Information (1)

March 31, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election	Term of Office	Date of Initial Election	Shares Held at Time of Election		Current Shares Held		Shares Currently Held by Spouse and Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current Positions Held at the Company and Other Companies	Other Managers, Directors, or Supervisors with Spousal or Second-Degree Kinship Relationships			Note
							Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
								R.O.C	Kang Tai Investment Co., Ltd.	—	2023.05.30	Three years	2005.06.07	19,868,338			8.42%	20,011,338	7.71%	
Chairman	R.O.C	Kang Tai Investment Co., Ltd. Representative: Chang, Tsuen-Hsien	Male 51-60	2023.05.30	Three years	2017.05.26	1,011,200	0.43%	1,350,200	0.52%	0	0.00%	0	0.00%	University of Southern California, USA Department of Electrical Engineering Department of Biomedical Engineering	CEO and President, Wah Lee Industrial Corp. Chairman and Chief Strategy Officer, Wah Hong Industrial Corp. Chairman, Raycong Industrial (Hong Kong) Limited Chairman, Dong Guan Hua Gang International Trading Co., Ltd. Chairman, Shanghai Yi Kang Chemicals & Industries Co., Ltd. Chairman, Wah Lee Tech (Singapore) Pte. Ltd. Chairman, Wah Tech Industrial Co., Ltd. Chairman, Wah Lee Holding Limited (BVI) Chairman, Advance Hightech Solutions Inc. Chairman, Nagase Wahlee Plastics Corp. Chairman, Wah Hong Holding Ltd. Chairman, Wah Hong Technology Ltd. Chairman, Wah Hong International Ltd. Chairman, SHC Holding Limited (Mauritius) Chairman, Ting Bao Co. Ltd. Director, Phoenix II Innovation Venture Capital Co., Ltd. Director, Shanghai Hua Chang Trading Co., Ltd. Director, ORC Technology Corp. Director, Huaying Supply Chain Management (Shenzhen) Co., Ltd. Director, ORC Electrical Machinery Corp. (ORC Corp.) Director, Regent King International Limited	Director	Huang, Lu-Hwei	Spouse	Note
	R.O.C	Kang Tai Investment Co., Ltd.	—	2023.05.30	Three years	2005.06.07	19,868,338	8.42%	20,011,338	7.71%	0	0.00%	0	0.00%	None	None	None	None	None	None
Director	R.O.C	Kang Tai Investment Co., Ltd. Representative: Huang, Lu-Hwei	Female 50-60	2024.08.06	Two years	2024.08.06	0	0.00%	0	0.00%	1,350,200	0.52%	0	0.00%	MBA, University of California, Los Angeles (UCLA) PricewaterhouseCoopers Senior Consultant Executive Assistant to Chairman, Wah Lee Industrial Corp.	Director, Wah Hong Industrial Corp. Director, CWE Inc. Director, Shanghai Hua Chang Trading Co., Ltd. Supervisor, Shanghai Yi Kang Chemicals & Industries Co., Ltd.	Chairman	Chang, Tsuen-Hsien	Spouse	Note
Director	R.O.C	Lin, Yu-Chin	Male 61-70	2023.05.30	Three years	2023.05.30	2,118,625	0.90%	2,118,625	0.82%	22,964	0.01%	0	0.00%	New Jersey Institute of Technology Master of Science / Environmental Science	Chairman and President, TOA Resin Corporation Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election	Term of Office	Date of Initial Election	Shares Held at Time of Election		Current Shares Held		Shares Currently Held by Spouse and Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current Positions Held at the Company and Other Companies	Other Managers, Directors, or Supervisors with Spousal or Second-Degree Kinship Relationships			Note
							Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
														President, TOA Resin Corporation Ltd.						
Director	R.O.C	Yeh, Ching-Pin	Male 71-80	2023.05.30	Three years	1990.09.07	3,423,388	1.45%	3,423,388	1.32%	921,397	0.36%	0	0.00%	EMBA, Sun Yat-sen University Wah Hong Industrial Corp. President	Director, Wah Hong Industrial Corp. Director, Jin Tai Shun Co., Ltd.	None	None	None	None
Independent Director	R.O.C	Wang, Yea-Kang	Male 71-80	2023.05.30	Three years	2008.06.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Laws, Graduate Institute of Urban Planning, National Chung Hsing University Director-General, Department of Commerce, Ministry of Economic Affairs Director-General, Bureau of Industrial Development, Ministry of Economic Affairs Director-General, Small and Medium Enterprise Administration, Ministry of Economic Affairs Secretary-General, Chinese National Federation of Industries Chairman, Taiwan Textile Research Institute	Review Expert, Executive Yuan Public Works Committee Consultant, Taiwan Textile Research Institute Director, Singtex Industrial Co., Ltd. Independent Director, Wisser Industrial Co., Ltd. Independent Director, Feng Hsin Steel Co., Ltd.	None	None	None	None
Independent Director	R.O.C	Shyu, So-De	Male 61-70	2023.05.30	Three years	2017.05.26	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Finance, University of Alabama, USA Professor, Department of Finance, National Sun Yat-sen University Professor and President, Takming University of Science and Technology	Independent Director, Jia Wei Lifestyle, Inc. Independent Director, Soft-World International Corporation Independent Director, Myson Century Inc.	None	None	None	None
Independent Director	R.O.C	Guu, Yuan-Kuang	Male 61-70	2023.05.30	Three years	2023.05.30	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D., Food Engineering, Cornell University President and Professor, National Pingtung University of Science and Technology President, National Pingtung University	President, I-Shou University	None	None	None	None
Independent Director	R.O.C	Chang, Chi-Nan	Male 51-60	2023.05.30	Three years	2023.05.30	102,030	0.04%	102,030	0.04%	0	0.00%	0	0.00%	Executive Master of Business Administration, National Yang Ming Chiao Tung University Master of Environmental Engineering Management, School of Engineering Management, West Coast University in California Ph.D., Institute of Oral Science, Sun Yat-sen University of Medical	Chairman and President, S-Zion Technology Corp. Chairman and President, Gshine Welltech Corp. Chairman and President, Green Plastic Tech. Corp. Chairman and President, Jili Investment Corp. Chairman and President, LanDes Medical Equipment Co., Ltd. Chairman and President, Yuanyi Investment Co., Ltd. Chairman and President, Jinxiang Investment Co., Ltd. Director, Xinmei International Investment Co., Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election	Term of Office	Date of Initial Election	Shares Held at Time of Election		Current Shares Held		Shares Currently Held by Spouse and Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current Positions Held at the Company and Other Companies	Other Managers, Directors, or Supervisors with Spousal or Second-Degree Kinship Relationships			Note
							Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
														Sciences Chairman and President, Gshine Welltech Corp.	Supervisor, Zhaoming Investment Co., Ltd. Chairman, Tainan Liuying Technology Environmental Protection Park Manufacturers Association Standing Director, Taichung City Waste Removal and Treatment Business Association Director, Yunlin County Waste Removal and Treatment Business Association Director, Taipei City Medical Waste Removal Equipment Utilization Cooperative					

Note: If the Chairman and the President or equivalent position (highest-level Management) of the Company are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and corresponding measures shall be explained:

Although the Chairman and CEO of the Company are the same person, the division of responsibilities and operational decision-making authority is still governed by the internal control "Authorization and Approval Authority Regulations." Matters exceeding the authorized scope must be approved by the Board of Directors. The Chairman also maintains close and sufficient communication with all Directors regarding the Company's operations on a regular basis. To implement corporate governance, the "Board of Directors and Functional Committee Performance Evaluation Measures" have been established to enhance the operational effectiveness of the Board of Directors and Functional Committees.

The Company currently has the following specific measures in place:

1. The current 4 Independent Directors have specialized expertise in the fields of finance, law, and industrial development, enabling them to effectively fulfill their supervisory functions, and they account for 44% of the total board seats.
2. Continuing education courses offered by the Securities and Futures Institute and other external organizations are provided and arranged for all Directors to attend, in order to enhance the operational effectiveness of the Board of Directors each year.
3. Independent Directors can fully discuss and make recommendations for the Board of Directors' reference in each Functional Committee, in order to implement corporate governance.
4. More than half of the Board of Directors members do not concurrently serve as employees or Management.

Major Shareholders of Corporate Shareholders

March 31, 2026

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Kang Tai Investment Co., Ltd.	Fortune Investment Co., Ltd.(94.28%), Dragon Investment Co., Ltd.(5.72%)

Major Shareholders of Major Shareholders that are Legal Entities March 31, 2026

Name of Legal Entity	Major Shareholders of the Legal Entity
Fortune Investment Co., Ltd.	Raycong Investment Co. Ltd.(98.90%), Crystal Investment Co. Ltd.(1.10%)
Dragon Investment Co., Ltd.	Totino Investment (BVI) Limited(100%)

Board of Directors Information (2)

1. Disclosure of Directors' professional qualifications and Independent Directors' independence information:

Name	Criteria	Professional Qualifications and Experience	Independence Status	Number of other public companies where concurrently serving as Independent Director
Chairman Chang, Tsuen-Hsien		Holds a Bachelor's degree in Electrical Engineering and Biomedical Engineering from the University of Southern California. Currently serving as Chairman of the Company and Chairman and Chief Strategy Officer of Wah Hong Industrial Corp. Possesses more than five years of work experience required in business, finance, and company operations, including managing and supervising the performance of business units and operational support units, achieving annual budgets and financial forecasts for business units, managing supplier and customer relationships, assisting in developing new product agency for business units, and demonstrating global professional market competition judgment, operational decision-making, and innovative leadership capabilities to lead the Company to greater heights and toward sustainable operation.	None of the circumstances listed in the various subparagraphs of Article 30 of the Company Act apply.	None
Director Huang, Lu-Hwei		Holds a Master of Business Administration from the University of California, Los Angeles (UCLA). Previously served as Senior Consulting Manager at PricewaterhouseCoopers. Currently serves as a Director of Wah Hong Industrial Corp. and a Director of CWE Inc. Possesses more than five years of work experience required in business, finance, and company operations, with expertise in corporate and financial management.	None of the circumstances listed in the various subparagraphs of Article 30 of the Company Act apply.	None
Director Lin, Yu-Chin		Graduated from Tunghai University, Department of Environmental Sciences, and New Jersey Institute of Technology, Master of Science / Environmental Science. Currently serving as Chairman and President of TOA Resin Corporation Ltd. Possesses more than five years of work experience required in business, finance, and company operations, dedicated to the chemical and environmental industries with extensive experience and industry connections.	None of the circumstances listed in the various subparagraphs of Article 30 of the Company Act apply.	None
Director Yeh, Ching-Pin		Holds a EMBA degree at Sun Yat-sen University. Currently serving as a Director of Wah Hong Industrial Corp. Possesses more than five years of work experience required in business, finance, and company operations, dedicated to the optoelectronics industry for nearly 30 years with extensive experience and industry connections.	None of the circumstances listed in the various subparagraphs of Article 30 of the Company Act apply.	None
Independent Director Wang, Yea-Kang		Holds a Master of Laws from the Graduate Institute of Urban Planning at National Chung Hsing University. Serves as the convener of the Company's Compensation Committee, a member of the Audit Committee, and a member of the Corporate Governance and Sustainability Committee. Currently serving as a review expert for the Executive Yuan Public Works Committee and a consultant for the Taiwan Textile Research Institute. Possesses more than five years of work experience required in business, legal affairs, and company operations, with expertise in law and business management.	For the two years prior to election and during the term of office, all of the following independence criteria have been met: (1) Not an employee of the Company or its Affiliates. (2) Not a Director or Supervisor of the Company or its Affiliates (except where the person serves as an Independent Director of the Company and its Parent company, subsidiary, or a subsidiary of the same Parent company as mutually appointed pursuant to the Securities Exchange Act or local laws and regulations).	2
Independent Director Shyu, So-De		Holds a Ph.D. in Finance from the University of Alabama, USA. Serves as the convener of the Company's Audit Committee, a member of the Compensation Committee, and a member of the Corporate Governance and Sustainability Committee. Previously served as a professor in the Department of Finance at Sun Yat-sen University and as President and Professor of Takming University of Science and Technology. Has more than five years of work experience required for business, finance, and corporate operations, with expertise in financial management and accounting.	(3) Not a natural person Shareholder, either personally or through a spouse, minor children, or under another person's name, holding 1% or more of the total issued shares of the Company or ranking among the top ten Shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a Management listed in (1) or a person listed in (2) or (3). (5) Is not a director, supervisor, or employee of a juridical-person shareholder that directly holds 5% or more of the total issued shares of the Company, is among	3

Name	Criteria	Professional Qualifications and Experience	Independence Status	Number of other public companies where concurrently serving as Independent Director
Independent Director Guu, Yuan-Kuang		Holds a Bachelor's degree in Chemical Engineering from National Taiwan University, a Master's degree in Food Engineering from National Taiwan University, and a Ph.D. in Food Engineering from Cornell University, USA. Serves as a member of the Company's Audit Committee and Compensation Committee. Currently serves as President of I-Shou University. Has more than five years of work experience required for business, finance, and corporate operations, with expertise in chemical engineering and food engineering.	the top five shareholders, or has appointed a representative pursuant to Paragraph 1 or 2 of Article 27 of the Company Act to serve as a director or supervisor of the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction). (6) Is not a director, supervisor, or employee of another company where more than half of the director seats or shares with voting rights are controlled by the same person who controls the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction).	None
Independent Director Chang, Chi-Nan		Holds a Master's degree in Executive Management from National Yang Ming Chiao Tung University, a Master's degree in Environmental Engineering Management from West Coast University in California, USA, and a Ph.D. from the Institute of Oral Science at Sun Yat-sen University of Medical Sciences. Serves as a member of the Company's Audit Committee. Currently serves as Chairman and President of Gshine Welltech Corp. and several other companies. Has more than five years of work experience required for business, finance, and corporate operations, with expertise in business management, environmental engineering, and medical sciences.	(6) Is not a director, supervisor, or employee of another company where more than half of the director seats or shares with voting rights are controlled by the same person who controls the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction). (7) Is not a director (trustee), supervisor (monitor), or employee of another company or institution where the chairman, President, or equivalent officer of that company is the same person as or the spouse of the chairman or President of the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction). (8) Is not a director (trustee), supervisor (monitor), Management, or shareholder holding 5% or more of shares of a specific company or institution that has a financial or business relationship with the Company (except where such specific company or institution holds 20% or more but not more than 50% of the total issued shares of the Company, and the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction). (9) Is not a professional individual, sole proprietor, partner, director (trustee), supervisor (monitor), Management, or spouse thereof, of a sole proprietorship, partnership, company, or institution that provides audit services or commercial, legal, financial, accounting, or related services to the Company or its Affiliates with cumulative remuneration received in the past two years not exceeding NT\$500,000. However, this restriction does not apply to members of the Compensation Committee, public tender offer review committee, or merger and acquisition special committee fulfilling their duties in accordance with the Securities Exchange Act or relevant regulations under the Business Mergers and Acquisitions Act. (10) Does not have a spousal relationship or a relationship within the second degree of kinship with any other Director. (11) Does not have any of the circumstances listed in the various subparagraphs of Article 30 of the Company Act. (12) Was not elected pursuant to Article 27 of the Company Act as a representative of the government, a juridical person, or its representative.	None

2. Professionalism, Independence, and Diversity of the Board of Directors:

The Company has stipulated in its Articles of Incorporation that Directors are selected through a candidate nomination system, and the members of the 23rd Board of Directors were elected at the Shareholders' Meeting on May 30, 2023.

In accordance with the "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall take diversity into consideration. In addition to ensuring that Directors concurrently serving as Management of the Company do not exceed one-third of the total Director seats, the Company shall formulate appropriate diversity policies based on its own operations, business model, and development needs. To achieve the goal of corporate governance, the Board of Directors as a whole should possess the following knowledge, skills, and competencies: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, global market perspective, leadership, and decision-making capabilities.

The Company's current Board of Directors consists of 8 Directors, including 4 Independent Directors and 4 non-independent Directors. All Directors are distinguished figures from industry and academia, with extensive experience and expertise in finance, law, information technology, marketing, environmental science, food engineering, and management.

The Company places emphasis on gender equality in the composition of Board members, with a target of increasing the proportion of female Directors to one-third (i.e., 33%) or more. Currently, male Directors account for 87% (7 members) and female Directors account for 13% (1 member) of the Board. The Company will continue to increase the number of female Director seats to achieve this target.

The implementation is as follows:

Core Diversity Criteria Director Name	Basic Composition									Concurrent Employee	Core Competencies for Diversity						
	Title	Gender	Age				Independent Director Tenure				Banking/ Finance	Operations Management	Business Marketing	Research and Development	Accounting and Financial Analysis	Information Technology	Risk Management
			51-60	61-70	71-80	Above 81	Less than 3 years	3 to 9 years	More than 9 years								
Chang, Tsuen-Hsien	Chairman	Male	✓							✓		✓	✓	✓	✓	✓	✓
Huang, Lu-Hwei	Director	Female	✓							✓	✓	✓		✓	✓	✓	✓
Lin, Yu-Chin	Director	Male		✓							✓	✓	✓	✓	✓	✓	✓
Yeh, Ching-Pin	Director	Male			✓						✓	✓	✓	✓	✓	✓	✓
Wang, Yea-Kang	Independent Director	Male			✓				✓		✓	✓		✓	✓	✓	✓
Shyu, So-De	Independent Director	Male		✓					✓		✓	✓		✓	✓	✓	✓
Guu, Yuan-Kuang	Independent Director	Male		✓				✓			✓	✓	✓		✓	✓	✓
Chang, Chi-Nan	Independent Director	Male	✓					✓			✓	✓	✓	✓	✓	✓	✓

3. Board of Directors diversity policy, specific management objectives, and implementation:

Management Objectives	Achievement Status
Directors concurrently serving as Management of the Company shall not exceed one-third of the total Board seats	Directors concurrently serving as Management of the Company account for 12.5% of all Board seats.
At least one-half of the Independent Directors shall have served no more than three consecutive terms	The Company held a full re-election of Directors at the 2023 Shareholders' Meeting, electing 4 Independent Directors, of whom 3 Independent Directors have served no more than three consecutive terms.
At least one-third of the Independent Director seats shall possess expertise in law, accounting and finance, or technology	Achieved.
Increase the number of female Directors	The Company currently has 1 female Director. Among the 9 Director candidates for the 2026 Board re-election, 2 are female Director candidates, accounting for 22% of all Director candidate seats.

4. Reasons why either gender of Directors on the Board has not reached one-third of the total seats, and measures planned to enhance gender diversity on the Board:

Reasons why either gender of Directors has not reached one-third of the total seats	Suitable female director candidates are difficult to identify.
Measures planned to enhance gender diversity among Directors	The goal is to gradually increase the number of female Director seats to one-third (33%) or more each term.

(2) Information on President, Vice Presidents, Directors, heads of various Departments and branch offices

March 31, 2026

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held By Spouse And Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current positions held concurrently at other companies	Managers with spousal or within second-degree kinship relationships			Note
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
CEO and President	R.O.C	Chang, Tsuen-Hsien	Male	2016.09.01	1,350,200	0.52%	0	0.00%	0	0.00%	University of Southern California, USA Department of Electrical Engineering Department of Biomedical Engineering	Chairman and Chief Strategy Officer, Wah Hong Industrial Corp. Chairman, Raycong Industrial (Hong Kong) Limited Chairman, Dong Guan Hua Gang International Trading Co., Ltd. Chairman, Shanghai Yi Kang Chemicals & Industries Co., Ltd. Chairman, Wah Lee Tech (Singapore) Pte. Ltd. Chairman, Wah Tech Industrial Co., Ltd. Chairman, Wah Lee Holding Limited (BVI) Chairman, Advance Hightech Solutions Inc. Chairman, Nagase Wahlee Plastics Corp. Chairman, Wah Hong Holding Ltd. Chairman, Wah Hong Technology Ltd. Chairman, Wah Hong International Ltd. Chairman, SHC Holding Limited (Mauritius) Chairman, Ting Bao Co. Ltd. Director, Phoenix II Innovation Venture Capital Co., Ltd. Director, Shanghai Hua Chang Trading Co., Ltd. Director, ORC Technology Corp. Director, Huaying Supply Chain Management (Shenzhen) Co., Ltd. Director, ORC Electrical Machinery Corp. (ORC Corp.) Director, Regent King International Limited	None	None	None	(Note)
CEO Office Vice President	R.O.C	Lu, Jui-Ming	Male	2017.03.01	0	0.00%	0	0.00%	0	0.00%	MBA, National Chengchi University (Executive) Vice President of Business, Neo Solar Power Corp. (DelSolar) President of consumer electronics in Greater China Region, GE International, Inc. Taiwan Branch (U.S.A.)	Chairman, Raycong Industrial (Hong Kong) Limited Director and President, Dong Guan Hua Gang International Trading Co., Ltd. Chairman, Huaying Supply Chain Management (Shenzhen) Co., Ltd. Chairman and President, Guangzhou Xingxian Medical Management Consulting Co., Ltd. Director, Nagase Wahlee Plastics Corp.	None	None	None	None
CEO Office Vice President	R.O.C	Yeh, Ching-Wen	Male	2018.07.01	0	0.00%	0	0.00%	0	0.00%	National Taipei Institute of Technology Senior Manager, Nagase Wahlee Plastics Corp.	Director, Wah Tech Industrial Co., Ltd. Director, Wah Lee Vietnam., Chairman, Wah Lee Philippines International Corp. Chairman, Wah Lee Philippines Inc.	None	None	None	None

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held By Spouse And Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current positions held concurrently at other companies	Managers with spousal or within second-degree kinship relationships			Note
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
												Chairman, Hightech Polymer Sdn. Bhd. Director, Wah Lee India Director, PT. Wah Tech Indonesia Supervisor, PT. Wah Lee Indonesia				
Opto-Electronics Division Vice President	R.O.C	Liu, Feng-Roung	Male	2018.07.01	4,555	0.00%	0	0.00%	0	0.00%	Department of Electronic Engineering, Feng Chia University Manager of OEM division of Development Department, Sincere State Electronic Co., Ltd. Director of Marketing Planning and Sales Department, Atoz-Pullman Co., Ltd.	None	None	None	None	
CEO Office Senior Director	R.O.C	Yu, Ching-Tien	Male	2019.04.09	0	0.00%	0	0.00%	0	0.00%	Department of Textile Engineering, Taipei Institute of Technology Research Assistant, Taiwan Textile Federation	Director and President, Shanghai Yi Kang Chemicals & Industries Co., Ltd.	None	None	None	None
Senior Director, Engineering Plastic Business Division	R.O.C Yang, Chen-Ming		Male	2014.07.01	32,684	0.01%	0	0.00%	0	0.00%	Department of Chemical Engineering, Tamkang University R&D Engineer, Chang Chun Plastics Co., Ltd.	None	None	None	None	
Engineering Plastic Business Division Senior Director	R.O.C	Chen, Yi-Jen	Male	2021.07.01	133	0.00%	0	0.00%	0	0.00%	Department of Business Decision, Sanno University, Japan	None	None	None	None	
Semiconductor Material Business Division Senior Director	R.O.C	Yang, Cheng-Ju	Male	2021.07.03	0	0.00%	0	0.00%	0	0.00%	Department of Chemical Engineering, National Cheng Kung University Assistant Researcher, Union Chemical Laboratories, Industrial Technology Research Institute	None	None	None	None	
Semiconductor Material Business Division Director	R.O.C	Chang, Chih-An	Male	2016.07.01	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering, Feng Chia University R&D Engineer, Taiwan Sakura Corporation	Director, Wah Lee Tech (Singapore) Pte. Ltd.	None	None	None	None
Semiconductor Material Business Division Director	R.O.C	Chen, Mao-Hua	Male	2019.07.01	563	0.00%	0	0.00%	0	0.00%	Master, Department of Chemical Engineering, National Taiwan University of Science and Technology Engineer, Wintek Corporation	None	None	None	None	
Semiconductor Material Business Division Director	R.O.C	Lin, Wei-Chih	Male	2023.07.01	40	0.00%	0	0.00%	0	0.00%	Master, Department of Civil and Construction Engineering, National Taiwan University of Science and Technology Procurement, Winbond Electronics Corp.	None	None	None	None	
Semiconductor Material Business Division	R.O.C	Cheng, Nai-Chung	Male	2024.07.01	0	0.00%	0	0.00%	0	0.00%	Department of Civil Engineering, I-Shou University Technical Service Engineer, Air Liquide	None	None	None	None	

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held By Spouse And Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current positions held concurrently at other companies	Managers with spousal or within second-degree kinship relationships			Note
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
Director											Far Eastern Ltd.					
Electronics and Mechanical Products Business Division Senior Director	R.O.C	Shan, Tzu Hao	Male	2022.02.14	0	0.00%	0	0.00%	0	0.00%	Graduate Institute of System Engineering, George Washington University Sales Vice President, Efficient Power Conversion Corporation	None	None	None	None	None
Electronics and Mechanical Products Business Division Director	R.O.C	Tsai, Ken-Tang	Male	2014.07.01	0	0.00%	1,096	0.00%	0	0.00%	Department of Chemical Engineering, Chinese Culture University Material Development Engineer, Kao (Taiwan) Corporation	Supervisor, ORC Technology Corp. Director, Asahi Kasei Wah Lee Hi-Tech Corp.	None	None	None	None
Electronics and Mechanical Products Business Division Director	R.O.C	Lee, Chi-Shan	Male	2021.07.01	6,573	0.00%	0	0.00%	0	0.00%	Department of Applied Foreign Languages, Kao Yuan Junior College of Technology and Commerce Assistant Manager of Business Development, Empire Harbor Industrial Co., Ltd.	None	None	None	None	None
Advanced Development Department Director	R.O.C	Chang, Chih-Hao	Male	2024.04.01	0	0.00%	0	0.00%	0	0.00%	Department of Information Management, National Sun Yat-sen University Business director, Google International LLC Taiwan Branch (U.S.A)	None	None	None	None	None
Strategic Planning Division Senior Director	R.O.C	Chiang, Kuo-Jui	Male	2021.03.10	0	0.00%	0	0.00%	0	0.00%	Department of Chemistry, Chinese Culture University Director, Hon Hai Precision Industry Co., Ltd.	None	None	None	None	None
Director, MIS Department	R.O.C	Hsu, Hui-lan	Female	2024.10.01	0	0.00%	0	0.00%	0	0.00%	Ph.D., Department of Management Science, National Yang Ming Chiao Tung University Director, Global Information Department, Walsin Technology Corporation	None	None	None	None	None
Finance Department Senior Director	R.O.C	Lin, Jen-Chih	Male	2008.07.01	0	0.00%	0	0.00%	0	0.00%	Graduate Institute of Industrial Economics, National Central University Project Manager, Chien Hung Securities Co., Ltd.	Director, Shanghai Yi Kang Chemicals & Industries Co., Ltd. Director, High Tech Gas Company Ltd. Supervisor, Jinde Gas Co., Ltd.	None	None	None	None
Director, Finance Division	R.O.C	Tsai, Shu-Fen	Female	2019.07.01	109,285	0.04%	0	0.00%	0	0.00%	Department of Accounting, National Cheng Kung University (Open Junior College) Accounting personnel, Integrity CPA Firm	Chairman, Kang Tai Investment Co., Ltd.	None	None	None	None
Accounting Department Senior Director	R.O.C	Lee, Kuo-Ping	Male	2013.07.01	26,382	0.01%	0	0.00%	0	0.00%	Department of Accounting, Chung Yuan Christian University Manager of Finance Division, WUS Printed Circuit Co., Ltd.	Director, Dong Guan Hua Gang International Trading Co., Ltd. Director, Raycong Industrial (Hong Kong) Limited Director, High Tech Gas Company Ltd.	None	None	None	None

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held By Spouse And Minor Children		Shares Held Under Another Person's Name		Major Work Experience (Education)	Current positions held concurrently at other companies	Managers with spousal or within second-degree kinship relationships			Note
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
												Director, Raycong(Vietnam) Company Ltd.				
Logistics Management Department Director	R.O.C	Shih, Chia-Sheng	Male	2021.07.01	0	0.00%	1,020	0.00%	0	0.00%	Department of Information Management, Tamkang University Deputy Manager of Manufacturing Division, AHEAD Optoelectronics, INC.	Chairman, Tranceed Logistics Co., Ltd. Chairman and President, Xiamen Huashengda Logistics Co., Ltd. Director, Huaying Supply Chain Management (Shenzhen) Co., Ltd.	None	None	None	None
Human Resources Department Director	R.O.C	Chen, Hsin-Yi	Female	2024.07.01	0	0.00%	0	0.00%	0	0.00%	Graduate Institute of Human Resource Management, National Central University Senior Manager, Human Resources Department, Taiwan Industrial Bank Securities Co., Ltd.	None	None	None	None	
Smart Application Business Division	R.O.C	Chien, Pai-Yi	Male	2025.07.01	0	0.00%	5,120	0.00%	0	0.00%	Graduate Institute of International Business, National Taiwan University President, Jinko Solar Co., Ltd. Vice President, TSEC Corporation	Chairman, Evergreen New Energy Corporation Chairman, Evergreen new power corporation Chairman, Fansheng Development Co., Ltd. Chairman, Fanxin Development Co., Ltd. Director. Wah Lee India	None	None	None	None

Note: If the Chairman and the President or equivalent position (highest-level Management) of the Company are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and corresponding measures shall be explained:

Although the Chairman and CEO of the Company are the same person, the division of responsibilities and operational decision-making authority is still governed by the internal control "Authorization and Approval Authority Regulations." Matters exceeding the authorized scope must be approved by the Board of Directors. The Chairman also maintains close and sufficient communication with all Directors regarding the Company's operations on a regular basis. To implement corporate governance, the "Board of Directors and Functional Committee Performance Evaluation Measures" have been established to enhance the operational effectiveness of the Board of Directors and Functional Committees.

The Company currently has the following specific measures in place:

1. The current 4 Independent Directors have specialized expertise in the fields of finance, law, and industrial development, enabling them to effectively fulfill their supervisory functions, and they account for 44% of the total board seats.
2. Continuing education courses offered by the Securities and Futures Institute and other external organizations are provided and arranged for all Directors to attend, in order to enhance the operational effectiveness of the Board of Directors each year.
3. Independent Directors can fully discuss and make recommendations for the Board of Directors' reference in each Functional Committee, in order to implement corporate governance.
4. More than half of the Board of Directors members do not concurrently serve as employees or Management.

2. Remuneration paid to Directors, President, and Vice Presidents in the most recent year:

(1) Remuneration of Directors and Independent Directors

Unit: NT\$ thousands; %

December 31, 2025

Title	Name	Director remuneration								Total of items A, B, C, and D and their percentage of after-tax net income (Note 6)		Compensation received as concurrent employees								Total of items A, B, C, D, E, F, and G and their percentage of after-tax net income (Note 6)		Compensation received from investee companies other than subsidiaries or Parent company (Note 8)
		Compensation (A) (Note 1)		Severance and Retirement Pay (B)		Director Remuneration (C) (Note 2)		Business Execution Expenses (D) (Note 3)				Salaries, Bonuses, and Special Allowances, etc. (E) (Note 4)		Severance and Retirement Pay (F) (Note 7)		Employee Compensation (G) (Note 5)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	In the financial report All companies		The Company	All companies in the financial report			
Director	Kang Tai Investment Co., Ltd. Kang Tai Investment Co., Ltd. Representative: Chang, Tsuen-Hsien Kang Tai Investment Co., Ltd. Representative: Huang, Lu-Hwei Lin, Yu-Chin Yeh, Ching-Pin	0	0	0	0	26,457	26,457	300	300	26,757 1.17%	26,757 1.17%	10,480	11,602	183	183	24,690	0	24,690	0	62,109 2.70%	63,232 2.75%	16,779
Independent Director	Wang, Yea-Kang Shyu, So-De Guu, Yuan-Kuang Chang, Chi-Nan	0	0	0	0	8,000	8,000	620	620	8,620 0.37%	8,620 0.37%	0	0	0	0	0	0	0	0	8,620 0.38%	8,620 0.38%	0

1. Policy, system, standards, and structure of Independent Director remuneration, and description of the relationship between the remuneration amount and factors such as responsibilities undertaken, risks, and time committed:
The remuneration for Independent Directors of the Company is handled in accordance with Article 19 of the Articles of Incorporation. The Compensation Committee periodically reviews the compensation system based on each individual Director's contribution to the Board of Directors and the Company's operations. If the Company has earnings, compensation shall also be distributed in accordance with Article 20.

2. In addition to the disclosures in the above table, remuneration received by the Company's Directors for services provided in the most recent fiscal year (such as serving as non-employee consultants for the Parent company/all companies in the financial report/investee companies): None.

Remuneration Range Table

Remuneration range paid to each Director of the Company	Director Name			
	Total of the first four items of remuneration (A+B+C+D)		Total of the first seven items of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	Parent company and all investee companies (I)
Below NT\$1,000,000	Director: Representative of Kang Tai Investment Co., Ltd.: Chang, Tsuen-Hsien Representative of Kang Tai Investment Co., Ltd.: Huang, Lu-Hwei	Director: Representative of Kang Tai Investment Co., Ltd.: Chang, Tsuen-Hsien Representative of Kang Tai Investment Co., Ltd.: Huang, Lu-Hwei	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Director: Lin, Yu-Chin; Yeh, Ching-Pin Independent Director: Wang, Yea-Kang; Shyu, So-De; Guu, Yuan-Kuang; Chang, Chi-Nan	Director: Lin, Yu-Chin; Yeh, Ching-Pin Independent Director: Wang, Yea-Kang; Shyu, So-De; Guu, Yuan-Kuang; Chang, Chi-Nan	Director: Lin, Yu-Chin; Yeh, Ching-Pin Independent Director: Wang, Yea-Kang; Shyu, So-De; Guu, Yuan-Kuang; Chang, Chi-Nan	Director: Lin, Yu-Chin Independent Director: Wang, Yea-Kang; Shyu, So-De; Guu, Yuan-Kuang; Chang, Chi-Nan
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	—	—	Director: Representative of Kang Tai Investment Co., Ltd.: Huang, Lu-Hwei	Director: Representative of Kang Tai Investment Co., Ltd.: Huang, Lu-Hwei
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	—	—	—	Director: Yeh, Ching-Pin
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Director: Kang Tai Investment Co., Ltd.	Director: Kang Tai Investment Co., Ltd.	Director: Kang Tai Investment Co., Ltd. Representative of Kang Tai Investment Co., Ltd.: Chang, Tsuen-Hsien	Director: Kang Tai Investment Co., Ltd. Representative of Kang Tai Investment Co., Ltd.: Chang, Tsuen-Hsien
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	—	—	—	—
NT\$100,000,000 and above	—	—	—	—
Total	9	9	9	9

Note 1: Includes Directors' salaries, position allowances, severance pay, various bonuses, and incentive payments, etc.

Note 2: Refers to the Director remuneration amount for 2025 approved for distribution by the Board of Directors.

Note 3: Refers to the business execution expenses of Directors for 2025 (including transportation fees and compensation for serving as Compensation Committee members).

Note 4: Refers to the compensation received by Directors concurrently serving as employees (including concurrent roles as President, Vice President, other managers, and employees) for 2025, including salaries, position allowances, severance pay, various bonuses, incentive payments, transportation fees, special allowances, various subsidies, and benefits in kind such as accommodation and company vehicles, etc.

Note 5: Refers to Directors concurrently serving as employees (including concurrent roles as President, Vice President, other managers, and employees) who receive cash employee compensation for 2025. The employee compensation amount approved for distribution by the Board of Directors is calculated based on the proportion of the actual distribution amount from the previous year to estimate the proposed distribution amount for the current year.

Note 6: Net income after tax refers to the net income after tax of the Company for 2025.

Note 7: Refers to the provisions and contributions for retirement and pension expenses for 2025.

Note 8: (1) If any Director of the Company receives compensation from non-subsiary investee companies or the Parent Company, the remuneration received by such Director from non-subsiary investee companies or the Parent Company shall be included in Column I of the compensation bracket table, and the column heading shall be changed to "Parent Company and All Investee Companies".

(2) Remuneration refers to the compensation, profit sharing (including employee, director, and supervisor compensation), and business execution expenses received by the Company's directors in their capacity as directors, supervisors, or Management of investee companies other than subsidiaries or of the parent company.

(2) Remuneration of Supervisors: Following the Shareholders' Meeting on May 26, 2017, an Audit Committee was established to replace the functions of the Supervisors.

(3) Compensation of President and Vice Presidents

Unit: NT\$ thousands; %

December 31, 2025

Title	Name	Salary (A) (Note 1)		Severance and Retirement Pay (B) (Note 5)		Bonuses and Special Allowances, etc. (C) (Note 2)		Employee Compensation Amount (D) (Note 3)				Total of Items A, B, C, and D and Percentage of Net Income After Tax (%) (Note 4)		Compensation Received from Non-Subsidiary Investee Companies or Parent Company (Note 6)
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO and President	Chang, Tsuen-Hsien	12,040	16,690	188	188	4,977	8,478	30,392	0	30,392	0	47,598 2.08%	55,748 2.43%	6,397
Vice President	Lu, Jui-Ming													
Vice President	Liu, Feng-Roung													
Vice President	Yeh, Ching-Wen													

Compensation Range Table

Compensation Bracket for Each President and Vice President of the Company	Name of President and Vice Presidents	
	The Company	Parent company and all investees (E)
Below NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Lu, Jui-Ming, Liu, Feng-Roung, Yeh, Ching-Wen	Lu, Jui-Ming, Liu, Feng-Roung, Yeh, Ching-Wen
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Chang, Tsuen-Hsien	Chang, Tsuen-Hsien
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	—	—
NT\$100,000,000 and above	—	—
Total	4	4

Note 1: Refers to the salary, position allowance, severance pay, etc. of the President and Vice Presidents for 2025.

Note 2: Various bonuses and incentive payments for the President and Vice Presidents for 2025.

Note 3: The employee compensation amount for 2025 approved for distribution by the Board of Directors is calculated based on the proportion of the actual distribution amount from the previous year to estimate the proposed distribution amount for the current year.

Note 4: Net income after tax refers to the net income after tax of the Company for 2025.

Note 5: Refers to the provisions and contributions for retirement and pension expenses for 2025.

Note 6: (1) If the President and Vice Presidents of the Company receive remuneration from investees other than subsidiaries or from the Parent company, such remuneration received by the President and Vice Presidents from investees other than subsidiaries or from the Parent company shall be included in Column E of the remuneration bracket table, and the column heading shall be changed to "Parent company and all investees".

(2) Remuneration refers to the compensation, profit sharing (including employee, director, and supervisor compensation), and business execution expenses received by the Company's directors in their capacity as directors, supervisors, or Management of investee companies other than subsidiaries or of the parent company.

(4) Analysis of the ratio of total remuneration and compensation paid to the Company's Directors, President, and Vice Presidents by the Company and all companies included in the consolidated financial statements over the most recent two years to the net income after tax in the Parent company only financial statements, as well as the policies, standards, and composition of remuneration and compensation, the procedure for determining remuneration, and its correlation with operational performance and future risks:

1. Ratio of total remuneration paid to the Company's Directors, President, and Vice Presidents to the net income after tax in the Parent company only financial statements:

Title	Ratio of total compensation to net income after tax				Increase (decrease) ratio	
	2024		2025		The Company	All companies in the financial report
	The Company	All companies in the financial report	The Company	All companies in the financial report		
Director	3.10%	3.13%	3.08%	3.13%	(0.02%)	0.00%
President and Vice Presidents	2.36%	2.74%	2.08%	2.43%	(0.28%)	(0.31%)

Note: The data for 2025 includes profit distribution items. The profit distribution proposal has been deliberated by the Board of Directors but has not yet been resolved by the Shareholders' Meeting, and is estimated based on the data from the previous year.

2. Policies, standards, and composition of remuneration and compensation:

(1) Director remuneration

- A. Director remuneration: Article 20 of the Company's Articles of Incorporation stipulates that if the Company generates a profit for the year, no more than 2% shall be allocated as Director remuneration.
- B. Director attendance fees: Disbursed based on the number of attendances at the Board of Directors, Compensation Committee, Audit Committee, and other Functional Committees.
- C. Those who also serve as the Company's Managers shall additionally receive salary, bonuses, and employee compensation.

(2) Compensation for the President and Vice Presidents

- A. The compensation of the Company's managers is regularly evaluated and reviewed annually by the Compensation Committee and the Board of Directors, and shall be aligned with the Company's business strategy, with compensation being significantly correlated with the Company's growth indicators, productivity indicators, and shareholder return indicators. In order to achieve the goal of external market competitiveness, the overall compensation is divided into fixed compensation, incentive compensation, and benefits/indirect compensation. Fixed compensation consists of monthly salary and year-end bonus; incentive compensation consists of performance bonuses and employee compensation; and benefits/indirect compensation includes employee stock ownership trust, group insurance, health examinations, and others.

B. Article 20 of the Company's Articles of Incorporation stipulates that if the Company generates a profit for the year, no less than 2% shall be allocated as employee compensation.

3. Procedures for Determining Compensation:

- (1) The fixed compensation of the Company's managers is determined by referencing their educational background, work experience, professional competence, scope of management, and industry standards to establish job grades, and compensation is granted accordingly.
- (2) The incentive compensation for the Company's managers is proposed by the CEO, who considers various performance evaluation items for each manager, including financial indicators (such as revenue and profit achievement rates) and non-financial indicators (such as innovation and integration, risk management, etc.). The Compensation Committee reviews the proposals by taking into account the manager's position, scope of responsibilities, and contribution to the Company's operational objectives, as well as the Company's annual operating performance, and submits the proposals to the Board of Directors for resolution.

4. Correlation with Operating Performance and Future Risks:

- (1) Performance evaluations of Directors are conducted on a regular annual basis. In accordance with the Rules for Performance Evaluations of the Board of Directors, the evaluation results are submitted to the Board of Directors in the following year as a reference for review and improvement, as well as a basis for the selection or nomination of Directors and salary remuneration.
- (2) The remuneration and compensation for Directors, the President, and Vice Presidents fully takes into account their professional competence, the Company's operational and financial conditions, continuous professional development, and evaluation of other special contributions, and is linked to both Company performance and individual performance as the basis for calculating compensation payments.
- (3) The Company also regularly reviews future operational risks, environmental protection, and corporate social responsibility, and periodically reviews the compensation system in a timely manner to achieve a balance between sustainable operation and risk management.

(2) Names of Managers Receiving Allocated Employee Compensation and the Details of Such Allocation

Unit: NT\$ thousands; % December 31, 2025

	Title	Name	Stock amount	Cash amount (Note 1)	Total	Ratio of Total Amount to Net Income After Tax (%)
Manager	CEO and President	Chang, Tsuen-Hsien	0	76,446	76,446	3.33%
	Vice President	Lu, Jui-Ming				
	Vice President	Liu, Feng-Roung				
	Vice President	Yeh, Ching-Wen				
	Director	Yang, Chen-Ming				
	Director	Yu, Ching-Tien				
	Director (Note 2)	Shih, Ching-Hsien				
	Director	Tsai, Ken-Tang				
	Director	Chen, Yi-Jen				
	Director	Yang, Cheng-Ju				
	Director	Chang, Chih-An				
	Director	Tsai, Shu-Fen				
	Director	Chen, Mao-Hua				
	Director	Chiang, Kuo-Jui				
	Director	Lee, Chi-Shan				
	Director	Shih, Chia-Sheng				
	Director (Note 2)	Yang, Yu-Kuang				
	Director	Lin, Jen-Chih				
	Director	Lee, Kuo-Ping				
	Director	Shan, Tzu Hao				
	Director	Lin, Wei-Chih				
	Director	Chang, Chih-Hao				
	Director	Chen, Hsin-Yi				
	Director	Cheng, Nai-Chung				
Director	Hsu, Hui-lan					
Director (Note 3)	Chien, Pai-Yi					

Note 1: The amount of employee cash compensation allocated to managers as approved by the Board of Directors is calculated based on the proportion of the actual amount allocated in the previous year to determine the

Note 2: Resigned in 2025

Note 3: Newly appointed in 2025

3. Corporate Governance Operations:

(1) Information on the Operations of the Board of Directors:

1. The Board of Directors held 8 meetings (A) in 2025. The attendance of Directors is as follows:

Title	Name	Actual Number of Attendances (B)	Number of Attendances by Proxy	Actual Attendance Rate (%) [B/A] (Note 1)	Note
Chairman	Kang Tai Investment Co., Ltd. Representative: Chang, Tsuen-Hsien	8	0	100%	
Director	Kang Tai Investment Co., Ltd. Representative: Huang, Lu-Hwei	6	2	75%	
Director	Yeh, Ching-Pin	8	0	100%	
Director	Lin, Yu-Chin	8	0	100%	
Independent Director	Wang, Yea-Kang	8	0	100%	
Independent Director	Shyu, So-De	8	0	100%	
Independent Director	Guu, Yuan-Kuang	8	0	100%	
Independent Director	Chang, Chi-Nan	8	0	100%	

Note 1: The actual attendance rate (%) of each Director is calculated based on the number of Board of Directors meetings held and the number of actual attendances during the Director's term of office.

Other Matters to be Recorded:

1. In the event that any of the following circumstances occur in the operations of the Board of Directors, the date and session of the Board meeting, the agenda items, the opinions of all Independent Directors, and the Company's handling of such opinions shall be described:

(1) Matters listed under Article 14-3 of the Securities and Exchange Act are as follows:

For details, please refer to the table below titled 'Operations of the Company's Board of Directors in 2025'.

(2) Apart from the foregoing matters, other resolutions of the Board of Directors meetings where Independent Directors expressed objections or reservations with records or written statements: None.

2. Execution of recusal by Directors for matters involving conflicts of interest: None.

3. Information regarding the evaluation cycle and period, scope, method, and content of the Board of Directors' self (or peer) evaluation are detailed in the table "Execution of Board of Directors Evaluation" below.

4. Evaluation of objectives and execution for enhancing the Board of Directors' functions during the current year and the most recent year:

(1) Audit Report:

In order to keep Board of Directors members informed of the Company's operational procedures, the audit supervisor reports on the execution of internal audit operations at each Board of Directors meeting.

(2) Enhancing Information Transparency:

The Company upholds operational transparency and places emphasis on Shareholders' rights and interests. Following each Board of Directors meeting, important resolutions are announced promptly. This operational principle will continue to be maintained to achieve information transparency.

(3) To enhance the overall practice of sustainable operation, the Company resolved at the Board of Directors meeting on November 9, 2022, to establish the "Corporate Governance and Sustainability Committee"

directly under the Board of Directors, which is responsible for establishing sustainability-related procedures, integrating corporate Sustainable Development efforts into the Company's operations and development direction, and formulating corporate Sustainable Development policies, systems, or related management guidelines.

- (4) Director training course information is provided on an irregular basis, and instructors are regularly arranged to deliver courses at the Company in order to strengthen the competencies of Board of Directors members.
- (5) The Company conducts performance evaluations of the Board of Directors and Functional Committees in accordance with the established "Rules for Performance Evaluations of the Board of Directors," with evaluations conducted once annually. The evaluation results for 2025 have been submitted to the Board of Directors meeting on February 5, 2025.

2. Attendance of Independent Directors at each Board of Directors meeting in 2025:

◎: In person; ★ By proxy; × Absent; N/A: Not Applicable

2025	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting	5th Meeting	6th Meeting	7th Meeting	1st Extraordinary Meeting
Wang, Yea-Kang	◎	◎	◎	◎	◎	◎	◎	◎
Shyu, So-De	◎	◎	◎	◎	◎	◎	◎	◎
Guu, Yuan-Kuang	◎	◎	◎	◎	◎	◎	◎	◎
Chang, Chi-Nan	◎	◎	◎	◎	◎	◎	◎	◎

3. Operations of the Board of Directors of the Company in 2025:

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion	Opinion Handling
2025.02.19	1st Meeting	1. Approved the proposal to exclude the Company's overdue accounts receivable in Q4 of 2024 from the fund lending cases.	Approved without objection	N/A
		2. Approved the Company's business plan for 2025.	Approved without objection	N/A
		3. Approved the authorization proposal for the Company's banking facilities for 2025.	Approved without objection	N/A
		4. Approved the application for a medium-term working capital loan from the bank.	Approved without objection	N/A
		5. Approved the continuation and reduction of the endorsement and guarantee for subsidiary Wah Lee (Vietnam) Co., Ltd. (USD 8.9 million)	Approved without objection	N/A
		6. Approved the appointment and compensation of the CPA for auditing and certifying the financial statements and tax returns for 2026.	Approved without objection	N/A
		7. Approved the date and venue for the 2025 Annual Shareholders' Meeting.	Approved without objection	N/A
2025.03.12	2nd Meeting	1. Approved the Business Report, Parent company only financial statements, and consolidated financial statements for 2024.	Approved without objection	N/A
		2. Approved the earnings distribution proposal for 2024.	Approved without objection	N/A
		3. Approved the amendment of certain provisions of the Company's Articles of Incorporation.	Approved without objection	N/A

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion	Opinion Handling
		4. Approved the distribution of Director remuneration and employee compensation for 2024.	Approved without objection	N/A
		5. Approved the ratio of Director remuneration and employee compensation for the Company for 2025.	Approved without objection	N/A
		6. Approved the continuing performance guarantees for procurement by subsidiaries Raycong Industrial (Hong Kong) Limited, Dong Guan Hua Gang International Trading Co., Ltd., and Shanghai Yi Kang Chemicals & Industries Co., Ltd. to Shinkong Synthetic Fibers Corp. and Shinkong Applied Materials (Jiangsu) Co., Ltd. (NT\$ 150,000 thousand)	Approved without objection	N/A
		7. Approved the continuation of the endorsement and guarantee for equity-invested company Asahi Kasei Wah Lee Hi-Tech Corp. (NT\$ 25,194 thousand)	Approved without objection	N/A
		8. Approved the continuation of the endorsement and guarantee for equity-invested company Chang Nagase Wahlee Plastics Corp. (NT\$ 400,000 thousand and purchase guarantee of NT\$ 67 million)	Approved without objection	N/A
		9. Approved the continuation of the endorsement and guarantee for equity-invested company Shanghai Hua Chang Trading Co., Ltd. (USD 19,500 thousand and purchase guarantee of USD 6,500 thousand)	Approved without objection	N/A
		10. Approved the issuance of the Company's Internal Control System Statement for 2025.	Approved without objection	N/A
2025.04.14	3rd Meeting	Approved the amendment to the earnings distribution proposal for 2024.	Approved without objection	N/A
2025.05.08	4th Meeting	1. Approved the consolidated financial report for Q1 2025.	Approved without objection	N/A
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q1 2025.	Approved without objection	N/A
		3. Approved the continuation of endorsement and guarantee for subsidiary Hightech Polymer Sdn. Bhd. (USD 11 million)	Approved without objection	N/A
		4. Approved the issuance of the Company's 2024 Sustainability Report.	Approved without objection	N/A
2025.05.27	5th Meeting	1. Approved the purchase of liability insurance for the Company's Directors and Management. (Insurance coverage USD 5 million) (2025.06.18~2026.06.18)	Approved without objection	N/A
		2. Approved matters related to the distribution of cash dividends for 2024.	Approved without objection	N/A
2025.08.08	6th Meeting	1. Approved the consolidated financial report for Q2 2025.	Approved without objection	N/A
		2. Approved the Compensation proposal for Managers of the Company for 2024.	Approved without objection	N/A
		3. Approved the amendment to certain provisions of the Company's "Director Remuneration Management Policy".	Approved without objection	N/A
		4. Approved the exclusion of overdue accounts receivable from fund lending for Q2 2025.	Approved without objection	N/A

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion	Opinion Handling
		5. Approved the continuation of endorsement and guarantee for subsidiary Wahlee Innovation Materials Private Limited. (INR 100,000 thousand)	Approved without objection	N/A
		6. Approved the continuation of endorsement and guarantee for subsidiary Regent King International Limited. (USD 1 million)	Approved without objection	N/A
		7. Approved the addition of endorsement and guarantee for investee company Asahi Kasei Wah Lee Hi-Tech Corporation. (NT\$ 25,969.2 thousand)	Approved without objection	N/A
2025.11.07	7th Meeting	1. Approved the consolidated financial report for Q3 2025.	Approved without objection	N/A
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q3 2025.	Approved without objection	N/A
		3. Approved the continuation of endorsement and guarantee for subsidiary Wah Lee Philippines Inc. (USD 1 million)	Approved without objection	N/A
		4. Approved the continuation of endorsement and guarantee for subsidiary PT. Wah Lee Indonesia. (USD 2 million)	Approved without objection	N/A
		5. Approved the amendment to the Company's "Board of Directors and Functional Committee Performance Evaluation Policy".	Approved without objection	N/A
		6. Approved the amendment to the Company's 'Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct'.	Approved without objection	N/A
		7. Approved the amendment to the Company's 'Internal Control System - Payroll Cycle'.	Approved without objection	N/A
		8. Approved the definition of entry-level employees of the Company.	Approved without objection	N/A
		9. Approved the Company's audit plan for the year 2026.	Approved without objection	N/A
2025.12.30	1st Extraordinary Meeting	Approved the investment in Jinde Gas Co., Ltd.	Approved without objection	N/A

4. Board of Directors Evaluation Implementation:

In accordance with the Company's 'Performance Evaluation Measures for the Board of Directors and Functional Committees', at the end of each year, each executing unit collects information related to the activities of the Board of Directors and its members, and distributes the following self-evaluation questionnaires for completion: Table 1 'Board of Directors Performance Evaluation Self-Evaluation Questionnaire', Table 2 'Board Member (Self or Peer) Evaluation Self-Evaluation Questionnaire', Table 3 'Compensation Committee Self-Evaluation Questionnaire', and Table 4 'Audit Committee Self-Evaluation Questionnaire'. The coordinating executing unit then consolidates all data, formulates scores based on the evaluation indicators set forth in Article 8, compiles an evaluation results report, and submits it to the Board of Directors for review and improvement.

The Company has completed the Board of Directors performance self-evaluation for 2025, and the evaluation results were submitted to the Board of Directors meeting on February 5, 2026 for reporting.

No.	Scope of Evaluation	Evaluation Method	Evaluation Period	Evaluation Content	Evaluation Results	Note
1	<input checked="" type="checkbox"/> Overall Board of Directors <input type="checkbox"/> Individual Board Members <input type="checkbox"/> Each Functional Committee	<input checked="" type="checkbox"/> Internal Self-Evaluation by the Board of Directors <input type="checkbox"/> Director Self-Evaluation <input type="checkbox"/> Peer Evaluation <input type="checkbox"/> External Evaluation	From: January 1, 2025 To: December 31, 2025	1. Degree of participation in the Company's operations 2. Enhancing the quality of Board of Directors decision-making 3. Composition and Structure of the Board of Directors 4. Election and Continuing Education of Directors 5. Internal Control	All evaluation criteria have been met. The overall Board of Directors performance evaluation result is 95% outstanding.	
2	<input type="checkbox"/> Overall Board of Directors <input checked="" type="checkbox"/> Individual Director Members <input type="checkbox"/> Each Functional Committee	<input type="checkbox"/> Internal Self-Evaluation of the Board of Directors <input checked="" type="checkbox"/> Director Self-Evaluation <input type="checkbox"/> Peer Evaluation <input type="checkbox"/> External Evaluation	From: January 1, 2025 To: December 31, 2025	1. Understanding of Corporate Goals and Mission 2. Awareness of Director Responsibilities 3. Degree of participation in the Company's operations 4. Internal Relationship Management and Communication 5. Director Expertise and Continuing Education 6. Internal Control	All requirements of each evaluation criterion have been met. The individual Director members' performance evaluation result is 84% outstanding.	
3	<input type="checkbox"/> Overall Board of Directors <input type="checkbox"/> Individual Board Members <input type="checkbox"/> Each <input checked="" type="checkbox"/> Functional Committee	<input type="checkbox"/> Internal Self-Evaluation of the Board of Directors <input type="checkbox"/> Director <input checked="" type="checkbox"/> Self-Evaluation <input type="checkbox"/> Peer Evaluation	From: January 1, 2025 To: December 31, 2025	1. Degree of participation in the Company's operations 2. Awareness of Functional Committee Responsibilities 3. Enhancing the Decision-Making Quality of the Functional Committee 4. Composition and	All requirements of each evaluation criterion have been met. Table 3: The self-evaluation questionnaire results for the 3 members of the Compensation Committee show 91% outstanding.	

		□ External Evaluation		Member Selection of the Functional Committee 5. Internal Control	Table 4: The self-evaluation questionnaire results for the 4 members of the Audit Committee show 89% outstanding. Table 5: The self-evaluation questionnaire results for the 3 members of the Corporate Governance and Sustainability Committee show 95% outstanding.	
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(2) Operations of the Audit Committee:

1. The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, composed of all Independent Directors. For their professional qualifications and experience, please refer to pages 9 to 10.

2. Key Responsibilities

The powers and responsibilities of the Audit Committee are as follows:

1. Formulating or amending the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessing the effectiveness of the internal control system.
3. Formulating or amending the procedures for acquisition or disposal of major assets, engaging in derivatives transactions, extending loans to others, and providing endorsements or guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving the personal interests of Directors.
5. Major assets or derivatives transactions.
6. Major loans, endorsements, or guarantees.
7. Offering, issuance, or private placement of equity securities.
8. Appointment, dismissal, or Compensation of the attesting CPA.
9. Appointment or dismissal of financial, accounting, or internal audit supervisors.
10. Annual financial reports.
11. The Business Report and proposals for profit distribution or loss offsetting.
12. Other material matters required by the Company or competent authorities.

The Audit Committee held 8 meetings (A) in 2025, and the attendance of Independent Directors is as follows:

Title	Name	Actual Number of Attendances	Number of Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note 1)	Note
Independent Director	Shyu, So-De	8	0	100%	
Independent Director	Wang, Yea-Kang	8	0	100%	
Independent Director	Guu, Yuan-Kuang	8	0	100%	
Independent Director	Chang, Chi-Nan	8	0	100%	

Note 1: The actual attendance rate (%) of Independent Directors is calculated based on the number of Board of Directors meetings held and the number of meetings actually attended during their term of office.

Other Matters to be Recorded:

1. Operations of the Audit Committee:

(1) Matters listed under Article 14-5 of the Securities and Exchange Act:

For details, please refer to the table below "Operations of the Company's Audit Committee for 2025".

(2) Apart from the aforementioned matters, resolutions not approved by the Audit Committee but consented to by two-thirds or more of all Directors: None.

2. Implementation of recusal by Independent Directors for conflict-of-interest agenda items, including the names of the Independent Directors, the content of the agenda items, the reasons for recusal due to conflict of interest, and the status of voting participation: None.

3. Communication among Independent Directors, internal auditor, and CPA for 2025:

(1). Communication between Independent Directors and CPA:

Date	Key Communication Points	Result
2025.03.12	【Audit Committee Report】 Audit Conclusions for 2024	Good
2025.11.07	【Audit Committee Report】 Audit Planning for Financial Statements for 2025	Good

(2). Communication between Independent Directors and internal auditor:

Date	Key Communication Points	Result
2025.02.19	【Audit Committee Report】 Summary of Audit and Follow-up Reports from November 2024 to January 2025	Good
2025.03.12	【Audit Committee Report】 Summary of Audit and Follow-up Reports for February 2025	Good
2025.04.14	【Audit Committee Report】 Summary of Audit and Follow-up Reports for March 2025	Good
2025.05.08	【Audit Committee Report】 Summary of Audit and Follow-up Reports for April 2025	Good

2025.05.27	【Audit Committee Report】 Summary of Audit and Follow-up Reports for May 2025	Good
2025.08.08	【Audit Committee Report】 Summary of Audit and Follow-up Reports from June to July 2025	Good
2025.11.07	【Audit Committee Report】 Summary of Audit and Follow-up Reports from August to October 2025	Good

(3) Forum between Independent Directors and internal auditor:

Date	Topic	Key Records / Notes
2025.11.07	1. Follow-up on Instructions from Previous Session	Regarding the instructions given by Independent Directors at the previous forum (such as enhancing corporate governance evaluation, building the audit team, and increasing sensitivity to investments in China), as well as follow-up items raised in monthly routine summary reports (deficiencies pending improvement at the solar energy subsidiary), the Audit Office reported improvement progress on each item one by one.
	2. Progress on 2025 Audit Plan Execution	The 2025 annual audit plan consists of 39 cases in total. As of the end of October 2025, 32 cases have been executed, representing an annual execution rate of 82%, all proceeding according to the planned schedule.
	3. Key Points of 2025 Internal Control Self-Evaluation Execution	The 2025 annual internal control self-evaluation adopts three major directions — [Reduce Quantity, Improve Quality, and Strengthen Risk Awareness] — as its execution objectives, with the aim of reinforcing personnel's internal control awareness and enhancing overall risk management within each unit.
	4. Planning for Audit Automation	The objective is to use automated system analysis of data to reduce manual review time, directly generate suspected anomalous samples, and allow Auditors to focus on confirmation, thereby improving efficiency and effectiveness.
	5. Independent Director Recommendations	1. Support the establishment of audit informatization and promote shared investment across the Group.

			<ol style="list-style-type: none"> 2. Promote audit automation and establish risk management mechanisms for procurement and sales. 3. Risks in the mainland China market are increasing, needs to raise alertness and prepare in advance. 4. Auditor talent gaps and compensation structure adjustments in the AI era.
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3. The operation of the Company's Audit Committee for 2025:

Audit Committee Date	Meeting Session	Agenda	Audit Committee Opinion	Opinion Handling
2025.02.19	1st Meeting	1. Approved the proposal to exclude the Company's overdue accounts receivable in Q4 of 2024 from the fund lending cases.	Approved without objection	N/A
		2. Approved the Company's business plan for 2025.	Approved without objection	N/A
		3. Approved the authorization proposal for the Company's banking facilities for 2025.	Approved without objection	N/A
		4. Approved the application for a medium-term working capital loan from the bank.	Approved without objection	N/A
		5. Approved the continuation and reduction of the endorsement and guarantee for subsidiary Wah Lee (Vietnam) Co., Ltd. (USD 8.9 million)	Approved without objection	N/A
		6. Approved the pre-approval of engaging Deloitte & Touche to provide non-assurance services to the Company and its subsidiaries.	Approved without objection	N/A
		7. Approved the appointment and compensation of the CPA for auditing and certifying the financial statements and tax returns for 2026.	Approved without objection	N/A
		8. Approved the date and venue for the 2025 Annual Shareholders' Meeting.	Approved without objection	N/A
2025.03.12	2nd Meeting	1. Approved the Business Report, Parent company only financial statements, and consolidated financial statements for 2024.	Approved without objection	N/A
		2. Approved the earnings distribution proposal for 2024.	Approved without objection	N/A
		3. Approved the amendment of certain provisions of the Company's Articles of Incorporation.	Approved without objection	N/A

Audit Committee Date	Meeting Session	Agenda	Audit Committee Opinion	Opinion Handling
		6. Approved the continuing performance guarantees for procurement by subsidiaries Raycong Industrial (Hong Kong) Limited, Dong Guan Hua Gang International Trading Co., Ltd., and Shanghai Yi Kang Chemicals & Industries Co., Ltd. to Shinkong Synthetic Fibers Corp. and Shinkong Applied Materials (Jiangsu) Co., Ltd. (NT\$ 150,000 thousand)	Approved without objection	N/A
		5. Approved the continuation of the endorsement and guarantee for equity-invested company Asahi Kasei Wah Lee Hi-Tech Corp. (NT\$ 25,194 thousand)	Approved without objection	N/A
		6. Approved the continuation of the endorsement and guarantee for equity-invested company Chang Nagase Wahlee Plastics Corp. (NT\$ 400,000 thousand and purchase guarantee of NT\$ 67 million)	Approved without objection	N/A
		7. Approved the continuation of the endorsement and guarantee for equity-invested company Shanghai Hua Chang Trading Co., Ltd. (USD 19,500 thousand and purchase guarantee of USD 6,500 thousand)	Approved without objection	N/A
		8. Approved the issuance of the Company's Internal Control System Statement for 2025.	Approved without objection	N/A
2025.04.14	3rd Meeting	Approved the amendment to the earnings distribution proposal for 2024.	Approved without objection	N/A
2025.05.08	4th Meeting	1. Approved the consolidated financial report for Q1 2025.	Approved without objection	N/A
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q1 2025.	Approved without objection	N/A
		3. Approved the continuation of endorsement and guarantee for subsidiary Hightech Polymer Sdn. Bhd. (USD 11 million)	Approved without objection	N/A
2025.05.27	5th Meeting	Approved the purchase of liability insurance for the Company's Directors and Managers. (Insurance coverage USD 5 million) (2025.06.18~2026.06.18)	Approved without objection	N/A
2025.08.08	6th Meeting	1. Approved the consolidated financial report for Q2 2025.	Approved without objection	N/A

Audit Committee Date	Meeting Session	Agenda	Audit Committee Opinion	Opinion Handling
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q2 2025.	Approved without objection	N/A
		3. Approved the continuation of endorsement and guarantee for subsidiary Wahlee Innovation Materials Private Limited. (INR 100,000 thousand)	Approved without objection	N/A
		4. Approved the continuation of endorsement and guarantee for subsidiary Regent King International Limited. (USD 1 million)	Approved without objection	N/A
		5. Approved the addition of endorsement and guarantee for investee company Asahi Kasei Wah Lee Hi-Tech Corporation. (NT\$ 25,969.2 thousand)	Approved without objection	N/A
2025.11.07	7th Meeting	1. Approved the consolidated financial report for Q3 2025.	Approved without objection	N/A
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q3 2025.	Approved without objection	N/A
		3. Approved the continuation of endorsement and guarantee for subsidiary Wah Lee Philippines Inc. (USD 1 million)	Approved without objection	N/A
		4. Approved the continuation of endorsement and guarantee for subsidiary PT. Wah Lee Indonesia. (USD 2 million)	Approved without objection	N/A
		5. Approved the amendment to the Company's 'Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct'.	Approved without objection	N/A
		6. Approved the amendment to the Company's 'Internal Control System - Payroll Cycle'.	Approved without objection	N/A
		7. Approved the definition of entry-level employees of the Company.	Approved without objection	N/A
		8. Approved the Company's audit plan for the year 2026.	Approved without objection	N/A
2025.12.30	1st Extraordinary Meeting	Approved the investment in Jinde Gas Co., Ltd.	Approved without objection	N/A

(3) Corporate governance operations and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, along with reasons:

Evaluation Item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
1. Has the Company formulated and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established its "Corporate Governance Best Practice Principles" as the basis for implementing corporate governance matters, and discloses the Corporate Governance Best Practice Principles and actual implementation status in the annual report, Market Observation Post System, and the Company's website. For information on the Company's corporate governance operations, please refer to the "Corporate Governance Report" in this annual report and the Company's website.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Shareholding Structure and Shareholders' Rights (1) Has the Company established internal operating procedures for handling Shareholder suggestions, inquiries, disputes, and litigation, and implemented them accordingly?	✓		(1) To safeguard shareholders' interests, the Company has designated a spokesperson, a deputy spokesperson, a stock affairs unit, and dedicated personnel responsible for investor relations. The Company also provides an investor relations mailbox (IR_Relations@wahlee.com) as a communication channel, and has established internal control procedures governing the handling of shareholder suggestions, inquiries, disputes, and litigation matters.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Has the Company identified the major Shareholders who actually control the Company and a list of the ultimate controllers of such major Shareholders?	✓		(2) The Company has maintained the relevant list and reports monthly on the shareholdings of Directors, Independent Directors, Managers, and shareholders holding 10% or more of the shares.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Compliant with the Corporate Governance Best

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
(3) Has the Company established and implemented risk control and firewall mechanisms with Affiliates?	✓		(3) The Company has established relevant risk control and firewall mechanisms in the "Management of Related Party Transactions," "Management of Financial Report Preparation," "Procedures for Monitoring Subsidiaries," and "Procedures for Authorization of Duties and Statement Management of Subsidiaries"; and has included subsidiary monitoring operations review in the annual audit plan of the internal control system, with recommendations for improvement measures proposed for abnormal items and tracking of improvement status.	Practice Principles for TWSE/TPEX Listed Companies. Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(4) Has the Company established internal regulations prohibiting insiders from trading securities using non-public information available in the market?	✓		(4) The Company has established regulations such as the "Code of Ethical Conduct for Directors and Managers" and the "Procedures for Management of Internal Material Information and Prevention of Insider Trading," which govern all employees, Managers, and Directors of the Company, as well as any person who becomes aware of the Company's information through professional or controlling relationships, prohibiting any conduct that may involve insider trading. The Company also conducts irregular internal education and advocacy to implement the specific circumstances of the internal rules: 1. Directors Upon assuming office, Directors are provided with a regulatory advocacy handbook, and regulatory information is sent to Directors on an irregular basis. 2. Management / Employees Upon assuming insider positions, Managers are provided with relevant laws and regulations regarding changes in	

Evaluation Item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>insider shareholdings, insider trading, and short-swing trading. Regulatory information is also sent to Management on an irregular basis, and education and advocacy are provided to new employees in a timely manner. After the Company announces material information, Management are notified accordingly to avoid any circumstances that may involve insider trading.</p> <p>The Company's Board of Directors approved the revision of the "Internal Material Information Handling and Prevention of Insider Trading Management Procedures" on November 9, 2022, and on November 8, 2025, conducted a one-hour briefing for 8 current Directors to explain the aforementioned procedures, reminding Directors and Management that they are prohibited from trading the Company's publicly listed stocks or other equity-natured securities during the blackout period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report.</p> <p>On January 21, 2025, the Company conducted a 1-hour training session for 14 current managers, totaling 14 hours of training. On October 22, 2025, the Company conducted a two-hour educational briefing for 126 current Management and employees, with a total training duration of 252 hours, simultaneously reminding them that they are prohibited from trading the Company's publicly listed stocks or other equity-natured securities during the blackout period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report.</p> <p>On January 3, 2025, the Company notified all Directors via email of the 6 scheduled Board of Directors meeting dates for 2025, and</p>	

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			sent email reminders to insiders (Directors and Management) one day before the commencement of each blackout period—30 days or 15 days prior to the announcement of each quarterly financial report—to prevent insiders from inadvertently violating such regulations.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them accordingly?</p> <p>(2) In addition to establishing the Compensation Committee and Audit Committee as required by law, has the Company voluntarily established other types of Functional Committees?</p> <p>(3) Has the Company established Rules for Performance Evaluations of the Board of Directors along with evaluation methods, conducts regular annual performance evaluations, reports the results to the Board of Directors, and uses them as reference for individual Directors'</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established a diversity policy for Board of Directors members in its Corporate Governance Best Practice Principles, with specific management objectives formulated and implemented in accordance with the policy. For details on the implementation, please refer to pages 11 of this annual report under "Director Diversity and Independence."</p> <p>(2) The Company has established the Compensation Committee and Audit Committee in accordance with the law, and on November 9, 2022, the Board of Directors approved the establishment of the Corporate Governance and Sustainability Committee.</p> <p>(3) The Company conducted performance evaluations of the Board of Directors in 2022, carrying out regular annual performance evaluations for the overall Board of Directors, individual Board members, the Compensation Committee, and the Audit Committee, to serve as a reference for review and improvement, as well as for the selection or nomination of Directors. The evaluation process adopts a self-evaluation questionnaire method.</p>	<p>No significant differences from the regulations set forth in the Corporate Governance Best Practice Principles for Listed Companies.</p> <p>Same as the summary description.</p> <p>Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
Remuneration and nomination for re-appointment?			<p>The performance evaluation metrics for the Board of Directors encompass the following five dimensions:</p> <ol style="list-style-type: none"> 1. Level of participation in the Company's operations. 2. Enhancing the quality of Board of Directors decision-making. 3. Composition and structure of the Board of Directors. 4. Selection and continuing education of Directors. 5. Internal control. <p>The performance evaluation metrics for individual Board members encompass the following six dimensions:</p> <ol style="list-style-type: none"> 1. Understanding of the Company's goals and mission. 2. Awareness of Directors' responsibilities. 3. Level of participation in the Company's operations. 4. Internal relationship management and communication. 5. Directors' expertise and continuing education. 6. Internal control. <p>The performance evaluation metrics for the Compensation Committee and Audit Committee include the following five dimensions:</p> <ol style="list-style-type: none"> 1. Level of participation in the Company's operations. 2. Understanding of Functional Committee responsibilities. 3. Improving the quality of decision-making of the Functional Committee. 4. Composition of the Functional Committee and selection of its members. 5. Internal control. <p>The Company has completed the Board of Directors' self-evaluation for 2025, and the evaluation results were submitted to the Board of Directors on February 5, 2026 as</p>	

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
(4) Does the Company regularly evaluate the independence of its signing CPA?	✓		<p>a basis for review and improvement.</p> <p>The overall self-evaluation result of the Board of Directors was Excellent at 95%, and the overall self-evaluation result of individual Directors was Excellent at 84%, indicating that the Board of Directors as a whole operates well. The overall self-evaluation result of the Compensation Committee was Excellent at 91%; the overall performance self-evaluation result of the Audit Committee was Excellent at 89%; and the overall self-evaluation result of the Corporate Governance and Sustainability Committee was Excellent at 95%, indicating that all Functional Committees operate effectively, are in compliance with corporate governance requirements, and have effectively enhanced the functions of the Board of Directors.</p> <p>(4) The Company regularly (at least once a year) evaluates the independence and competence of the certifying CPA and requires the certifying CPA to issue an "Independence Statement" annually. The independence evaluation report of the certifying CPA for 2025 was submitted to the Board of Directors on March 11, 2026, using Audit Quality Indicators (AQI) to assess the independence and competence of the certifying CPA. The AQI evaluation results are as follows: 【AQI Indicator 3-1】 Non-audit services – Proportion of non-audit service fees: 14.1%, which is below the EU regulatory standard. (Not to exceed 70% of the average audit fees over the past 3 years) 【AQI Indicator 3-2】 Client familiarity – Although Deloitte & Touche has accumulated more than 20 years of certifying</p>	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			engagement, the rotation of certifying CPAs has adequately mitigated the risk to independence.	
4. Has the listed company appointed qualified and adequate corporate governance personnel, and designated a Corporate Governance Officer to be responsible for corporate governance-related matters (including but not limited to providing Directors and Supervisors with information required for performing their duties, assisting Directors and Supervisors in complying with laws and regulations, handling matters related to Board of Directors and Shareholders' Meeting procedures in accordance with applicable laws, and preparing minutes of Board of Directors and Shareholders' Meetings, etc.)?	✓		Pursuant to a resolution passed by the Board of Directors on August 12, 2020, the Company designated Senior Director Lin, Jen-Chih as the Corporate Governance Officer to protect Shareholders' rights and interests and strengthen the functions of the Board of Directors. Senior Director Lin, Jen-Chih has more than three years of experience in financial and shareholder services supervisory roles at a publicly listed company. The primary responsibilities of the Corporate Governance Officer include handling matters related to Board of Directors and Shareholders' Meeting procedures in accordance with applicable laws, preparing minutes of Board of Directors and Shareholders' Meetings, assisting Directors with onboarding and continuing education, providing Directors with information required for performing their duties, assisting Directors in complying with laws and regulations, and reporting to the Board of Directors on the review results regarding whether Independent Directors meet the relevant legal and regulatory qualification requirements at the time of nomination, election, and throughout their term of office. For the business execution status for 2025, please refer to page 43 of this Annual Report.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
5. Has the Company established communication channels with stakeholders (including but not limited to Shareholders, employees, customers, and suppliers), set up a dedicated stakeholder section on the Company's website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?	✓		The Company's website has established an "ESG Section" and a "Corporate Governance Section" as communication channels to appropriately respond to relevant issues of concern to stakeholders, including corporate social responsibility.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
6. Has the Company engaged a professional shareholder services agent to handle Shareholders' Meeting affairs?	✓		The Company has engaged the Shareholder Services Department of Yuanta Securities Co., Ltd. to handle shareholder services and Shareholders' Meeting affairs.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
7. Information Disclosure (1) Has the Company established a website to disclose financial, business, and corporate governance information? (2) Has the Company adopted other methods of information disclosure (such as establishing an English-language website, designating dedicated personnel responsible for the collection and disclosure of company information, implementing a spokesperson system, posting investor conference proceedings on the	✓ ✓		(1) The Company discloses up-to-date financial, business, and corporate governance information on an ongoing basis through its website (https://www.wahlee.com), with links to the Market Observation Post System. (2) 1. The Company has established an English-language website and, in accordance with applicable regulations, designated dedicated personnel responsible for information disclosure and public announcement filings. 2. The Company has established a spokesperson and deputy spokesperson system, and designated dedicated personnel responsible for investor relations.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
<p>Company's website, etc.)?</p> <p>(3) Has the Company announced and filed the annual financial report within two months after the end of the year, and announced and filed the first, second, and third quarter financial reports and monthly operating results ahead of the prescribed deadlines?</p>		✓	<p>3. The Company has posted institutional investor conference materials on the Company's website.</p> <p>(3) The Company has not yet announced and filed the annual financial report within two months after the end of the year, but has announced and filed the annual financial report within the deadline. The financial reports for the first, second, and third quarters have been approved by resolution of the Board of Directors, and together with the monthly operating conditions, have been announced and filed before the prescribed deadlines. Related information has also been disclosed on the Market Observation Post System and the Company's website.</p>	Same as the summary description.
<p>8. Does the Company have other important information that helps to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, the status of Directors' and Supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the Company's purchase of liability insurance for Directors and Supervisors, etc.)?</p>	✓		<p>1. Various welfare, continuing education and training, safety and health measures of the Company: For details, please refer to the "Labor-Management Relations" section of this Annual Report.</p> <p>2. Status of Directors' continuing education: All Directors completed a total of 72 hours of continuing education in 2025. For details, please refer to pages 45 to 47 of this Annual Report.</p> <p>3. Status of Directors' attendance at and presence in Board of Directors meetings: The attendance rate of all Directors at Board of Directors meetings in 2025 was 96%, reflecting a good attendance and presence record among Directors.</p> <p>4. The Company established the Audit Committee following the Shareholders' Meeting on May 26, 2017, in lieu of the Supervisors.</p>	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operations		Summary	Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			<p>5. Status of Management' participation in training and continuing education related to corporate governance in 2025: For details, please refer to pages 157 to 159 of this Annual Report, "Status of Management' Participation in Continuing Education and Training Related to Corporate Governance in 2025".</p> <p>6. In order to promote sustainable operation of the enterprise, and in consideration of risk management and environmental impact, the Company regularly organizes employee training on safety, health, and environmental management-related courses, and in accordance with relevant environmental protection laws and regulations Handle various operations.</p> <p>7. The Company has purchased liability insurance for Directors and Management.</p> <p>8. The Company's risk management policies: Please refer to the "Risk Management Analysis and Assessment" section on pages 176 to 187 of this Annual Report.</p> <p>9. Succession planning for Board of Directors members and key management of the Company: For details, please refer to page 48 of this annual report.</p>	

Evaluation Item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
9. Please describe the improvements made based on the most recent corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and propose priority enhancement items and measures for areas not yet improved.				
Item	Evaluation Indicators	Improvement Status		
Items Improved	1.5	The Company has formulated specific measures to enhance corporate value, submitted them to the Board of Directors on November 8, 2025, and disclosed the relevant information on the Market Observation Post System under the "Corporate Value Enhancement Plan Special Zone".		
	2.2	The Company has established a policy for diversification of Board of Directors members, and disclosed the specific management objectives and implementation status of the diversification policy on the Company's website and annual report.		
	4.19	In May 2025, the Company invested NT\$20 million in UMC Green Bonds (bond abbreviation: P12UMC1, code: B638BH), which have received green bond qualification recognition from the Taipei Exchange.		
	4.30	The Company has disclosed the content and implementation status of employee training and development programs for enhancing employees' career capabilities in the annual report and sustainability report.		
	4.34	The Company has established a Corporate Governance and Sustainability Committee and disclosed its composition, responsibilities, and operations in the annual report.		
Priority Enhancement Items	2.22	The Company is re-evaluating the plan to establish a Functional Committee at the Audit Committee level (such as a Risk Management Committee) to oversee risk management, with the committee comprising at least 3 members, more than half of whom shall be Independent Directors.		
	2.23	The Company's board performance evaluation plan provides for the conduct of an external evaluation at least once every three years, with the results and implementation status disclosed on the Company's website or in the Annual Report.		
	4.27	Classify according to GHG Protocol or ISO 14064-1, and disclose Scope 3 category items classified under the aforementioned standards, with Scope 3 annual emissions disclosed by category.		

Business Execution Status of the Corporate Governance Officer for 2025:

Approved by the Board of Directors on August 12, 2020, the Company appointed Director Lin, Jen-Chih as the Corporate Governance Officer to protect Shareholder rights and strengthen the functions of the Board of Directors.

Director Lin, Jen-Chih has more than three years of experience in managerial positions in finance and shareholder services at a publicly listed company.

1. Assisting Independent Directors and Directors in performing their duties, providing necessary information, and arranging training for Directors:

- (1) Providing Board of Directors members with the latest legislative and regulatory amendments and developments related to the Company's business operations and corporate governance upon assumption of office, and updating them on a regular basis.
- (2) Review the confidentiality levels of relevant information and provide Directors with the necessary company information, maintaining smooth communication and exchange between Directors and heads of each business units.
- (3) In accordance with the Corporate Governance Best Practice Principles, when Independent Directors need to meet individually with the internal audit supervisor or the signing CPA to understand the Company's financial and business needs, assist in arranging the relevant meetings.
- (4) Based on the Company's industry characteristics and the academic and professional backgrounds of Directors, assist Independent Directors and Directors in formulating annual continuing education plans and arranging courses.

2. Assist the Board of Directors and Shareholders' Meeting with meeting procedures and resolution compliance matters:

- (1) Report to the Board of Directors and the Audit Committee on the Company's corporate governance operations, and confirm whether the convening of the Company's Shareholders' Meeting and Board of Directors meetings complies with relevant laws and corporate governance regulations.
- (2) Assist and remind Directors of the regulations to be observed when carrying out their duties or making formal resolutions of the Board of Directors, and provide recommendations when the Board of Directors is about to make an unlawful resolution.
- (3) After meetings, be responsible for reviewing and issuing material information disclosures regarding important resolutions of the Board of Directors, ensuring the legality and accuracy of the material information content, so as to protect the equal access to trading information for investors.

3. Draft the Board of Directors meeting agenda and notify Directors 7 days in advance, convene meetings and provide meeting materials, give prior reminders for agenda items requiring recusal of interest, and complete the Board of Directors meeting minutes within 20 days after the meeting.
4. Handle the advance registration of the Shareholders' Meeting date in accordance with the law, prepare meeting notices, meeting handbooks, and meeting minutes within the statutory deadlines, and handle registration of changes for amendments to the Articles of Incorporation or re-election of Directors.
5. Report to the Board of Directors the results of the review of whether Independent Directors meet the qualifications required by relevant laws and regulations at the time of nomination, election, and during their term of office.
6. Handle matters related to changes in Directors.
7. Regularly report and discuss the implementation of Sustainable Development to the Corporate Governance and Sustainability Committee and the Board of Directors on an annual basis.

Corporate Governance Officer continuing education in 2025:

Name	Date of Continuing Education	Organizer	Course Name	Training Hours
Lin, Jen-Chih	2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3
	2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3
	2025/09/26	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3
	2025/10/16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6
Total continuing education hours in 2025: 15 hours				

Director continuing education of the Company in 2025:

Title	Name	Date of Continuing Education	Organizer	Course Name	Training Hours	Total Hours for the Year
Chairman	Chang, Tsuen-Hsien	2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	6
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
Director	Huang, Lu-Hwei	2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	6
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
Director	Yeh, Ching-Pin	2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	6
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
Director	Lin, Yu-Chin	2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution	3	9

Title	Name	Date of Continuing Education	Organizer	Course Name	Training Hours	Total Hours for the Year
				Behind Artificial Intelligence		
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
		2025/09/26	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3	
Independent Director	Shyu, So-De	2025/05/07	Securities and Futures Institute	Analysis of Fraud Techniques and Introduction to Anti-Money Laundering Regulations and Cases (Including Insider Trading Prevention)	3	12
		2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
		2025/12/17	Securities and Futures Institute	New Thinking in Corporate Hedging: Addressing Foreign Exchange Challenges and Asset Management Trends	3	
Independent Director	Wang, Yea-Kang	2025/04/29	Securities and Futures Institute	Legal Risks and Responses to Insider Trading - Focusing on Asset Disposal Events	3	9
		2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the	3	

Title	Name	Date of Continuing Education	Organizer	Course Name	Training Hours	Total Hours for the Year
				Semiconductor Industry Revolution Behind Artificial Intelligence		
		2025/05/28	Securities and Futures Institute	Current Development and Trends in Carbon Pricing and Carbon Trading	3	
Independent Director	Chang, Chi-Nan	2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	12
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
		2025/08/26~08/28	Accounting Research and Development Foundation	2025 ESG Summit	6	
Independent Director	Guu, Yuan-Kuang	2025/05/23	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3	12
		2025/05/27	Securities and Futures Institute	NVIDIA's Three-Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	
		2025/08/08	Securities and Futures Institute	Silicon Photonics Defining Networks: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3	
		2025/08/22	Chinese National Federation of Industries	2025 Taishin Shin Kong Net Zero Summit Forum	3	
Total continuing education hours in 2025: 72 hours						

Succession Planning for Board Members and Senior Management:

In addition to professional backgrounds and skills, members of the Board of Directors should also possess expertise in the Company's business planning and operations. To enhance the professionalism and continuous improvement of Board members, courses covering finance, business, legal affairs, risk management, corporate management, and corporate governance related to the Company's industry have been selected beyond the scope of each Director's professional competencies. The Company has also cultivated an internal senior Managerial Officer who joined the Board of Directors in May 2017, familiarizing him with the Board's operations to date.

In the Company's succession plan for senior management, successors must possess the Company's core competencies and managerial competencies. Training for senior management is divided into management capabilities, professional capabilities, and personal development plans, covering areas such as human resources, financial risk, risk management, business development, and strategic planning. Exchanges with senior executives of other companies are also arranged. Each phase of training is planned for a period of 3 to 5 years, gradually cultivating the decision-making and judgment capabilities of senior management through professional skills training and practical operations.

At the Board of Directors meeting on June 17, 2016, the Company approved the appointment of Mr. Chang, Tsuen-Hsien as CEO and concurrently as President, in order to bring a younger perspective to the Company's management. The former CEO, Mr. Chang, Ray-Ching, was relieved of his concurrent role as CEO and assumed the dedicated role of Chairman, continuing to implement the Company's core values of "Integrity, Enthusiasm, Respect, Inheritance, and Innovation."

At the Board of Directors meeting on May 30, 2023, Mr. Chang, Tsuen-Hsien was elected as Chairman, leading the Company toward the direction of sustainable operation.

(4) Composition, Responsibilities, and Operations of the Compensation Committee:

In accordance with the Company's Compensation Committee Charter, the members of the Compensation Committee are appointed by resolution of the Board of Directors, with a total of three members. At least one Independent Director must participate on the committee, and all members shall elect an Independent Director to serve as the convener. Operations are conducted in accordance with the Company's Compensation Committee Charter:

(1). Member Information of the Compensation Committee

Title	Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where Member Concurrently Serves on Compensation Committee
Independent Director and Concurrent Convener	Wang, Yea-Kang	Please refer to Table 1 - Director Information (1) on page 7 to 8 for relevant content.	For the two years prior to election and during the term of office, all of the following independence criteria have been met: (1) Not an employee of the Company or its Affiliates. (2) Not a Director or Supervisor of the Company or its Affiliates (except where the person serves as an Independent Director of the Company and its Parent company, subsidiary, or a subsidiary of the same Parent company as mutually appointed pursuant to the Securities Exchange Act or local laws and regulations). (3) Not a natural person Shareholder, either personally or through a spouse, minor children, or under another person's name, holding 1% or more of the total issued shares of the Company or ranking among the top ten Shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a Management listed in (1) or a person listed in (2) or (3). (5) Is not a director, supervisor, or employee of a juridical-person shareholder that directly holds 5% or more of the total issued shares of the Company, is among the top five shareholders, or has appointed a representative pursuant to Paragraph 1 or 2 of Article 27 of the Company Act to serve as a director or supervisor of the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction).	2
Independent Director	Shyu, So-De			3
Independent Director	Guu, Yuan-Kuang			0

Title	Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where Member Concurrently Serves on Compensation Committee
			<p>(6) Is not a director, supervisor, or employee of another company where more than half of the director seats or shares with voting rights are controlled by the same person who controls the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction).</p> <p>(7) Is not a director (trustee), supervisor (monitor), or employee of another company or institution where the chairman, President, or equivalent officer of that company is the same person as or the spouse of the chairman or President of the Company (except where the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction).</p> <p>(8) Is not a director (trustee), supervisor (monitor), management, or shareholder holding 5% or more of shares of a specific company or institution that has a financial or business relationship with the Company (except where such specific company or institution holds 20% or more but not more than 50% of the total issued shares of the Company, and the person serves concurrently as an independent director of the Company and its parent company, subsidiary, or a subsidiary of the same parent company, as established under the Securities Exchange Act or the laws of the local jurisdiction).</p> <p>(9) Is not a professional individual, sole proprietor, partner, director (trustee), supervisor (monitor), Management, or spouse thereof, of a sole proprietorship, partnership, company, or institution that provides audit services or commercial, legal, financial, accounting, or related services to the Company or its Affiliates with cumulative compensation received in the past two years not exceeding NT\$500,000. However, this restriction does not apply to members of the Compensation Committee, public tender offer review committee, or merger and acquisition special committee fulfilling their duties in accordance with the Securities Exchange Act or relevant regulations under the Business Mergers and Acquisitions Act.</p>	

Title	Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where Member Concurrently Serves on Compensation Committee
			<p>Members of the Compensation Committee who previously served as Independent Directors of a company specified in Subparagraph 2 or Subparagraph 8 of Paragraph 1, or its Affiliates, or a specific company or institution having financial or business dealings with the Company, and have since been dismissed from such position, shall not be subject to the provision in Paragraph 1 regarding the two-year period prior to appointment. The specific companies or institutions referred to in Subparagraph 8 of Paragraph 1 are those that have any of the following relationships with the Company:</p> <ol style="list-style-type: none"> 1. Holding 20% or more, but not exceeding 50%, of the total issued shares of the Company. 2. Another company and its Directors, Supervisors, and Shareholders holding more than 10% of the total shares collectively hold 30% or more of the total issued shares of the Company, and there have been records of financial or business dealings between both parties. The shares held by the aforementioned persons include those held by their spouses, minor children, and shares held under the names of others. 3. The Company's operating revenue derived from another company and its group companies reaches 30% or more. 4. The quantity or total purchase amount of the Company's main raw materials (referring to those accounting for 30% or more of total purchase amounts and being indispensable key materials for manufacturing products) or main goods (referring to those accounting for 30% or more of total operating revenue) sourced from another company and its group companies reaches 50% or more. <p>The terms 'parent company,' 'subsidiary,' and 'group' as referred to in Paragraphs 1, 2, and the preceding paragraph shall be determined in accordance with the provisions of IFRS No. 10.</p>	

(2). Operations of the Compensation Committee

1. The Compensation Committee of the Company has a total of 3 members.
2. Term of the current members: May 30, 2023 to May 29, 2026. The Compensation Committee held 2 meetings in 2025 (A). The qualifications and attendance of the members are as follows:

Title	Name	Actual Number of Attendances (B)	Number of Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note 1)	Note
Convener	Wang, Yea-Kang	2	0	100%	
Member	Shyu, So-De	2	0	100%	
Member	Guu, Yuan-Kuang	2	0	100%	

Note 1: The actual attendance rate (%) of Compensation Committee members is calculated based on the number of meetings held and the actual number of attendances during their tenure.

Other Matters to be Recorded:

1. Cases where the Board of Directors did not adopt or revised the recommendations of the Compensation Committee: None.
2. Cases where members of the Compensation Committee expressed objections or reservations regarding resolutions, with records or written statements: None.

(3). The primary responsibilities of the Compensation Committee:

The Compensation Committee of the Company shall exercise the due care of a good administrator and faithfully perform the following duties, and shall be accountable to the Board of Directors, submitting its recommendations to the Board of Directors for deliberation.

1. Authorities of the Compensation Committee of the Company

To formulate and periodically review the policies, systems, standards, and structure for performance evaluation and compensation of Directors and Management.

To periodically evaluate and determine the compensation of Directors and Management.

2. When exercising the authorities set forth in the preceding paragraph, the Committee shall adhere to the following principles

The performance evaluation and compensation of Directors (members of the Audit Committee) and Management shall reference the general compensation levels in the same industry, and shall consider the reasonableness of their relation to individual performance, the Company's operating performance, and future risks.

Directors and Management shall not be incentivized to engage in behaviors that exceed the Company's risk appetite in pursuit of compensation.

The proportion of bonuses paid based on short-term performance of Directors and senior Management, as well as the timing of payment of certain variable compensation, shall be determined by taking into account industry characteristics and the nature of the Company's business.

(4). Operations of the Compensation Committee in 2025:

Compensation Committee Meeting Date	Meeting Session	Agenda	Resolution	Handling of the Compensation Committee's Opinions by the Company
2025.03.12	1st Meeting	Approved the distribution of Director compensation and employee compensation of the Company for 2024.	Approved by all committee members	Submitted to the Board of Directors and approved by all attending Directors, and reported to the Shareholders' Meeting
		Approved the ratification of the Company's Director compensation and employee compensation ratios for 2025.	Approved by all committee members	Submitted to the Board of Directors and approved by all attending Directors
2025.08.08	2nd Meeting	Approved the Compensation plan for the Company's Management for 2024.	Approved by all committee members	Submitted to the Board of Directors and approved by all attending Directors
		Approved the amendment of certain provisions of the Company's "Director Compensation Management Policy".		

(5-1) Composition, Responsibilities, and Operations of the Corporate Governance and Sustainability Committee:

The Company's Board of Directors resolved to establish the Corporate Governance and Sustainability Committee on November 9, 2022. The Committee consists of three members, including one Director and two Independent Directors, with the Chairman serving as the convener and chairperson of meetings. Operations are conducted in accordance with the Company's Corporate Governance and Sustainability Committee Organizational Rules. Each functional subgroup may convene working meetings as needed to discuss the implementation status of each group, and shall annually submit an annual execution plan and an execution results report.

The annual execution plan and execution results report referred to in the preceding paragraph shall be reviewed by the Corporate Governance and Sustainability Committee before being submitted to the Board of Directors.

(1). Professional Qualifications and Experience of Corporate Governance and Sustainability Committee Members:

Members	Professional Qualifications and Experience
Chairman Chang, Tsuen- Hsien	Holds a degree in Electrical Engineering and Biomedical Engineering from the University of Southern California. Currently serving as Chairman of the Company and Chairman and Chief Strategy Officer of Wah Hong Industrial Corp. Possesses more than five years of work experience required in business, finance, and company operations, including managing and supervising the performance of business units and operational support units, achieving annual budgets and financial forecasts for business units, managing supplier and customer relationships, assisting in developing new product agency for business units, and demonstrating global professional market competition judgment, operational decision-making, and innovative leadership capabilities to lead the Company to greater heights and toward sustainable operation.
Independent Director Wang, Yea- Kang	Holds a Master of Laws from the Graduate Institute of Urban Planning at National Chung Hsing University. Serves as the convener of the Company's Compensation Committee, a member of the Audit Committee, and a member of the Corporate Governance and Sustainability Committee. Currently serving as a review expert for the Executive Yuan Public Works Committee and a consultant for the Taiwan Textile Research Institute. Possesses more than five years of work experience required in business, legal affairs, and company operations, with expertise in law and business management.
Independent Director Shyu, So- De	Holds a Ph.D. in Finance from the University of Alabama, USA. Serves as the convener of the Company's Audit Committee, a member of the Compensation Committee, and a member of the Corporate Governance and Sustainability Committee. Previously served as a professor in the Department of Finance at Sun Yat-sen University and as President and Professor of Takming University of Science and Technology. Has more than five years of work experience required for business, finance, and corporate operations, with expertise in financial management and accounting.

(2). Operations of the Corporate Governance and Sustainability Committee:

The Company's Corporate Governance and Sustainability Committee was established on November 9, 2022, with a total of 3 members.

The term of the current members: May 30, 2023 to May 29, 2026. The Corporate Governance and Sustainability Committee held 1 meeting in 2024 (A). The qualifications and attendance of the members are as follows:

Title	Name	Actual Number of Attendances (B)	Number of Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note 1)	Note
Convener	Chang, Tsuen-Hsien	1	0	100%	
Member	Wang, Yea-Kang	1	0	100%	
Member	Shyu, So-De	1	0	100%	
<p>Note 1: The actual attendance rate (%) of sustainability committee members is calculated based on the number of Corporate Governance and Sustainability Committee meetings held and the number of meetings actually attended during their term of service.</p> <p>Other Matters to be Recorded:</p> <p>1. Matters where the Board of Directors did not adopt or amended the recommendations of the Corporate Governance and Sustainability Committee: None.</p> <p>2. Matters resolved by the Corporate Governance and Sustainability Committee where members expressed objections or reservations with records or written statements: None.</p>					

(3) The primary responsibilities of the Corporate Governance and Sustainability Committee are as follows:

To promote and strengthen the corporate governance and integrity management system.

To promote and develop matters related to corporate sustainability.

To review risk management policies, procedures, and frameworks, and periodically assess their applicability and implementation effectiveness, propose necessary improvement recommendations, and report to the Board of Directors.

To oversee other sustainability-related matters as resolved by the Board of Directors.

(4) The operations of the Sustainability Committee for 2025 are as follows. On May 8, 2025, the Corporate Governance Officer reported to and discussed with the Board of Directors the implementation status of the Company's sustainability initiatives.

Corporate Governance and Sustainability Committee Date	Agenda	Reports, Discussions, and Resolution Outcomes
2025.05.08	1. The Company's Sustainable Development policies, systems, related management guidelines and Sustainable Development goals, along with the 2025 annual plan, the 2024 Sustainability Report, and the stakeholder communication report.	The chairperson solicited opinions from all attending committee members, and the proposal was approved without objection and submitted to the Board of Directors for reporting.
	2. Report on the Company's risk management operations for the year 2024.	The chairperson solicited opinions from all attending committee members, and the proposal was approved without objection and submitted to the Board of Directors for reporting.
	3. Approval of the Company's 2024 Sustainability Report.	The chairperson solicited opinions from all attending committee members, and the proposal was approved without objection and submitted to the Board of Directors for resolution.

(5-2) Implementation status of promoting Sustainable Development and discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, along with the reasons:

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
1. Has the Company established a governance structure for promoting Sustainable Development, set up a dedicated (or concurrent) unit for promoting Sustainable Development, authorized senior management to handle related matters by the Board of Directors, and implemented Board of Directors oversight?	✓		<p>The Company established the Corporate Governance and Sustainability Committee on November 9, 2022, and held the first Corporate Governance and Sustainability Committee meeting on May 8, 2023. The Chairman and two Independent Directors serve as members of the Corporate Governance and Sustainability Committee, with the Chairman serving as the convener and meeting chairperson.</p> <p>The functional sub-groups under the Committee include the Corporate Governance team, the Environmental Sustainability team, and the Corporate Social Responsibility team. When these functional sub-groups discuss ESG-related issues within the Company, they will, based on the materiality of the issues, select appropriate occasions to report to the Committee or the Board of Directors. Related resolutions are recorded in the meeting minutes, tracked by the Committee's secretariat, and subsequently submitted to the next Committee meeting and forwarded to the Board of Directors for reporting.</p> <p>The Sustainable Development promotion team regularly discusses the latest developments in ESG-related matters, future directions, and categories of issues of concern to various stakeholders. It formulates annual target projects, oversees implementation progress and promotion effectiveness, and prepares written materials to report to the Board of Directors at least once a year on the current year's implementation results and the following year's implementation plan. In the fourth quarter of each year, a kickoff meeting for compiling the annual Sustainability Report is convened. Seed personnel and Supervisors from each Department are invited to attend the meeting to discuss the material topics and stakeholders for the report. After the meeting, meeting minutes are provided to senior management to confirm the material issues for the year. Data collection and content writing are subsequently carried out based on these minutes. This report is compiled in accordance with the Company's operating procedures for the preparation and verification of the Sustainability Report.</p>	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			The Board of Directors reviews the progress of the Company's strategies and goals, and urges the Company to adjust its direction when necessary, with environmental friendliness alongside operational management as an essential guiding principle, implementing integrity in operations and sound risk control, and advancing toward Sustainable Development goals. A Corporate Governance and Sustainability Committee meeting was held on May 8, 2025, during which reports were made on the Company's Sustainable Development policies, systems, related management guidelines and Sustainable Development goals, as well as the 2025 annual plan, the 2024 Sustainability Report, and stakeholder communications. Detailed materials were provided to attending committee members for reference. Following the report to the Corporate Governance and Sustainability Committee, the matter was subsequently submitted to the Board of Directors for reporting, and the Sustainability Report was also issued after being reported to the Board of Directors.	
2. Has the Company, in accordance with the materiality principle, conducted risk evaluations on environmental, social, and corporate governance issues related to its operations, and formulated relevant risk management policies or strategies?	✓		<ol style="list-style-type: none"> 1. This disclosure covers the Company's Sustainable Development performance at its major operating locations in Taiwan during the period from January 2025 to December 2025. The risk evaluation boundary primarily covers Wah Lee Industrial Corp. (Taiwan), Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation, while the financial report data also incorporates domestic and overseas subsidiaries within its scope. 2. The Corporate Governance and Sustainability Committee conducts analyses based on the materiality principle of the Sustainability Report, communicates with internal and external stakeholders, and, through expert recommendations, assesses ESG issues of material significance. It formulates risk management policies for effective identification, measurement, evaluation, monitoring, and control, and adopts specific action plans to mitigate the impact of relevant risks. 	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons						
	Yes	No								
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<p>3. Environmental Issues</p> <p>(1) Has the Company established an appropriate environmental management system based on its industry characteristics?</p>	✓		<p>In order to promote the sustainable operation of the enterprise and social development, the Company regards environmental protection as an inescapable responsibility, and continuously moves forward with the goal of becoming a green enterprise. To thoroughly ensure environmental quality, the Company actively implements and enforces the ISO 14001 Environmental Management System, and promotes environmental health and safety management, aiming to achieve a high degree of environmental greening, pollution prevention, efficient use of resources, and compliance with relevant environmental regulations. The Company also commits to promoting the following initiatives in the spirit of 'Environmental Protection, Pollution Prevention, and Continuous Improvement':</p> <ol style="list-style-type: none"> Implement and enforce the ISO 14001 Environmental Management System. (Certificate No.: TW03/00393; Valid Period: 2024/09/25 ~ 2027/09/25) 	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
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			<p>2. In 2023, the Company promoted the International Sustainability and Carbon Certification ISCC PLUS, and in 2024 successfully obtained the BV certification with Registration Number: ISCC-Reg-13871 and Certificate ID: ISCC-PLUS-Cert-PL214-31827216. This certification demonstrates compliance with regulatory frameworks (such as the EU Green Deal), national laws, and industry-led initiatives, and enables traceability of sustainability efforts throughout the supply chain, showcasing good corporate governance to improve Environmental, Social, and Governance (ESG) performance.</p> <p>3. In 2024, the Company promoted and in 2025 obtained BV certification for the Global Recycled Standard (GRS), with Textile Exchange-ID (TE-ID): TE-00131423 and Client Number: BVTW0058, to comply with the principles of tracking and tracing certified finished products, while also incorporating environmental and social responsibility requirements applicable across all industries. As standards evolve, the Company may opt to introduce a transaction certificate system, with the aim of providing better monitoring and control mechanisms for the industrial supply chain, thereby ensuring the integrity of certified products and aligning with international environmental protection trends.</p> <p>4. In consideration of corporate social responsibility and environmental protection policies, in 2023 the Company incorporated the ISO 14064-1 greenhouse gas (GHG) emissions inventory management system, establishing baseline year information for organizational GHG emission reductions based on the five principles of relevance, completeness, consistency, accuracy, and transparency. In 2024, the GHG emissions inventory was completed for the major operating companies of Wah Lee Group in Taiwan, namely Wah Lee Industrial Corp., Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation. In 2024 and 2025, Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned to conduct third-party external verification and assurance of the GHG inventory, and inventory statements were obtained to fulfill the goal of reducing GHG emissions. In 2026, the scope of third-party verification will be further expanded to include</p>	

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
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			<p>Dong Guan Hua Gang International Trading Co., Ltd., and Yi Kang Chemicals & Industries Co., Ltd.</p> <p>4. Continuously promote energy conservation and carry out resource recycling.</p> <p>5. Continuously improve and prevent pollution generation, minimizing the environmental impact of company incidents.</p> <p>6. Educate employees to enhance the environmental safety awareness and capabilities of all staff, striving to become a green enterprise.</p>	
(2) Has the Company committed to improving energy use efficiency and using recycled materials with low environmental impact?	✓		<p>The Company is committed to improving the efficiency of energy and resource utilization, controlling greenhouse gas emission sources, and using recycled materials with low environmental impact. The Company establishes appropriate environmental management systems and ensures their implementation and maintenance, in order to achieve energy conservation, carbon reduction, and greenhouse gas emission reductions.</p> <p>Committed to energy-saving, carbon reduction, and waste reduction environmental activities in business operations, such as lighting equipment improvements, resource recycling and reuse, and proactively conducting greenhouse gas emission inventories for internally and externally purchased electricity. The Company has listed greenhouse gas emission reductions from purchased electricity and water resource consumption as annual environmental targets, with continuous advocacy and tracking, and has set a reduction target of 0.2% lower in 2026 compared to 2025.</p> <p>In response to the international trend of greenhouse gas reduction, the Company has invested in the development of PCR recycled plastics in recent years, with sales of approximately 603 metric tons in 2025, representing an annual growth of 3.6%, working together with customers to create a cleaner and more sustainable home on Earth. The Company also imports recovered and purified reclaimed refrigerants from overseas. In recent years, nearly 76 metric tons of reclaimed refrigerants have been sold. Through recovery and purification, refrigerants enter the circular economy, reducing greenhouse gas emissions and lowering the environmental impact.</p>	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons						
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			The Company actively promotes the Global Recycled Standard (GRS) and ISCC PLUS (International Sustainability and Carbon Certification) to respond to international development trends in recycled engineering plastics. Through the introduction of relevant systems, the Company is committed to: (1) improving resource utilization efficiency; (2) strengthening the plastic waste recycling system and establishing a comprehensive and feasible circular reuse mechanism; (3) reducing carbon dioxide emissions through the application of bio-based materials and product carbon sequestration; (4) reducing dependence on petrochemical resources; and (5) fulfilling corporate social responsibility and promoting Sustainable Development.							
(3) Has the Company evaluated the potential risks and opportunities of climate change on the enterprise, both present and future, and adopted relevant response measures?	✓		<p>The Company designates the Corporate Governance and Sustainability Committee as the highest governing body for climate change management, with the Chairman serving as chairperson. The Committee reviews the Company's climate change strategies and targets annually, manages climate change risk and opportunity actions, reviews implementation status and discusses future plans, and reports to the Board of Directors.</p> <p>The Company has evaluated the potential risks and opportunities of climate change on the enterprise, both present and future, and has adopted response measures for climate-related issues, as described below:</p> <table border="1"> <thead> <tr> <th>Risks (Potential Financial Impact)</th> <th>Opportunities (Potential Financial Impact)</th> <th>Countermeasures</th> </tr> </thead> <tbody> <tr> <td>Rising raw material costs due to climate risks will directly increase manufacturers' production costs. Additionally, as upstream suppliers invest in</td> <td>By developing and promoting low-carbon, new energy, renewable energy, and sustainable circular products or services, the Company can not only meet</td> <td> <ul style="list-style-type: none"> The Company plans to adopt AI models to forecast future sales and strengthen business management, monitor customers' future market trends, and enhance inventory </td> </tr> </tbody> </table>	Risks (Potential Financial Impact)	Opportunities (Potential Financial Impact)	Countermeasures	Rising raw material costs due to climate risks will directly increase manufacturers' production costs. Additionally, as upstream suppliers invest in	By developing and promoting low-carbon, new energy, renewable energy, and sustainable circular products or services, the Company can not only meet	<ul style="list-style-type: none"> The Company plans to adopt AI models to forecast future sales and strengthen business management, monitor customers' future market trends, and enhance inventory 	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
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	Yes	No	Summary	
			<p>the research and development of green alternative technologies or equipment, capital expenditures increase significantly. If these costs cannot be passed on to customers, they will compress the Company's gross margin.</p> <p>the growing demands of customers but also develop new markets, gain a competitive edge over industry peers, secure more new orders, and thereby increase revenue and generate profits.</p> <p>management to reduce operational risks.</p> <ul style="list-style-type: none"> ● The solar power plants developed by the Wah Lee Group, with a total installed capacity of approximately 70.8 MW, are estimated to generate approximately 81.93 million kWh of electricity in 2025, reducing carbon emissions by approximately 38,800 metric tons, equivalent to afforesting 3,922 hectares, and powering approximately 23,400 households per year. ● In response to Australia's plan to fully decommission thermal power plants by 2040, the federal government has set a policy target of achieving 82% renewable energy generation by 2030. The Group has invested resources in 2025 to develop solar-plus-storage integrated projects in Australia 	

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons															
	Yes	No	Summary																
			(combining solar photovoltaic and energy storage systems), with an installed capacity of 5.8MW solar photovoltaic and 11MWh energy storage.																
(4) Has the Company compiled greenhouse gas emissions, water usage, and total waste weight for the past two years, and formulated policies for greenhouse gas reduction, water usage reduction, or other waste management?	✓		<p>1. Guided by the principles of "environmental protection, pollution prevention, and continuous improvement," the Company promotes management policies including continuous energy conservation, resource recycling, continuous improvement, pollution prevention, minimizing environmental impact, and educating employees to enhance their environmental safety awareness and capabilities.</p> <p>(1) Greenhouse gas emissions for the most recent 2 years: For details, please refer to pages 97 to 103 of this Annual Report.</p> <p>(2) Water usage for the most recent 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water Withdrawal (Million Liters)</td> <td>7.8453</td> <td>8.074</td> </tr> <tr> <td>Organization-Specific Metric (Unit)</td> <td>Operating revenue (Ten Thousands NT\$)</td> <td>Operating revenue (Ten Thousands NT\$)</td> </tr> <tr> <td>Organization-Specific Metric Value</td> <td>4,776</td> <td>4,860</td> </tr> <tr> <td>Water Intensity</td> <td>0.0016</td> <td>0.0017</td> </tr> </tbody> </table> <p>Note: 1. Water Withdrawal = Water Discharge = Water Consumption. 2. Water intensity is calculated as: Water Withdrawal (million liters) / Organization-Specific Metric Value. The "Revenue" of the Organization-Specific Metric: In 2025, Wah Lee Industrial Corp. (Taiwan) revenue was NT\$ 47.656 billion, Tranceed</p>	Year	2024	2025	Water Withdrawal (Million Liters)	7.8453	8.074	Organization-Specific Metric (Unit)	Operating revenue (Ten Thousands NT\$)	Operating revenue (Ten Thousands NT\$)	Organization-Specific Metric Value	4,776	4,860	Water Intensity	0.0016	0.0017	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
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Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			<p>Logistics Co., Ltd. revenue was NT\$ 0.709 billion, and Kingstone Energy Technology Corporation revenue was NT\$ 0.244 billion, totaling NT\$ 48.609 billion.</p> <p>In 2024, Wah Lee Industrial Corp. (Taiwan) revenue was NT\$46.818 billion, Tranceed Logistics Co., Ltd. revenue was NT\$702 million, and Kingstone Energy Technology Corporation revenue was NT\$244 million, for a combined total of NT\$47.764 billion.</p> <p>3. Scope of Coverage for the Two Years: 2024: Wah Lee Industrial Corp. (Taiwan), Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation. 2024: Wah Lee Industrial Corp. (Taiwan), Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation.</p>	
			<p>Most of the Company's operational sites are located in commercial office buildings. The water supply comes entirely from tap water provided by Taiwan Water Corporation, primarily used for employees' daily needs and partial air-conditioning equipment operations (such as restrooms and cooling towers). The overall operational risk associated with water resource supply is relatively limited. Nevertheless, the Company actively promotes water resource management measures by improving water use efficiency through infrastructure maintenance and optimization, installation of water-saving equipment, and other means. In accordance with the requirements of the ISO 14001 Environmental Management System, the Company continuously promotes water conservation education and awareness campaigns, strengthens employees' awareness of water conservation, and implements water-saving practices to reduce the impact on water resources and the environment.</p> <p>The explanation for the increase in water withdrawal in 2025 compared to the previous year is as follows: The overall water consumption of Wah Lee Industrial Corp. in 2025 increased slightly by 0.25% compared to FY2024, primarily due to a 1.6% year-over-year increase in the number of employees at Taiwan-based locations (including Taipei, Hsinchu, Taichung, Tainan, and Kaohsiung), which</p>	

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																						
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			<p>drove an increase in basic domestic water demand. Overall, the growth in water consumption was lower than the increase in headcount, indicating a continuous improvement in water use efficiency.</p> <p>(3) Waste Generation for the Most Recent 2 Years:</p> <table border="1"> <thead> <tr> <th colspan="5">General Waste Statistics Table</th> </tr> <tr> <th rowspan="2">Year</th> <th rowspan="2">Waste Composition Items</th> <th rowspan="2">Hazardous / Non-Hazardous</th> <th colspan="2">Off-Site</th> </tr> <tr> <th>Waste Generated (tons)</th> <th>Disposal Method</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>Paper</td> <td>Non-hazardous</td> <td>9.39</td> <td>Incineration (including energy recycling)</td> </tr> <tr> <td>2025</td> <td>Paper</td> <td>Non-hazardous</td> <td>0.28</td> <td>Incineration (including energy recycling)</td> </tr> </tbody> </table> <p>Description:</p> <ol style="list-style-type: none"> Off-site paper documents are entrusted to nearby compliant environmental vendors and incinerators for incineration and disposal. The general waste of Wah Lee Industrial Corp. and Kingstone Energy Technology Corporation is managed by the office building administration; the general waste at Tranceed Logistics Co., Ltd. operation sites is handled by qualified vendors for collection and disposal, and therefore no statistics are compiled for general waste. <p>The volume of general waste in 2025 decreased by 97.02% compared to the previous year, primarily because year 2024 coincided with the company's annual comprehensive sorting of documents and account books (e.g., account books reaching the end of their retention period), which generated a large volume of paper documents for incineration and disposal. 2025 has reverted to the standard disposal method, but efforts to reduce general waste will continue.</p>	General Waste Statistics Table					Year	Waste Composition Items	Hazardous / Non-Hazardous	Off-Site		Waste Generated (tons)	Disposal Method	2024	Paper	Non-hazardous	9.39	Incineration (including energy recycling)	2025	Paper	Non-hazardous	0.28	Incineration (including energy recycling)	
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Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>4. Social Issues</p> <p>(1) Has the Company formulated relevant management policies and procedures in accordance with applicable laws and regulations and international human rights conventions?</p>	✓		<p>1. The Company complies with labor regulations such as the Labor Standards Act and the Act of Gender Equality in Employment, and has established various management policies and procedures including the "Employee Work Rules," "Procedures for Filing and Handling Workplace Sexual Harassment Complaints," and "Written Statement on the Prevention of Workplace Violence." The Company is committed to practicing the spirit of diversity and inclusion, adhering to the principle of gender equality in operational management and decision-making, and ensuring that there is no gender disparity in recruitment, selection, hiring, assignment, placement, performance evaluation, or promotion, thereby creating a high-quality working environment to safeguard employee rights and benefits.</p> <p>2. The Company also abides by the principles of the United Nations Universal Declaration of Human Rights, expressly prohibits the employment of child workers under the age of fifteen, and maintains a non-discriminatory hiring policy that does not differentiate or discriminate in any form on the basis of race, skin color, age, gender, ethnicity or nationality, disability, pregnancy, religion, political stance, organizational background, marital status, or any other characteristic, collectively fostering a working environment characterized by dignity, safety, equality, and freedom from harassment.</p> <p>3. The Company respects employees' legally granted freedom of assembly and association, and is committed to providing open and accessible channels for labor-management communication, including labor-management meetings and occupational safety and health committee meetings, with the aim of integrating all resources and working in concert toward shared goals.</p> <p>4. Based on international human rights protection standards, internal regulations, and human rights issues of concern within the Company's industry, the Company has compiled a list of issues explaining the required actions to avoid potential human rights risks, serving as the focus of due diligence, and identifying various risk items along with mitigation and</p>	<p>Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			<p>remediation measures.</p> <p>5. To strengthen human rights awareness, human rights-related courses are conducted during new employee onboarding training, covering topics such as sexual harassment prevention, gender equality, labor laws and regulations, and the Labor Standards Act.</p> <p>6. In 2025, a total of 725 person-times of company employees participated in training on workplace equality and sexual harassment prevention, gender equality, understanding of gender diversity, responses to gender discrimination, sexual harassment investigation, the Labor Standards Act, and labor conditions, as well as training related to workplace safety and health, occupational injury protection, and environmental safety and health, in order to prevent personnel injuries caused by unsafe environments and operations. In addition, human rights risk assessment training was conducted to provide a clear understanding of human rights risk assessment tools; through risk assessment exercises, practical due diligence operations were strengthened, with joint participation from the human resources, business, and business management units. The total number of person-hours for related training amounted to 2,090 hours.</p>	
(2) Has the Company established and implemented reasonable employee benefit measures (including compensation, a friendly workplace, and other benefits), and appropriately reflected business	✓		<p>1. Article 20 of Incorporation of the Company stipulates that if the Company records a profit for the year, no less than 2% shall be set aside as employee compensation; however, if the Company still has accumulated deficits, the amount required to offset such deficits shall be reserved in advance.</p> <p>Of the employee compensation amount referred to in the preceding paragraph, no less than 8% shall be allocated as compensation distributed to entry-level employees. Business performance and results may be appropriately reflected in employee compensation, and the recipients include employees of subsidiaries meeting certain conditions.</p> <p>On March 11, 2026, the Board of Directors resolved that the estimated remuneration for grassroots employees for fiscal year 2025 had increased by 9.42%, and such increase has been reflected in employee compensation.</p>	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
performance or results in employee compensation?			<p>2. The compensation standards for all employees of the Company are not differentiated by gender, race, nationality, age, or any other criteria. When hiring female and male employees for the same position and job grade, the ratio of basic salary is 1:1. The Company has long participated in and referenced compensation surveys within the same industry to provide a reasonable and competitive compensation system in order to maintain overall compensation competitiveness, and has been consecutively included as a constituent stock of the Taiwan Stock Exchange's "Taiwan High Compensation 100 Index" to this day.</p> <p>3. Regarding employee benefits, in order to provide a workplace environment that considers employees' physical and mental well-being, in addition to ensuring that employees may exercise various leave and vacation rights in accordance with labor laws and regulations (e.g., the Labor Standards Act, the Act of Gender Equality in Employment, the Workers' Leave Regulations, etc.), the Company also grants employees an additional 7 days each of paid personal leave and sick leave, allowing employees to apply for the appropriate leave type based on their usage; furthermore, a flexible attendance mechanism is provided whereby employees who are pregnant, experiencing a serious injury or illness, raising children under the age of three, personally caring for preschool-aged children, or caring for injured or ill lineal relatives may apply on a priority basis for a flexible shift schedule with earlier or later start and end times, balancing work, family, and life.</p> <p>4. An Employee Welfare Committee has been established to provide employees with various subsidies, such as assistance for weddings, funerals, and other ceremonial occasions, educational scholarships, emergency relief, childbirth and hospitalization condolence gifts, as well as the distribution of gift vouchers/gifts upon joining the Company, on birthdays, and during the three major holidays. The Company also sponsors recreational activity funds to support employee club activities, organizes and subsidizes domestic and overseas travel, and hosts year-end banquet appreciation events, afternoon tea gatherings, and birthday celebrations.</p>	

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			<p>5. An Employee Stock Ownership Plan (ESOP) has been implemented to help employees save over the long term and accumulate wealth, thereby securing their future livelihood and enhancing their sense of participation in the Company. In 2025, 342 employees benefited from the plan, and the Company contributed a total of NT\$11,852 thousand.</p> <p>6. In accordance with the Labor Standards Act, the Company has established a "Labor Retirement Reserve Supervisory Committee" and, as required by law, contributes 8% of the total salaries of employees subject to the old pension system to a retirement reserve fund each month, which is deposited in a dedicated account at Bank of Taiwan. The Company conducts regular annual reviews of the balance and contribution status of the retirement reserve fund dedicated account to ensure that the funds in the dedicated account are sufficient to cover the old pension system retirement benefit payments for eligible employees. The recognized contribution amount for the old pension system in 2025 was NT\$9,597,018, which is sufficient to meet the retirement benefit payment needs of employees subject to the old pension system. In accordance with the provisions of the Labor Pension Act, the Company contributes 6% of each employee's salary monthly to the employee's individual pension account at the Bureau of Labor Insurance, Ministry of Labor, for employees subject to the new pension system. The recognized contribution amount for the new pension system in 2025 was NT\$21,829,269, ensuring employees' retirement rights and interests. As of the end of 2025, the number of employees making voluntary contributions to the new labor pension system was 164, accounting for 39% of all employees under the new labor pension system.</p> <p>The Company respects employees' career development plans and does not treat reaching the age of 65 as the sole mandatory condition for retirement. Employees who are still physically and mentally capable may choose to remain in the workplace and continue to contribute. Retired employees who are willing may also negotiate adjustments to their job responsibilities and be rehired as part-time staff, allowing their knowledge and experience to become the Company's core competitiveness and establishing a foundation for the Company's Sustainable</p>	

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			Development.	
(3)Has the Company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	✓		<ol style="list-style-type: none"> 1. The Company provides a good working environment, holds health seminars annually, and regularly publishes health e-newsletters on a monthly basis, enabling employees to easily stay informed about health trends. 2. Regular employee health examinations are conducted annually, taking into account employees' physical conditions. The most appropriate examination items are planned based on gender and age, and professional physicians are engaged to provide report consultations and safety and health education and training. 3. In accordance with applicable regulations, "occupational medicine specialists" and "occupational medicine specialist nurses" are engaged to visit the Company regularly to carry out four major health management programs: "overwork and stress management," "maternal health protection for female workers," "prevention of ergonomic hazards," and "prevention of unlawful infringement." 4. To provide female colleagues with the facilities needed for breastfeeding and milk expression, dedicated lactation rooms have been set up at the Kaohsiung, Hsinchu, and Taipei offices. 5. The Company is committed to promoting workplace smoking hazard prevention and health promotion, and has obtained the "Healthy Workplace Certification - Health Activation Badge" to create a happy enterprise with a high-quality healthy workplace environment. 6. To promote employee health and contribute to the environment, the Walkii Walking APP will be used in individual or team challenge modes. Each participating employee uses the APP to record their daily step count, and data is uploaded through the software to continuously accumulate the total steps of all participating employees, which are then converted into actual trees planted. This initiative also encourages employees to develop good exercise habits and stay away from the three highs (hypertension, hyperglycemia, and hyperlipidemia). 7. No occupational accidents occurred in 2025, but related issues continue to be closely 	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			monitored. 8. No fires occurred at the Company's business premises in 2025. The Company is very concerned about the safety of employees' working environments. Please refer to page 161 of the Annual Report for details on employee safety protection measures.	
(4) Has the Company established an effective career development and training plan for employees?	✓		The Company conducts employee education and training annually in accordance with its training plan, including orientation training for new employees, basic general education and development, management competency and professional development, to cultivate the knowledge and work skills required for employees' positions, enhance work performance, and continuously develop talent capabilities. (For details, please refer to Chapter IV, Section 5, "Labor-Management Relations" of this Annual Report.) In 2025, the total number of training participants was 2,700 person-times, with a total training duration of 6,525 hours.	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(5) With respect to issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, does the Company comply with relevant regulations and international standards, and has it formulated relevant	✓		The Company strictly complies with relevant government regulations, establishes internal operating procedures for personnel to follow, implements management mechanisms for all products sold on an agency basis, and has a "Customer Complaint Handling Procedure" in place to fulfill its commitment to safety. A management mechanism has been established for information security, along with a "Personal Data Protection Management Procedure," and dedicated personnel have been assigned to manage and maintain information security. The security of customer data and other information is ensured through internal and external audits as well as education and training. In accordance with operational needs, the ISO 27001 Information Security Management System will be introduced starting from 2026, with plans to obtain certification in 2027.	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
policies and complaint procedures to protect consumer or customer rights and interests?				
(6) Has the Company established a supplier management policy requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor and human rights issues, and what is the implementation status?	✓		<p>Having obtained ISO 9001 certification, the Company has established a "Supplier and Subcontractor Management Procedure" in accordance with this international standard. Qualified suppliers are required to pass the evaluation set forth in this procedure and are subject to annual re-evaluation covering three dimensions: quality (Q), delivery (D), and service (S). No non-conformance incidents have occurred to date.</p> <p>In 2024 and 2025, the Company completed the signing of the "RBA (Responsible Business Alliance) Code of Conduct" with its top twenty suppliers. Through the Code, suppliers are required to fulfill their responsibilities in the areas of environment, labor, management systems, ethics, and safety and health, collaborating with suppliers to jointly build sustainable enterprises aligned with the spirit of ESG.</p>	Consistent with the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
5. Has the Company referred to internationally	✓		The Company prepares its report in accordance with the internationally recognized GRI Sustainability Reporting Standards, the Sustainability Accounting Standards Board (SASB), and the Sustainability Disclosure Indicators for the Electronic Components Distribution Industry, to	Consistent with the requirements of the Sustainable

Promotion Items	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
recognized report preparation standards or guidelines to prepare sustainability reports or other reports disclosing the Company's non-financial information? Have the aforementioned reports obtained assurance or verification opinions from a third-party verification body?			disclose the Company's non-financial information. The report is issued after the Board of Directors' report and uploaded to the regulatory authority and the official website, providing stakeholders with more complete information. However, the 2025 Sustainability Report has not yet obtained assurance or verification opinions from a third-party verification body.	Development Best Practice Principles for TWSE/TPEX Listed Companies.
<p>6. If the Company has established its own Sustainable Development guidelines in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancies between its operations and the established guidelines:</p> <p>The Company's Board of Directors approved and adopted the Company's "Sustainable Development Best Practice Principles" on November 9, 2022. With corporate sustainable development as its mission, the Company aspires to become an exemplary corporate citizen and demonstrate its commitment to employees, Shareholders, and customers. In addition to implementing information transparency, under the long-term leadership of the Chairman and CEO, all employees are dedicated to introducing new materials, new technologies, and new equipment to the high-tech industry, and providing heartfelt services to drive continuous corporate growth, help customers achieve success, and create more employment opportunities. The Company regularly reviews its implementation in accordance with the guidelines and makes improvements accordingly. As of now, there have been no discrepancies in implementation.</p>				

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>7. Other important information that helps understand the implementation of Sustainable Development initiatives:</p> <p>(1) The Wah Lee Innovative Materials Competition closely aligns with industry trends and future development:</p> <p>For five consecutive years, the Company has supported the Chinese Materials Science Society in organizing this competition, accumulating 343 entries as of now, with sponsorship funds recently increased to NT\$2.18 million. In 2025, a total of 78 research works jointly developed by faculty advisors and students from 22 universities and colleges across Taiwan competed in the event. Both the number of participating institutions and the number of entries reached new highs, demonstrating the strong momentum of Taiwan's research and development capabilities.</p> <p>Under the government's policy of promoting north-south balance and regional industry development, academic and research capacity in southern Taiwan has grown rapidly. This year, entries from Tainan and Kaohsiung accounted for nearly 30% of total submissions, while central Taiwan contributed approximately one-quarter, reflecting a well-distributed competitive landscape across all three major regions.</p> <p>Vocational education institutions were also a highlight of this year's competition, with nearly 30 entries from universities of science and technology, of which 3 teams advanced to the finals, demonstrating the research and development potential of vocational education in the fields of materials, mechanical engineering, and manufacturing processes.</p> <p>All entries underwent a written review process, from which 10 selected works and 12 finalist teams were chosen. The finalists then competed through oral presentations for one Gold, one Silver, and one Bronze Award, as well as three Special Selection Awards.</p> <p>The award-winning works of this year's competition broadly covered six major fields: sustainable environment, sensing components, energy applications, metals and ceramics, medical devices and testing, and semiconductor components, reflecting the diverse and deepening innovation in new materials technology within academic and research communities.</p> <p>Another notable feature of this year's competition was that the participating teams were more interdisciplinary in composition than in previous years. In addition to the traditional core disciplines such as materials science and chemical engineering, students from electronics, mechanical engineering, biomedical science, medical engineering, and semiconductor programs participated enthusiastically, with even medical school students and clinical physicians involved in research and development.</p> <p>Cross-disciplinary collaboration not only enhanced the innovativeness of the works but also ensured their completeness and practical applicability, accelerating the potential for research outcomes to be integrated into industry.</p> <p>Professor Liu Chih-Wei's team from the College of Electrical Engineering and Computer Science at National Taiwan University continued its outstanding multi-year performance, once again winning the top award of this year's competition with results focused on advanced semiconductor manufacturing processes. In appreciation of the Company's long-standing support for the cultivation of materials science and semiconductor talent in</p>				

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>Taiwan, Professor Liu's team specially designed and presented a LEGO model inspired by semiconductor structures, symbolizing the spirit of industry-academia collaboration in building a shared foundation for technological advancement.</p> <p>The presentation ceremony was held during the award ceremony. The Company hopes that by continuing to organize competitions, it can encourage more young generations to engage in materials and semiconductor research, bringing new energy to the industry.</p> <p>(2) Donation of NT\$700,000 to the "NCKU Chemical Engineering Culture and Education Foundation" to promote teaching activities:</p> <p>The Company has long supported higher education and talent cultivation, continuously donating to the "NCKU Chemical Engineering Culture and Education Foundation" to promote teaching and talent development activities. Starting from 2025, The Company has once again committed to donating NT\$700,000, deepening the collaborative relationship with academia and fulfilling the Company's long-term commitment to giving back to society.</p> <p>A. Talent Cultivation Scholarships and Outstanding Student Scholarships:</p> <p>【Deepening Educational Engagement to Cultivate Key Industry Talent】</p> <p>The "Talent Cultivation Scholarship" established by the Foundation aims to assist students from financially disadvantaged backgrounds who have a passion for learning, helping them focus on their studies and develop professional competencies in a stable learning environment.</p> <p>Through the support of these scholarships, the Foundation not only alleviates the financial burden on students and their families, but also provides spiritual encouragement, serving as an important driving force for continued self-improvement and self-fulfillment.</p> <p>In 2025, three financially disadvantaged students received funding through the Company's "Talent Cultivation Scholarship." The Company believes that experiencing social support and goodwill during their formative years helps cultivate individuals with a strong sense of responsibility and a spirit of giving back — qualities that will enable them to create a more far-reaching and meaningful impact on industry and society in the years ahead.</p> <p>B. Wah Lee Lecture Series — 4 sessions held:</p> <p>【Supporting Academic Exchange to Deepen the Cultivation of Professional Talent】</p> <p>The Company has long supported the NCKU Chemical Engineering Culture and Education Foundation in promoting education and academic exchange, sponsoring the Foundation's "Wah Lee Special Topic Lecture Series" to deepen students' understanding of industry trends and professional applications through industry-academia dialogue.</p> <p>Building on past achievements, a total of 4 special topic lectures were held in 2025, inviting experts from academia and industry to share cutting-edge topics in chemical engineering, biomedical science, materials, intelligent manufacturing, and engineering applications. The content covered next-generation biotechnology, career development, research planning, as well as the application of carbon reduction and AI in</p>	

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>engineering practice. The four lectures attracted over a thousand faculty members and students in total. Through on-site exchanges and experience sharing, participants were helped to broaden their horizons and strengthen the connection between theory and practice.</p> <p>The Company hopes that by continuing to support special topic lectures, it can create a stable and diverse learning platform for academia, promote knowledge transfer and talent cultivation, and foster positive interactions between outstanding professionals from industry and academia and students.</p> <p>C. Promoting International Exchange: 【Deepening International Academic Connections and Expanding the Sustainable Research Collaboration Network】 The Company continues to support the NCKU Chemical Engineering Culture and Education Foundation in promoting international academic exchange. By supporting transnational conferences and substantive exchange activities, it assists academia in aligning with international research trends and cultivates professional talent with a global perspective.</p> <p>In 2025, the Department of Chemical Engineering at NCKU actively participated in multiple transnational academic exchange activities, deepening collaborative relationships with key academic and research institutions across Asia. A delegation of 33 faculty members and students led by the Head of the Department of Chemical Engineering from Khon Kaen University in Thailand visited NCKU for exchange activities. NCKU opened 10 professors' laboratories covering core research areas including energy, materials, and biomedical science, with graduate and undergraduate students conducting guided tours and research presentations in English. Teachers from both sides also engaged in in-depth discussions on follow-up collaboration plans, laying the foundation for future bilateral research and talent exchange.</p> <p>On the Taiwan-Japan collaboration front, a bilateral polymer symposium was held in 2025, bringing nearly 30 Japanese faculty members and students to Taiwan. Through academic presentations and discussions, the event fostered mutual understanding of both sides' research achievements and areas of expertise, while helping to identify and connect potential research collaboration opportunities.</p> <p>The outcomes of the conference not only broadened the participation of academic and research institutions, but also fostered interaction and exchange among laboratories and students, with the aim of jointly publishing research results of international impact and elevating the overall academic standard of polymer research in Taiwan.</p> <p>In addition, NCKU participated in the 2025 Taiwan-Japan-Korea International Symposium on Chemical Engineering, bringing together leading scholars from the chemical engineering societies of the three countries. The symposium focused on net-zero carbon emissions and Sustainable Development issues, promoting international exchange and cooperation in key areas such as carbon reduction technologies, circular economy, and green manufacturing, and progressively establishing a robust and scalable research network.</p>	

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>The 2nd Taiwan-Thailand Bilateral Catalysis Conference, held in the same year, brought together 25 scholars and researchers from both Taiwan and Thailand, featuring 25 keynote lectures and substantive discussions on future joint symposia, student exchange programs, and collaborative research directions, creating a concrete action foundation for subsequent international cooperation.</p> <p>The Company hopes that through long-term support of international academic exchange, it can help academia accumulate international collaboration capacity, promote Sustainable Development of scientific research, and cultivate professional talent capable of responding to global challenges.</p> <p>(3) Supporting the "Creating a New Coastal Paradise" Coastal Afforestation Plan — Partnering to Restore the Qieding Wetland Ecosystem</p> <p>To deepen the Company's sustainability commitment on the environmental front, the Company supported the "Creating a New Coastal Paradise" coastal afforestation plan initiated by the Love Trees Association in 2025, planting 100 native and site-appropriate tree species in the coastal area of Qieding, Kaohsiung, and actively participating in the construction of coastal windbreak forests and ecological habitat restoration efforts. The plan centers on the core pillars of "Coastal Afforestation × Ecological Restoration × Citizen Participation × ESG Action," progressively strengthening the windbreak and sand fixation functions of coastal areas through scientifically-based site-appropriate planting principles and diverse, multi-layered planting configurations, while enhancing overall biodiversity and injecting long-term restorative momentum into the coastal environment.</p> <p>The coastal area of Qieding has long been affected by strong winds, salt spray, and climate change, resulting in a relatively fragile ecological environment. Over the past year, the Association has continuously advanced coastal afforestation and habitat construction works, focusing not only on the number of trees planted, but also emphasizing subsequent nurturing management and survival rate tracking, to ensure that the plantings can truly take root and grow, forming a stable windbreak forest belt and a diverse habitat system. The Company endorses the philosophy that "what is planted is not just a tree, but the ecological foundation of the future," and through practical support and resource investment, transforms environmental stewardship from a concept into measurable and sustainable concrete outcomes.</p> <p>This support initiative also echoes Goal 13 "Climate Action" and Goal 15 "Life on Land" of the United Nations Sustainable Development Goals (SDGs), demonstrating the Company's long-term commitment to balancing environmental capacity while pursuing operational growth. In the future, the Company will continue to monitor the effectiveness of coastal afforestation and ecological restoration outcomes, working together to create a more resilient coastal ecosystem and realizing the sustainable vision of coexistence between enterprises and nature.</p> <p>(4) Sponsoring the Composite Materials Association in Organizing the Composite Materials Innovation Competition:</p> <p>Sponsoring the Taiwan Composite Materials Industry Association in organizing the "2025 Cross-Strait Youth Composite Materials Innovation Competition" to encourage young students to engage in materials research and innovative applications. Through this competition, cross-strait technical exchange and experience sharing are promoted, nurturing the next generation of professional talent, strengthening supply chain collaboration capacity,</p>	

Promotion Items	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>and injecting innovative momentum into the composite materials industry.</p> <p>(5) Implementation of Green Bond Investments for the Year: In May 2025, The Company invested in UMC's green bond (Bond abbreviation: P12 UMC1, Code: B638BH) in the amount of NT\$20 million, which has received green bond qualification recognition from the Taipei Exchange.</p>				

(5-3) Climate-Related Information for Listed and OTC Companies:

(1) Implementation of Climate-Related Information

1. Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunities:

TCFD Governance⁶ Structure

Under the guidance of the Corporate Governance and Sustainability Committee, the Company's risk management framework mandates the Corporate Governance team to establish a Risk Management Task Force. In collaboration with functional task force leaders, members, and Departments such as the Environmental, Safety, and Health Management Section, the Task Force is jointly responsible for managing and evaluating relevant mitigation and adaptation measures regarding climate change issues. The results of meetings are reported to the Corporate Governance and Sustainability Committee to explain the management (governance) status of climate change-related risks and opportunities, enabling the Corporate Governance and Sustainability Committee to understand and oversee the risk issues facing the Company, with key deliberation results reported to the Board of Directors.

The following table illustrates the implementation of risk management, which operates under a three-line defense framework for risk management:

Oversight	
The Board of Directors serves as the highest decision-making body for climate change management, primarily responsible for anticipating climate change risks related to the Company, identifying climate change opportunities, approving and overseeing risk and opportunity-related strategies, and bearing ultimate oversight and management responsibility for climate change issues. This is to fulfill The Company's sustainable commitment to "mitigating and adapting to climate change" and to further strengthen the corporate culture of sustainable governance.	
First Line	
Each business execution unit or business handler	Must execute business in accordance with the internal control systems and internal regulations of the relevant business, serving as the primary unit for initial risk identification, evaluation, and control.
Second Line	
Supervisors of each business execution unit or designated functional/Department risk management personnel	Must be responsible for risk management of relevant business operations, and shall review operational procedures or manuals based on actual business operations. Attention must also be paid to the latest regulatory additions (amendments) announced by competent authorities and business-related directives, with revisions to relevant internal regulations made as necessary.
Third Line	
Risk Management Team	Must review the completeness of the Company's major risk management mechanisms related to hazards, environment, operations, finance, legal affairs, and information security, and shall monitor the relevant risks of each unit in strict accordance with this policy and related risk management regulations.

With reference to the TCFD guidelines and in accordance with the Company's internal climate change risk management process, the short-term objective is to systematically incorporate risk management into the internal control system through risk identification, risk measurement, risk monitoring, risk response, and risk reporting and disclosure; the medium- to long-term objective is for each unit to continuously conduct risk anticipation, evaluation, and formulate corresponding countermeasures in response to internal and external changes. Each year, relevant risk management policies or response measures are formulated based on evaluated risks and submitted to the Corporate Governance and Sustainability Committee and the Board of Directors.

2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, long-term) & 5. If scenario analysis is used to assess resilience against climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used:

TCFD Risk Categories and Opportunities

Climate Risk				
Type	Item	Risk Cause	Financial Impact	Response Measures
Transition Risk	Policy/Regulation	Carbon Tax Systems in Various Countries	<ul style="list-style-type: none"> In order to comply with carbon tax policies and regulations, resources must be invested to establish carbon emission monitoring, data management, and reporting mechanisms. At the same time, if the additional carbon taxes imposed cannot be passed on, they will compress profit margins. Additional professional personnel need to be hired to handle carbon tax filing and financial accounting, increasing personnel costs. The EU has adopted the CBAM tax system, which levies taxes based on product carbon footprint including the transportation portion, thereby increasing the cost of products exported to the EU. To meet market requirements, suppliers may need to be requested to additionally conduct product carbon footprint analysis or obtain compliance certification for emission labeling. A lack of understanding of carbon tax systems in various countries may result in missed opportunities for tax relief or expose the company to risks such as penalties and litigation. 	<ul style="list-style-type: none"> To address this trend, a deeper understanding of current carbon tax systems in various countries has been achieved by attending relevant conferences on carbon tax collection and engaging in exchanges with industry peers. Selected staff members were sent to participate in ISO 14064-1:2018 organizational greenhouse gas internal verifier training to develop in-house verification expertise, continuously improve greenhouse gas inventory and management mechanisms, and cultivate professional talent in greenhouse gas management. The company invited internal trainers to conduct internal training sessions on "Practical Overview of Green Development" and "Introduction to Greenhouse Gas Inventory, Verification Systems, and Related Company Response Measures," enhancing staff awareness of climate change, greenhouse gas management, and international policies (such as CBAM and carbon fees). ISO 14064-1 and GHG Protocol concepts were also introduced to strengthen all employees' understanding of climate risk and carbon reduction management, including how to classify emission categories, calculate emission volumes, and implement corporate carbon reduction measures. A total of 266 participants attended the training, with a combined total of 201.5 hours. A certified consulting firm conducted GRS (Global

Climate Risk				
Type	Item	Risk Cause	Financial Impact	Response Measures
				<p>Recycled Standard) certification guidance and audit deficiency improvement training to help relevant staff enhance their practical knowledge and certification capabilities in international green certification systems, thereby strengthening the company's ability to respond to market demands for low-carbon and sustainability. Including Tranceed Logistics Co., Ltd., a total of 9 participants attended the training, with a combined total of 18 hours.</p>
	Market Risk	Market uncertainty, increased material costs	<ul style="list-style-type: none"> Raw material costs rising due to climate risks will directly push up the production costs of original manufacturers; additionally, as upstream suppliers need to invest in research and development of green alternative technologies or equipment, capital expenditures increase significantly. If such costs cannot be passed on to customers, it will compress the company's gross margins. As consumer preferences shift toward low-carbon and sustainable products, traditional products that are prone to causing pollution may be phased out by the market or face declining demand, leading to a decrease in the company's revenue. However, the revenue from the emerging sustainable and recycled product market remains unstable, increasing the difficulty of accurate revenue forecasting. 	<ul style="list-style-type: none"> In the initial planning phase, AI models will be adopted to forecast future sales, and business management will be strengthened to track customers' future market trends, further enhancing inventory management to reduce operational risks. Obtaining ISCC PLUS International Sustainability and Carbon Certification can enhance market competitiveness, particularly in high-end markets such as food packaging and plastic products. Adopting the GRS Global Recycled Standard and obtaining certification can meet the needs of green consumers, enhance brand reputation, and facilitate the company's entry into markets in Europe, the United States, Japan, and other regions, expanding business opportunities. Investments in the development of PCR (Post-Consumer Recycled) plastic recycled materials have resulted in sales of approximately 609 metric tons in 2025, representing a year-on-year growth of 3.6%. Reclaimed and purified recycled refrigerants are imported from abroad. In recent years, nearly 76 metric tons of recycled refrigerants have been sold. Through recovery and purification, refrigerants are brought into the circular

Climate Risk				
Type	Item	Risk Cause	Financial Impact	Response Measures
				economy, reducing greenhouse gas emissions.
Physical Risk	Immediate / Chronic	Typhoons, floods	<ul style="list-style-type: none"> • Flooding caused by extreme weather events is likely to increase the probability of using freight forwarding services, raising transportation costs; weather-related delays in delivery will also increase warehouse rental expenses. • Due to the high probability of typhoon strikes in Taiwan, solar modules or power plant equipment are susceptible to damage. • Climate-related factors causing order delivery delays or forced cancellations can easily have a negative impact on business operations. 	<ul style="list-style-type: none"> • Establishing a diversified supply chain and strengthening inventory management can reduce the negative operational impact caused by natural disasters. • Waterproof flood gates have been installed at the parking lots of all operating locations across Taiwan to guard against typhoons and heavy rainfall. Only the Taipei parking lot, due to its slightly elevated entrance, does not have waterproof flood gates installed; however, to mitigate losses from unexpected incidents, the company has placed additional sandbags as a flood prevention measure. • Tranceed Logistics Co., Ltd. continues to strengthen disaster resilience at its warehouse locations by installing waterproof flood gates, adding sandbags, and improving warning signage to address risks such as heavy rainfall and typhoons brought about by extreme weather events. Additionally, when establishing the new Toufen parking

Climate Risk				
Type	Item	Risk Cause	Financial Impact	Response Measures
				<p>lot in 2025, the company proactively avoided areas near rivers and selected a site in a safe zone farther from water bodies, effectively reducing the impact of flooding.</p> <ul style="list-style-type: none"> • In order to respond to emergency needs on customers' production lines, and with employee safety as a prerequisite, Tranceed Logistics Co., Ltd. requests warehouse and transportation personnel to report to work on typhoon days, with the company duly paying overtime wages, which consequently increases operating costs. • Upon receiving forecasts from the Meteorological Agency that a typhoon may make landfall, Kingstone Energy Technology Corporation conducts pre-typhoon maintenance inspections, primarily checking whether solar panel modules and support structures are properly secured, whether all electrical equipment enclosures are fully sealed, and whether there are any debris or hazard-causing factors in the surrounding environment that must be removed in advance, while completing all relevant typhoon prevention measures to minimize the risk of disaster losses. Once the typhoon warning is lifted, post-disaster inspection work is immediately carried out, with prompt repairs and troubleshooting of any damage, in order to alleviate concerns among nearby residents and avoid creating a negative public perception.
		Temporary Power Interruption	<ul style="list-style-type: none"> • During peak summer electricity demand periods, temporary power interruptions may cause information systems at operating locations to shut down, disrupting business operations and resulting in revenue losses. • Tranceed Logistics Co., Ltd. warehouses may be disrupted by power outages, leading to 	<ul style="list-style-type: none"> • All server rooms are equipped with UPS uninterruptible power supply systems to prevent data corruption or loss; in the event of a prolonged power interruption, the secondary operations center system in Thailand will be activated as a disaster recovery backup. • The company will continue to plan for migrating various services to the cloud in order to reduce the impact of external factors such as natural disasters and power

Climate Risk				
Type	Item	Risk Cause	Financial Impact	Response Measures
			delayed order processing, inventory losses, or reduced customer satisfaction.	<p>outages on information services.</p> <ul style="list-style-type: none"> Tranceed Logistics Co., Ltd. has installed large emergency diesel generators at all warehouses and parking lots to address sudden power interruptions. In the event of a non-prolonged power outage, the generators can support the basic electricity needs of warehouse operations, ensuring uninterrupted service and safeguarding customer interests; however, activating the generators will correspondingly increase fuel costs.
		Supply Chain Disruption or Changes in Transportation Conditions	<ul style="list-style-type: none"> Supply chain disruptions or changes in transportation conditions may lead to reduced revenue or increased operating costs, resulting in lower profits. 	<ul style="list-style-type: none"> For different industries, diversified alternative supply sources are sought to meet customer demands, thereby reducing the physical risks of supply disruptions caused by climate change. In terms of transportation operations, in addition to the company's own fleet, the company continues to seek partnerships with various subcontractors to join operations and diversify risks, ensuring that transportation services for all customers can be carried out reliably. In terms of warehousing operations, the company maintains communication with peers in the industry so that mutual support can be provided in emergency situations, ensuring that all warehousing services can be delivered with consistent quality.

Climate Opportunities			
Type	Item	Financial Impact	Response Strategies
Opportunities	Energy-Saving Equipment	<ul style="list-style-type: none"> Operating locations reduce energy consumption costs during operations and simultaneously decrease greenhouse gas emissions by introducing renewable energy, energy-saving 	<ul style="list-style-type: none"> The company is accelerating the installation of energy-saving devices and activation of power-saving modes on various office equipment such as lighting, air conditioning, water dispensers, coffee machines, and other office appliances, while gradually

Climate Opportunities

Type	Item	Financial Impact	Response Strategies
		<p>equipment, and electric vehicles; energy management systems are also being implemented to improve energy use efficiency.</p> <ul style="list-style-type: none"> In order to phase out non-environmentally friendly transport vehicles, budgets are allocated to purchase more eco-friendly and fuel-efficient vehicles meeting Euro 5 and Euro 6 emission standards. 	<p>replacing aging high-energy-consumption equipment and greening the office environment, in order to effectively reduce energy costs.</p> <ul style="list-style-type: none"> Tranceed Logistics Co., Ltd. is progressively phasing out Euro 4 standard vehicles from its fleet, replacing them with more eco-friendly and fuel-efficient Euro 5 and Euro 6 standard vehicles. The replacement rate has already exceeded 90%, with the remaining few Euro 4 vehicles used only for in-plant transportation to reduce their utilization. Tranceed Logistics Co., Ltd. has installed an automated warehousing system in its newly built warehouse, utilizing efficient handling equipment and storage location management to increase warehouse operational efficiency and reduce overall energy consumption. Tranceed Logistics Co., Ltd. plans to introduce a standby air conditioning system for its transport vehicles, supplying power to the air conditioning unit via battery during vehicle idling periods to reduce unnecessary fuel consumption and exhaust emissions. The initiative is being implemented gradually, with one vehicle equipped per month, and is expected to be fully completed within four years. In 2025, greenhouse gas emissions are projected to be reduced by approximately 36.477 metric tons of CO₂e. The logistics center being established by Tranceed Logistics Co., Ltd. in southern Taiwan is scheduled to commence operations in 2026, with plans to install a solar photovoltaic power generation system on the rooftop of the main building. This initiative not only increases the proportion of renewable energy usage, but also helps strengthen energy autonomy and reduce operational risks arising from unstable power supply.
	<p>Developing New Product or Service Markets</p>	<ul style="list-style-type: none"> By developing and promoting low-carbon, new energy, renewable energy, and sustainable circular products or services, the Company can not only meet the growing demands of customers 	<ul style="list-style-type: none"> Establishing an end-to-end solar energy industry operation — spanning from site development, engineering contracting, module and material sales, to operation and maintenance — with the goal of securing a key role in Taiwan's green energy supply chain.

Climate Opportunities

Type	Item	Financial Impact	Response Strategies
		<p>but also develop new markets, gain a competitive edge over industry peers, secure more new orders, and thereby increase revenue and generate profits.</p>	<ul style="list-style-type: none"> • Under the zero-carbon trend, renewable energy has become an irreversible direction. As of 2025, the Group's cumulative total installed capacity of solar power stations has reached 70.8 MW, contributing an annual carbon emission reduction of approximately 38,800 metric tons. • The Group has made early-stage strategic deployments by investing resources in Australia to develop solar-storage integration projects (combining solar photovoltaics with energy storage systems), with an installed capacity of 5.8 MW of solar PV and 11 MWh of energy storage, while accumulating practical development and operational experience. Building on this foundation, the Group is further planning to advance energy storage projects in Japan and evaluating the expansion of its business into Southeast Asian markets, continuing to capture growth opportunities driven by regional energy transition. • The Group is also actively developing the behind-the-meter energy storage (customer-side energy storage) market in Taiwan, aligning with relevant policy developments and targeting high-voltage electricity consumers in industrial zones and science parks. Through a peak-shaving and valley-filling power dispatch mechanism (charging during off-peak hours and discharging during peak hours), the Group helps enterprises effectively reduce electricity costs, improve power usage efficiency and operational resilience, and contributes to stabilizing overall grid operation, creating shared value for multiple stakeholders. • The company is also actively engaged in green electricity transfer services, supplying solar power generated by the Group's power stations to private enterprises, such as semiconductor companies and other high electricity consumers. This approach not only enhances the Group's overall power generation revenue, but also enables rooftop or land providers to receive higher profit sharing through electricity sales to enterprises, forming a mutually

Climate Opportunities			
Type	Item	Financial Impact	Response Strategies
			<p>beneficial cooperation model for all parties. At the same time, renewable energy certificates are provided to electricity-consuming enterprises, helping them accelerate the achievement of net-zero emission targets and further strengthening the competitiveness of the industry in international markets.</p> <ul style="list-style-type: none"> The company is actively entering the development of green-related products, introducing products that comply with environmental regulations and Sustainable Development Goals, such as venturing into the development of PCR (Post-Consumer Recycled) plastic materials, actively promoting reclaimed refrigerants, as well as obtaining ISCC PLUS (International Sustainability and Carbon Certification) and GRS (Global Recycled Standard) certified recycled material products, in order to achieve the goal of a sustainable economy.
	Technology Development (Recycling Technology, Circular Economy, Low-Carbon Products)	<ul style="list-style-type: none"> In response to policy and regulatory requirements, transitioning toward a low-carbon, high-efficiency energy economic model and entering the recycled material circular economy market not only increases revenue but also reduces carbon footprint. Starting from the trading of solar materials and modules, the company has expanded into the power plant construction sector, with subsequent plans to engage in carbon credits, green electricity, and related businesses, enabling the energy division's revenue and profitability to grow sustainably. 	<ul style="list-style-type: none"> The company is engaged in waste wafer recycling and reclamation services, and has also ventured into quartz component recycling and reuse projects, as well as PCR plastic recycled materials and the introduction of reclaimed and purified recycled refrigerants, contributing to the development of industrial circularity and a sustainable environment. In response to environmental regulations, customer requirements, and market trends, the company has applied for ISCC PLUS (International Sustainability and Carbon Certification) and GRS (Global Recycled Standard) certifications. As carbon pricing mechanisms are progressively implemented around the world, these products are expected to gradually expand in sales volume, with the goal of achieving net-zero carbon emissions. In the area of new energy technology development, the Group continues to monitor diverse energy forms including wind, biomass, small-scale hydropower, and geothermal, and has invested in preliminary research and technical evaluations. However, substantive deployment will only proceed after a

Climate Opportunities			
Type	Item	Financial Impact	Response Strategies
			<p>comprehensive evaluation of market conditions, investment risks, and return structures.</p> <ul style="list-style-type: none"> • The Group focuses its resources on areas with high growth potential and technological barriers, including perovskite solar cells, third-generation solar technology, as well as solar module recycling, hydrogen energy applications, and power supply solutions for AI computing centers. • Tranceed Logistics Co., Ltd. has begun planning the feasibility of transitioning fuel-powered vehicles to electric vehicles, taking into account factors such as the procurement cost, driving range, and safety of electric freight vehicles.

3. Describe the financial impacts of extreme climate events and transition actions:

TCFD Risk Strategy

The Company has illustrated the impacts on revenue and costs from the identified transition/physical risks and opportunities in the aforementioned tables, along with a detailed account of last year's implementation progress. To address the financial impacts arising from climate change, short-, medium-, and long-term strategies have been specifically formulated to effectively achieve the established carbon reduction targets and mitigate climate-related operational risks. The following are the short-term, medium-term, and long-term strategies:

Short-Term Strategy:

- Monitor the impacts of extreme climate events, such as typhoons and heavy rainfall, on the supply chain and operations, while developing climate response plans and ensuring supply chain diversification to reduce the risk of a single supplier being affected by climate change, thereby strengthening operational resilience.
- Comply with the international Task Force on Climate-related Financial Disclosures (TCFD) recommendations to enhance information transparency, adhere to carbon emission-related regulations, and avoid fines and legal risks.
- An "Emergency Response and Preparedness Management Procedure" has been established to regulate emergency preparedness and response mechanisms based on environmental considerations and the risks of potential or actual disasters identified through hazard identification, in order to prevent or reduce impacts on personnel health, property loss, and the environment.

Medium-Term Strategy:

- Invest in green technologies such as renewable energy (solar photovoltaic, bioenergy, geothermal, etc.), and assist customers in promoting energy improvement programs to reduce carbon footprints; adjust products and services sold by developing low-carbon or net-zero solutions to respond to market demand.
- Collaborate with suppliers to jointly develop carbon reduction strategies to lower upstream emissions, and establish a climate risk evaluation mechanism to ensure that the supply chain possesses adaptive capacity.

Long-Term Strategy:

- Explore carbon rights trading and carbon removal technologies, such as ocean carbon sinks and Direct Air Capture (DAC), and set Science Based Targets (SBTi) to continuously reduce operational carbon emissions and achieve net-zero carbon emissions.
- Adjust business models in accordance with policy changes and market trends, while researching innovative solutions to meet the needs of the green economy and Sustainable Development.

4. Describe how the processes for identifying, evaluating, and managing climate risks are integrated into the overall risk management system:

The Company's product sales and services are subject to environmental consideration risk evaluations to examine the potential risks and opportunities that climate change poses to sales operations, and customers are guided to identify these through relevant marketing activities to promote the marketing and sales of green products.

The environmental management system promoted is centered on the core values of environmental protection, pollution prevention, and continuous improvement. Dedicated organizations and personnel are in place to follow environmental policies, supervise, and implement the operation of the environmental management system to meet the requirements of international standards. The Company has maintained ISO 14001 Environmental Management System certification since its initial certification in 2003.

In response to customer requirements, the Company coordinates with suppliers to cooperate in implementing ISO 14064-1 organizational greenhouse gas inventory activities, among others, to reduce the impact on environmental burdens. In order to comply with the operation and requirements of the Company's ISO 14001 Environmental Management System, a 0.2% reduction in greenhouse gas emissions from purchased water and electricity resources has been set as an environmental target, with active promotion and tracking of implementation performance. Given that the Company's group organization is large, implementation will be progressively expanded year by year, with third-party external verification for the group expected to be conducted in 2027, at which time the baseline year will also be determined to serve as the basis for subsequent carbon reduction activities.

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, as well as the metrics and targets used to identify and manage physical risks and transition risks:

Based on TCFD metrics and targets and action strategies, the Company has established specific targets. Through these short-, medium-, and long-term targets, the accurate execution of strategies can be effectively managed and ensured.

Metrics and Targets		
Item	Short-Term Targets	Medium- and Long-Term Targets
Energy Management and Greenhouse Gas Management	The Company is not a major carbon emitter; however, it still sets an annual target of reducing electricity consumption by 0.2% compared to the previous year as the goal for annual greenhouse gas emission reduction, progressively rolling out this initiative across subsidiaries and establishing baseline year information for each company.	In response to the Sustainable Development governance roadmap, the Company aims to complete greenhouse gas inventory by 2027 and obtain verification of the greenhouse gas inventory by 2029.
Water Resource Management	Short-Term Targets	Medium- and Long-Term Targets
	The Company is not a major carbon emitter; however, it still sets an annual target of reducing water resource consumption by 0.2% compared to the previous year as the goal for annual greenhouse gas emission reduction.	The Company progressively promotes the ISO 14001 Environmental Management System and the ISO 14064-1 organizational greenhouse gas inventory system across subsidiaries and business units, establishing annual environmental targets for water resource reduction at each subsidiary and unit.

7. If an internal carbon price is used as a planning tool, the basis for price setting should be explained. & 8. If climate-related targets have been set, information such as the activities covered, greenhouse gas emission scopes, planned timelines, and annual progress toward achievement should be disclosed; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the sources and quantities of carbon offset credits or the quantity of Renewable Energy Certificates (RECs) should be disclosed (Table 2-3): Please refer to pages 101 to 103 of this Annual Report.

9. Greenhouse gas inventory and assurance status (Tables 2-1 and 2-2): Please refer to pages 97 to 101 of this Annual Report.

Greenhouse Gas Inventory Plan

In response to government agency requirements and internal ESG Sustainable Development reporting expectations, the Company introduced the ISO 14064-1 organizational greenhouse gas inventory mechanism starting in 2023 to establish greenhouse gas emission baseline years and operational standards for each company within the Group. A greenhouse gas emission inventory registration platform has been established, with promotion completed and the platform officially launched in the first quarter of 2024 to track the implementation and completion of greenhouse gas emission registration across all companies. It also serves as the basis for drafting

greenhouse gas emission inventory reports. In 2024, the greenhouse gas inventory was completed for the South China region; in 2025, it will be extended to the East China region; and in 2026, it will be further expanded to the Southeast Asia region.

Greenhouse Gas Assurance or Verification

The Company engaged LRQA (Lloyd's Register Quality Assurance) to conduct third-party verification of The Company's 2023 greenhouse gas inventory in Taiwan, and obtained an inventory statement, with emissions for that year totaling 739.3593 metric tons of CO_{2e}. In 2024, the Company continued to engage the same organization for verification and obtained an inventory statement. The inventory scope was further expanded to include the subsidiary Dongguan Wah Kong, with total emissions amounting to 1,124.6286 metric tons of CO_{2e}.

(2) Greenhouse gas inventory and verification status of the Company for the most recent two years

2-1. Greenhouse Gas Inventory Information

As required by the Sustainable Development roadmap for listed and OTC companies — to be disclosed by companies with paid-in capital of less than NT\$5 billion				
1. The parent company entity shall begin inventorying 2025 data starting from 2026. 2. Subsidiaries included in the consolidated financial report shall begin inventorying 2026 data starting from 2027.				
Greenhouse Gas Emissions for the Past Two Years				
The Company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 greenhouse gas inventory standard published by the International Organization for Standardization (ISO). Starting from 2023, the Company will conduct regular greenhouse gas emission inventories for the Parent company (Wah Lee Industrial Corp.) and its subsidiaries (Tranceed Logistics Co., Ltd. Shun and Kingstone Energy Technology Corporation) to fully monitor greenhouse gas usage and emissions, and to verify the effectiveness of reduction actions.				
Total Greenhouse Gas Emissions in 2024 (Reporting Period: January 1, 2024 to December 31, 2024)	Scope 1	Total Emissions (Metric Tons CO_{2e})	Operating revenue (NT\$ Million)	Intensity (Metric Tons CO_{2e}/NT\$ Million)
	Parent Company - Wah Lee Industrial Corp.	45.98	46,818	0.0010
	Subsidiary - Tranceed Logistics Co., Ltd.	3,113.37	702	4.4350

	Subsidiary - Kingstone Energy Technology Corporation	38.66	244	0.1584
	Total	3,198.0056	47,764	0.0670
	Scope 2	Total Emissions (Metric Tons CO₂e)	Operating revenue (NT\$ Million)	Intensity (Metric Tons CO₂e/NT\$ Million)
	Parent Company - Wah Lee Industrial Corp.	494.36	46,818	0.0106
	Subsidiary - Tranceed Logistics Co., Ltd.	902.20	702	1.2852
	Subsidiary - Kingstone Energy Technology Corporation	24.10	244	0.0988
	Total	1,420.6560	47,764	0.0297
	Scope 3	Total Emissions (Metric Tons CO₂e)	Operating revenue (NT\$ Million)	Intensity (Metric Tons CO₂e/NT\$ Million)
	Parent Company - Wah Lee Industrial Corp.	234.46	46,818	0.0050
	Subsidiary - Tranceed Logistics Co., Ltd.	801.84	702	1.1422
	Subsidiary - Kingstone Energy Technology Corporation	28.48	244	0.1167
	Total	1,064.7792	47,764	0.0223
	Total Greenhouse Gas Emissions in 2025 (Reporting Period: January 1, 2025 to December 31, 2025)	Scope 1	Total Emissions (Metric Tons CO₂e)	Operating revenue (NT\$ Million)
Parent Company - Wah Lee Industrial Corp.		45.31	47,556	0.0010
Subsidiary - Tranceed Logistics Co., Ltd.		3,346.65	709	4.7202

	Subsidiary - Kingstone Energy Technology Corporation	35.12	244	0.1439
	Total	3,427.0822	48,509	0.0706
	Scope 2	Total Emissions (Metric Tons CO ₂ e)	Operating revenue (NT\$ Million)	Intensity (Metric Tons CO ₂ e/NT\$ Million)
	Parent Company - Wah Lee Industrial Corp.	450.58	47,556	0.0095
	Subsidiary - Tranceed Logistics Co., Ltd.	940.90	709	1.3271
	Subsidiary - Kingstone Energy Technology Corporation	21.96	244	0.0900
	Total	1,413.4405	48,509	0.0291
	Scope 3	Total Emissions (Metric Tons CO ₂ e)	Operating revenue (NT\$ Million)	Intensity (Metric Tons CO ₂ e/NT\$ Million)
	Parent Company - Wah Lee Industrial Corp.	250.14	47,556	0.0053
	Subsidiary - Tranceed Logistics Co., Ltd.	812.79	709	1.1464
	Subsidiary - Kingstone Energy Technology Corporation	27.16	244	0.1113
	Total	1,090.0836	48,509	0.0225

Note 1. Direct emissions (Scope 1, i.e., direct emissions from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from the consumption of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the company's activities that are not energy indirect emissions but arise from sources owned or controlled by other companies).

Note 2. The scope of data coverage for direct emissions and energy indirect emissions shall be implemented in accordance with the timeline stipulated in Article 4-1, Paragraph 2 of the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies" (hereinafter referred to as these Regulations). Information on other indirect emissions may be voluntarily disclosed.

<p>Note 3. Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).</p> <p>Note 4. The intensity of greenhouse gas emissions may be calculated per unit of product/service or per revenue; however, at a minimum, the figure calculated based on revenue (NT\$ million) shall be stated.</p> <p>Note 5. The "Revenue" of the Organization-Specific Metric:</p> <p>Note 6. In 2025, Wah Lee Industrial Corp. (Taiwan) revenue was NT\$47.556 billion, Tranceed Logistics Co., Ltd. revenue was NT\$709 million, and Kingstone Energy Technology Corporation revenue was NT\$244 million, for a combined total of NT\$48.509 billion.</p> <p>Note 7. In 2024, Wah Lee Industrial Corp. (Taiwan) revenue was NT\$46.818 billion, Tranceed Logistics Co., Ltd. revenue was NT\$702 million, and Kingstone Energy Technology Corporation revenue was NT\$244 million, for a combined total of NT\$47.764 billion.</p> <p>Note 8. Scope of coverage for both years:</p> <p>Note 9. 2025: Wah Lee Industrial Corp. (Taiwan), Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation. 2024: Wah Lee Industrial Corp. (Taiwan), Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation.</p>
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2-2. Greenhouse Gas Assurance Information

<p>The minimum scope of assurance required to be performed in accordance with the Sustainability Development Roadmap for Listed and OTC Companies</p>
<p>1. The parent company entity shall begin performing assurance from 2028 onwards, disclosing the inventory results of the parent company entity for 2027.</p> <p>2. Subsidiaries included in the consolidated financial report shall begin performing assurance from 2029 onwards, disclosing the consolidated statement inventory results for 2028.</p>
<p>The following is a description of the assurance performed for the most recent two years regarding the greenhouse gas inventory of the Company and certain subsidiaries included in the consolidated financial report (including Subsidiary A and Subsidiary B):</p>
<p>The Company introduced the ISO 14064-1 greenhouse gas inventory mechanism at the end of 2023, and completed the greenhouse gas inventory for its major operating sites in Taiwan — Wah Lee Industrial Corp., Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation — in 2024. In the same year, the Company engaged LRQA (a UK-based company) to perform third-party external verification and assurance of the greenhouse gas inventory, and obtained the inventory declaration statement.</p> <p>As the Company is subject to disclosure requirements by the Financial Supervisory Commission, external verification must be conducted once per year in accordance with regulations. The Company continues to engage LRQA (a UK-based company) to perform third-party external verification of the greenhouse gas inventory, with the first phase conducted in July and the second phase conducted in August.</p>

- Note 1. This shall be handled in accordance with the schedule stipulated in the order under Article 10, Paragraph 2 of these Guidelines. If the company is unable to obtain a complete greenhouse gas assurance opinion by the annual report printing date, it shall indicate "Complete assurance information will be disclosed in the Sustainability Report." If the company does not prepare a Sustainability Report, it shall indicate "Complete assurance information will be disclosed on the Market Observation Post System," and shall disclose the complete assurance information in the following year's annual report.
- Note 2. The assurance institution shall comply with the relevant regulations governing sustainability report assurance institutions as stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.
- Note 3. For disclosure content, please refer to the best practice reference examples on the website of the Taiwan Stock Exchange Corporate Governance Center.

2-3. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Greenhouse Gas Reduction Strategies and Targets		
<p>In response to customer requirements, the Company coordinates with suppliers to implement ISO 14064-1 organizational greenhouse gas inventory activities, among other measures, in order to reduce the environmental impact and burden. In order to comply with the operation and requirements of the Company's ISO 14001 Environmental Management System, a 0.2% reduction in greenhouse gas emissions from purchased water and electricity resources has been set as an environmental target, with active promotion and tracking of implementation performance. Given that the Company's group organization is large, implementation will be progressively expanded year by year, with third-party external verification for the group expected to be conducted in 2027, at which time the baseline year will also be determined to serve as the basis for subsequent carbon reduction activities.</p>		
Metrics and Targets		
Item	Short-Term Targets	Medium- and Long-Term Targets
Energy Management and Greenhouse Gas Management	The Company is not a major carbon emitter; however, it still sets an annual target of reducing electricity consumption by 0.2% compared to the previous year as the goal for annual greenhouse gas emission reduction, progressively rolling out this initiative across subsidiaries and establishing baseline year information for each company.	In response to the Sustainable Development governance roadmap, the Company aims to complete greenhouse gas inventory by 2027 and obtain verification of the greenhouse gas inventory by 2029.
Water Resource Management	Short-Term Targets	Medium- and Long-Term Targets
	The Company is not a major carbon emitter; however, it still sets an annual target of reducing water resource consumption by 0.2% compared to the previous year as the goal for annual greenhouse gas emission reduction.	The Company progressively promotes the ISO 14001 Environmental Management System and the ISO 14064-1 organizational greenhouse gas inventory system across subsidiaries and business units, establishing annual environmental targets for water resource reduction at each subsidiary and unit.

2025 Reduction Achievement Status

Energy

The Company follows the ISO 14001 Environmental Management System it has adopted to systematically establish environmental objectives and action plans. Through administrative advocacy, regular audits, and continuous reminders, the Company implements energy conservation management measures to effectively reduce energy consumption and greenhouse gas emissions.

In terms of administrative operations, the Company continues to promote various energy-saving and carbon-reduction measures as follows:

1. Energy-saving labels are placed at various energy switches to visually and promptly remind employees to practice energy-saving behaviors.
2. High energy-efficiency equipment is prioritized for procurement, and regular inspections of electrical equipment are conducted. In 2025, the air conditioning units at the Taichung office were replaced with Grade 1 energy efficiency models to improve overall energy use efficiency.
3. The favorable natural lighting conditions of the office spaces are utilized, with natural light prioritized during daytime hours to reduce lighting electricity demand.
4. Office lighting has fully adopted T5 energy-saving fluorescent tubes, with ongoing efforts to replace them with LED fixtures. In 2025, the Taichung office completed a full transition to LED lighting, further enhancing energy-saving benefits.
5. Air conditioning temperatures are uniformly set at 26–27°C, and equipment operation is reduced during non-working hours and holidays to minimize unnecessary energy consumption.
6. Employees are encouraged to use staircases instead of elevators, and business trip itineraries are consolidated and planned to reduce energy use associated with transportation.
7. Internal approval processes are being fully digitized, and an electronic document system has been introduced for communication with government agencies, progressively implementing paperless operations while enhancing operational efficiency.
8. The transportation fleet is being gradually replaced with Stage 5 and Stage 6 vehicle models, with a current replacement rate of over 90%, in order to reduce overall emissions.
9. The new warehouse has introduced automated storage and intelligent management systems to improve efficiency and reduce energy consumption.
10. Transport vehicles have been equipped with standby air conditioning systems to reduce fuel consumption and emissions; the plan is being implemented in phases, with approximately 36.477 metric tons of CO_{2e} already reduced in 2025.

Through the continuous promotion of the above measures, the Company has not only effectively improved energy use efficiency, but has also progressively reduced operational carbon emissions, steadily advancing toward low-carbon operations and Sustainable Development.

Greenhouse Gas Emission Reduction	<ul style="list-style-type: none"> ● In response to government agency requirements and internal ESG expectations, the ISO 14064-1 greenhouse gas inventory mechanism has been introduced since 2023 to establish the base year and operational standards for greenhouse gas emissions for each company. ● Greenhouse gas emission inventories are currently being conducted, and a greenhouse gas emission registration information platform has been established for registration by each company and each location. The platform officially went live in the first quarter of 2024 to track the completion status of inventory operations for each company. ● The solar power stations established in 2025 are estimated to generate a total of approximately 81.93 million kWh of electricity (approximately 70.8 MW) in 2025, reducing carbon emissions by approximately 38,800 metric tons. ● In the third quarters of 2025 and 2026, LRQA will continue to be commissioned to perform greenhouse gas inventory verification.
<p>Note 1. This shall be handled in accordance with the schedule stipulated in Article 4-1, Paragraph 4 of these Operational Procedures.</p> <p>Note 2. The base year shall be the year in which the inventory is completed based on the consolidated financial report boundary. For example, in accordance with Article 4-1, Paragraph 2 of these Operational Procedures, companies with a capital of NT\$10 billion or more shall complete the inventory of the 2024 consolidated financial report in 2025; therefore, the base year is 2024. If a company has completed the inventory of the consolidated financial report ahead of schedule, the earlier year may be used as the base year. Additionally, the base year data may be calculated as a single year or as an average of several years.</p> <p>Note 3. For disclosure content, please refer to the best practice reference examples on the website of the Taiwan Stock Exchange Corporate Governance Center.</p>	

(6) Implementation of integrity management and discrepancies with the Integrity Management Code for Listed and OTC Companies, along with the reasons for such discrepancies:

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof	
	Yes	No		Summary
<p>1. Formulation of Integrity Management Policies and Programs</p> <p>(1) Has the Company established an integrity management policy approved by the Board of Directors, and clearly stated the integrity management policies, practices, and the commitment of the Board of Directors and senior management to actively implement such policies in its regulations and external documents?</p>	✓		<p>(1) The Company has had its Board of Directors approve and adopt the "Integrity Management Code," which explicitly sets out integrity management policies, practices, and concrete measures to prevent dishonest behavior, and has disclosed these on the Company's website. The Board of Directors and management are committed to implementing integrity management in accordance with the Code, incorporating integrity principles into the corporate governance framework and internal control system to ensure that all Directors, Managers, employees, and those with substantial control comply with relevant laws and regulations and company policies.</p> <p>(2) The Company promotes integrity management-related work through the Corporate Governance team and the Corporate Social Responsibility team under the Corporate Governance and Sustainability Committee framework, which are responsible for assisting the Board of Directors and management in formulating, reviewing, and overseeing the implementation of integrity management policies and prevention programs. In accordance with the division of organizational responsibilities, they implement various internal control systems, education and training, and whistleblower protection mechanisms to ensure the effective operation of integrity management policies.</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.
<p>(2) Has the Company established a risk evaluation mechanism for dishonest behavior, regularly analyzing and evaluating business activities with a</p>	✓		<p>(1) In accordance with the "Integrity Management Code," the Company has clearly defined the types of dishonest behaviors and, in accordance with the "Risk Management Policy and Procedures," has incorporated related risks into the overall risk management</p>	Consistent with the provisions of the Integrity Management Code for Listed and

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof	
	Yes	No		Summary
higher risk of dishonest behavior within its scope of operations, and formulating programs to prevent dishonest behavior accordingly, covering at least the preventive measures for the behaviors listed in each subparagraph of Paragraph 2, Article 7 of the "Integrity Management Code for Listed and OTC Companies"?			<p>framework, with each business unit implementing control measures in daily operations.</p> <p>(2) For matters that may involve dishonest or illegal conduct, the Company has additionally established the "Procedures for Handling Reports of Illegal, Unethical, Dishonest Behavior, and Unlawful Infringement Cases," setting up a dedicated receiving channel and investigation mechanism, with clearly defined confidentiality, protection, and investigation procedures to ensure that relevant preventive measures are effectively implemented.</p> <p>(3) The Company currently continuously monitors and prevents dishonest behavior through internal control systems, education and training campaigns, whistleblowing channels, and internal audit mechanisms, and carries out improvements in accordance with relevant regulations.</p> <p>(4) The aforementioned regulations already cover the types of behaviors listed in each subparagraph of Paragraph 2, Article 7 of the Integrity Management Code for Listed and OTC Companies.</p>	OTC Companies.
(3) Has the Company explicitly defined operational procedures, codes of conduct, disciplinary and appeal systems for violations within its program to prevent dishonest behavior, ensured their implementation, and regularly reviewed and revised the aforementioned program?	✓		<p>(1) To prevent dishonest behavior, the Company has established the "Integrity Management Code" and the "Procedures for Handling Reports of Illegal, Unethical, Dishonest Behavior, and Unlawful Infringement Cases," which clearly define prohibited types of behavior, codes of conduct, principles for handling violations, and appeal and whistleblowing procedures. These have been incorporated into the Company's internal control and risk management systems for implementation.</p> <p>(2) Any conduct in violation of integrity or related regulations shall be handled in accordance with the Company's relevant personnel rules and internal disciplinary system; cases involving Directors or senior</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.

Evaluation Item	Operations		Summary	Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof
	Yes	No		
			<p>management shall be reported to the Audit Committee or the Board of Directors for handling in accordance with applicable regulations. The Company has also established a dedicated reporting channel and multiple whistleblowing mechanisms, with clearly defined confidentiality, protection, and investigation procedures, to ensure fair and thorough case handling.</p> <p>(3) The aforementioned system shall be implemented upon approval by the Audit Committee and the Board of Directors, and shall be reviewed and amended in a timely manner as required by regulatory amendments or practical needs, to ensure the continued effective operation of the system.</p>	
<p>2. Implementation of Ethical Corporate Management</p> <p>(1) Does the Company evaluate the integrity records of its counterparties and include integrity-related clauses in contracts signed with such counterparties?</p>	✓		<p>(1) In accordance with the Ethical Corporate Management Best Practice Principles, the Company avoids engaging in commercial transactions with parties involved in dishonest conduct. When establishing or renewing business relationships with customers, suppliers, and other transaction counterparties, the relevant business units review their reputation and related public information in accordance with internal operating procedures as a reference for transaction evaluation.</p> <p>(2) In addition, important commercial contracts incorporate relevant clauses concerning ethical conduct, legal compliance obligations, and breach handling, taking into account the nature of the transaction and the associated risk, in order to mitigate transaction risks. If a counterparty is found to be involved in dishonest conduct, the Company may terminate or suspend the transaction in accordance with contractual provisions or the Company's relevant regulations.</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.
(2) Has the Company established a	✓		The Company's Ethical Corporate Management Promotion Task Team	Consistent with the

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof	
	Yes	No		Summary
dedicated unit under the Board of Directors responsible for promoting ethical corporate management, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policies, measures to prevent unethical conduct, and the status of supervision and implementation?			<p>reported to the Board of Directors on November 7, 2025, on the "Implementation of Ethical Corporate Management in 2025," which included the results of ethical corporate management promotion efforts in 2025, the implementation plan for 2026, and the whistleblowing cases and handling results in 2025.</p> <p>Implementation status in 2025:</p> <ol style="list-style-type: none"> 1. Education and Training In order to continuously strengthen employees' awareness of integrity and standards of ethical conduct, and to cultivate a sense of corporate social responsibility and environmental protection in connection with business promotion activities, the Company plans and holds practical seminars each year to establish sound behavioral norms. In 2025, internal courses, advocacy sessions, and educational training were conducted for management and employees, with a total of 603 person-hours of training. 2. Communication Channels Employees may also communicate and raise concerns with various levels of management and the human resources department through multiple channels, including the Company's website and internal email. 3. Whistleblowing System and Whistleblower Protection The Company's website provides a platform for reporting violations of professional ethics, offering a channel for whistleblowers to report unlawful conduct by Company personnel. The Audit Office is responsible for receiving whistleblowing cases, forwarding them to the highest-level Supervisor of the relevant unit for investigation, and tracking the final outcome of each case. The identity of the whistleblower and the content of the report are kept strictly 	provisions of the Integrity Management Code for Listed and OTC Companies.

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof
	Yes	No	
		<p>confidential, and complete records of the receipt, investigation process, and results of each case are maintained. A total of 0 whistleblowing cases were received in 2025.</p> <p>4. Prevention of Insider Trading The Company's Corporate Governance Best Practice Principles set out stock trading control measures applicable to the Company's insiders upon becoming aware of the Company's financial reports, stipulating that insiders are prohibited from trading the Company's shares during the blackout period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report. In addition, the Company's stock affairs unit notifies insiders of their obligation to comply with these regulations prior to the commencement of the aforementioned blackout periods.</p> <p>a. On October 22, 2025, the Company conducted 252 hours of educational advocacy sessions for 126 person-instances of current management and employees.</p> <p>b. On November 7, 2025, the Company conducted a one-hour briefing for the 8 current Directors to explain the relevant content.</p> <p>c. On January 3, 2025, the Company notified all Directors via email of the 6 scheduled Board of Directors meeting dates for 2025, and sent email reminders to insiders (Directors and Management) one day before the commencement of each blackout period—30 days or 15 days prior to the announcement of each quarterly financial report—to prevent insiders from inadvertently violating such regulations.</p> <p>Presentation materials and audio-visual files related to insider trading regulations are made available on the internal employee system for</p>	

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof	
	Yes	No		Summary
			reference by Directors, the Company's Management, and employees.	
(4) Has the Company established a policy to prevent conflicts of interest, provided appropriate channels for disclosure, and ensured effective implementation?	✓		<p>(1) The Company has clearly stipulated principles for the prevention of conflicts of interest and recusal in its "Integrity Management Code" and related internal regulations, requiring Directors, Management, and employees to avoid conflicts between personal interests and the Company's interests in the performance of their duties, and to disclose and recuse themselves in accordance with applicable laws.</p> <p>(2) The Company also requires employees to sign documents affirming compliance with integrity management practices and related internal regulations, in order to strengthen accountability for compliance.</p> <p>(3) In addition, reporting channels such as an email mailbox have been established, and cases are handled in accordance with the "Procedures for Handling Reports of Illegal, Unethical, Dishonest Conduct, and Workplace Unlawful Infringement," to ensure effective implementation of the system.</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.
(4) Has the Company established effective accounting systems and internal control systems to implement integrity management, and has the internal audit unit formulated relevant audit plans based on the results of dishonest behavior risk evaluations, and conducted audits to verify compliance with measures to prevent dishonest behavior, or engaged a CPA to perform such audits?	✓		<p>(1) The Company has established accounting systems and internal control systems, and reviews and revises them in a timely manner in response to changes in laws and regulations and the operating environment, in order to ensure the effective operation of such systems.</p> <p>(2) The Audit Office, which is subordinate to the Board of Directors, formulates audit plans based on annual risk evaluation results, audits compliance with internal controls and integrity management-related regulations, and regularly reports audit results to the Board of Directors to strengthen the supervisory mechanism and ensure effective implementation of the systems.</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.
(5) Does the Company regularly conduct internal and external education and	✓		In order to promote ESG and implement integrity management, the Company organizes internal courses, awareness campaigns, and	Consistent with the provisions of the

Evaluation Item	Operations		Summary	Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof																					
	Yes	No																							
training on integrity management?			<p>education and training for management and employees. The number of participants and training hours for 2025 are as follows:</p> <table border="1"> <thead> <tr> <th>Course Name</th> <th>Attendees Person-Times</th> <th>Total Training Hours (Person-Times * Hours)</th> </tr> </thead> <tbody> <tr> <td>Sustainable Development, Insider Trading, and Corporate Governance Training</td> <td>126</td> <td>252</td> </tr> <tr> <td>2025 Sustainability Report Compilation</td> <td>35</td> <td>105</td> </tr> <tr> <td>Human Rights Risk Evaluation Training</td> <td>9</td> <td>27</td> </tr> <tr> <td>New Employee Orientation – Human Rights Policy</td> <td>45</td> <td>11</td> </tr> <tr> <td>Prevention of Workplace Unlawful Infringement and Sexual Harassment (Supervisor Session)</td> <td>36</td> <td>54</td> </tr> <tr> <td>Prevention of Workplace Unlawful Infringement and Sexual Harassment (Employee Session)</td> <td>94</td> <td>141</td> </tr> </tbody> </table>	Course Name	Attendees Person-Times	Total Training Hours (Person-Times * Hours)	Sustainable Development, Insider Trading, and Corporate Governance Training	126	252	2025 Sustainability Report Compilation	35	105	Human Rights Risk Evaluation Training	9	27	New Employee Orientation – Human Rights Policy	45	11	Prevention of Workplace Unlawful Infringement and Sexual Harassment (Supervisor Session)	36	54	Prevention of Workplace Unlawful Infringement and Sexual Harassment (Employee Session)	94	141	Integrity Management Code for Listed and OTC Companies.
Course Name	Attendees Person-Times	Total Training Hours (Person-Times * Hours)																							
Sustainable Development, Insider Trading, and Corporate Governance Training	126	252																							
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Prevention of Workplace Unlawful Infringement and Sexual Harassment (Employee Session)	94	141																							
<p>3. Operation of the Company's Whistleblowing System</p> <p>(1) Has the Company established a concrete whistleblowing and incentive system, built convenient reporting channels, and designated appropriate</p>	✓		<p>In accordance with the "Procedures for Handling Reports of Illegal, Unethical or Dishonest Conduct and Workplace Unlawful Infringement Cases," the Company has established and publicly announced an independent whistleblowing mailbox for use by both internal and external parties.</p> <p>Whistleblowing Mailbox: suggestion@wahlee.com.</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.																					

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof	
	Yes	No		Summary
dedicated personnel to handle reports against the subjects of complaints?				
(2) Has the Company established standard operating procedures for investigating reported matters, follow-up measures to be taken upon completion of investigations, and related confidentiality mechanisms?	✓		<p>(1) The Company has established the "Procedures for Handling Reports of Illegal, Unethical, Dishonest Conduct, and Workplace Unlawful Infringement Cases," which clearly define standard operating procedures for receiving, investigating, and handling reports, including the designated receiving channels, investigation timelines, dedicated handling personnel, and necessary recusal mechanisms.</p> <p>(2) After the investigation is completed, appropriate follow-up measures shall be taken based on the findings, and cases of a serious nature shall be reported to the Audit Committee or the Board of Directors for handling.</p> <p>(3) The investigation process and related information shall be kept confidential and subject to access control in accordance with regulations, and protective measures shall be provided to whistleblowers to ensure the fairness and effective operation of the system.</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.
(3) Has the Company adopted measures to protect whistleblowers from improper treatment as a result of whistleblowing?	✓		<p>(1) The Company handles whistleblowing cases in accordance with the Procedures for Handling Reports of Illegal, Unethical, Dishonest Conduct, and Workplace Unlawful Infringement. During the acceptance and investigation process, the identity of the whistleblower and related information are kept confidential, and appropriate protective measures are taken.</p> <p>(2) The Company expressly stipulates that whistleblowers shall not be subject to dismissal, demotion, pay reduction, transfer, or any other adverse action as a result of whistleblowing; in the event of improper retaliation, the matter shall be handled in accordance with</p>	Consistent with the provisions of the Integrity Management Code for Listed and OTC Companies.

Evaluation Item	Operations		Discrepancies with the Integrity Management Code for Listed and OTC Companies and the Reasons Thereof
	Yes	No	
			the Company's relevant regulations.
4. Strengthening Information Disclosure (1) Has the Company disclosed the content of its integrity management code and the results of its promotion efforts on its website and the Market Observation Post System?	✓		The Company has published the Integrity Management Code and related policies on its website, and discloses integrity management-related information on the Market Observation Post System and in the annual report in accordance with applicable regulations. In addition, the annual promotion status and implementation results are disclosed in the annual report or on the Company's website following a report to the Board of Directors, in order to enhance information transparency.
5. If the Company has established its own integrity management code based on the Integrity Management Code for Listed Companies, please describe any differences between its actual operations and the provisions of such code: The Company has formulated its Integrity Management Code by reference to the Integrity Management Code for Listed Companies issued by the Financial Supervisory Commission. The code covers matters including the prevention of dishonest conduct, conflict of interest management, whistleblowing mechanisms, and information disclosure, and relevant operations are carried out in accordance with such code. To date, there are no material differences or inconsistencies between the Company's actual operations and the provisions of the aforementioned regulatory authority's code.			
6. Other important information that may assist in understanding the Company's integrity management operations: (e.g., the Company's review and revision of its integrity management code) Integrity management is a core value of the Company's corporate culture. The Company has formulated the Integrity Management Code in accordance with the Integrity Management Code for Listed Companies, and continuously reviews the appropriateness and effectiveness of related policies. The Company's Board of Directors approved revisions to the Integrity Management Code on August 9, 2017, which were subsequently announced and implemented. Additionally, on November 7, 2025, the Board of Directors approved revisions to the Procedures for Handling Reports of Illegal, Unethical, Dishonest Conduct, and Workplace Unlawful Infringement. Key revisions include clarifying the scope of workplace unlawful infringement, strengthening whistleblower protection mechanisms, establishing investigation procedures and handling timeframes, and enhancing system transparency and accountability, in order to continuously strengthen the Company's integrity management and internal governance operations.			

(7) Other important information that may enhance understanding of the Company's corporate governance operations: Please refer to pages 32 to 48 of this annual report.

(8) The following matters shall be disclosed regarding the implementation of the internal control system:

1. Statement of Internal Control:

For detailed information, please visit the Market Observation Post System > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement Inquiry.

<https://mops.twse.com.tw/mops/#/web/t06sg20>

2. For companies that have engaged a CPA to conduct a special review of the internal control system, the CPA's review report shall be disclosed: None.

(9) Important resolutions of the Shareholders' Meeting and the Board of Directors during the most recent year and up to the date of printing of the annual report:

1. Important resolutions of the Shareholders' Meeting and their implementation status

Meeting Name / Date	Important Resolutions	Implementation Status
Annual Shareholders' Meeting of 2025 (2025.05.27)	1. Approved the Business Report and financial statements for 2024.	Resolution passed.
	2. Approved the earnings distribution for 2024.	Approved by the Board of Directors on May 27, 2025, setting June 29, 2025 as the ex-dividend record date, with cash dividends of NT\$1,375,045,131 to be distributed to Shareholders on July 18, 2025.
	3. Approved the amendment of certain provisions of the Articles of Incorporation.	To take effect upon approval by the Shareholders' Meeting on May 27, 2025.

2. Important Resolutions of the Board of Directors

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion
2025.02.19	1st Meeting	1. Approved the proposal to exclude the Company's overdue accounts receivable in Q4 of 2024 from the fund lending cases.	Approved without objection
		2. Approved the Company's business plan for 2025.	Approved without objection
		3. Approved the authorization proposal for the Company's banking facilities for 2025.	Approved without objection
		4. Approved the application for a medium-term working capital loan from the bank.	Approved without objection
		5. Approved the continuation and reduction of the endorsement and guarantee for subsidiary Wah Lee (Vietnam) Co., Ltd. (USD 8.9 million)	Approved without objection
		6. Approved the appointment and compensation of the CPA for auditing and certifying the financial statements and tax returns for 2025.	Approved without objection

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion
		7. Approved the date and venue for the 2025 Annual Shareholders' Meeting.	Approved without objection
2025.03.12	2nd Meeting	1. Approved the Business Report, Parent company only financial statements, and consolidated financial statements for 2024.	Approved without objection
		2. Approved the earnings distribution proposal for 2024.	Approved without objection
		3. Approved the amendment of certain provisions of the Company's Articles of Incorporation.	Approved without objection
		4. Approved the distribution of Director Compensation and employee compensation for 2024.	Approved without objection
		5. Approved the ratio of Director Compensation and employee compensation for the Company for 2025.	Approved without objection
		6. Approved the continuing performance guarantees for procurement by subsidiaries Raycong Industrial (Hong Kong) Limited, Dong Guan Hua Gang International Trading Co., Ltd., and Shanghai Yi Kang Chemicals & Industries Co., Ltd. to Shinkong Synthetic Fibers Corp. and Shinkong Applied Materials (Jiangsu) Co., Ltd. (NT\$ 150,000 thousand)	Approved without objection
		7. Approved the continuation of the endorsement and guarantee for equity-invested company Asahi Kasei Wah Lee Hi-Tech Corp. (NT\$ 25,194 thousand)	Approved without objection
		8. Approved the continuation of the endorsement and guarantee for equity-invested company Chang Nagase Wahlee Plastics Corp. (NT\$ 400,000 thousand and purchase guarantee of NT\$ 67 million)	Approved without objection
		9. Approved the continuation of the endorsement and guarantee for equity-invested company Shanghai Hua Chang Trading Co., Ltd. (USD 19,500 thousand and purchase guarantee of USD 6,500 thousand)	Approved without objection
		10. Approved the issuance of the Company's Internal Control System Statement for 2025.	Approved without objection
2025.04.14	3rd Meeting	Approved the amendment to the earnings distribution proposal for 2024.	Approved without objection
2025.05.08	4th Meeting	1. Approved the consolidated financial report for Q1 2025.	Approved without objection
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q1 2025.	Approved without objection
		3. Approved the continuation of endorsement and guarantee for subsidiary Hightech	Approved without objection

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion
		Polymer Sdn Bhd. (USD 11 million)	
		4. Approved the issuance of the Company's 2024 Sustainability Report.	Approved without objection
2025.05.27	5th Meeting	1. Approved the purchase of liability insurance for the Company's Directors and Management. (Insurance coverage USD 5 million) (2025.06.18~2026.06.18)	Approved without objection
		2. Approved matters related to the distribution of cash dividends for 2024.	Approved without objection
2025.08.08	6th Meeting	1. Approved the consolidated financial report for Q2 2025.	Approved without objection
		2. Approved the Compensation proposal for Managers of the Company for 2024.	Approved without objection
		3. Approved the amendment to certain provisions of the Company's "Director Remuneration Management Policy".	Approved without objection
		4. Approved the exclusion of overdue accounts receivable from fund lending for Q2 2025.	Approved without objection
		5. Approved the continuation of endorsement and guarantee for subsidiary Wahlee Innovation Materials Private Limited. (INR 100,000 thousand)	Approved without objection
		6. Approved the continuation of endorsement and guarantee for subsidiary Regent King International Limited. (USD 1 million)	Approved without objection
		7. Approved the addition of endorsement and guarantee for investee company Asahi Kasei Wah Lee Hi-Tech Corporation. (NT\$ 25,969.2 thousand)	Approved without objection
2025.11.07	7th Meeting	1. Approved the consolidated financial report for Q3 2025.	Approved without objection
		2. Approved the exclusion of overdue accounts receivable from fund lending for Q3 2025.	Approved without objection
		3. Approved the continuation of endorsement and guarantee for subsidiary Wah Lee Philippines Inc. (USD 1 million)	Approved without objection
		4. Approved the continuation of endorsement and guarantee for subsidiary PT. Wah Lee Indonesia. (USD 2 million)	Approved without objection
		5. Approved the amendment to the Company's "Board of Directors and Functional Committee Performance Evaluation Policy".	Approved without objection
		6. Approved the amendment to the Company's 'Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct'.	Approved without objection
		7. Approved the amendment to the Company's 'Internal Control System - Payroll Cycle'.	Approved without objection

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion
		8. Approved the definition of entry-level employees of the Company.	Approved without objection
		9. Approved the Company's audit plan for the year 2026.	Approved without objection
2025.12.30	1st Extraordinary Meeting	Approved the investment in Jinde Gas Co., Ltd.	Approved without objection
2026.02.05	1st Meeting	1. Approved the exclusion of the Company's overdue accounts receivable in Q4 2025 from the fund lending proposal.	Approved without objection
		2. Approved the Company's business plan for 2026.	Approved without objection
		3. Approved the authorization for the Company's banking facilities for 2026.	Approved without objection
		4. Approved the application for a medium-term working capital loan from the bank.	Approved without objection
		5. Approved the continuation of endorsement and guarantee for subsidiary Wah Lee (Vietnam) Co., Ltd. (USD 6.9 million)	Approved without objection
		6. Approved the continuation of the endorsement and guarantee for equity-invested company Asahi Kasei Wah Lee Hi-Tech Corp. (NT\$25,194 thousand)	Approved without objection
		7. Approved the appointment of replacement signing CPAs starting from Q1 2026.	Approved without objection
		8. Approved the full re-election of Directors.	Approved without objection
		9. Approved the date and venue for the Annual Shareholders' Meeting for 2025.	Approved without objection
2026.03.11	2nd Meeting	1. Approved the Business Report, parent company only financial statements, and consolidated financial statements for 2025.	Approved without objection
		2. Approved the earnings distribution for 2025.	Approved without objection
		3. Approved the distribution of Director remuneration and employee compensation of the Company for 2025.	
		4. Approved the distribution of entry-level employee compensation of the Company for 2025.	Approved without objection
		5. Approved the ratio of Director remuneration and employee compensation of the Company for 2025.	Approved without objection
		6. Approved the continuation of providing procurement guarantees to Shinkong Synthetic Fibers Corporation & Shinkong Advanced Materials (Jiangsu) Co., Ltd. through subsidiaries Raycong Industrial	Approved without objection

Board of Directors Meeting Date	Meeting Session	Agenda	Independent Director Opinion
		(Hong Kong) Limited, Dong Guan Hua Gang International Trading Co., Ltd., and Shanghai Yi Kang Chemicals & Industries Co., Ltd. (NT\$ 150,000 thousand)	
		7. Approved the continuation and reduction of endorsement guarantees for investee company Nagase Wahlee Plastics Corp. (NT\$ 320,000 thousand and purchase guarantee NT\$ 55 million)	Approved without objection
		8. Approved the continuation and increase of endorsement guarantees for investee company Shanghai Hua Chang Trading Co., Ltd. (USD 19,500 thousand, RMB 12,000 thousand, and purchase guarantee USD 7,000 thousand)	Approved without objection
		9. Approved the appointment and compensation of the CPA for auditing and certifying the financial statements and tax returns for 2025.	Approved without objection
		10. Proposal to amend certain provisions of the Company's Articles of Incorporation.	Approved without objection
		11. Approved the issuance of the Company's Statement of Internal Control System for 2024.	Approved without objection
		12. Approved the nomination and review of candidates for Director and Independent Director of the Company.	Approved without objection
		13. Approved the lifting of non-competition restrictions on newly elected Directors and their representatives.	Approved without objection
		14. Approval proposal to amend certain provisions of the Company's Procedures for the Acquisition and Disposal of Assets.	Approved without objection
		15. Approval proposal to amend certain provisions of the Company's "Procedures for Endorsement and Guarantee Operations".	Approved without objection
		16. Approved amendments to the agenda for the 2026 Annual Shareholders' Meeting.	Approved without objection

(10) In the most recent year and up to the date of printing of the annual report, any dissenting opinions with records or written statements by Directors or Supervisors regarding material resolutions passed by the Board of Directors: None.

4. CPA Fee Information:

Unit: NT\$ Thousands

Name of CPA Firm	Name of CPA	CPA Audit Period	Audit Fees	Non-Audit Fees	Total	Note
Deloitte & Touche	Wu, Chiu-Yen	2025.01.01-2025.12.31	5,700	1. 520	2. 6,220	Non-supervisory employee salary filing NT\$ 50 thousand, others NT\$ 470 thousand
	Hsu, Jui-Hsuan					
	Lai, Yung-Fa	2025.01.01-2025.12.31	-	3. 955	4. 955	Tax certification NT\$ 430 thousand and others NT\$ 525 thousand

- (1) If the CPA firm is replaced and the audit fees paid in the year of replacement are less than those of the year prior to replacement, the audit fee amounts before and after the replacement and the reasons shall be disclosed: None.
- (2) If audit fees decrease by more than 10% compared to the previous year, the decrease amount, percentage, and reasons shall be disclosed: None.

5. CPA Replacement Information:

(1) Regarding the Former CPA

Date of Replacement	Board of Directors Resolution dated February 5, 2026		
Reason and Description of Change	The Company's original signing CPAs were Wu, Chiu-Yen CPA and Hsu, Jui-Hsuan CPA of Deloitte & Touche. Due to internal organizational adjustments, starting from the first quarter of 2026, the financial statements will be audited and signed by Hsu, Kai-Ning CPA and Hsu, Jui-Hsuan CPA of Deloitte & Touche.		
Description of whether it is the client or the CPA who terminated or declined the engagement	Party	CPA	Client
	Situation	N/A	
	Voluntarily terminated the engagement		
Declined to accept (continue) the engagement			
Audit reports with opinions other than unqualified opinions issued within the most recent two years and the reasons thereof	N/A		
Whether there are disagreements with the issuer			Accounting principles or practices
	Yes		Disclosure of financial reports
			Scope or procedures of the audit
			Others
	None		
	Description	N/A	
Other disclosure matters (Items to be disclosed pursuant to Subparagraph 6, Items 4 through 7 of Article 10 of these Standards)	None		

(2) Regarding the successor CPA:

Name of the firm	Deloitte & Touche
Name of CPA	Hsu, Kai-Ning CPA and Hsu, Jui-Hsuan CPA
Date of engagement	Approved by Board of Directors resolution on February 5, 2026
Matters consulted prior to engagement regarding the accounting treatment or accounting principles applicable to specific transactions, potential audit opinions on financial statements, and the outcomes of such consultations	N/A
Written comments from the successor auditor regarding matters on which the successor auditor's opinion differs from that of the predecessor auditor	N/A

(3) Reply from the predecessor CPA regarding the 3 matters under Article 10, Paragraph 6, Subparagraphs 1 and 2 of these Standards: No such circumstances.

6. The Company's Chairman, President, and Management responsible for financial or accounting affairs who have been employed by the certifying CPA's firm or its affiliates within the most recent year shall disclose their names, titles, and the period of employment at the certifying CPA's firm or its affiliates: No such circumstances.

7. Share transfer and share pledge changes for Directors, Management, and shareholders holding more than ten percent of shares during the most recent year and up to the date of printing of the annual report:

(1) Changes in shareholdings of Directors, Management, and major shareholders: Please refer to the Market Observation Post System > Single Company > Shareholding Changes/Securities Issuance > Share Transfer Data Inquiry > Post-reporting Form for Changes in Insider Shareholdings.

(URL: https://mops.twse.com.tw/mops/#!/web/query6_1)

(2) Share transfer information: None.

(3) Share pledge information: None.

8. Information on the relationships among the top ten shareholders by shareholding percentage:

March 27, 2026

Name	Shares held in own name		Shares held by spouse and minor children		Total shares held in the names of others		Names and relationships of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship to one another		Note
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Name	Relation	
Kang Tai Investment Co., Ltd.	20,011,338	7.71%	0	0.00%	0	0.00%	Fortune Investment Co., Ltd.	Parent company of the Company	
Kang Tai Investment Co., Ltd. Representative: Tsai, Shu-Fen	109,285	0.04%	0	0.00%	0	0.00%	None	None	
Fortune Investment Co., Ltd.	15,996,494	6.17%	0	0.00%	0	0.00%	Kang Tai Investment Co., Ltd.	Subsidiary of the Company	
Fortune Investment Co., Ltd. Representative: Chang, Yu-Jen	9,000	0.00%	0	0.00%	0	0.00%	None	None	
Dragon Investment Co., Ltd.	12,749,950	4.91%	0	0.00%	0	0.00%	None	None	
Dragon Investment Co., Ltd. Representative: Hsieh, Hsin-Mo	0	0.00%	0	0.00%	0	0.00%	None	None	
Bank of Taiwan Trust Custody Account for Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund	9,712,000	3.74%	0	0.00%	0	0.00%	None	None	
Ting Bao Co. Ltd.	8,314,320	3.20%	0	0.00%	0	0.00%	None	None	
Ting Bao Co. Ltd. Representative: Chang, Tsuen-Hsien	1,350,200	0.52%	0	0.00%	0	0.00%	Wah Hong Industrial Corp.	Representative Chang, Tsuen-Hsien is the same person	
Crystal Investment Co. Ltd.	7,934,579	3.06%	0	0.00%	0	0.00%	None	None	
Crystal Investment Co. Ltd. Representative: Lin, Li-Hsiu	34,560	0.01%	0	0.00%	0	0.00%	None	None	
Wah Hong Industrial Corp.	6,807,559	2.62%	0	0.00%	0	0.00%	None	None	
Wah Hong Industrial Corp. Representative: Chang, Tsuen-	1,350,200	0.52%	0	0.00%	0	0.00%	Ting Bao Co. Ltd.	Representative Chang, Tsuen-Hsien is the same person	

Name	Shares held in own name		Shares held by spouse and minor children		Total shares held in the names of others		Names and relationships of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship to one another		Note
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Name	Relation	
Hsien									
CTBC Bank Co., Ltd. acting as trustee for the employee stock ownership trust account of Wah Lee Industrial Corp.	5,972,110	2.30%	0	0.00%	0	0.00%	None	None	
Chang, Ray-Ching	5,762,364	2.22%	0	0.00%	0	0.00%	Wah Hong Industrial Corp. and Ting Bao Co. Ltd. Representative: Chang, Tsuen-Hsien	Representative Chang, Tsuen-Hsien, and Chang, Ray-Ching are in a father-son relationship.	
Standard Chartered Bank (Taiwan) Limited, Business Department, acting as custodian for the Pear Tree North Star Foreign Value Small Cap Fund investment account	3,685,000	1.42%	0	0.00%	0	0.00%	None	None	

9. Aggregate Shareholding Percentage:

December 31, 2025; Unit: Shares

Investee Companies (Note 1)	Investment by the Company		Investment by Directors, Supervisors, Management, and Directly or Indirectly Controlling Entities		Comprehensive Investment	
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding
Wah Lee Holding Ltd.	13,070,000	100.00%	0	0.00%	13,070,000	100.00%
Raycong Industrial (Hong Kong) Limited	56,000,000	53.69%	48,296,655	46.31%	104,296,655	100.00%
CWE Inc.	197,902,180	28.10%	5,323,570	0.73%	203,225,750	28.83%
Nagase Wahlee Plastics Corp.	4,000,000	40.00%	0	0.00%	4,000,000	40.00%
Wah Hong Industrial Corp.	27,135,978	27.13%	3,268,136	3.27%	30,404,114	30.40%
ORC Technology Corp.	600,000	35.00%	0	0.00%	600,000	35.00%
ORC Electrical Machinery Corp.	400,000	40.00%	0	0.00%	400,000	40.00%
Tranceed Logistics Co., Ltd.	9,500,000	63.33%	0	0.00%	9,500,000	63.33%
Cyuan Cheng Logistic Co., Ltd.	0	0.00%	5,500,000	100.00%	5,500,000	100.00%
Evergreen New Energy Corporation	13,000,000	100.00%	0	0.00%	13,000,000	100.00%
Fanxin Development Co., Ltd.	0	0.00%	3,850,000	100.00%	3,850,000	100.00%
Fansheng Development Co., Ltd.	0	0.00%	3,200,000	100.00%	3,200,000	100.00%
Kingstone Energy Technology Corporation	35,067,582	99.57%	0	0.00%	35,067,582	99.57%
KSB Energy Corporation	0	0.00%	5,113,000	100.00%	5,113,000	100.00%
KSC Energy Corporation	0	0.00%	3,400,000	100.00%	3,400,000	100.00%
Wah Lee Japan Corp.	2,300	88.46%	0	0.00%	2,300	88.46%
Perpetual New Energy Co., Ltd.	30,000,000	100.00%	0	0.00%	30,000,000	100.00%
High Tech Gas Company Ltd.	9,000,000	60.00%	0	0.00%	9,000,000	60.00%
Innovation Service Co., Ltd.	5,500,000	68.75%	0	0.00%	5,500,000	68.75%
Wah Lee Korea Ltd.	147,000	100.00%	0	0.00%	147,000	100.00%
Sakuragawa Solar Godogaisha	(Note 2)	99.99%	(Note 2)	0.00%	(Note 2)	99.99%
Miyazaki Solar Godogaisha	(Note 2)	99.99%	(Note 2)	0.00%	(Note 2)	99.99%
Jinde Gas Co., Ltd.	6,936,000	51.00%	0	0.00%	6,936,000	51.00%
Regent King International Limited	-	0.00%	10,000	100.00%	10,000	100.00%
Dong Guan Hua Gang International Trading Co., Ltd.	(Note 2)	0.00%	(Note 2)	100.00%	(Note 2)	100.00%
Shanghai Yi Kang Chemicals & Industries Co., Ltd.	(Note 2)	0.00%	(Note 2)	70.00%	(Note 2)	70.00%
Huaying Supply Chain Management (Shenzhen) Co., Ltd.	(Note 2)	0.00%	(Note 2)	100.00%	(Note 2)	100.00%
SHC Holding Ltd.	0	0.00%	1,290,000	100.00%	1,290,000	100.00%
Shanghai Hua Chang Trading Co., Ltd.	(Note 2)	0.00%	(Note 2)	30.00%	(Note 2)	30.00%
Meditek (Shanghai) Co., Ltd.	(Note 2)	0.00%	(Note 2)	70.00%	(Note 2)	70.00%
Crown Medical Equipment (Shanghai) Co., Ltd.	(Note 2)	0.00%	(Note 2)	70.00%	(Note 2)	70.00%
Guangzhou Xingxian Medical Management Consulting Co., Ltd.	(Note 2)	0.00%	(Note 2)	100.00%	(Note 2)	100.00%
Fenghuang Xingwah Shouzheng Health Management Co., Ltd	(Note 2)	0.00%	(Note 2)	49.00%	(Note 2)	49.00%
Anhua Huixinkang Hemodialysis Co., Ltd.	(Note 2)	0.00%	(Note 2)	100.00%	(Note 2)	100.00%

Investee Companies (Note 1)	Investment by the Company		Investment by Directors, Supervisors, Management, and Directly or Indirectly Controlling Entities		Comprehensive Investment	
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding
Xiamen Huashengda Logistics Co., Ltd.	-	0.00%	- (Note 2)	70.00%	- (Note 2)	70.00%
Xiamen Jian Yuan Rung Logistic Co., Ltd.	-	0.00%	- (Note 2)	30.00%	- (Note 2)	30.00%
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	-	0.00%	- (Note 2)	30.00%	- (Note 2)	30.00%
Shanghai Huayi Materials Co., Ltd.	-	0.00%	- (Note 2)	100.00%	- (Note 2)	100.00%
Wah Lee Tech (Singapore) Pte. Ltd.	1,600,000	100.00%	-	0.00%	1,600,000	100.00%
PT. Wah Lee Indonesia	1,610,000	70.00%	0	0.00%	1,610,000	70.00%
Wah Lee Vietnam Co., Ltd.	- (Note 2)	100.00%	-	0.00%	-	100.00%
Wah Tech Industrial	7,650	51.00%	0	0.00%	7,650	51.00%
P. Wah Tech Indonesia	-	0.00%	18,150	66.00%	18,150	66.00%
Hightech Polymer	7,650,000	51.00%	0	0.00%	7,650,000	51.00%
Wah Lee Philippines International Corp.	127,495	99.99%	1	0.00%	127,496	99.99%
Wah Lee Philippines Inc.	126,997	99.99%	1	0.00%	126,998	99.99%
Wahlee Innovation Materials Private Limited (India)	3,861,000	99.00%	39,000	1.00%	3,900,000	100.00%
Advance Hightech Solutions Inc.(U.S.A.)	3,000,000	100.00%	0	0.00%	3,000,000	100.00%
Raycong Vietnam	-	0.00%	1,358	100.00%	1,358	100.00%
Born Tech	-	0.00%	9,800	49.00%	9,800	49.00%
BL Anakie Solar	-	0.00%	1,031,800	30.80%	1,031,800	30.80%
Eternal New Energy Co., Ltd.	-	0.00%	29,950,000	100.00%	29,950,000	100.00%
KSA Energy Corporation	-	0.00%	6,130,000	100.00%	6,130,000	100.00%
Wah Heng Energy Technology Corporation	-	0.00%	9,000,000	100.00%	9,000,000	100.00%
Heng Sheng Energy Co., Ltd.	-	0.00%	100,000	100.00%	100,000	100.00%
Evergreen New Power Corporation	-	0.00%	500,000	100.00%	500,000	100.00%

Note 1: Long-term investments accounted for using the equity method.

Note 2: These are limited liability companies with no shares issued.

Note 3: The Company and its 100%-owned subsidiary, Wah Lee Holding Ltd., jointly hold 100% of Raycong Industrial (Hong Kong) Limited. Raycong Industrial (Hong Kong) Limited holds 70% of Shanghai Yi Kang Chemicals & Industries Co., Ltd. Shanghai Yi Kang Chemicals & Industries Co., Ltd. holds 100% of Meditek (Shanghai) Co., Ltd., 100% of Crown Medical Equipment (Shanghai) Co., Ltd., and 70% of Fenghuang Xingwah Shouzheng Health Management Co., Ltd. Accordingly, the Company's aggregate shareholding in Meditek (Shanghai) Co., Ltd., Crown Medical Equipment (Shanghai) Co., Ltd., and Fenghuang Xingwah Shouzheng Health Management Co., Ltd. is 70%, 70%, and 49%, respectively.

III. Capital Raising

1. Capital and Shares:

(1) Source of Share Capital

March 31, 2026; Unit: Shares / NT\$

Year / Month	Issuance Price	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Payment of share capital with property other than cash	Others
2006.02	NT\$10	240,000,000	2,400,000,000	196,495,062	1,964,950,620	Conversion of corporate bonds to shares: NT\$7,667,270	None	February 20, 2006 Authorized by Commerce Letter No. Approved under No. 09501028140
2006.06	NT\$10	300,000,000	3,000,000,000	209,354,864	2,093,548,640	Capitalization of retained earnings NT\$128,598,020	None	February 6, 2006 FSC Securities 1 Letter No. Approved under No. 0950122737
2007.06	NT\$10	300,000,000	3,000,000,000	219,635,510	2,196,355,100	Capitalization of retained earnings NT\$102,806,460	None	June 28, 2007 FSC Securities 1 Letter No. Approved under No. 0960032751
2008.08	NT\$10	300,000,000	3,000,000,000	230,134,006	2,301,340,060	Capitalization of retained earnings NT\$104,984,960	None	August 6, 2008 FSC Securities 1 Letter No. Approved under No. 0970039612
2010.06	NT\$10	300,000,000	3,000,000,000	234,409,138	2,344,091,380	Capitalization of retained earnings NT\$42,751,320	None	June 23, 2009 FSC Securities Issuance Letter No. Approved under No. 0980031087
2010.06	NT\$10	300,000,000	3,000,000,000	231,390,138	2,313,901,380	Cancellation of treasury shares NT\$30,190,000	None	June 30, 2010 Authorized by Commerce Letter No. No. 09901134430 Amendment Registration
2019.06	NT\$10	500,000,000	5,000,000,000	231,390,138	2,313,901,380	—	None	June 21, 2009 Authorized by Commerce Letter No. No. 10801072090 Amendment Registration
2021.10	NT\$10	500,000,000	5,000,000,000	236,017,941	2,360,179,410	Capital surplus converted to capital increase of NT\$46,278,030	None	October 7, 2021 Authorized by Commerce Letter No. No. 11001180610 Amendment Registration

2023.12	NT\$10	500,000,000	5,000,000,000	236,239,248	2,362,392,480	Corporate bonds converted to shares of NT\$2,213,070	None	March 1, 2024 Authorized by Commerce Letter No. No. 11330029000 Amendment Registration
2024.03	NT\$10	500,000,000	5,000,000,000	250,767,117	2,507,671,170	Corporate bonds converted to shares of NT\$145,278,690	None	June 13, 2024 Authorized by Commerce Letter No. No. 11330092570 Amendment Registration
2024.07	NT\$10	500,000,000	5,000,000,000	259,436,817	2,594,368,170	Corporate bonds converted to shares of NT\$86,697,000	None	September 19, 2024 Authorized by Commerce Letter No. No. 11330156870 Amendment Registration

March 31, 2026; Unit: Shares

Type of Shares	Authorized Capital			Note
	Shares Outstanding	Unissued Shares	Total	
Common Shares	259,436,817	240,563,183	500,000,000	Listed Shares

2. Information related to the shelf registration system: None.

(2) List of Major Shareholders

March 27, 2026

Name of Major Shareholder	Shares	Shares Held	Shareholding
Kang Tai Investment Co., Ltd.		20,011,338	7.71%
Fortune Investment Co., Ltd.		15,996,494	6.17%
Dragon Investment Co., Ltd.		12,749,950	4.91%
Bank of Taiwan Trust Custody Account for Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund		9,712,000	3.74%
Ting Bao Co., Ltd.		8,314,320	3.20%
Crystal Investment Co. Ltd.		7,934,579	3.06%
Wah Hong Industrial. Corp.		6,807,559	2.62%
CTBC Bank Co., Ltd. acting as trustee for the employee stock ownership trust account of Wah Lee Industrial Corp.		5,972,110	2.30%
Chang, Ray-Ching		5,762,364	2.22%
Standard Chartered Bank (Taiwan) Limited, Business Department, acting as custodian for the Pear Tree North Star Foreign Value Small Cap Fund investment account		3,685,000	1.42%

(3) The Company's Dividend Policy and Implementation Status

1. Dividend Policy:

If the Company's annual final accounts show a surplus, after paying taxes in accordance with applicable laws and offsetting accumulated deficits, 10% shall be set aside as legal surplus reserve; provided, however, that when the legal surplus reserve has reached the total paid-in capital of the Company, no further appropriation is required. The remainder shall then be appropriated or reversed as special surplus reserve in accordance with applicable laws and regulations. Any remaining balance, together with accumulated undistributed earnings, shall first be used to distribute preferred stock dividends in accordance with Article 5-1 of these Articles of Incorporation, and then to distribute common stock dividends. The Board of Directors shall prepare a proposal for earnings distribution. If distribution is to be made by issuing new shares, it shall be submitted to the Shareholders' Meeting for resolution before distribution; if distribution is to be made in cash, it shall be resolved by the Board of Directors.

Pursuant to Articles 240 and 241 of the Company Act, the Company authorizes the Board of Directors, by a resolution adopted by attendance of not less than two-thirds of the Directors and approval of a majority of the Directors present, to distribute all or part of the dividends and bonuses, capital surplus, or legal surplus reserve in the form of cash, and to report such distribution to the Shareholders' Meeting; if distribution is to be made by issuing new shares, it shall be resolved by the Shareholders' Meeting in accordance with applicable regulations.

The Company's dividend policy takes into account current and future development plans, investment environment, capital requirements, domestic and international competitive conditions, and the interests of Shareholders. Each year, not less than 10% of distributable earnings shall be allocated for distribution as Shareholder dividends; provided, however, that no distribution is required when the accumulated distributable earnings are less than 1% of the paid-in capital. Shareholder dividends may be distributed in the form of cash or stock, with cash dividends accounting for not less than 50% of the total dividend amount.

2. Dividend distribution resolved at this Board of Directors meeting:

(1) The Board of Directors resolved to distribute cash dividends on common shares in the amount of NT\$1,375,015,131 (cash dividend of NT\$5.3 per share).

(2) Should the number of the Company's shares outstanding subsequently change, resulting in a change in the cash dividend per share that requires adjustment, the Chairman is authorized to adjust the distribution ratio based on the total distribution amount and the actual number of shares outstanding as of the dividend record date.

(4) Impact of the stock dividend without consideration proposed at this Shareholders' Meeting on the Company's operating performance and earnings per share: None.

(5) Employee Compensation and Director Remuneration:

1. Relevant information on employee compensation and director remuneration as stipulated in the Articles of Incorporation:

If the Company has profits in a given year, no less than 2% shall be allocated as employee compensation and no more than 2% shall be allocated as director remuneration. However, if the Company still has accumulated deficits, the amount required to cover such deficits shall be reserved in advance.

Of the employee compensation amount referred to in the preceding paragraph, no less than 8% shall be allocated as compensation distributed to entry-level employees. Employee compensation may be distributed in the form of shares or cash, and the recipients may include employees of subsidiaries that meet certain criteria.

The matters set forth in the preceding two paragraphs shall be resolved by the Board of Directors and reported to the Shareholders' Meeting.

2. The basis for estimating employee compensation and director remuneration for the current period, the basis for calculating the number of shares for employee compensation distributed in shares, and the accounting treatment when the actual distributed amount differs from the estimated amount:

The Company's employee compensation and director remuneration distributed for 2025 are NT\$269,665,000 and NT\$34,457,000, respectively, of which the estimated compensation distributed to grassroots employees is NT\$25,395,633, which are appropriated in accordance with Article 20 of Incorporation. If there is a difference between the actual amount approved by the Board of Directors and the accrued amount, it shall be treated as a change in accounting estimate and adjusted in the following year.

3. Compensation distribution approved by the Board of Directors:

- (1) Amount of employee compensation and director remuneration distributed in cash or shares:

The Board of Directors approved the distribution of employee compensation and director remuneration for 2025 in the amounts of NT\$269,665,000 and NT\$34,457,000, respectively, which are consistent with the employee and director expense amounts recognized in 2025.

- (2) The amount of employee compensation distributed in shares and its proportion to the after-tax net income in the current period's parent company only financial statements and the total employee compensation: No employee compensation is distributed in shares this time, therefore not applicable.

4. Actual distribution of employee compensation and director remuneration for the prior year:

The Company's earnings for 2024 were resolved by the Board of Directors on March 12, 2025 to distribute employee compensation of NT\$257,211,000 and director remuneration of NT\$32,866,000 in cash; the actual amounts distributed in 2025 are consistent with the amounts recognized in 2024.

- (6) Status of the Company's repurchase of its own shares: None.

2. Corporate Bonds: None.

3. Preferred Shares: None.

4. Overseas Depositary Receipts: None.

5. Employee Stock Warrants and Restricted Stock Awards for Employees: None.

6. Issuance of New Shares through Mergers and Acquisitions or Acquisition of Shares of Other Companies: None.

7. Fund Utilization Plan: None.

IV. Operations Highlights

1. Business Activities:

(1) Scope of Business

1. Main content of the business

- (1) International Trade
- (2) Wholesale of Electronic Materials
- (3) Wholesale of Batteries
- (4) Wholesale of Telecommunication Equipment
- (5) Retail Sale of Electrical Appliances
- (6) Wholesale of Medical Devices
- (7) Wholesale of Industrial Catalyst
- (8) Wholesale of Pollution Controlling Equipment
- (9) Wholesale of Refractory Materials
- (10) Wholesale of Other Chemical Products
- (11) Wholesale of Precision Instruments
- (12) Wholesale of Animal Feeds
- (13) Retail Sale of Animal Feeds
- (14) Self-usage power generation equipment utilizing renewable energy industry
- (15) Retail Sale of Electrical Appliances
- (16) Energy Technical Services
- (17) Information Software Services
- (18) Data Processing Services
- (19) Waste Treatment
- (20) Wastewater (Polluted Water) Treatment Industry.
- (21) Resource Recycling
- (22) Wholesale of Water appliance
- (23) Wholesale of Furniture, Bedding, Kitchen Utensils and Fixtures
- (24) Wholesale of Ceramic and Glassware
- (25) Wholesale of Chemical Materials
- (26) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Current business proportion of the company's main products

Unit: NT\$ Thousands

Products	2025 consolidated operating revenue	Operating Ratio (%)
Electronic Information and Communication Industry	20,625,630	26.4
Flat Panel Display Industry	18,550,776	23.7
Semiconductor Industry	24,446,410	31.3
Printed Circuit Board / Motherboard Industry	9,589,085	12.3
Green Energy Industry	915,298	1.2
Others	4,062,061	5.1
Total	78,189,260	100.0

3. Current Products of the Company

The Company focuses on introducing advanced materials, components, systems, equipment, gases, technologies, and integrated services for key and trending global industries, and promoting them to Greater China, Southeast Asia, and global markets, in order to meet the one-stop shopping needs of customers in high-tech, major, and promising industry chains. Currently, the main scope of business is primarily focused on five major industry categories: (1) Information/Communication and Electronic Packaging, (2) Semiconductors, (3) Optoelectronics, Optical Communications and Flat Panel Displays, (4) Green Energy, Energy Saving and Energy Storage, and (5) Environmental Protection, Biomedical and Others. Related to various industry sectors and business scopes

The product categories are shown in the following table:

Industry Category	Main Product Categories
Information/Communication and Electronic Packaging	High-performance engineering plastics, thermoset engineering plastics, general-purpose engineering plastics, films & sheets, glass fiber. Dry Film, substrates, exposure machines and components, release films, other PCB packaging materials, chemicals and equipment, high-frequency application materials, appearance inspection machines, secondary battery-related businesses, active and passive electronic components, wide bandgap power devices/substrates/epitaxial wafers.....
Semiconductor	Photoresist, electronic grade specialty gases, IC Chemical, Remover, silicon wafers, advanced packaging materials, Slurry, Developer, Spare Parts,

	Polyimide, target materials,
Optoelectronics, Optical Communications, and Flat Panel Displays	Flat panel display terminal system products, system optoelectronic display chips, materials and equipment, optoelectronic equipment/components, OLED materials and components, optical communication materials, TV mainboards and control chips, Mini LED application solutions/semi-finished products....
Green Energy, Energy Conservation, and Energy Storage	Solar cell materials, solar cells, solar modules/systems/equipment, solar water ground-mounted/rooftop power plants, solar system engineering, energy storage devices, power-saving equipment, materials for wind turbine blades, secondary battery materials and lithium batteries...
Environmental Protection, Biomedical, and Others	Marine engines and components, refrigerants and foaming agents, carbon fiber, Compound, core materials, functional materials, specialty chemicals, silicon powder, automation equipment and control components, other industrial materials, other biotechnology products, antibody-related products...

4. New Products Under Active Development and Introduction

The Company's primary business philosophy is to promote and fulfill the industrial development and market demands of Greater China, Southeast Asia, and even globally. Therefore, the Company closely monitors trends in relevant industries and market demands, and proactively seeks collaborative research and development with suppliers while introducing the latest products and technologies. This enables the Company to provide high-quality, high-performance, and reasonably priced materials, components, modules, gases, and equipment/consumables required by industrial manufacturers and market customers, while collaborating with relevant manufacturers in the research, development, and provision of integrated solutions, thereby competently fulfilling the role of an industry integrator and Total Solution Provider. In the future, we will continue to focus on AI and develop multiple key industries in various directions, accelerating the deployment in automation equipment and autonomous mobile equipment, software/cybersecurity/cloud and edge computing, aerospace, communications, and defense industries, as well as new energy and thermal management sectors; at the same time, we will also expand our international operations. New agency or distribution product categories for 2025 include: AI server-related materials, AMR autonomous mobile robots and factory automation solutions, green/eco-friendly/circular economy products, thermal management, optoelectronic systems, optoelectronic electrochemical and optical materials, semiconductor front-end materials, passive and magnetic components, optical communication modules, semiconductor advanced packaging, bulk commodity consumer goods, green marine propulsion systems, various government and corporate tender projects including smart warehousing solutions, and more.

(2) Industry Overview

1. Current Status and Development of the Industry

(1) Overall Industry Development

In 2025, global industrial development was shaped by multiple intertwined factors, including technological innovation, geopolitical shifts, and macroeconomic fluctuations. In the technology sector, the rapidly expanding AI technology and high-performance computing (HPC) applications have become key drivers driving transformation and growth across various industries, particularly evident in areas such as servers, cloud computing, data centers, and advanced manufacturing. The global economy continues to show resilience amid trade tensions, but growth is slowing; the International Monetary Fund (IMF) forecasts global GDP growth of approximately 2.7% in 2026, slightly lower than in 2025, but still maintaining positive growth.

In terms of geopolitics, the ongoing U.S.-China technology competition and trade policy adjustments continue to reshape the global supply chain structure, generating far-reaching impacts on high-tech industries, multinational supply systems, and market risks. However, AI-related investments remained active in 2025, becoming the core driving force supporting the momentum of the global technology industry. The semiconductor industry continues to strengthen, with WSTS indicating in its latest forecast that the global semiconductor market value is expected to reach \$772 billion in 2025. The Company has long grasped industry growth trends and diversified operations, with revenue reaching NT\$78.19 billion. Looking ahead to 2026, although the global economy faces structural adjustments, the emerging technology demand driven by AI continues to rise. The Company is confident that, leveraging its unique industry positioning and efficient sales and marketing channel capabilities, it will sustain continued growth and achieve new record-breaking performance.

(2) Development of the Information/Communication and Electronic Packaging Industry

In 2025, Taiwan's PCB industry continues to benefit from structural demand growth driven by AI servers, high-speed computing, and related supply chain upgrades, with output value expected to exceed NT\$90 billion. The Company follows industry trends and is simultaneously transforming towards high value-added products (such as high layer count, multi-function, advanced materials, and high frequency/high speed), while actively developing new products and new business domains (e.g., third-generation semiconductors, advanced semiconductor packaging materials, etc.).

Looking ahead to 2026, the continued growth in AI training/inference demand will sustain the expansion of data centers and upgrades to high-speed interconnect specifications, driving ongoing growth in demand for high-frequency and high-speed materials, low-loss substrates, IC substrates, and high-end multilayer boards. High-speed transmission, low loss, and high reliability will continue to be the core themes driving upgrades in PCB materials and processes (e.g., 800G/1.6T interconnect specifications, thermal management, and high power density designs). Overall, AI-related applications remain the primary driving force behind upgrades in information and communications technology and electronic packaging.

(3) Semiconductor Industry

In 2025, driven by investments in AI infrastructure and advanced computing (such as accelerators, HBM, high-speed networking, etc.), the global semiconductor industry maintained strong growth, with a year-over-year increase of approximately 22%. Looking ahead to 2025, the latest WSTS research indicates that the semiconductor market will move toward the \$1 trillion mark (estimated at approximately \$975.4 billion), with overall structural growth driven by AI. Among them, the demand for AI servers, cloud computing, and high-performance computing will continue to drive the growth of the industry scale. Under the influence of factors such as geopolitics, export controls, and supply chain regionalization, companies will place greater emphasis on "supply chain resilience" and "technological autonomy" strategies. The Company's Semiconductor Material Business Division will continue to build on its existing product and customer base, and in alignment with trends in advanced processes, advanced Packaging, and high-frequency high-speed applications, deepen its materials and solutions portfolio to achieve even greater results.

(4) Optoelectronics, Optical Communications, and Flat Panel Display Industries

The display industry showed a mild recovery driven by supply-demand adjustments, brand-side promotions, and inventory replenishment in 2025, but the overall industry operating environment remained challenging due to China panel capacity and price competition. Looking ahead to 2026, research firm Omdia's preliminary estimates for large-size display shipments indicate that LCD shipments will grow approximately 4% year-over-year, while large-size OLED shipments will grow approximately 27.1% year-over-year, reflecting the trend of OLED gradually increasing its penetration rate in high-end laptops, monitors, and other devices.

In terms of automotive displays, automotive panels remain a relatively stable growth area. The enlargement of screen sizes, enhancement of additional features (high brightness, curved surfaces, multi-screen integration, etc.), and the adoption of Mini LED backlighting in automotive applications will continue to drive demand for high-end products. In optical communications, the demand for high-speed interconnects from AI data centers continues to rise, driving the evolution of specifications such as 800G and even 1.6T optical modules. Cignal AI also pointed out that the revenue of optical communication components in 2025 has approached 25 billion USD, and high-speed modules are expected to remain the primary growth engine in 2026.

This business unit will continue to advance in four major directions of "chips, systems, materials, and equipment," with a focus on expanding system applications, transforming equipment products, and achieving stable growth in material products; under the dual-track trend of moderate panel recovery and high-speed upgrades in optical communications, the direction will be to enhance the added value of products.

(5) Green Energy, Energy Conservation, and Energy Storage Industries

In 2025, the global renewable energy and energy storage market continues to expand. Although certain segments are affected by supply chain disruptions and price fluctuations, the long-term trend remains clear, driven by net-zero policies and the demand for power

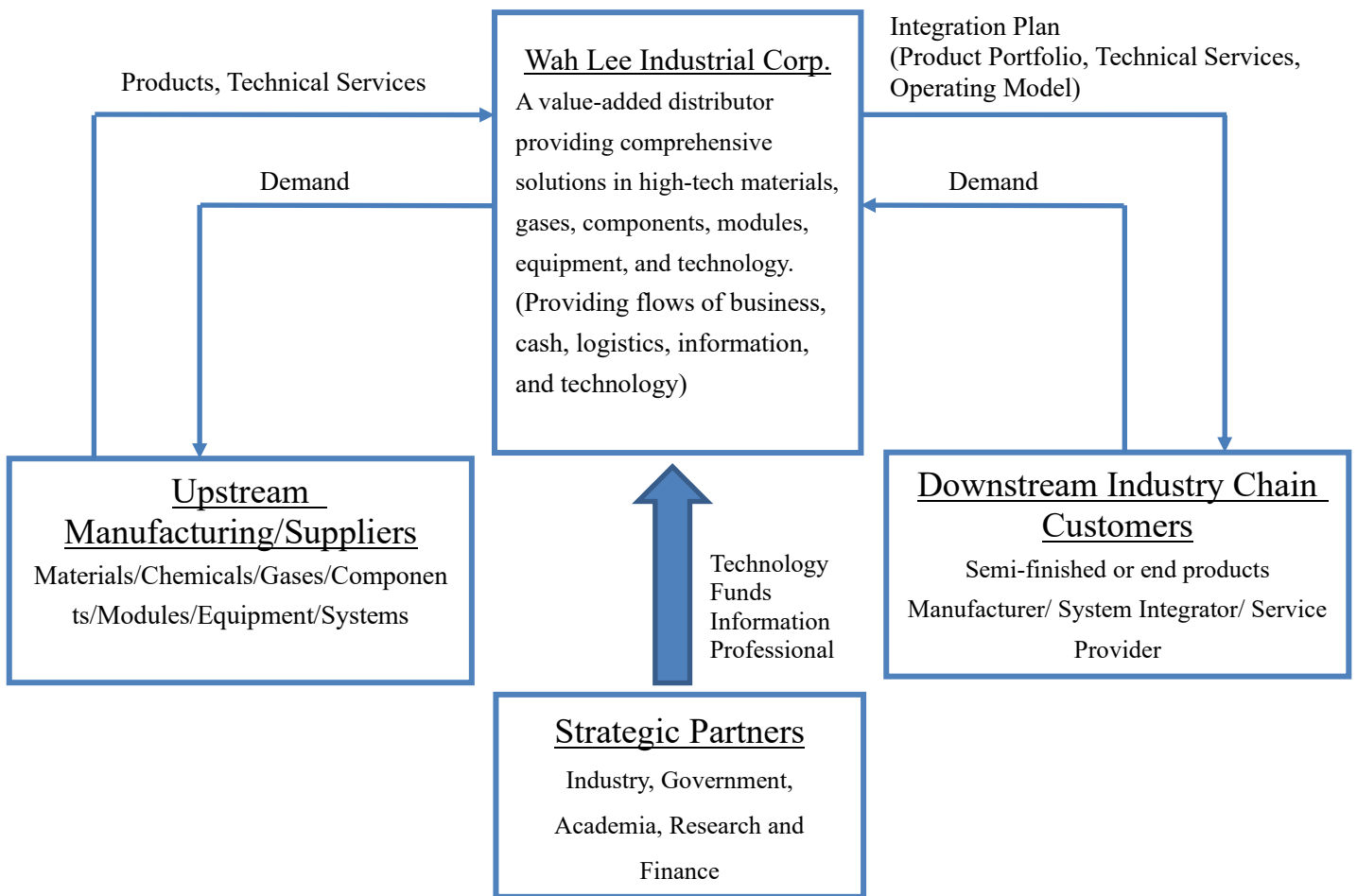
system resilience. Taking energy storage as an example, InfoLink pointed out that the global newly added energy storage installed capacity is estimated at approximately 221.9 GWh, representing a growth rate of approximately 26.5% compared to 2024, indicating that the importance of energy storage as a means of power dispatch and renewable energy integration continues to rise.

On the Taiwan side, the policy end continues to strengthen the promotion of rooftop solar photovoltaics. Starting from August 1, 2026, the government will require newly constructed buildings above a certain scale to install rooftop solar panels, in order to promote carbon reduction and expand renewable energy. This move helps to support the medium-to-long-term momentum of rooftop solar PV, and can also partially hedge against the supply bottlenecks of ground-mounted solar PV due to land and environmental impact assessment constraints.

The Company's deployment in the green energy industry continues to carry forward. Wah Lee Group's solar projects expected to be completed and grid-connected in 2025 will reach a capacity of 69.49 MW, with further growth anticipated in 2026. Looking ahead to 2026, the Company will also plan toward the direction of "Photovoltaics + Energy Storage + Power Trading," and continue to develop ground-mounted/rooftop solar energy projects along with related materials, components, and module sales, while actively evaluating new directions such as hydrogen energy and small hydropower, in order to seize new business opportunities brought by the energy transition.

2. The correlation between upstream, midstream, and downstream of the industry

The Company is a professional high-tech materials, chemicals, gases, components, modules, equipment, technical support services and integrated solutions provider/distributor positioned in the mid-to-upstream sector of the industry, serving customers across a wide range of industries, mainly including the information, communications and electronic packaging industry, semiconductor industry, optoelectronics, optical communications and flat panel display industry, green energy, energy saving and energy storage industry, biotechnology and medical industry, daily necessities/environmental protection industry, materials and chemical industry, etc. The Company's upstream primarily consists of domestic and foreign manufacturers/suppliers in the aforementioned industries, while the downstream consists of end product or semi-finished product manufacturers/system integrators/service providers in the aforementioned industries. In addition to acting as an agent/distributor of products/services from upstream manufacturers/suppliers to downstream customers and providing related integrated technical services, the Company also connects and integrates suppliers, customers, and various institutions in industry, government, academia, research, and finance to jointly conduct research and development and investment, while innovating business models. The relationships among upstream, midstream, and downstream industries are illustrated in the following diagram.



3. Product Development Trends

The Company is a supplier of high-tech materials, chemicals, gases, components, modules, and equipment products and total solutions. The Company represents a wide variety of products, and the development of each business and product is closely related to the growth process and market demand evolution of the high-tech industry in Greater China, Southeast Asia, and globally.

The Company has long been paying attention to future demand trends, including emerging high-growth industries such as daily consumer goods, green energy, environmental safety, medical care, regenerative medicine, pharmaceutical formulations, industrial localization, smart/automated production, robotics, advanced packaging, high-performance computing, 5G communications, data centers, AI servers, AIoT, IoT, biomedical, and electric vehicles, as well as expanding international operations. The Company has been accelerating its deployment in related product areas, with tangible results progressively emerging.

The Company continues to maintain its leading position in high-performance engineering plastics required by the information and communications technology (ICT) industry, and has successfully expanded into optical lens raw materials, antenna modules for smartphones, metal-replacing automotive components, lens modules for autonomous driving, and medical devices. In recent years, the Company has expanded its distribution portfolio to include bio-based engineering plastics to address environmental protection, energy conservation, carbon reduction, and carbon neutrality issues, and has applied for the International Sustainability & Carbon Certification (ISCC+).

In the semiconductor industry, the Company continues to maintain its leading position in advanced processes by providing high-end electronic-grade chemicals, components, gases, and other consumables, with the aim of achieving continued revenue growth in the semiconductor sector.

The Company's strengths in the PCB/electronic packaging industry lie in providing high-end consumables such as dry films and copper-clad laminates (CCL). With the advent of advanced applications such as 5G communications, cloud computing, high-frequency transmission, smartphones, and automotive electronics, the Company will provide corresponding raw materials, consumables, and equipment to capitalize on the rapid growth of the electronic packaging industry in 5G applications and third-generation compound semiconductors.

The optoelectronics business continues to grow steadily as industry demand for chemical consumables, optical substrates, and electronic components gradually increases, coupled with the Company's successful expansion of next-generation electronic products and systems in European, American, and Indian markets.

Furthermore, as the government has been actively promoting the development of the green energy industry in recent years, the Company provides raw materials and equipment as well as system integration across the upstream and downstream value chain, has acquired a solar power plant EPC contractor, and is actively establishing solar power plants in Taiwan and investing in wind power-related companies, generating stable recurring revenue for the Company while fulfilling its corporate social responsibility and benefiting the general public.

We will uphold our consistent tradition of prudent management and cultivate the next-generation markets with cautious optimism, including the emerging biotechnology and healthcare industry, clean energy and environmental sustainability, the 5G/6G communications market, artificial intelligence (AI), the Internet of Things (IoT), electric vehicles (EV), and autonomous vehicles. These represent the foundation for the Company's continued growth, and we believe they will pave a path of steady growth amid challenging market headwinds.

Looking back at the Company's development history is like witnessing the history of industrial development in our country and across the Greater China region. In addition to advancing the Company's core materials distribution business, and in order to allow mature products to take root and flourish in the domestic market, the Company strives to establish vertical supply chain integration and establish market channels and sales outlets, ensuring greater product sales momentum year after year, guaranteeing high-performance growth in the core business, and generating a continuous pipeline of new business opportunities —

while continuing to play an integral role in driving continuous innovation and sustainable growth across the Greater China and Southeast Asian regions, and the global industry at large.

4. Product competition

The Group sells products across more than 800 categories. In 2025, there were 93 categories with Group revenue exceeding NT\$100 million each, and 265 categories with Group revenue exceeding NT\$10 million each. the number of customers exceeded 5,200, of which more than 710 customers purchased the Company's products exceeding NT\$10 million. This demonstrates that the products sold and services provided by the Company have a very high level of competitiveness and acceptance in the market.

Furthermore, the Company will also segment the market for different products based on the characteristics of the represented products and market features, and select the target market with the most competitive advantage. The Company's target markets and customers are mainly mid-to-high-end, and the Company has achieved a considerable market share among its target customers. As the Company has a wide range of product categories and customers that are dispersed across various industries, and even with varying market shares among different customers, only some of the product categories that rank among the top three in market share in target markets are listed as follows: engineering plastics, flat panel display related materials, ICs and equipment, refrigerants, photoresists, photoresist strippers, developers, CVD precursors, bulk chemicals, dry film photoresists, marine engines, etc. The explanation is as follows:

The Company has long been a market leader in the high-end engineering plastics market, with wide applications in IT/IA products, mobile/wearable devices, automotive components, medical devices, and food packaging materials, and has successfully entered the supply of components for electric vehicle charging piles and the application of wireless charging stands for smartphones. In recent years, high-performance engineering plastics have seen double-digit growth rates. It is evident that the Company has established a solid leadership position in high-end engineering plastics.

The Company has been deeply engaged in the semiconductor industry for many years, serving as an important supplier to the semiconductor industry across both sides of the Taiwan Strait. The Company has consistently achieved remarkable revenue growth from the semiconductor industry each year. The Company is an agent for high-end semiconductor process chemicals, gases, materials, and equipment from key global manufacturers, and is often invited to participate in joint R&D with customers. Therefore, the Company benefits whenever customers achieve growth in advanced processes.

The Company has been deeply engaged in the PCB/electronics and mechanical products industry for over 40 years. In addition to traditional markets such as communications, servers, and semiconductors, the Company has also expanded into emerging applications including next-generation cloud computing markets, next-generation high-frequency communications/5G, power modules, active and passive electronic components, wide bandgap power devices/substrates/epitaxial wafers, IoT, and mobile device products and integrated solutions. In recent years, the Company has been actively developing related upstream and downstream businesses, resulting in continued revenue growth of the Electronics and Mechanical Products Business Division.

As both cross-strait governments actively encourage the localization of materials and equipment, local manufacturers are rising and continuously improving their technologies, resulting in increasingly intensified low-price competition from local manufacturers faced by the Company and its principals. To this end, in addition to increasing added value through integrated services and enhanced technological content, the Company also continuously develops next-generation materials, equipment, and overall solutions. In addition, the Company actively aligns with the trend of localized production and the trade and economic policies of the countries in which it operates, jointly seeking local strategic partners to establish local factories for research, development, and manufacturing. This approach aims to reduce manufacturing and transportation costs, integrate local industrial chains, and lead local industry innovation and enhancement, enabling the Company to maintain competitive advantages in technology, quality, service, pricing, and after-sales service. In addition to the Greater China market, the Company is also actively expanding the sales of its existing product lines to non-Greater China markets.

(3) Overview of Technology and Research & Development

1. R&D Expenses

The Company plays a channel role in the industry chain, and fully grasps industry and market trends and business opportunities through various channels, such as joining industry think tank paid memberships, becoming a strategic partner of university industry-academia innovation centers, and maintaining close exchanges and cooperation with industry, government, academia, research, and financial sectors. as well as frontline grasp of market customer needs and supplier R&D roadmaps, and work closely with customers and suppliers to actively pioneer new industries/products and new business models. In addition to all employees regarding the introduction of new products and new technologies as important work, the company further strengthens the development capacity for new industries and new products by establishing new business development units at the group and business division levels, as well as marketing/business planning personnel within each business division, while continuously investing in and forming alliances with related companies to accelerate the development of new products and new technologies. In addition, new business development rewards and development funds were established to assist and motivate development activities across the company, thereby effectively enhancing the efficiency of new product development projects, making new business development faster and more stable. The group's gross profit from new business development in 2025 exceeded NT\$700 million, representing approximately 15.8% growth compared to 2024, with a revenue achievement rate of approximately 80%. The new business development strategy prioritizes quality over quantity; the enhanced screening of development projects has proven effective, resulting in substantial profit growth. As the Company's new business development-related mechanisms have proven effective, it has been able to not only control risks but also continue to grow.

In view of the above, the research and development expense budget has been considered and utilized in conjunction with existing business promotion to achieve synergies. In addition, as the Company is in the distribution industry, no separate research and development expenses have been budgeted. If we use only the education and training expenses, industry think tank construction expenses, Advanced Development Department operating expenses, and new business development incentives as a rough estimate basis for the Company's research and development expenses, the expenses for 2025 would be approximately NT\$ 67 million, a slight decrease compared to 2024. However, the actual expenses and investments related to developing new businesses and new products are far higher than this amount, and the Company has allocated a portion of its funds to actively pursue mergers and acquisitions strategies to accelerate the expansion of new businesses. In addition to allocating approximately equivalent funding for 2026, more resources will be invested as needed.

The development results for 2025 are as follows: (Only the main new product categories are listed, excluding new specifications, new applications, and new suppliers).

Industry Category	Development of new product agency or distribution
Information/ Communication and Electronic Packaging	<ul style="list-style-type: none"> . Automotive and semiconductor industry application products, such as foamed mPPE, insulating paper, and low GWP gases . Eco-friendly, recycled materials, such as PCR, PBS, eco-friendly cleaning agents . Automated handling equipment and solutions, such as lifters, AGV, MCS, WMS, RCS . Production equipment and solutions such as automation systems, for example, automated equipment for soldering, storage, scanning, transportation, vision, cleaning, placement, etc. . Wide bandgap compound semiconductor and power module assembly materials, e.g., SiC . 5G high-frequency application materials, for example, LCP . Lightweight Aluminum Matrix Composites . Liquid Cooling Heat Dissipation Related Materials . Optical communication field, such as: optical modules, VCSEL modules, etc. . BBU market, for example: Shunt Sensor . TIM market, for example: boron nitride
Semiconductor	<ul style="list-style-type: none"> . Next-generation semiconductor front-end materials, such as EUV photoresist, PDMAT, electronic-grade hydrogen peroxide Water, mixed acid . Advanced packaging materials, such as Stripper & Cu&Ti Etchant, post-CMP cleaning solution, Molding release film, advanced packaging ceramics, Stencil (advanced packaging process consumables . Circular economy products, such as recycled and reclaimed wafers . Consumables for semiconductors, such as wafer grinding and dicing tapes . Compound for photoresist
Optoelectronics, Optical Communications, and Flat Panel Displays	<ul style="list-style-type: none"> . Equipment, for example, automated equipment . Chips, such as MCU and ASIC ICs, Driver ICs, optical relays, passive components, etc. . System products, materials and components, e.g., PID, e-paper, electronic whiteboard products, Mini LED direct-view applications . Electronic chemical and optical materials, such as black photosensitive gap materials, RGB photoresist, green energy, energy saving and energy storage

Industry Category	Development of new product agency or distribution
Green Energy, Energy Conservation, and Energy Storage Industries	<ul style="list-style-type: none"> . Battery and energy storage related materials and systems, such as cathode and anode raw materials, electrolytes . Components required for solar power plants, such as components, brackets, inverters . Solar power plant design, construction, operation and maintenance assessment, power sales agency, green energy procurement and trading services . Energy storage systems/power plants, residential small-scale energy storage, slow/fast charging guns, low-temperature pyrolysis furnaces . High-end conductive carbon black products . Exhaust Gas Treatment Catalyst Carrier . Hydrogen product solutions, such as dehydrogenators
Environmental Protection, Biomedical, and Others	<ul style="list-style-type: none"> . Thermal management materials, such as carbon nanotubes . Wastewater treatment equipment, sludge dryer . Marine diesel outboard motors, engines and spare parts, electric boat power and monitoring systems . Automation equipment and components, e.g., pneumatic/transmission components . Cell CPC mass production consumables, antibody development, medical food packaging biodegradable 100% materials, hemodialysis related equipment and consumables, organoids, cosmetic additives . Recycled Carbon Fiber Materials . Specialty chemicals, such as prepreg resins, hydrolysis stabilizers . Various types of tenders, such as smart warehousing, smart pharmacy, and special application vehicle accessories . Consumer markets, such as contact lenses

(4) Long and Short-term Business Development Plans

1. Short-term Development Plan

(1) Marketing Strategy

- A Deep cultivation of key customers, increasing product portfolio, expanding integrated solutions and market share within existing markets/customers, and implement local services.
- B. Actively seek to obtain agency rights for new products from existing suppliers, in order to achieve the best product mix.
- C. By adjusting product portfolio and pricing strategies, and discovering new applications for existing products to break into new customers.
- D. Taking star terminal products as the main axis, integrating and developing industry chain related products.
- E. Coordinate with suppliers to jointly develop key/target customers.

(2) Product Development Strategy

- A. Expand the application scope of engineering plastic products to home appliances, medical, food packaging, containers, and consumer goods, electric vehicles, lighting, 3C, solar energy, communications applications, and other fields, while developing new technologies and applications.

- B. In the optoelectronics and flat panel display industry, continue to introduce existing and next-generation flat panel display-related materials, ICs, components, modules, and equipment, and collaborating with manufacturers related to end applications to jointly develop relevant solutions and introduce import the required materials, components, and systems.
- C. Continuously developing green new energy, energy conservation, environmental protection, biotechnology and medical care, mobile devices, cloud computing and the Internet of Things, next-generation communications...and other industry-related products and solutions, leading industry progress.
- D. The semiconductor industry collaborates with customers on next-generation production lines, jointly developing and continuously introducing corresponding new materials, chemicals, and gases.

2. Medium and Long-term Development Plans

(1) Marketing Strategy

- A. Integrate Greater China resources, expand sales volume and market share in mainland China, Southeast Asia, Northeast Asia, and European/American markets, and develop the European and American markets.
- B. Continuously strengthen the Group's technical content and integration capabilities, and continuously provide high value-added services and integrated solutions.
- C. Strive to obtain more overseas agency rights, exclusive agency rights, and long-term supply commitments from original manufacturers.
- D. Actively pursue synergistic strategic investments in the supply chain to secure high-quality and priority procurement sources and sales channels.
- E. Actively develop new industries, new applications, and new business models, while strengthening strategic investments and alliances.

(2) Product Development Strategy

- A. Closely monitor and develop materials, gases, components, equipment, and solutions related to future mainstream industries.
- B. Focus on developing high value-added products and high-tech industries incentivized by government investment.
- C. Balance flagship performance, innovative development, and growth development, while continuously expanding the proportion of development revenue.

2. Market and Production/Sales Overview:

(1) Market Analysis

1. Sales regions of main products

Unit: NT\$ Thousands

Year		2023		2024		2025	
		Sales Amount	%	Sales Amount	%	Sales Amount	%
Domestic		17,494,320	26.2	21,137,815	26.4	24,015,181	30.7
Export	Asia	40,986,980	61.4	48,595,923	60.7	45,727,082	58.5
	Americas	4,143,519	6.2	5,647,792	7.1	4,015,445	5.1
	Europe	3,915,379	5.9	4,343,609	5.4	4,062,613	5.2
	Others	242,212	0.4	305,775	0.4	368,939	0.5
	Total	49,288,090	73.8	58,893,099	73.6	54,174,079	69.3
Total		66,782,410	100.0	80,030,914	100.0	78,189,260	100.0

2. Main Competitors and Market Share

(1) Main Competitors

The Company's agency sales products are mainly focused on middle and upstream materials and equipment. Recently, the Company has been actively providing integrated services with technical value-added, and actively pursuing vertical integration of the industry chain, and even venturing into investments in terminal end markets, such as the establishment and operation of solar power plants in Japan and Taiwan, as well as investing in solar power plants and wastewater treatment EPC companies. Therefore, the Company differs from most of the currently listed and OTC information, communication, and IC distribution companies, which are mostly oriented toward agency of middle and downstream products and components. Only companies such as WPG Holdings, Edom Technology, Cascades, Topco, and Tong Yi Industrial have business items that are somewhat similar to some of the products of the Company's Optoelectronics, Semiconductor, and Engineering Plastic Business Divisions. However, due to the diversity and differences in product items and the different target application markets set, it is not possible to estimate and compare market share. Nevertheless, when comparing the revenue and gross profit growth rates of 2025 versus 2024, the Company remains in the leading group.

The Company spans numerous industries and grasps the forefront of new industry development, which has inadvertently established a considerable integration capability. This provides invaluable added value for supply chain integration, and its importance in driving the overall industry development continues to grow. As a result, the Company has been recognized by CommonWealth Magazine as a representative company of the 2.5th generation industry, as well as a representative company of "Resource Integrator"

and "Technological Innovation" in the Ministry of Economic Affairs' "2025 Taiwan Industry Foresight Research." Such core competitiveness is simply beyond the reach of ordinary distributors.

In the future, we will more actively leverage the strengths of industry, government, academia, research, and finance. Through the introduction of new products, strategic investments, and strategic alliances, we will horizontally expand into different industry sectors and develop diverse business models and operational modes. Additionally, through vertical integration, we will extend our presence across multiple segments of the industry chain, continuously accumulating technological expertise. This competitive advantage and business model have already demonstrated considerable uniqueness.

(2) Future supply and demand conditions and growth potential of the market

Since the future growth of the Company's primary markets is closely related to the rise and fall of the downstream and end industries involved; the future growth of the markets operated by the Company is assessed by examining the major ICT/electronic packaging, semiconductor, and green energy industries of the distributed and agency products of the Company, as well as market changes.

A. Information and Communication Technology / Electronic Packaging and Semiconductor Industry

The global economy is warming up. Although geopolitical tensions and wars continue to impact end consumer electronics demand, inventory destocking is nearing its end, and AI-related demand has begun to take effect, shining brightly at the CES exhibition and driving growth in related industries. Looking ahead to 2026, mainstream applications such as servers, automotive electronics, and 5G (moving toward 6G), accompanied by AI technology, will continue to lead the information and communications technology, electronic packaging, and semiconductor industries forward.

Based on the estimates of the semiconductor application market in the ASML Annual Report (as shown in the figure below), application fields such as consumer electronics, automotive electronics, industrial electronics, wireless communications, etc. will still have significant market demand in the future. These are also the primary application markets for the Company's engineering plastics, semiconductor, and Electronics and Mechanical Products Business Division products. As industrial technology evolves, the Company is also actively introducing corresponding and even leading materials and technologies.

The industry trends related to the Company are listed below, most of which are products that the Company acts as an agent for sales:

Smartphone	Personal computing	Consumer electronics	Automotive	Industrial electronics	Wired and wireless infrastructure	Servers, data centers and storage	Total
							
Key driver Continued refresh of all semiconductor content including image sensors and edge AI processors	High-end compute and Memory, fast conversion to solid-state drive (SSD), edge AI processors	Both low-power and high-bandwidth connectivity, sensors	High-end processors for autonomous driving and power electronics for engine electrification	Connectivity, edge processors, sensors, power (control) electronics for the energy transition, and high-end processing for robotics	Continued innovation to increase bandwidth and reduce latency, requiring high-end processing	AI requiring high-end processing and DRAM, and cloud processing requiring advanced processing, NAND and DRAM	
2025 estimated market size (\$bn)							
149	92	70	76	84	53	156	679
2030 estimated market size (\$bn)							
192	112	83	114	120	70	361	1,051
Outlook CAGR 2025-2030 (%)							
5%	4%	3%	9%	7%	6%	18%	9%

- a. The advanced assembly market size in 2025 is approximately USD 51.62 billion (approximately NT\$ 1.65 trillion), and is expected to grow to USD 89.89 billion (approximately NT\$ 2.88 trillion) by 2030, with a substantial market demand and a compound annual growth rate of 11.7%. As the penetration rate of advanced packaging technologies (such as CoWoS, FOWLP, and 3D packaging) increases, the requirements for the number of layers and material performance of packaging substrates for high-end chips are rising. ABF substrate is the mainstream packaging substrate for high-end computing chips, and demand will continue to grow.
- b. According to IDC forecasts, the global semiconductor market will continue to grow to \$890 billion in 2026, with a year-over-year growth rate of 11%.
- c. Global semiconductor wafer fab capacity in 2025 is expected to grow by approximately 7%, primarily driven by high-end terminal demand such as AI servers and high-performance computing. Meanwhile, the demand for photoresists in advanced processes is gradually shifting from traditional KrF photoresists to ArF and high-end E-ArF/EUV types, in order to support manufacturing requirements for smaller process nodes and higher pattern resolution. This trend reflects the structural upgrade of the semiconductor production equipment and photoresist materials market.

- d. 2.5D/3D assembly is primarily applied to high-end chip products such as AI servers, data center accelerators, and network communication equipment. As end-market demand for high I/O counts, high-frequency high-speed interconnects, and heterogeneous integration rapidly increases, this technology has been regarded as an important assembly strategy for supporting the advancement of high-performance computing. More and more chips are adopting advanced packaging architectures to enhance computing performance and energy efficiency.
- e. SEMI's World Fab Forecast report and industry information indicate that global wafer fab capacity will continue its expansion trend in 2026, with a year-over-year growth rate of approximately 5~10%. Driven by advanced logic and memory demand, capital expenditure (CapEx) is expected to reach a high level of approximately \$150 billion, demonstrating the industry's expansion momentum.
- f. Continuously developing Low Dk, Low Df, Low CTE performance, while simultaneously considering the mutual interaction of various materials in Packaging technology compatibility between them remains a constant research and development direction for packaging materials of high-end chips. Continuously developing eco-friendly and high-value materials may be one of the solutions to maintaining industry competitiveness.

B. Zero-Carbon Business Opportunities in the ICT Industry

The demand for ICT (Information and Communications Technology) terminal devices maintains a moderate expansion trend. ITRI (Industrial Technology Research Institute) estimates that Taiwan's ICT industry output value in 2026 will grow approximately 1.3%, reaching NT\$1.32 trillion. The global communications industry is entering a critical technology transition period, with accelerating 5G applications, advancing 6G research and development, and increasing demand for low-orbit satellites and high-speed switch equipment all set to support the growth of the communications industry. Applying AIoT and data empowerment technologies across industries is key to achieving the 2050 net-zero emissions goal, and is also the driving force behind the next wave of growth for the ICT industry.

C. Taiwan Solar Energy

The current development directions of Taiwan's solar energy industry are as follows:

- a. After going through the painful adjustment period of 2018-2019, Taiwan's solar energy industry gradually stabilized, with domestic enterprises largely developing solar photovoltaic installations within their own factories and warehouses to meet the renewable energy usage targets of the RE100 international supply chain. Looking ahead to 2026, driven by the dual forces of corporate green energy procurement demand and government energy policy support, this will help drive stable growth in the solar cell and module market demand.
- b. The continued rise in upstream polysilicon, silicon wafer, and raw material silver and copper prices has impacted the profitability of industry players.

- c. Considering potential business opportunities from the trends of domestic manufacturing of solar photovoltaics from abroad and the demand for net-zero carbon emissions.

D. Battery Applications and Major End Product Development

The global battery market from 2025 to 2035 is expected to continue showing strong growth, with the market size expanding from \$150–180 billion to over \$600 billion, achieving a CAGR of 10–16%. The main driving forces are the rapid development of electric vehicle (EV) demand and energy storage systems (ESS), with lithium-ion batteries being the dominant technology.

- a. The global communications industry market in 2025 is expected to reach approximately USD 2.76 trillion, with a growth rate of 6~7%. Driven by the rapid deployment of generative AI applications, the continuous cloud migration and network architecture upgrades by telecommunications operators, and the deepening of enterprise digital transformation, the demand for cloud services and data center infrastructure continues to grow. In terms of communication equipment, as AI servers significantly increase the demand for high-speed data transmission, products such as cloud high-speed switching equipment, 800G/1.6T optical modules, and fiber broadband network equipment maintain positive growth momentum. The integrated applications of low earth orbit satellites, edge computing, artificial intelligence, IoT, and high-speed optical communications will drive up data traffic and bandwidth demands, further propelling the growth of core network equipment and high-speed optical communication components. The market is expected to maintain steady growth of 5~6% in 2026, with the scale potentially breaking through \$2.9 trillion USD.
 - b. Global net-zero emissions and carbon neutrality trends are driving the electrification of vehicles, as well as energy and supply chain transformation, as international goals.
 - c. Long-term battery demand in power tools and gardening tools remains strong, with battery demand in the emerging eVTOL sector also gradually growing.
 - d. The global electric motorcycle market continued to grow in 2025, with cumulative ownership surpassing approximately 65 million units. The Asian market remains the primary growth driver, accounting for more than approximately 85% of the global market share. In the Taiwan market, the penetration rate of electric scooters has been steadily increasing. The government subsidy for scooters varies by model and conditions, ranging from approximately NT\$6,000 to NT\$8,000, with policy direction placing greater emphasis on high-performance and high-safety battery systems. Looking ahead to 2026, as lithium battery costs decline, battery energy density improves, and charging infrastructure gradually becomes more established, the market will continue to grow further.
3. Favorable and Unfavorable Factors of Competitive Niche and Development Prospects, and Response Strategies:
- (a) Competitive Niche

- A. A corporate culture and brand image of integrity, comprehensive, and forward-looking leadership built over more than fifty years.
- B. To be a long-term, mutually trusted and mutually beneficial win-win partner for customers and suppliers. Delivering highly flexible and customized integrated services tailored to customer needs, with a complete product line, superior technical service capabilities, comprehensive solutions, and value-added services. Equipped with supply chain integration capabilities, collaborating with suppliers and customers to jointly develop go-to-market channels and expand market reach.
- C. With foresight and insight, effectively introducing the latest products, technological information, techniques, and potential business opportunities from countries such as China, the United States, and Japan, gaining a first-mover advantage by leading the introduction of the latest materials, equipment, and technologies, successfully guiding suppliers and customers in their demands and R&D motivations, while strengthening technology integration capabilities, serving as a model for 2.5-generation industries and global resource integrators.
- D. Actively deploying in the Greater China region, Southeast Asia, Northeast Asia, and European and American markets, while effectively extending regional agency rights.
- E. Complete and diversified industry layout, meeting customers' One Stop Shopping needs, and thereby balancing operational and industry business cycle risks.
- F. A strong technical team and a globalized excellent marketing and market development team.

(b) Favorable Factors

- A. The business climate and industry development in the Greater China market, as well as global macro environmental change trends, and the industries/ aligned with the direction and pace of the product.
- B. With the westward movement of industries and the rise of ASEAN countries, the Company has long been strategically positioned in China and Southeast Asia markets, and has actively expanded into the Mainland China, South Korea, and Japan markets. The strengthening of customer relationships has gradually yielded results, and the Company has successfully captured business opportunities from existing customers relocating to new regional markets.

C. The trend of diversified operations among high-tech manufacturers and the procurement needs of corporate groups have created strong demand for suppliers of integrated products and services. Highlighting the Company's advantages and value as a full-service agent and global resource integrator.

(c) Unfavorable Factors

A. Like all distributors, they face the potential risk of suppliers selling directly, setting up their own locations to enter and compete in the market.

Countermeasures:

- (a) Establish footholds at client locations to strengthen cooperative relationships and provide nearby sales and customer service.
- (b) Deliver product information and technical support in close proximity to customers, integrate logistics systems and maintenance advisory services, and develop value-added services, thereby establishing a distinctive and hard-to-replicate competitive advantage and market niche.
- (c) Focus on comprehensive solutions, develop integrated product advantages, and by providing bundled services and solutions, achieve greater advantages and irreplaceability compared to selling individual products separately.
- (d) Strengthen and highlight the added value of distributors in terms of financial flow, logistics, and operations management.
- (e) Upholding the principle of integrity and wholehearted service, becoming an important strategic partner for customers and suppliers.
- (f) Continuously developing markets, industries, and corresponding customers and suppliers that can fully leverage the value of channel partners.

B. The rigorous challenges posed by rapidly changing industry products and technological developments to distributors.

Countermeasures:

- (a) Strengthen professional training for personnel, establish the capability and culture of organization-wide marketing, in order to enhance sensitivity to market changes and response effectiveness.
- (b) Strengthen cooperation with external industry research institutions and academic institutions, extensively collect industry information, establish a comprehensive industry knowledge base, and enhance the industrial analysis capabilities of relevant personnel, in order to identify potential products and related technologies at an early stage, develop new distribution and agency partnerships, and rapidly develop new products, technologies, services, and business models through strategic investments and alliances.
- (c) Expand end-user demand, develop different applications, and create sustainable development advantages for the represented materials.

(d) Timely introduction of new teams that align with the company's development and industry needs.

C. The future is heading towards a "micro-profit era," which poses a significant challenge to organizational management performance.

Countermeasures:

(a) Develop value-added services and bundled sales, and continuously develop unique, high-value, high-technical-barrier, high-profit products to enhance the overall solution value and profitability.

(b) Strengthen the control of product procurement, sales, and inventory management, increase inventory turnover frequency, and reduce obsolete inventory.

(c) Organizational optimization, strengthening personnel competency and contribution.

(d) Continuously strengthen customer credit risk assessment and control, and effectively manage accounts receivable/payable.

D. Impact brought by macroeconomic environmental changes (e.g., pandemic, trade war, war)

Countermeasures:

(a) Pay close attention to customer collections, supplemented by comprehensive and timely customer credit analysis to mitigate risks.

(b) Cut expenses and control operating costs, but use them for what is appropriate..

(c) Fully leverage the functions and value of large international distributors in global resource sharing and exchange, actively grasp and develop market demand and supply sources, not only ensuring uninterrupted supply for existing customers, but also capturing business opportunities arising from supply-demand imbalances, adding new customers, new product items, new regions, and new operating models with added value.

(2) Important Uses and Manufacturing Processes of Main Products

1. Important Uses of Main Products

Main Product Categories	Main Products	Application Scope
Materials, Components, and Equipment for IT/Communications/Electronic Packaging/Printed Circuit Board Industries	High-performance engineering plastics, thermosetting engineering plastics, general-purpose engineering plastics, plastic films & sheets, fiberglass. Dry Film, Substrates, Exposure Machines and Components, Release Films, Other PCB Packaging Materials, Chemicals and Equipment, High-Frequency Application Materials, Appearance Inspection Machines, Secondary Battery Related Businesses, Active and Passive Electronic Components, Wide Bandgap Power Devices/Substrates/Epitaxial Wafers.....	Used in the production of 3C products, handheld and wearable devices, computer enclosures, connectors, antenna base stations, modems, gaming consoles, printed circuit boards, motherboards, electrical product components, various films/board substrates for the FPD industry, automotive industry, consumer goods, medical, packaging materials, and other industries.
Materials, process chemicals, gases, and equipment for the semiconductor industries	Photoresist, electronic grade specialty gases, IC Chemical, Remover, silicon wafers, advanced packaging materials, Slurry, Developer, Spare Parts, Polyimide, target materials,	Semiconductor wafer manufacturing and advanced packaging and testing industry.
Materials, equipment, components, modules, systems, and solutions for optoelectronics, optical communications, and flat panel display industries	Flat panel display terminal system products, system optoelectronic display chips, materials and equipment, optoelectronic equipment/components, OLED materials and components, & glass thinning; optical communication materials, TV mainboards and control chips, Mini LED application solutions/semi-finished products...	For use in the manufacturing of liquid crystal displays, touch panels, and OLED panels. Flat panel display related terminal application market, optical communication market.
Materials, equipment, components, modules, systems, and solutions for Green energy, energy saving and energy storage industries	Solar cell materials, solar cells, solar modules/systems/equipment, solar system engineering, energy storage devices, secondary battery materials and lithium batteries...	Used for solar energy, energy storage systems, LED, wind power, and lithium battery manufacturing.
Materials, equipment,	Environmental Business: Environmental purification equipment and materials for	Plastics, consumer electronics, refrigeration,

Main Product Categories	Main Products	Application Scope
components, modules, systems, and solutions for Environmental protection and other industries	<p>wastewater, air pollution, etc., such as wastewater ammonia nitrogen treatment, water treatment membranes, and sludge drying machines.</p> <p>Industrial Materials: (1) Composite Materials - Fiberglass, Core Materials, and Compound (2) Marine Engines - Diesel Engines and Generators for Yachts (3) Bulletproof Fiber, Carbon Fiber, High-Strength Fiber, Friction Materials (4) Eco-Friendly Refrigerants (5) Specialty Chemicals - Silicon Powder, Antistatic Agents, and Other Materials (6) Other Industrial Products (e.g., Graphene, Nanomaterials).</p> <p>Other Businesses: (1) Biotechnology Materials (2) Antibody Development, Reagents, and Chemicals (3) Medical Devices (4) Enzyme Applications (5) Medical Food Packaging Materials / Biomaterials and Biodegradable Materials (6) Hemodialysis Materials, Equipment, and Business.</p>	coatings, heat dissipation, aerospace products, defense, automotive parts, sporting goods, fire-resistant materials, household products, precision ceramic components and environmental systems, marine, biomedical, models, packaging materials, environmental industry, and advanced manufacturing applications.

2. Main product manufacturing process: Not applicable.

(The Company does not engage in production and manufacturing operations, so there is no production process to be described)

(3) Supply Status of Main Products

Main Product Categories	Main Suppliers (in order of first character stroke count)	Supply Status
Information/ Communication Industry Materials (Engineering Plastics)	SUMIDUREZ SINGAPORE PTE., LTD. MEP Taiwan Limited Sumika Electronic Materials (Shanghai) Corporation CHIMEI Corporation MGC Trading (Shanghai) Co., Ltd. Wanhua Chemical (Yantai) Trading Co., Ltd.	Good
Materials, process chemicals, gases, and equipment for semiconductor manufacturing, packaging, and testing	JSR CORPORATION JSR Corporation Taiwan Branch Mitsubishi Chemical Taiwan Co., Ltd. EKC Technology Inc.	Good
Materials, equipment, components, modules, systems,	DB HITEK CO., LTD LX SEMICON CO.,LTD	Good

Main Product Categories	Main Suppliers (in order of first character stroke count)	Supply Status
and solutions for the optoelectronics, optical communications, and flat panel display industries	SAMSUNG SDI (Wuxi) Co., Ltd. CHIMEI Corporation Shiyuan (HK) Ltd. Guangzhou Shikun Electronics Technology Co., Ltd.	
Electronic Packaging/Printed Circuit Board Industry Materials, Components, and Equipment	ORC MANUFACTURING CO., LTD. Panasonic Industrial Devices Materials Taiwan Co., Ltd. Asahi Kasei Electronics Materials (Suzhou) Co., Ltd. Asahi Kasei Wah Lee Hi-Tech Corporation	Good
Environmental protection and other industrial materials, equipment, components, modules, systems and solutions	YANMAR ENGINE (SHANGHAI) CO.,LTD. Sumitomo Bakelite (Nantong)Co., Ltd. Zhejiang Ruiteliang Micro Electronics Materials Co., Ltd.	Good

(4) The names of customers who accounted for more than 10% of total purchases (sales) in any of the most recent two years, along with the purchase (sales) amounts and percentages, and an explanation of the reasons for any increases or decreases:

A. Major supplier data for the past two years:

Unit: NT\$ Thousands

Item	2024				2025			
	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the Issuer
1	Company E	11,329,302	15%	None	Company E	14,139,626	20%	None
2	Others	62,588,947	85%		Others	56,780,172	80%	
3	Net Purchases	73,918,249	100%		Net Purchases	70,919,798	100%	

Description: Increased customer demand in the semiconductor industry has led to an increase in the amount of purchases from suppliers.

2. Major sales customer data for the most recent two years:

Unit: NT\$ Thousands

Item	2024				2025			
	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the Issuer
1	Company A	6,360,010	8%	None	Company A	7,891,540	10%	None
2	Others	73,670,904	92%		Others	70,297,720	90%	
3	Net Sales	80,030,914	100%		Net Sales	78,189,260	100%	

Description: Growth in customer demand from the semiconductor industry, resulting in an increase in sales revenue.

3. Employees:

Year		2024	2025	For the year ended of March 31, 2026
Number of Employees	Sales Staff	977	987	1,007
	Administrative Staff	342	335	337
	Total	1,319	1322	1,344
Average Age		41.64	42.02	41.99
Average Years of Service		9.37	9.63	9.71
Education Level Distribution (%)	PhD	0.15%	0.15%	0.15%
	Master's	10.01%	9.91%	9.82%
	College	74.37%	74.13%	73.81%
	High School	12.81%	12.63%	13.24%
	Below high school	2.65%	3.18%	2.98%

4. Environmental Protection Expenditure Information:

Environmental expenditures of the Company for the most recent year and up to the date of publication of the annual report:

No.	Item	Amount (NT\$)
1	Environmental Pollution Penalties and Losses (including compensation)	0
2	Maintaining the Operation of the Environmental Management System (EMS)	9 million
2-1	SGS Annual Verification ISO14001 Environmental Management System	
2-2	BV Annual Verification ISCC PLUS Biomass International Sustainability and Carbon Certification	
2-3	ISO14064-1 Greenhouse Gas Inventory Management System Introduction and Promotion to Overseas Subsidiaries	
2-4	Accepted LRQA external verification for ISO 14064-1 Greenhouse Gas Inventory	
2-5	BV Annual Verification GRS Global Recycled Standard	
2-6	Continuous greening of the work environment	
2-7	Lighting Equipment Maintenance (T-5 Energy-Saving Fluorescent Tubes)	
2-8	Waste classification and recycling	

No.	Item	Amount (NT\$)
2-9	Eco-friendly and Energy-saving Appliance Purchases	
2-10	Greenhouse Gas Emission Reduction from Purchased Electricity	
2-11	Water Resource Consumption Greenhouse Gas Emission Reduction	
2-12	Continuous promotion of energy saving, carbon reduction, and waste reduction	
2-13	Replacement and renewal of official vehicles	
2-14	Waste disposal entrusted to qualified cleaning contractors	
2-15	Sales of goods (toxic and concerned chemical substances, existing & new chemical substances) declaration, while joining industry-related mutual aid organizations to comply with regulations and safety requirements	
2-16	Engaging suppliers and customers in climate change response solutions	
2-17	Strengthen the internal standard document network information to achieve the improvement direction of document paperless	
2-18	Continue ESG (Environmental, Social Responsibility, Governance) Activities	
2-19	Each operating location conducts outsourced testing of indoor air quality CO2 concentration and illuminance twice a year	
2-20	Greenhouse Gas Inventory GHG Protocol Introduction to Hsinchu Opto-Electronics Division	
2-21	Built online registration platforms for greenhouse gas inventory for TECOM (ISO14064-1) and Chase (GHG Protocol)	

5. Labor-Management Relations:

(1) List the company's various employee welfare measures, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and the status of various employee rights protection measures:

1. Appropriate Compensation System:

The Company's compensation standards for all employees are not differentiated by gender, race, nationality, age, or other conditions. When hiring female and male employees for the same position and job grade, the basic salary ratio is 1:1. Salary adjustments and promotions are provided annually based on work performance, professional skills, and other relevant conditions.

Long-term participation in and reference to compensation surveys within the same industry, providing a reasonable and competitive compensation system to maintain overall salary competitiveness, and has been continuously listed as a constituent stock of the Taiwan Stock Exchange's "Taiwan High Compensation 100 Index" to this day.

2. Comprehensive Employee Benefits:

The Honorary Chairman of the Company is a role model of self-made success, and personally holds deep gratitude for the hardships of the entrepreneurial journey and the dedication of employees who worked together through difficult times. Therefore, the Chairman and management team place great importance on employees' lives and working conditions, and take providing comprehensive welfare measures and working environment as the highest guiding principle. In addition to providing labor insurance, health insurance, and labor pension contributions as required, the Company also offers group insurance and employee stock ownership trust subsidies, and has established an Employee Welfare Committee to handle employee welfare-related matters.

The company's main welfare measures are listed as follows:

- (1) Sponsorship for club and leisure activities.
- (2) Group insurance and travel personal accident insurance.
- (3) Distribution of festival gift vouchers and monetary gifts.
- (4) Recognition and rewards for senior service employees.
- (5) Holiday and annual year-end banquet lucky draws and gatherings.
- (6) Year-end bonuses and profit-sharing dividends.
- (7) Domestic and international travel subsidies.
- (8) Work-related injury condolences, illness/injury condolences, and emergency relief assistance.
- (9) Wedding, funeral, and celebratory occasion subsidies, as well as childbirth allowances.
- (10) Annual employee health examination.
- (11) Distribution of official laptop computers.
- (12) Employee Stock Ownership Trust incentive bonus.
- (13) Personal leave and sick leave within the grace limit will not result in salary deductions.
- (14) Outstanding Team Recognition.
- (15) Educational scholarships and grants.
- (16) Provide nursing/lactation rooms and related equipment and facilities.
- (17) Preferential subsidies for employee children's childcare institutions.
- (18) Provide flexible class schedules, allowing the choice of start/end work times.

3. Diverse Talent Development Planning:

The company annually plans talent development programs based on job levels or functions, continuously strengthening employees' professional competencies to fulfill the company's customer value proposition – providing customers with comprehensive problem-solving solutions, delivering heartfelt service, and demonstrating excellent operational effectiveness. Talent cultivation and development is mainly divided into the following four major aspects:

(1) Management Function Development:

The HR Department formulates annual training plans and related study activities for junior supervisors, middle managers, and senior managers based on the corporate governance literacy and various business management competencies required for managers at different levels to perform their duties.

(2) Professional Development:

Based on the knowledge and skills required for each functional role, plan and arrange professional training for colleagues in their respective fields. Topics include but are not limited to sales, customer service, information technology, human resources, finance and accounting, legal, credit management, logistics, etc.

(3) Basic General Education Development:

Corporate Core Values Deepening, International Trade Practice, Information Security Practice Guidelines, Introduction to Legal Compliance, Occupational Safety and Health, Environment Social responsibility... and other concepts or abilities that employees should generally possess, conducting thematic training.

(4) New Employee Training:

Training courses are planned for new employees, covering company overview and management team introduction, personnel administration regulations and employee benefits, human rights policies and workplace protection. Additionally, based on the functional requirements of different job categories, training includes credit management system explanations, international trade process overviews, and more, complemented by on-the-job training plans within respective units to help new employees quickly demonstrate performance.

(5-1) Implementation Status of Employee Training and Development in 2025:

Number of Training Courses	Total Training Person-Times	Total Training Person-Hours
135 sessions	2,700 person-times	6,525 hours

(5-2) Participation of Managers in Company Training in 2025:

Total Training Sessions	Total Training Person-Times	Total Training Person-Hours
40 sessions	185 person-times	485 hours

(5-3) Training on Corporate Governance Participation for Managers in 2025:

Title	Name	Organizer	Course Name	Training Hours
Senior Director	Yu, Ching-Tien	The Company	Information Security" Education and Training	2
Senior Director	Chiang, Kuo-Jui	The Company	Sustainable Development and Corporate Governance	2
		The Company	Labor Safety and Health Education and Training	3
		The Company	Information Security" Education and Training	2
Senior Director	Lin, Jen-Chih	The Company	2025 Sustainability Report Compilation" Kick-off Meeting	2.5
		The Company	Sustainable Development and Corporate Governance	2
		The Company	Labor Safety and Health Education and Training	3
		The Company	Information Security" Education and Training	2
		Securities and Futures Institute	NVIDIA's Three-Trillion Miracle: A New Perspective on the Semiconductor Industry Revolution Behind Artificial Intelligence	3
			Silicon Photonics Defined Networks: Development Trends of Silicon Photonics (SiPh) and Co-packaged Optics (CPO)	3
			2025 Insider Trading Prevention Awareness Conference	3
		Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6
Senior Director	Lee, Kuo-Ping	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education Class	12
		The Company	Sustainable Development and Corporate Governance	2
		Taiwan Stock Exchange Corporation	IFRS Sustainability Disclosure Standards Promotion Seminar	3
		The Company	Labor Safety and Health Education and Training	3
		The Company	Information Security" Education and Training	2
Director	Tsai, Shu-Fen	The Company	Sustainable Development and Corporate Governance	2
		The Company	Labor Safety and Health Education and Training	3
		The Company	Information Security" Education and Training	2

Title	Name	Organizer	Course Name	Training Hours
		Continuing Professional Development Program for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Continuing Professional Development Program for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	14
Director	Chen, Hsin-Yi	Chinese Personnel Executive Association	Workplace Bullying (Workplace Unlawful Infringement) Practical Case Analysis and Prevention Measures Special Training Class	3
		The Company	Sustainable Development and Corporate Governance	2
		The Company	Labor Safety and Health Education and Training	3
		The Company	Information Security" Education and Training	2
		The Company	ISO 27001:2022 Information Security Management System Clause Analysis" Training	2.5
Acting Senior Director	Hsu, Hui-lan	The Company	2025 Sustainability Report Compilation" Kick-off Meeting	2.5
		The Company	Labor Safety and Health Education and Training	3
		The Company	Information Security" Education and Training	2
Director	Shih, Chia-Sheng	The Company	Sustainable Development and Corporate Governance	2

4. Carefree Retirement System:

The Company has established the Supervisory Committee of Labor Retirement Reserve in accordance with the Labor Standards Act. Currently, retirement reserves are set aside monthly at 8% of total payroll and deposited into a retirement fund special account in the trust department of Bank of Taiwan. Starting from July 1, 2005, in accordance with the implementation of the new labor pension system, monthly contributions of no less than 6% of each employee's monthly wages are made to individual labor pension accounts at the Bureau of Labor Insurance. In addition, the Company has implemented an Employee Stock Ownership Trust to establish the third pillar of retirement for employees. The Company is fully committed to securing our employees' post-retirement life, allowing employees to work without worries during employment.

5. Effective Labor-Management Communication Channels:

All measures and regulations of the Company regarding labor-management relations are handled in accordance with relevant laws and regulations, and the implementation is in good condition. Any measures related to amendments of labor-management rights and interests

are finalized only after thorough communication and agreement with employees through the "Labor-Management Conference" channel, so no disputes have occurred.

6. Other Employee Rights Protection Measures:

In recent years and up to the date of printing of this annual report, various employee rights protection measures have been properly handled. In addition to maintaining open formal communication channels between labor and management, the Human Resources unit has implemented the AO (Account Officer) mechanism for many years, which is dedicated to interacting with and providing services to colleagues in various departments, in order to understand organizational issues across different units, and to consolidate, track, handle, or improve upon such issues, thereby safeguarding employees' rights and interests.

7. Work Environment and Protective Measures for Employee Personal Safety:

Item	Content
Access Control Security	<ol style="list-style-type: none"> 1. Face recognition devices installed at entry/exit points: for employee attendance confirmation and access control. 2. Visitor Registration: Upon arriving at the company, visitors are required to register their information at the company's front desk, and then be escorted by the relevant employee to the meeting area or designated conference room. 3. Night Patrol: The building is equipped with a management office and security personnel. Night shift security personnel conduct floor-by-floor inspections every 6 hours from 22:00 at night to 6:00 the following morning.
Fire Protection Equipment Maintenance and Inspection	<ol style="list-style-type: none"> 1. Dry powder fire extinguishers are regularly inspected once a month by dedicated personnel: <ol style="list-style-type: none"> 1.1 Check whether the safety pin and nozzle are missing or damaged. 1.2 Confirm whether the pressure indicator is normal. 1.3 Confirm the medication expiration date. 1.4 Check whether there are any miscellaneous items stacked around the fire extinguisher. 2. The company has installed smoke detection equipment internally, with annual inspections to verify whether the main unit, sensors, and alarms are functioning properly. 3. The building conducts fire drills (at least once a year). 4. Emergency exit indicator lights: dedicated personnel shall perform battery charge and discharge cycles once every three months to confirm whether the batteries are functioning properly. 5. The lobby is equipped with fire doors and smoke exhaust spaces.
Health Care	<ol style="list-style-type: none"> 1. "We conduct annual health check-ups for employees, featuring customized screenings based on gender and age, and offer one-on-one medical consultation for all health reports.. 2. Organize safety and health education and training for all employees (2025/12/19). 3. In accordance with the law, engage "Occupational Medicine Specialist Physicians" and "Occupational Medicine Specialist Nurses" to regularly visit the company to provide on-site health management and consultation services. Health seminars are held from time to time (2025/11/25 Prevention of Ergonomic Hazards, 2025/8/13 Prevention of Workplace Unlawful Infringement and Sexual Harassment Prevention). 4. Externally hired cleaning staff perform daily (working days) tasks including cleaning restrooms, tidying up public area environments, and disposing of garbage. 5. Pest control operations are conducted approximately every quarter as needed. 6. Every quarter, an external qualified testing company is commissioned to conduct drinking water quality testing and maintenance. The testing results in 2025 all met national standards. 7. Every six months, an qualified external testing company is commissioned to conduct professional measurements of CO2 concentration and illuminance in the work environment. The measurement results for 2025 all comply with national standards. 8. To promote employee health and contribute to environmental sustainability, the first Walkii Walking and Tree Planting Activity was held from 2025/04/11 to 06/09. A total of 184 group employees participated, collectively walking 90,959,423 steps, burning

Item	Content
	2,385,854 calories, and achieving a total carbon reduction of 12,969.6 kg. It is hoped that through this walking activity, employees can establish a stable and consistent personal exercise habit.
Emergency Response	In accordance with the ISO 14001 Environmental Management System requirements, the "Emergency Preparedness and Response Management Procedure" has been established. Based on the risks of emergency and abnormal events that may occur or have already occurred, as identified through environmental considerations and hazard identification, this procedure regulates the mechanisms for emergency preparedness and response in order to prevent or reduce impacts on personnel health, property loss, and the environment.

(2) Losses suffered due to labor-management disputes in the most recent year and up to the date of printing of the annual report, as well as estimated amounts of potential future losses and countermeasures:

Since the establishment of the Company, communication between labor and management has been smooth and the interaction has been good. Therefore, the labor-management relationship has always been rational and harmonious. There have been no labor disputes or losses in the most recent fiscal year and up to the date of printing of the annual report, and therefore the possibility of labor disputes occurring in the future is extremely low. Furthermore, the Company currently and in the future will continue to fully comply with labor laws, enhance employee welfare measures, and establish multiple communication and complaint channels. Relevant units will track the implementation and resolution of various issues to maintain the best labor-management relations.

6. Information and Communication Security Management:

(1) Describe the cybersecurity risk management framework, cybersecurity policies, specific management plans, and resources dedicated to cybersecurity management:

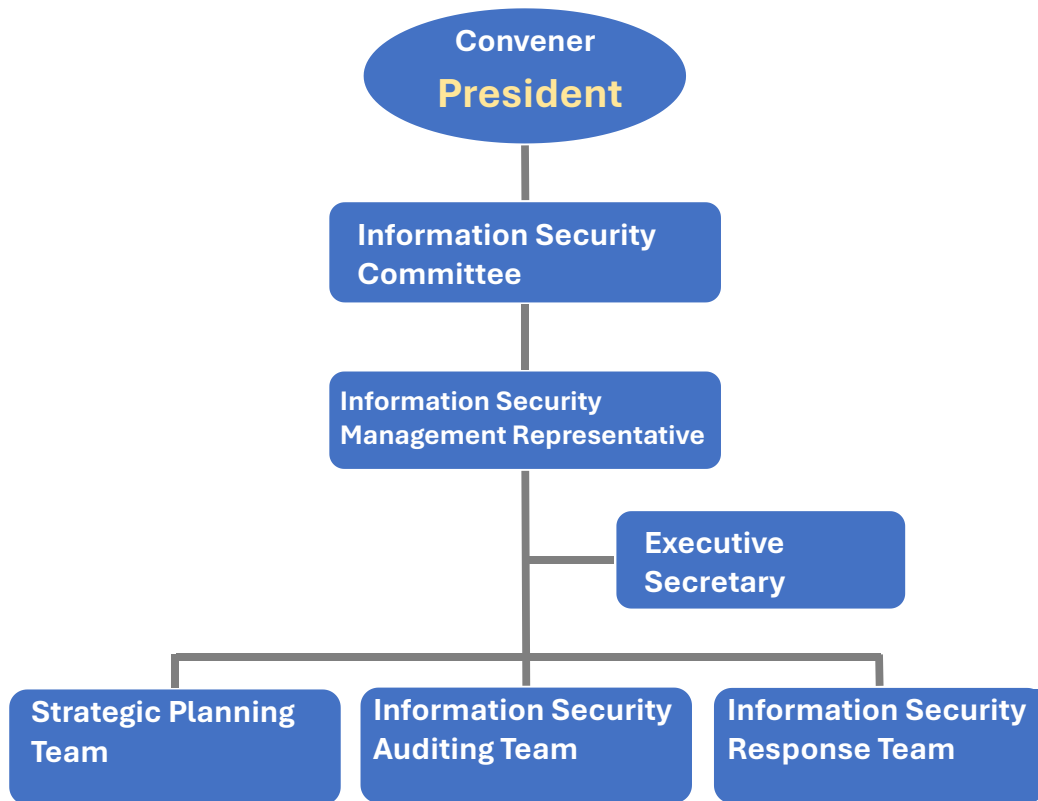
1. Information Security Risk Management Framework:

To strengthen information security governance and ensure the security of the company's core intangible assets and supply chain partners' (suppliers and customers) data, the Company established the "Information Security Management Committee" in 2015, responsible for the overall planning of information security, regularly reviewing information security and risk management systems, and promoting relevant information security measures. The committee is chaired by the company's President as the convener, with the MIS Department Director serving as the Information Security Management Representative, ensuring the implementation and continuous optimization of information security mechanisms within the organization.

The Information Security Management Committee is divided into three specialized teams based on their responsibilities, including: the "Strategic Planning Team," the "Information Security Auditing Team," and the "Information Security Response Team," which are respectively responsible for formulating information security policies, guiding and promoting information security management tasks, supervising information security auditing mechanisms, and handling emergency responses to information security incidents. The Committee holds regular annual meetings to review and optimize the information security policies and significant risk issues of the company and the group, and formulates

response strategies to continuously enhance the overall information security management capabilities.

Wah Lee Information Security Management Committee Organization



The following is a description of the work content of each group:

- (1) Strategic Planning Team: Responsible for formulating and improving information security policies to ensure compliance with international standards and regulatory requirements, conducting risk assessments on systems, technologies, operational processes, and customer data, and establishing a comprehensive information security management system.
- (2) Information Security Auditing Team: Regularly conducts audits of the information security management system and control measures, submits audit reports, and monitors the implementation of improvement measures to ensure the effective enforcement of information security policies.
- (3) Information Security Response Team: Responsible for implementing information security policies, promoting information security activities and education and training within their respective units, and executing first-line information security incident response and handling, as well as continuous monitoring and maintenance operations, to ensure the integrity and security of confidential information. Any violation of information security regulations will be handled appropriately based on the severity of the violation, including disciplinary action or necessary legal measures, in order to maintain the rigor of the company's information security management.

2. Information Security Policy

The Company is committed to building a highly resilient information security management mechanism, with "confidentiality, integrity, and availability" as its core, to establish a sound information service system. We not only ensure the stability of the company's core data and operational systems, but also extend our protection network to upstream and downstream supply chains, comprehensively reducing cybersecurity threats, ensuring sustainable business operations, and achieving the goals of regulatory compliance and alignment with international standards.

Our information security policy vision is as follows:

Strengthen security awareness and implement access control.

Improve data protection and ensure business continuity.

Based on the information security policy vision, the information security objectives are formulated as follows:

- (1) Promote cybersecurity education, and establish cybersecurity awareness and defense capabilities.
- (2) Regular permission reviews to strengthen secure access and protection mechanisms.
- (3) Strengthen data protection, implement cybersecurity health checks and regulatory compliance.
- (4) Implement drill plans to enhance operational resilience and response capabilities.

The Information Security Management Committee has three dedicated sub-groups under its jurisdiction, which operate with a division of responsibilities based on the PDCA (Plan, Do, Check, Act) cycle management model, to ensure the effectiveness and continuity of information security governance.

The Company will continue to strengthen its information security management system, and through regular reviews, audits, and improvement operations, ensure that information security risks are effectively controlled. At the same time, we will continue to introduce new technologies and enhance the organization's cybersecurity capabilities, ensuring that the enterprise maintains a high level of resilience in a rapidly changing environment and strengthening overall operational competitiveness.



3 Specific Plans and Implementation of Network Cybersecurity Risk Management

- (1) Network and Connectivity Security: The Company is committed to building cybersecurity resilience for global operations. For its global locations in Taiwan, Mainland China, and Southeast Asia, the company has fully deployed Next-Generation Firewalls (NGFW) and defense-grade network detection and defense systems, establishing a "Defense-in-Depth Network" to strictly prevent cross-regional infiltration and Advanced Persistent Threats (APT). To block viruses or malware from infiltrating through any entry point, and to prevent lateral movement between different zones, reducing the risk of cross-zone attacks. As remote connectivity has become an essential part of daily business operations, The Company upholds the core principle of "Zero Trust" in connection security, comprehensively implementing Multi-Factor Authentication (MFA) and Zero Trust Network Access (ZTNA) architecture to eliminate the risk of account compromise or unauthorized access at the source.
- (2) Device Security: The Group's personal computer systems, both domestic and overseas, have been installed with Endpoint Detection and Response (EDR) software. To strengthen and identify malicious attacks, mobile device protection mechanisms have also been implemented to prevent hackers from infiltrating the company's systems through mobile devices.
- (3) Email Security: In addition to strengthening perimeter security, the Group has completed the deployment of email filtering and protection systems both domestically and internationally. These systems can perform sandbox simulation preventive measures against the latest spam, phishing emails, BEC (Business Email Compromise) fraudulent emails, and other malicious emails, effectively blocking trojans, worms, viruses, phishing emails, and other malicious programs, comprehensively enhancing the overall security of the network environment.
- (4) Application Security: Having security controls for application development processes, testing, and version updates. And introduce a web application firewall dedicated to preventing hackers from launching attacks or implanting malware through web program code or system vulnerabilities.
- (5) Account Password Security: To prevent account passwords from being too simple and easily cracked by hackers, which could lead to the risk of intrusion into internal systems to steal data or cause damage; a password rule enforcement system has been implemented, which does not allow "weak passwords" to be set, and only passwords that comply with the rules can be successfully configured.

4. Resources invested in information and communication security management

In the face of increasingly severe global cybersecurity threats, enterprises face ever-growing risks from the latest forms of cyberattacks and ransomware, making it impossible to fully ensure that internal networks and information systems are protected from threats. Therefore, Wah Le Industrial continuously reviews and strengthens information security defense measures, actively adopts advanced information security technologies and management mechanisms to enhance overall information security protection capabilities, conducts information security education and training for employees, and continuously improves colleagues' awareness of information security.

- (1) **Dedicated Manpower:** The Company has a dedicated Information Security Supervisor, one full-time information security staff member, and more than ten IT staff members responsible for information security-related operations. The Company has also established a Strategic Planning Team, an Information Security Audit Team, and an Information Security Incident Response Team to carry out their respective functions. Regular Information Security Committee meetings are held; in 2025, a meeting was convened on April 25 to discuss and make resolutions on information security-related matters.
- (2) **Education and Training:** To enhance employees' information security awareness, the Company holds new employee information security education and training courses as well as irregular information security training sessions within the group each year. In 2025, over 3 information security education and training sessions were held with a total of 324 participants, along with 7 professional IT education and training sessions with a total of 549 participants. Additionally, 10 information security awareness campaigns were executed to continuously improve employees' information security awareness.
- (3) **Information Collection:** The Company is a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), and regularly collects cybersecurity threat intelligence. The collected intelligence is used for appropriate preventive measures within the Company to reduce potential exposure risks.

In 2025, the Company continued to strengthen information security governance, allocating 35% of the MIS Department's overall budget to cybersecurity defense projects in order to comprehensively enhance the Group's cybersecurity resilience and protection capabilities. The key focus areas for enhancement this year are the following core cybersecurity systems:

- (1) **Extended Detection and Response (XDR):** Building cross-layer threat detection and automated response capabilities,
Integrate endpoint, server, and network-level events to enhance overall detection accuracy and accelerate incident response efficiency.
- (2) **Multi-Factor Authentication System (MFA):** Comprehensively strengthens account and identity verification, effectively reducing the risk of credential leakage and account compromise. All colleagues are required to pass the multi-factor authentication system verification when connecting to the company's internal network via Virtual Private Network (VPN), in order to ensure the correctness and legitimacy of the connection identity.
- (3) **Privileged Access Management (PAM):** Strictly controls the use of high-privilege accounts, reducing the risks of internal privilege abuse and lateral movement attacks.
- (4) **Web Application Firewall (WAF):** Strengthens the external protection layer of enterprise application systems, safeguarding against cyber attacks and ensuring the stable operation of critical business systems.

- (5) Data Loss Prevention (DLP): To prevent the leakage of confidential information, endpoint device data loss prevention measures and blocking mechanisms are deployed to prohibit the use of USB drives, mobile devices, memory cards, and other external media on company computers for accessing or transferring sensitive data, thereby preventing unauthorized access or leakage of company confidential information and customer sensitive data.
- (6) Security Information and Event Management (SIEM): Centrally collecting event logs from critical system hosts and network devices, performing correlation analysis and real-time alerting, proactively identifying potential attack behaviors, and supporting subsequent protection and incident response decision-making.

In addition to strengthening technology and equipment, we are also actively promoting the cultivation of cybersecurity talent and the establishment of cybersecurity teams. Through professional courses and training programs, enhance the implementation of cybersecurity regulations, operational processes, and best practices within the enterprise's internal technical team.

In the future, Wah Le Industrial will continue to reduce the impact of information security risks on business operations through information security management and improvement plans, ensure the security of sensitive data for the company and its upstream and downstream supply chains, and further safeguard the best interests of partners and investors. The Company will continue to improve information security protection measures, ensuring the confidentiality, integrity, and availability of corporate information assets, laying a solid foundation for the company's sustainable operation.

- (2) Losses suffered, potential impacts, and response measures due to significant information and communication security incidents in the most recent year and up to the date of printing of the annual report; if such losses cannot be reasonably estimated, the fact that a reasonable estimate cannot be made shall be stated:

No major cybersecurity incidents occurred in 2025.

- (3) Whether ISO27001, CNS27001, or other information security management system standards with equivalent or superior effectiveness have been introduced, and whether third-party verification has been obtained:

Currently implementing the ISO 27001:2022 Information Security Management System to ensure the integrity of data protection, operational control, and regulatory compliance. All management policies have been completed, and system deployment and related drills are currently underway. The ISO 27001:2022 certification is expected to be obtained in June 2026.

7. Important Contracts:

Contract Nature	Party	Contract Start and End Dates	Main Content	Restriction Clauses
Agency Distribution Agreement	<i>Sabic Innovative Plastics Hong Kong Limited</i>	2021.9.1~2025.12.31 (Renewing)	Thor Thin Film Sheet/Panel Authorized Dealer & Distributor	Region: Taiwan, Hong Kong, and Mainland China
Agency Sales Agreement	<i>KURARAY Trading Co., Ltd.</i>	2002.1.1~2002.12.31(Auto-renewable)	Agent sales of high-performance nylon plastics	Region: Mainland China, Taiwan, and Hong Kong
Agency Sales Agreement	<i>Nagase & Co., Ltd.</i>	1998.1.1~2000.12.31 (Auto-renewable)	Engineering Plastics	Region: Taiwan
Agency Sales Agreement	<i>Sumidurez Singapore Pte. Ltd.</i>	1999.8.20~2001.8.19 (Auto-renewable)	Agent selling bakelite plastics	Region: Taiwan
Agency Sales Agreement	<i>Teijin Dupont Films Japan Ltd.</i>	2000.1.1~2000.12.31 (Auto-renewable)	Agency Sales of PET Plastic	Region: Mainland China, Taiwan, and Hong Kong
Intermediary Sales Contract	CHIMEI Corporation	1999.1.1~2001.12.31 (Auto-renewable)	Engineering Plastics Distribution and Sales	Overseas Regions (Outside Taiwan)
Distribution Agreement	Nagase Wahlee Plastics Corp.	2000.1.1~2003.12.31 (Auto-renewable)	Engineering Plastic Raw Material Distribution	
Sales and Purchase Agreement	Taiwan Teijin Kasei Co., Ltd.	2007.9.10~2008.9.9 (Auto-renewable)	Engineering Plastic Raw Material Distribution	
Sales Basic Contract	Sumika Electronic Management (Shanghai) Co., Ltd.	2024.7.1~2025.6.30	LCP, PES, etc.	
Distribution Agreement	<i>Victrex Manufacturing Limited.</i>	2024.7.1-2025.6.30 (Auto-renewable)	PEEK Raw Material Distribution	Taiwan, Southeast Asia
Agency Sales Agreement	<i>Fukuoka Cloth Industry Co., Ltd.</i>	1998.1.1~2000.12.31 (Auto-renewable)	Agent sales of waterstop for cables	Region: Taiwan Designated Sales Customers
Agency Sales Agreement	<i>Teijin Shoji</i>	1992.2.28~1993.2.27 (Auto-renewable)	Agency sales of TeijinConex Fiber, etc.	Region: Taiwan
Distribution Agreement	Taiwan Glass Ind. Corporation	2000.1.1~2002.12.31 (Auto-renewable)	Fiberglass Sales Agent	Taiwan Regional Distributor
Distribution Agreement	Daily Polymer Corp.	1999.1.1~2001.12.31 (Auto-renewable)	Unsaturated Polyester Resin Sales Agent	One of the distributors in Taiwan

Contract Nature	Party	Contract Start and End Dates	Main Content	Restriction Clauses
Basic Trading Contract	Mitsubishi Chemical Taiwan Co., Ltd.	1999.6.1~	Bulk Chemical Sales	
Distribution Agreement	JSR Corporation	2024.1.1~ 2026.12.31	Distributor of photoresists, CMP Slurries, and PCMP for semiconductor	
Agency Agreement	Sumitomo Seika Chemicals Co., Ltd.	2007.11.1~2012.10.31 (Auto-renewable)	Sales of Gases, PVSA Gas Generator, etc.	
Agency Sales Agreement	Asahi Kasei Corporation (Asahi Chemical Industry Co.,Ltd.)	1997.8.1~1998.7.31 (Auto-renewable)	Agent sales of dry film products	Region: Taiwan, China
Agency Sales Agreement	Sumitomo Bakelite Company Ltd.	2000.1.1~2000.12.31 (Auto-renewable)	Agent sales of release film products	Region: Taiwan, China
Agency Sales Agreement	Panasonic Corporation	2014.10.1~ (Auto-renewable)	Authorized distributor of copper clad laminates & prepregs	Region: Taiwan, China
Agency Distribution Agreement	Cambridge GaN Devices	2022.8.15~2023.8.14 (Auto-renewable)	Distribution of High-Voltage Gallium Nitride (GaN) Field-Effect Power Devices	Region: APAC, Japan
Agency Distribution Agreement	Joint Power Exponent, Ltd.	2025.12.1~2027.12.31	Authorized distribution of high-voltage gallium nitride (GaN) integrated power chips	Region: Greater China, Southeast Asia, India
Power of Attorney	Para Light Electronics Co., Ltd.	2025.12.1~2027.12.31	Distributing power semiconductors and products in various package forms	Region: Global
Authorization Agency Certificate	Shanghai Semitech Semiconductor Co., Ltd.	2026.1~2028.12	Agency sales of semiconductor discrete devices and protection devices	Region: Asia-Pacific Region
Agency Agreement	Jiangsu Jifu Technology Electronics Co., Ltd.	2023.5.3~	Authorized distribution of power inductor products	Region: Taiwan, China
Agency Agreement	Mitsubishi Chemical Corporation	2011.1.1~ (Auto-renewable)	Authorized distribution of color photoresist products	Region: Taiwan, parts of China
Declaration	Clean Technology Co., LTD.	2014.10.30~	LCD Equipment & Parts Related Agency	Region: Taiwan, China

Contract Nature	Party	Contract Start and End Dates	Main Content	Restriction Clauses
Distribution and Sales Agreement	CHIMEI Corporation	2026.1.1~2026.12.31 (Auto-renewable)	Specialty Chemicals Related Agency	Sales to designated customers will automatically renew for one year upon expiration, with a maximum of three renewals.
Medium and Long-term Syndicated Loan Agreement	Mega Bank, Land Bank of Taiwan, Hua Nan Bank, Taiwan Cooperative Bank, E.SUN Bank, SinoPac Bank, First Bank	2022.8 ~2027.8	To repay financial institution liabilities and strengthen mid-term operating working capital.	<p>The financial ratios of the Company shall comply with the following restrictions:</p> <ol style="list-style-type: none"> 1. Current Ratio (Current Assets / Current Liabilities): $\geq 100\%$. 2. Debt Ratio (Total Liabilities / Tangible Net Worth): $\leq 200\%$. 3. Interest Coverage Ratio (Net Income before Tax + Interest Expense + Depreciation + Amortization) / Interest Expense: ≥ 6 times. 4. Total tangible net worth (equity minus intangible assets): \geq NT\$ 10 billion.

V. Review and Analysis of Financial Condition, Operating Results, and Risk Matters

1. Financial Condition:

Comparative Analysis of Changes in Assets, Liabilities, and Shareholders' Equity for the Most Recent Two Years

Unit: NT\$ Thousands

Item	Year	2024	2025	Difference	
		December 31	December 31	Amount	%
Current assets		35,926,125	38,075,098	2,148,973	6
Property, plant and equipment		6,254,491	7,530,451	1,275,960	20
Other assets		10,195,234	11,273,577	1,078,343	11
Total assets		52,375,850	56,879,126	4,503,276	9
Current Liabilities		20,821,148	23,024,890	2,203,742	11
Long-term Liabilities		7,039,175	7,820,069	780,894	11
Total Liabilities		27,860,323	30,844,959	2,984,636	11
Share capital		2,594,368	2,594,368	-	-
Capital surplus		3,905,495	3,847,560	(57,935)	(1)
Retained earnings		14,725,229	15,734,162	1,008,933	7
Total Shareholders' Equity		24,515,527	26,034,167	1,518,640	6

1. Main Reasons for Significant Changes (20% or More) in the Most Recent Two Years:

The increase in property, plant and equipment was primarily due to the construction of the southern logistics center.

2. Impact of Significant Changes in the Most Recent Two Years and Future Response Plans:

There were no significant changes in the most recent two Years. The Company will continue to develop operational needs, adjust procurement and sales-related strategies in a timely manner, and pay attention to working capital management.

2. Financial Performance:

Comparative Analysis of Operating Results for the Most Recent Two Years

Unit: NT\$ Thousands

Item	Year	2024	2025	Increase (Decrease) Amount	Change Ratio (%)
		2024	2025		
Net operating revenue		80,030,914	78,189,260	(1,841,654)	(2)
Operating costs		74,072,856	71,874,551	(2,198,305)	(3)
Gross profit		5,958,058	6,314,709	356,651	6
Operating expenses		3,291,834	3,198,497	(93,337)	(3)
Operating profit		2,666,224	3,116,212	449,988	17
Non-operating income and profit		1,013,958	700,863	(313,095)	(31)
Non-operating expenses and losses		406,112	365,511	(40,601)	(10)
Earnings before tax from Continuing Operations		3,274,070	3,451,564	177,494	5
Income tax expense		734,219	850,799	116,580	16
Earning after tax from Continuing Operations		2,539,851	2,600,765	60,914	2

1. Main Reasons for Significant Changes (20% or More) in the Most Recent Two Years:

The decrease in non-operating revenue and profit was mainly due to the invested companies' profits being lower than in 2024, resulting in a decrease in income from associates recognized using the equity method.

2. Expected Sales Volume and Its Basis, Possible Impact on the Company's Future Financial and Business Operations, and Response Plans:
Please refer to the business overview and the report to Shareholders in the annual report.

3. Cash Flow:

(1) Analysis of Cash Flow Changes in the Parent company only financial statements for 2025:

Unit: NT\$ Thousands

Beginning Cash Balance	Net Cash Flows from Operating Activities for the Year	Cash Outflow (Inflow) for the Year	Cash Surplus (Deficit)	Remedial Measures for Cash Deficit	
				Investment Plan	Financing Plan
2,207,121	2,566,191	(2,512,836)	2,260,476	-	-

1. Analysis and Explanation of Cash Flow Changes:

- (1) Parent company only revenue experienced steady growth for the current year. Enhanced collection management and inventory control resulted in increased net cash inflows from operating activities.
- (2) Parent company only annual cash outflows were mainly attributable to the construction of the Southern Logistics Center to meet operational development needs, the acquisition of subsidiary equity interests, and the distribution of cash dividends.

2. Improvement Plan for Insufficient Cash Liquidity: There is no situation of insufficient liquidity; not applicable.

3. Cash Liquidity Analysis for the Coming Year: Not applicable.

(2) Analysis of Cash Flow Changes in the Consolidated Financial Statements for 2025:

Unit: NT\$ Thousands

Beginning Consolidated Cash Balance	Annual Consolidated Net Cash Flow from Operating Activities	Annual Consolidated Cash Inflow (Outflow)	Consolidated Cash Surplus (Deficit)	Remedial Measures for Consolidated Cash Deficit	
				Investment Plan	Financing Plan
4,666,206	5,722,853	(3,055,273)	7,333,786	-	-

1. Analysis and Explanation of Cash Flow Changes:

- (1) The consolidated revenue experienced steady growth for the current year. Enhanced collection management and inventory control resulted in increased net cash inflows from operating activities.
- (2) The consolidated annual cash outflows were mainly attributable to the construction of the Southern Logistics Center to meet operational development needs, the acquisition of subsidiary equity interests, and the distribution of cash dividends.

2. Improvement Plan for Insufficient Consolidated Cash Liquidity: There is no situation of insufficient liquidity; not applicable.

3. Consolidated Cash Liquidity Analysis for the Coming Year: Not applicable.

4. Impact of Significant Capital Expenditures in the Most Recent Year on Financial and Business Operations:

Significant capital expenditures in recent years were mainly attributable to the construction of the Southern Logistics Center to meet operational development needs and the acquisition of subsidiary equity interests. The funding sources primarily consisted of internal funds and bank financing, and there was no material impact on financial and business operations.

5. Investment policies for the most recent year, main reasons for profits or losses, improvement plans, and investment plans for the coming year:

Description Investee Company	Policy	Main Reasons for Profits or Losses	Improvement Plan	Investment Plan for the Coming Year
Wah Lee Holding (Including Yi Kang Chemicals & Industries Co., Ltd., Shanghai Hua Chang Trading Co., Ltd., Raycong Industrial (Hong Kong) Limited (including Dongguan Raycong), and Regent King International Limited	In line with customers' relocation, extending core business operations to Mainland China and Hong Kong.	As a holding company, investment income from subsidiaries is recognized. Primarily responsible for material trading business in China. Due to proper operational management and control, the overall performance of the subsidiaries continues to maintain stable profitability.	None	To be re-evaluated based on the development needs of overseas markets.
Nagase Wahlee Plastics Corp. ORC Technology Corp. ORC Electrical Machinery Corp. (ORC Corp.)	Strengthening cooperative relationships with Japanese suppliers and pursuing dividend returns.	Primarily responsible for the trading of synthetic resins, exposure machines, and components. Except for ORC Technology Corp., whose business has been fully transferred to ORC Electrical Machinery Corp. (ORC Corp.) and is expected to undergo liquidation, the remaining investee companies, due to proper operational management and control, continue to maintain stable overall profitability.	None	To be re-evaluated based on the company's operational needs.
CWE Inc.	Long-term investment to obtain dividend returns.	Primarily responsible for the trading of semiconductor packaging and testing materials and equipment. Due to the stability of the semiconductor industry, the company continues to maintain overall profitability.	None	To be re-evaluated based on the company's operational needs.

Description Investee Company	Policy	Main Reasons for Profits or Losses	Improvement Plan	Investment Plan for the Coming Year
Wah Hong Industrial Corp.	Long-term investment to obtain dividend returns.	Primarily responsible for the manufacturing and trading of LCD materials. Due to proper operational management and control, the company continues to maintain stable overall profitability.	None	To be re-evaluated based on the company's operational needs.
Sakuragawa Solar Godokaisha, Miyazaki Solar Godokaisha	Continuing to secure the final outlet for solar energy materials through investments in power plants, while expanding the development of solar energy business.	Both the Sakuragawa and Miyazaki power plants have achieved stable power generation and continue to maintain stable profitability.	None	None
Meditek (Shanghai) Co., Ltd. Guangzhou Xingxian Co., Ltd.	Developing the medical industry to enhance long-term operational momentum.	The medical industry has achieved results after years of development. However, due to the impact of COVID-19 lockdown measures in mainland China on business activities and the uneven allocation of resources in the overall medical industry, the Company's performance was adversely affected, resulting in a slight overall loss.	Continuously and actively expanding business and reducing expenditures.	To be re-evaluated based on the company's operational needs.
Tranceed Logistics Co., Ltd. Cyuan Cheng Logistic Co., Ltd.	Meeting the logistics needs of existing customers, shortening circulation speed, reducing circulation costs, and creating added service value.	Continued business development has driven significant growth in logistics revenue; however, the expansion of business scale has relatively increased personnel and administrative costs, resulting in slightly lower profits compared to the previous year. However, with the continued growth of new business development and a significant increase in revenue, profitability has improved markedly, and the combined operating profit and loss of Tranceed Logistics Co., Ltd. and Cyuan Cheng Logistic Co., Ltd. has shown stable	None	To be re-evaluated based on the company's operational needs.

Description Investee Company	Policy	Main Reasons for Profits or Losses	Improvement Plan	Investment Plan for the Coming Year
		profitability.		
Xiamen Huashengda Logistics Co., Ltd. Huaying Supply Chain Management (SZ) Co., Ltd.	In line with the Company's strategic layout, expanding business in the mainland China logistics market.	In 2025, influenced by the stabilization of China's economy, domestic demand for logistics services in China has gradually recovered, and Huashengda has turned from a loss to a profit.	Revenue is expected to stabilize, and the Company is also actively expanding logistics services to other industries.	None
Wah Tech Industrial Co. Ltd. (Thailand) Hightech Polymer Sdn Bhd (Malaysia) Wah Lee Vietnam (Vietnam) WL Indonesia (Indonesia) WLPI & WLPIC (Philippines) WL Tech (Singapore) WL India (India) Racong (Vietnam) Born Tech (Thailand)	Through business operations in Thailand, Malaysia, Vietnam, Indonesia, the Philippines, Singapore, and India, the Company can actively establish a presence in the business development of Southeast Asia and South Asia.	Primarily responsible for the trading of industrial materials in Thailand, Malaysia, Vietnam, India, Indonesia, the Philippines, and Singapore. Due to proper operational management and control, except for the Vietnam, Indonesia, Philippines, and India companies, which are still in the business expansion stage and have yet to achieve stable profitability, all other investee companies have maintained stable overall profitability.	None	To be re-evaluated based on the development needs of overseas markets.
Kingstone Energy Technology Corporation Evergreen New Energy Corporation	Investing in domestic solar power stations to generate stable electricity revenue and expand solar energy-related businesses.	As contracted solar power stations are successively completed and commissioned, stable electricity revenue is generated, along with consistent profitability.	Continuing to construct contracted solar power stations and develop new projects.	New projects will continue to be developed, along with relevant investments.
Jinde Gas Co., Ltd.	Entering the niche gas market to accelerate the development of high value-added businesses.	The acquisition was just completed at year-end, and the company as a whole continues to maintain stable profitability.	None.	To be re-evaluated based on the company's operational needs.

6. Analysis and Assessment of Risk Management:

(1) Risk Management Policy:

The risk management policies of the Company and its subsidiaries are formulated in accordance with the Company's overall business guidelines, clearly defining the scope of various risks that may affect the Company's operations, finances, and integrity management. Through mechanisms such as risk identification, measurement, monitoring, and response, the following objectives are achieved:

1. Preventing losses within acceptable risk levels, and safeguarding the rights and interests of Shareholders, employees, customers, and business partners;
2. Enhancing the Company's operational efficiency and corporate value through effective risk control;
3. Incorporating requirements for the prevention of dishonest conduct in accordance with the Company's current internal control system and integrity management guidelines.

This policy has been published in the Company's internal regulations and on the Company's website, and serves as the basis for the Company's annual risk management plan and audit plan.

(2) Risk Management Strategies:

Opportunity Management Strategy:

The Company continuously monitors global industry development trends and market changes, regularly analyzing the direction of technology materials, equipment technologies, and end-application demands, and carefully evaluating growth opportunities and potential risks. Through diversified product portfolio and market positioning strategies, the Company expands its base of partners and suppliers to reduce dependence on any single market or product, and actively pursues areas with long-term development potential such as renewable energy, advanced semiconductor processes, and low-carbon and environmentally friendly materials, in order to strengthen operational resilience and sustainable competitiveness.

Risk Prevention Management:

With respect to material risks that may affect operations—including financial, regulatory compliance, environmental sustainability, human rights, and supply chain risks—the Company has established risk identification and assessment mechanisms, and strengthens supply chain resilience through supplier management systems and ESG review procedures. Products comply with international environmental and safety regulations (such as RoHS and REACH), and the Company continuously strengthens regulatory compliance management and internal control systems to reduce operational risks arising from regulatory changes or insufficient compliance. Credit risk control mechanisms are also implemented to ensure transaction security and financial soundness.

Measures to Address Negative Impacts:

When a significant risk event occurs, the Company activates its response mechanism in accordance with risk management procedures, promptly assessing the extent of impact and taking appropriate measures to mitigate losses and maintain operational stability. For example, safety stock levels and diversified procurement mechanisms are established to ensure a stable supply of critical materials; credit review and accounts receivable management are strengthened in response to abnormal customer credit situations; and product and market strategies are adjusted in a timely manner in response to market changes to enhance overall operational flexibility.

(3) Organizational Structure of Risk Management:

The Company follows corporate governance principles and risk management policies to establish a

risk management framework supervised by the Board of Directors, and promotes overall risk management operations based on the division of responsibilities. The organizational structure and responsibilities are as follows:

1. Board of Directors:

The highest supervisory body for the Company's risk management, responsible for reviewing risk management policies and significant risk issues, overseeing management in establishing and implementing the overall risk management system, and ensuring that the Company operates within acceptable risk tolerance.

2. Corporate Governance team / Risk Management Team:

Relevant functional organizations (including the Corporate Governance and Sustainability Committee) are established under the Board of Directors, and a Risk Management Team is convened by management to serve as the executing and coordinating unit for risk management. Responsible for promoting risk identification, assessment, monitoring, and response measures, consolidating risk information from various units, and regularly reporting the overall risk management implementation status to the Board of Directors.

3. Audit Office:

An independent unit under the Board of Directors, responsible for auditing the design and implementation of the internal control system and risk management system, evaluating their effectiveness and providing improvement recommendations, and ensuring the continuous enhancement of the Company's risk management mechanisms. Audit results are reported to the Board of Directors on a regular basis.

4. Business Execution Units:

Each unit serves as the first line of defense in risk management, responsible for identifying, assessing, and controlling risks in daily operations, and implementing relevant control procedures in accordance with internal regulations. Unit Supervisors shall oversee their respective units in implementing risk management measures and coordinate relevant operations in accordance with the Company's overall risk management policies.

(4) Risk Management Process:

The risk management process includes: risk identification, risk assessment, risk monitoring, risk response, and risk reporting and disclosure.



(5) Risk Categories:

Information Security Risk:

Refers to the risk that a company's information assets may be exposed to unacceptable risks, rendering it unable to ensure the confidentiality, integrity, and availability of information, including the possibility that unauthorized individuals may access information, that the accuracy and completeness of information content and processing methods cannot be ensured, and that authorized users may be unable to access information and related assets in a timely manner when needed, thereby resulting in potential losses.

Hazard Risk:

Refers to the risk associated with the probability and losses arising from significant natural or man-made hazard events.

Environmental Risk:

Refers to the risk of significant changes in the overall economic, political, or social environment that may negatively impact various business strategies.

Operational Risk:

Refers to the risk that uncertain factors during the Company's business operations may affect the Company's normal operations, including but not limited to sales risk, supply chain risk, labor relations risk, and risks related to the establishment and maintenance of corporate image.

Financial Risk:

Refers to market risk, foreign exchange risk, interest rate risk, credit risk, liquidity risk, and operational risk.

Legal Risk:

Refers to potential losses resulting from failure to comply with relevant regulations of competent authorities, as well as the invalidity of contracts due to lack of legal effect, unauthorized acts, omissions of terms, or inadequate provisions in the contracts entered into.

Other Risks:

In addition to the risks described above, if any other risks arise, appropriate risk control and management procedures shall be established based on the nature of the risk and the extent of its impact.

(6) Operations:

Through the Corporate Governance and Sustainability Committee and relevant responsible units, the Company periodically identifies and evaluates ESG issues related to its operations based on the materiality principle, and communicates with internal and external stakeholders to understand their key concerns and potential risks.

For issues assessed as having a material impact, the Company establishes corresponding risk management mechanisms and action plans, incorporates them into the annual operational planning and internal control framework, and assigns relevant units to be responsible for implementation and tracking of improvement progress. Implementation results are periodically reported to management and the Board of Directors to strengthen oversight mechanisms and continuously reduce the impact of related risks on the Company's operations.

The Company's "Risk Management Team" reported the "2024 Annual Risk Management Operations" to the Corporate Governance and Sustainability Committee and the Board of Directors on May 8, 2025. The data covers the Sustainable Development performance of the Company's major operating locations in Taiwan from January 2024 to December 2024. The risk assessment boundary primarily covers Wah Lee Industrial Corp. (Taiwan), Tranceed Logistics Co., Ltd., and Kingstone Energy Technology Corporation, while the financial report data also incorporates domestic and overseas subsidiaries within its scope.

7. Analysis and Assessment of Risk Factors:

- (1) Impact of changes in interest rates, exchange rates, and inflation on the Company's profit or loss, and future response measures:

1. Changes in interest rates:

The Company is exposed to interest rate risk as entities within the Company borrow funds at both fixed and floating interest rates. The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

If the annual interest rate increases/decreases by 1%, with all other variables held constant, the Company's earnings before tax for 2025 and 2024 would decrease/increase by NT\$49,750 thousand and NT\$58,669 thousand, respectively, mainly due to the Company's exposure to variable-rate deposits and borrowings.

To mitigate interest rate risk, the Company continuously monitors interest rate trends and maintains close communication with financial institutions to secure more favorable interest rate terms.

2. Impact of exchange rate changes on the Company's profit or loss, and future response measures:

The Company's exchange rate risk primarily arises from operating activities and is mainly affected by fluctuations in the USD exchange rate. Based on positions as of December 31, 2025, the sensitivity ratio used by the Company when reporting exchange rate risk to key management personnel is 1%, and the sensitivity analysis includes only foreign currency monetary items outstanding as of the balance sheet date. When the functional currency depreciates (appreciates) by 1% relative to the USD as of the balance sheet date, the consolidated company's earnings before tax for 2025 and 2024 would increase (decrease) by NT\$35,600 thousand and NT\$44,541 thousand, respectively.

To mitigate exchange rate risk, the Company's foreign exchange operations are conducted on the principle of meeting the foreign currency positions generated by the Company's operations, and no speculative transactions are engaged in.

3. Impact of inflation on the Company's profit or loss, and future response measures:

As an electronic materials distributor, the Company has short operating transaction cycles, maintains good relationships with suppliers and customers, and continuously reduces inventory turnover days to avoid any material impact on the Company due to inflation.

- (2) Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsements and guarantees, and derivative financial instrument transactions; the main reasons for profits or losses; and future response measures:

1. The Company has always adhered to the principles of focusing on its core business and pragmatic management, does not engage in high-risk or high-leverage investments, and all investments are carried out after careful evaluation.

2. The Company's lending of funds to others and endorsements and guarantees are all handled in accordance with the Company's "Procedures for Lending Funds to Others" and "Procedures for Endorsements and Guarantees," announced in accordance with applicable laws and regulations, with record books established and reviewed periodically to control risks.

3. The derivative financial instrument transactions undertaken by the Company are all handled in

accordance with the Company's "Procedures for the Acquisition and Disposal of Assets." The transactions are primarily conducted in response to foreign currency transactions and needs arising from the Company's business operations and are hedging in nature; no speculative transactions are conducted.

(3) Future research and development plans and projected research and development expenditures:

The Company plays a channel role in the industry chain, and fully grasps industry and market trends and business opportunities through various channels, such as joining industry think tank paid memberships, becoming a strategic partner of university industry-academia innovation centers, and maintaining close exchanges and cooperation with industry, government, academia, research, and financial sectors. as well as frontline grasp of market customer needs and supplier R&D roadmaps, and work closely with customers and suppliers to actively pioneer new industries/products and new business models. In addition to all employees regarding the introduction of new products and new technologies as important work, the company further strengthens the development capacity for new industries and new products by establishing new business development units at the group and business division levels, as well as marketing/business planning personnel within each business division, while continuously investing in and forming alliances with related companies to accelerate the development of new products and new technologies. In addition, new business development rewards and development funds were established to assist and motivate development activities across the company, thereby effectively enhancing the efficiency of new product development projects, making new business development faster and more stable. The group's gross profit from new business development in 2025 exceeded NT\$700 million, representing approximately 15.8% growth compared to 2024, with a revenue achievement rate of approximately 80%. The new business development strategy prioritizes quality over quantity; the enhanced screening of development projects has proven effective, resulting in substantial profit growth. As the Company's new business development-related mechanisms have proven effective, it has been able to not only control risks but also continue to grow.

In view of the above, the research and development expense budget has been considered and utilized in conjunction with existing business promotion to achieve synergies. In addition, as the Company is in the distribution industry, no separate research and development expenses have been budgeted. If we use only the education and training expenses, industry think tank construction expenses, Advanced Development Department operating expenses, and new business development incentives as a rough estimate basis for the Company's research and development expenses, the expenses for 2025 would be approximately NT\$ 67 million, a slight decrease compared to 2024. However, the actual expenses and investments related to developing new businesses and new products are far higher than this amount, and the Company has allocated a portion of its funds to actively pursue mergers and acquisitions strategies to accelerate the expansion of new businesses. In addition to allocating approximately equivalent funding for 2026, more resources will be invested as needed.

The development results for 2025 are as follows: (Only the main new product categories are listed, excluding new specifications, new applications, and new suppliers).

Industry Category	Development of new product agency or distribution
Information/Communication and Electronic Packaging	<ul style="list-style-type: none"> . Automotive and semiconductor industry application products, such as foamed mPPE, insulating paper, and low GWP gases . Eco-friendly, recycled materials, such as PCR, PBS, eco-friendly cleaning agents . Automated handling equipment and solutions, such as lifters, AGV, MCS, WMS, RCS . Production equipment and solutions such as automation systems, for example, automated equipment for soldering, storage, scanning, transportation, vision, cleaning, placement, etc. . Wide bandgap compound semiconductor and power module assembly materials, e.g., SiC . 5G high-frequency application materials, for example, LCP . Lightweight Aluminum Matrix Composites . Liquid Cooling Heat Dissipation Related Materials . Optical communication field, such as: optical modules, VCSEL modules, etc. . BBU market, for example: Shunt Sensor . TIM market, for example: boron nitride
Semiconductor	<ul style="list-style-type: none"> . Next-generation semiconductor front-end materials, such as EUV photoresist, PDMAT, electronic-grade hydrogen peroxide, and mixed acid. . Advanced packaging materials, such as Stripper & Cu&Ti Etchant, post-CMP cleaning solution, Molding release film, advanced packaging ceramics, Stencil (advanced packaging process consumables . Circular economy products, such as recycled and reclaimed wafers . Consumable materials for semiconductors, such as wafer grinding and dicing tapes . Compound for photoresist
Optoelectronics, Optical Communications, and Flat Panel Displays	<ul style="list-style-type: none"> . Equipment, for example, automated equipment . Chips, such as MCU and ASIC ICs, Driver ICs, optical relays, passive components, etc. . System products, materials and components, e.g., PID, e-paper, electronic whiteboard products, Mini LED direct-view applications . Electronic chemical and optical materials, such as black photosensitive gap materials, RGB photoresist, green energy, energy saving and energy storage
Green energy, energy conservation and energy storage	<ul style="list-style-type: none"> . Battery and energy storage related materials and systems, such as cathode and anode raw materials, electrolytes . Components required for solar power plants, such as components, brackets, inverters . Solar power plant design, construction, operation and maintenance assessment, power sales agency, green energy procurement and trading services . Energy storage systems/power plants, residential small-scale energy storage, slow/fast charging guns, low-temperature pyrolysis furnaces . High-end conductive carbon black products . Exhaust Gas Treatment Catalyst Carrier . Hydrogen product solutions, such as dehydrogenators

Industry Category	Development of new product agency or distribution
Environmental Protection, Biomedical, and Others	<ul style="list-style-type: none"> . Thermal management materials, such as carbon nanotubes . Wastewater treatment equipment, sludge dryer . Marine diesel outboard motors, engines and spare parts, electric boat power and monitoring systems . Automation equipment and components, e.g., pneumatic/transmission components . Cell CPC mass production consumables, antibody development, medical food packaging biodegradable 100% materials, hemodialysis related equipment and consumables, organoids, cosmetic additives . Recycled Carbon Fiber Materials . Specialty chemicals, such as prepreg resins, hydrolysis stabilizers . Various types of tenders, such as smart warehousing, smart pharmacy, and special application vehicle accessories . Consumer markets, such as contact lenses

- (4) Impact of significant domestic and international policy and legal changes on the Company's financial and business operations, and response measures:

In accordance with the Labor Insurance Act, the Labor Insurance (ordinary accident) premium rate has been adjusted from 12% to 12.5% effective January 1, 2025. After deducting the embedded Employment Insurance premium rate of 1%, the Labor Insurance premium is collected at 11.5% starting in 2025. Including the adjustment of the occupational accident premium rate, the overall increase in Labor Insurance premiums is approximately 4.10%, accounting for approximately 0.0704% of the total salary ratio.

- (5) Impact of technological changes (including information and communication security risks) and industry changes on the Company's financial and business operations, and corresponding measures:

Regarding the Company's operating results in major industries and markets for year 2025, the approximate changes in combined uneliminated revenue compared to year 2024 by industries are as follows: the IT/communications industry declined approximately 13.4%; the electronic packaging industry grew approximately 7.4%; the semiconductor industry grew 16.0%; and the optoelectronics, optical communications, and flat panel display industry declined approximately 20.1%. Despite the decline in certain industries, overall gross profit continued to grow, with a YoY increase of approximately 5%. The major technological changes, industry developments, and the Company's corresponding measures are described as follows:

In 2025, global industrial development continues to be influenced by multiple interacting factors, including technological innovation, a high-interest-rate environment, and uncertainties in geopolitical and trade policies. On the economic aspects, growth has remained relatively steady, supported by technology investment and supply chain adjustments. However, the United States has continued to implement increasingly stringent export controls and restrictions on China's advanced semiconductors and related technologies, making compliance and strategic positioning within high-tech supply chains increasingly complex. Geopolitical risks remain one of the primary sources of uncertainty in global markets.

Despite the challenges in the external environment, AI technology continues to evolve rapidly, driving growth in demand for cloud computing, data centers, and AI servers, and boosting the outlook for the related semiconductor supply chain. In its latest forecast, WSTS indicated that the global semiconductor market is expected to reach USD 772 billion in 2025, representing a year-over-year increase of approximately 22%. The Company has long maintained a grasp on industry

growth trends and pursued diversified operations, achieving revenue of NTD 78.19 billion.

Looking ahead to 2026, emerging technology applications driven by AI are expected to remain the core growth driver globally. The deployment of generative AI and edge AI will fuel a new wave of demand for AI servers, data centers, and high-performance computing, while simultaneously driving expansion in the semiconductor supply chain and related sales markets. In addition, net-zero carbon emission targets are becoming increasingly defined under the trend of energy transition, and are expected to continue attracting investment and demand in areas such as energy storage system integration, power management, and high-efficiency energy-saving applications. Nevertheless, changes in global trade policies, geopolitical risks, and energy price volatility may still disrupt business cycles and corporate investment momentum. The Company will continue to strengthen supply chain resilience, enhance high-value-added products and related solutions, and leverage its efficient sales and marketing channel capabilities to capture business opportunities, thereby sustaining growth momentum and achieving new milestones. The key response strategies are outlined as follows:

1. In response to industry trends, develop new businesses, new products, new applications, new geographies, and new suppliers.
2. Strengthen the transfer and expansion of successful practices within the Group.
3. For markets with declining competitiveness, seek support from existing/new suppliers and continuously increase market share.
4. Optimize operating asset management (accounts receivable, accounts payable, procurement, and inventory strategies and management) to significantly reduce inventory losses caused by environmental risks.
5. Accelerate global expansion (Korea, the United States, Japan, Southeast Asia, India, Latin America, and Eastern Europe).
6. Provide value-added services (such as gas repackaging, purification, and warehousing and logistics) and integrated solutions.
7. Extend more operational capabilities to upstream and downstream segments of the industry chain.
8. The Company actively adjusts its product portfolio by phasing out products that are too small in scale or too low in profitability. Going forward, the Company will collaborate with existing or new suppliers to develop products with greater scale, technological competitiveness, and price competitiveness.
9. Actively optimize selling, general, and administrative expenses to maximize the marginal efficiency of expenditure and human resource utilization.

The Company has consistently stayed at the forefront of emerging industries and market demands, introducing relevant materials, components, modules, systems, and equipment in a timely manner or even ahead of the curve. As a result, revenue has continued to grow steadily and even significantly. Our long-standing diversified and rapidly evolving business strategy has also allowed us to minimize the adverse impacts of macroeconomic fluctuations and industry shifts, enabling us to grow with the tide.

Cybersecurity Risks:

Information security risks have evolved into a common operational challenge for businesses worldwide, with their complexity increasing dramatically alongside advances in digital technology. In addition to the ever-changing landscape of cybercrime, enterprises must also contend with multiple variables such as geopolitical volatility, supply chain resilience, regulatory compliance, and cybersecurity skill gaps introduced by generative AI. As the information environment expands from smart terminals and cloud services to the normalization of remote work, the rise of generative AI has further enhanced attackers' infiltration capabilities. While such technological transformations create value, they also introduce increasingly unpredictable risk pathways, subjecting enterprise IT and cybersecurity defense systems to unprecedented and severe challenges.

The Company is fully aware of these challenges. In addition to regularly analyzing internal and external cybersecurity risks, the Company strengthens its internal information security protection network and conducts regular vulnerability scans and penetration tests to safeguard corporate information assets, ensure continuous business operations, and maintain system security.

The following outlines the internal and external cybersecurity risks identified by the Company in 2025, along with the corresponding protective measures:

- Internal Cybersecurity Risks:

1. Internal Employee Negligence: Employees who lack sufficient cybersecurity awareness are susceptible to social engineering emails, which may lead to infection of endpoint devices (computers, mobile phones), or the use of weak passwords that allow hackers to crack identity credentials, resulting in confidential data breaches or ransomware attacks.
2. Artificial Intelligence Security Risks: AI technology is widely used for data retrieval and integration. In particular, open-source generative AI software has become highly prevalent. While it can improve work efficiency, employees may inadvertently expose confidential company data to the open internet environment. Attention must be paid to the security risks posed by AI, and corresponding protective measures must be adopted.
3. Cloud Security Risks: During business operations, some of the Company's data and systems may be migrated to cloud environments for storage and operation. If a cloud service provider's configuration is improper or its protection mechanisms fail, it may expose the enterprise to risks such as data breaches, service interruptions, or unauthorized access.
4. Software Development Kit (SDK) Risks: During the development of systems or applications, open-source software or third-party packages may be used as development components. If not properly reviewed and managed, such packages may harbor security vulnerabilities, malicious code, or backdoor mechanisms. Once integrated into internal systems, they may create application security weaknesses, increase the risk of cyberattacks, and pose potential threats to overall information security.
5. Outdated Systems and Equipment: For certain existing systems or equipment that have reached end-of-support from the original manufacturer, the latest security updates and vulnerability patches can no longer be obtained, making them more susceptible to exploitation by attackers and increasing the risks of vulnerability exposure and operational maintenance.

- External Cybersecurity Risks:

1. Social Engineering Attacks: Hackers readily exploit human weaknesses through methods such as phishing emails, identity impersonation, and the latest deepfake technology to trick employees into disclosing sensitive information or clicking on malicious links. As employees of the Company frequently interact with domestic and overseas customers, agents, and suppliers, with cross-border communications occurring regularly, this also increases the risk of falling victim to highly realistic social engineering attacks.
2. Ransomware Attacks: Hackers may exploit vulnerabilities in systems or applications to infiltrate the Company's systems, encrypt critical data, and demand a ransom. Should the Company fall victim to a ransomware attack, it may face risks such as business disruption, data loss, and reputational damage.
3. Fraudulent Transaction Scams: Hackers impersonate customers or suppliers to carry out fraudulent transactions. If the Company inadvertently falls into such a trap, it may face crises including financial losses and reputational damage.
4. Third-Party Supplier Security Risks: Enterprises cannot fully assess the cybersecurity maturity of third-party suppliers, and their vulnerabilities may serve as entry points for hackers to use as a springboard for attacks. Supplier security vulnerabilities may become hidden risks to enterprise cybersecurity. The related risks faced by the Company include attacks exploiting supply chain data transmission vulnerabilities and data breaches.

In order to effectively prevent the aforementioned cybersecurity risks, the Company has adopted the following internal and external cybersecurity management measures to strengthen its protection mechanisms and reduce enterprise risk:

- Strengthening Internal Cybersecurity Protection

1. Regularly review the completeness of information security policies: periodically update policy content to address new internal and external threats.
2. Strengthen password rules and employee information security education and training: comprehensively reinforce password setting rules, introduce system authentication to eliminate weak passwords, and regularly conduct information security awareness training and social engineering drills to enhance employees' awareness of information security risks and minimize risks caused by 'human negligence'.
3. Regularly conduct information security risk assessments: inventory the lifecycle of systems and equipment, identify weaknesses in the Company's information security, and implement corresponding improvement measures.
4. Establish a comprehensive incident response mechanism: Develop an information security incident response plan and conduct regular drills to ensure rapid and effective response when incidents occur.
5. Implement rigorous access control: regularly review employees' system and network access privileges to prevent internal employees from abusing their access rights.
6. Establish software development security standards: introduce source code scanning and package vulnerability checks during the development phase to ensure the integrity of the software supply chain and prevent malicious programs from infiltrating core business systems.

- Strengthen external information and communication security protection
 1. Regularly update systems and software: continuously perform version updates and security patches for operating systems, applications, and security equipment to reduce the risk of attacks.
 2. Establish an information security intelligence sharing mechanism: share information security intelligence with other enterprises and security organizations to jointly prevent information security threats.
 3. Strengthen supplier information security management: require suppliers to meet certain information security standards and regularly review suppliers' information security protection capabilities.
 4. Strengthen network perimeter and defense-in-depth architecture: comprehensively adopt Zero Trust architecture and advanced email filtering systems to build a robust network perimeter defense and in-depth monitoring framework, effectively blocking social engineering and external malicious attacks.
 5. Use cloud security services: select cloud service providers with strong information security protection capabilities.
 6. Implement multi-factor authentication: enforce MFA (Multi-Factor Authentication) across the board, requiring all VPN connections to pass two-step verification.

Looking ahead to 2025, in the face of rapidly changing global political and economic conditions and technological transformation, the information security risks faced by the Company are becoming increasingly severe. To ensure the stability and continued development of the Company's operations, the Company continuously promotes the enhancement of internal and external information security governance, improves defense depth through forward-looking technology deployment, and establishes comprehensive incident response and recovery mechanisms to effectively reduce potential impacts. In addition, the Company regularly reviews its own information security strategies and dynamically adjusts its protection priorities in response to new threat situations, ensuring that information security protection capabilities keep pace with the times.

(6) Impact of changes in corporate image on corporate crisis management and countermeasures: None.

(7) Expected benefits, possible risks, and countermeasures for mergers and acquisitions: None.

(8) Expected benefits, possible risks, and countermeasures for plant expansion: None

(9) Risks and countermeasures associated with concentration of procurement or sales:

1. The Company's purchases and sales are evenly distributed across five major industries. In the most recent two years, only one customer accounted for 10% or more of consolidated revenue, and the Company continues to expand its customer base, presenting no risk of excessive sales concentration.
2. In the most recent two years, only one supplier accounted for more than 10% of consolidated purchases in a given year, presenting no risk of excessive procurement concentration. The Company maintains stable cooperative relationships with its major product suppliers, and procurement conditions remain stable.

3. In the event of cyclical fluctuations within a single industry, the overall impact on the Company's operations and profitability is relatively limited, as the Company's business is diversified across multiple industry segments and its sales and procurement counterparties are not concentrated in any specific company.
- (10) Impact, risks, and countermeasures regarding significant transfers or changes in shareholdings of Directors, Supervisors, or major shareholders holding more than ten percent of shares: None.
- (11) Impact, risks, and countermeasures of changes in management control on the Company: None.
- (12) Litigation or non-litigation matters: The Company and its Directors, Supervisors, President, substantive responsible persons, major shareholders holding more than ten percent of shares, and subsidiaries shall disclose significant litigation, non-litigation, or administrative dispute cases that have been finalized or are still pending, the results of which may have a material impact on shareholders' equity or securities prices:
1. Company A filed a lawsuit against its Subsidiary, Kingstone Energy Technology Corporation for failing to fulfill its purchase order obligations under a supply contract, and sought damages of NT\$50,363 thousand. A first-instance judgment was rendered in October 2020, ruling in favor of Company A. Kingstone Energy Technology Corporation has appealed the decision in accordance with the law, and related losses and liability provisions of NT\$50,363 thousand were estimated and recorded in 2021. As of the date of approval of the consolidated financial report, this case is still under review, and the ultimate outcome of the litigation remains subject to significant uncertainty.
 2. In May 2025, Company B sent a written notice to the Company, its Subsidiary Dongguan Raycong and Guangzhou Xingxian Medical Management Consulting Co., Ltd. filing a lawsuit on the grounds of trade secret infringement and seeking compensation for economic losses and litigation costs of RMB 10,380 thousand. The company believes the plaintiff's claims are unsubstantiated, and after evaluation, the aforementioned matter is not expected to have a material impact on the consolidated company's operations or financial statements. However, as of the date of approval of the consolidated financial report, this case is still under review, and the ultimate outcome of the litigation remains subject to significant uncertainty.
 3. In November 2020, Company C sent a written notice to its Subsidiary, Kingstone Energy Technology Corporation terminating the solar power plant lease agreement between both parties, demanding Kingstone Energy Technology Corporation to pay a penalty of NT\$41,704 thousand and forfeiting the performance bond. In May 2023, the court of first instance ruled in favor of Kingstone Energy Technology Corporation. Company B subsequently filed an appeal. In April 2025, both parties reached a settlement during the second-instance proceedings, under which Company B agreed to return the security deposit of NT\$2.4 million and waive all other claims. Kingstone Energy Technology Corporation has received the payment in full.
- (13) Other significant risks and countermeasures: None.

8. Other Important Matters:

The Company's Board of Directors approved the formulation of the "Intellectual Property Management Plan" on March 22, 2022. In order to protect the Company's intellectual property rights and ensure Sustainable Operation, the Company continues to promote intellectual property management.

(1) Protective Measures:

1. Patents

- (1) Regular maintenance review: Review the utilization of granted patents and their relevance to products in order to assess the necessity of continued maintenance.
- (2) Patent awareness promotion: Conducted in a seminar format. Enhance employees' understanding of patents and respect for patent rights, so as to understand the legal boundaries of product sales.

2. Trademarks

(1) Trademark applications:

The Company's trademark applications, after years of effort, cover various important products and have been registered in major sales countries/regions (including Taiwan and Mainland China, among others).

(2) Regular maintenance review:

Review the usage of registered trademarks to assess the necessity of continued maintenance; monitor the Company's future development plans and proactively file new trademark registration applications in advance.

3. Copyrights

(1) Internal management system:

The Company has established an information team to independently develop management systems exclusively for internal use, with functionalities that can better align with actual operational needs.

(2) Other application software:

Obtain legitimate software licenses.

(3) Regular maintenance review:

Review the usage of licensed works and future utilization plans in order to assess the necessity of continued licensing.

4. Trade Secret Protection

(1) Access Control Security Management:

The Company has access control systems installed at all locations. Employees must verify their identity via fingerprint or facial recognition to enter or exit. In particularly critical areas, only certain authorized employees are granted access, and the purpose of each entry and exit must be logged. Non-Company employees visiting the premises must register their identity upon entry, are restricted to designated public areas, and must be accompanied by a Company employee at all times.

(2) Information Security Management:

All computer equipment of the Company requires employees to log in using their personal account credentials, and passwords must be changed on a regular basis.

(3) Department-Exclusive Spaces:

The Company allocates dedicated physical and virtual file storage spaces for each Department, which are independently planned and managed by the respective Departments. For physical spaces, keys must be properly safeguarded; for virtual spaces, read and write permissions are configured accordingly.

(4) Promotion of Confidentiality Awareness:

Conducted in a topic-specific format. To ensure that all personnel have an understanding of trade secrets, thereby effectively fostering the establishment of a rule-of-law awareness.

(2) Implementation Status:

The Company regularly reports intellectual property-related matters to the Board of Directors in the fourth quarter of each year. The most recent report was submitted on November 7, 2025.

- In 2025, 1 Taiwan trademark renewal was processed, with a validity period from July 1, 2025 to June 30, 2035.
- In 2024, 4 Taiwan trademark renewals were processed, with validity periods from April 15, 2034 to September 15, 2034.
- In 2023, 1 Taiwan trademark renewal was processed, with a validity period until June 30, 2033.
- In 2023, 1 China trademark renewal was processed, with a validity period until March 13, 2034.
- In March 2022, the "Intellectual Property Management Plan" was formulated.
- In 2022, the "Intellectual Property Management Plan" page on the official website was created and updated.
- In 2022, patent fee payments and renewals were processed for Japan and China, 4 cases each, totaling 8 cases.
- In 2021, China trademark renewals were processed through the year 2031.

VI. Special Disclosures

1. Information on Affiliated Companies:

(1) Consolidated Business Report of Affiliated Companies

For details, please visit the Market Observation Post System (MOPS) → Single Company → Electronic Document Download → Affiliated Companies Reports Section

<https://mops.twse.com.tw/mops/#/web/home>

<https://mops.twse.com.tw/mops/#/web/home>

(2) Consolidated Business Report of Affiliated Companies

For details, please visit the Market Observation Post System (MOPS) → Single Company → Electronic Document Download → Affiliated Companies Reports Section

<https://mops.twse.com.tw/mops/#/web/home>

<https://mops.twse.com.tw/mops/#/web/home>

(3) Affiliation Report

For details, please visit the Market Observation Post System (MOPS) → Single Company → Electronic Document Download → Affiliated Companies Reports Section

<https://mops.twse.com.tw/mops/#/web/home>

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2. Status of private placements of securities during the most recent fiscal year and through the date of publication of this Annual Report: None.

3. Other necessary supplementary disclosures: None.

VII. Events with Material Impact on Shareholders' Interests or Securities Prices

Events as defined under Article 36, Paragraph 3, Subparagraph 2 of the Securities Exchange Act that have had a material impact on shareholders' interests or securities prices during the most recent fiscal year and through the date of publication of this Annual Report: None.

Wah Lee Industrial Corp.

Chairman: Chang, Tsuen-Hsien