

WAFFER TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Independent Auditors' Review Report

To Waffer Technology Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Waffer Technology Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China]. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche, Taiwan

Liu, Chien-Liang, CPA

Wang, Yi-Wen, CPA

May 13, 2025

Notice to Readers

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

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

Waffer Technology Corporation and its Subsidiaries
Consolidated Balance Sheet
(Expressed in thousands of New Taiwan dollars)

Code	Asset	March 31,2025		December 31, 2024		March 31,2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 838,456	8	\$ 881,995	9	\$ 976,914	10
1150	Notes receivable	8,798	-	5,157	-	4,382	-
1170	Accounts receivable (Note 7)	1,719,727	17	1,644,878	17	1,823,726	20
1180	Accounts receivable - related party (Note 26)	4,699	-	3,090	-	2,739	-
1200	Other receivables	4,846	-	5,855	-	15,231	-
1220	Current income tax assets	-	-	-	-	336	-
130X	Inventory (Note 8)	1,289,759	13	1,342,650	14	992,978	11
1470	Other current assets (Note 12)	<u>255,162</u>	<u>3</u>	<u>187,274</u>	<u>2</u>	<u>246,660</u>	<u>3</u>
11XX	Total current assets	<u>4,121,447</u>	<u>41</u>	<u>4,070,899</u>	<u>42</u>	<u>4,062,966</u>	<u>44</u>
	Non-current assets						
1600	Property, plant and equipment (Note 10)	4,975,681	50	4,661,670	49	4,187,204	46
1755	Right-of-use assets (Note 11)	604,876	6	602,106	6	339,402	4
1840	Deferred tax assets	99,840	1	104,052	1	131,634	1
1990	Other non-current assets (Notes 12)	<u>138,258</u>	<u>2</u>	<u>163,062</u>	<u>2</u>	<u>462,351</u>	<u>5</u>
15XX	Total non-current assets	<u>5,818,655</u>	<u>59</u>	<u>5,530,890</u>	<u>58</u>	<u>5,120,591</u>	<u>56</u>
1XXX	Total assets	<u>\$ 9,940,102</u>	<u>100</u>	<u>\$ 9,601,789</u>	<u>100</u>	<u>\$ 9,183,557</u>	<u>100</u>
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term loans (Notes 13)	\$ 792,500	8	\$ 566,015	6	\$ 575,511	6
2170	Accounts payable (Note 14)	1,031,596	10	1,055,544	11	1,229,337	13
2219	Other payables (Note 15)	1,171,357	12	1,018,403	10	1,578,791	17
2220	Other payables - related party (Note 26)	3,210	-	6,577	-	1,735	-
2230	Current income tax liabilities	34,907	-	24,561	-	60,760	1
2250	Provisions	1,219	-	1,202	-	2,542	-
2280	Lease liabilities (Note 11)	5,158	-	5,107	-	11,792	-
2320	Long-term loans - current portion (Note 13)	100,704	1	356,542	4	412,951	5
2399	Other current liabilities (Note 15)	<u>248,183</u>	<u>3</u>	<u>283,592</u>	<u>3</u>	<u>206,421</u>	<u>2</u>
21XX	Total current liabilities	<u>3,388,834</u>	<u>34</u>	<u>3,317,543</u>	<u>34</u>	<u>4,079,840</u>	<u>44</u>
	Non-current liabilities						
2540	Long-term loans (Note 13)	1,357,421	14	1,058,749	11	691,154	8
2570	Deferred tax liabilities	294,977	3	268,846	3	228,724	2
2580	Lease liabilities (Note 11)	13,790	-	15,105	-	18,948	-
2630	Long-term deferred revenue (Note 23)	175,101	2	178,140	2	158,353	2
2645	Deposit received	<u>6,359</u>	<u>-</u>	<u>6,498</u>	<u>-</u>	<u>7,974</u>	<u>-</u>
25XX	Total non-current liabilities	<u>1,847,648</u>	<u>19</u>	<u>1,527,338</u>	<u>16</u>	<u>1,105,153</u>	<u>12</u>
2XXX	Total liabilities	<u>5,236,482</u>	<u>53</u>	<u>4,844,881</u>	<u>50</u>	<u>5,184,993</u>	<u>56</u>
	Equity (Note 17)						
	Share capital						
3110	Ordinary share capital	1,998,105	20	1,998,045	21	1,931,650	21
3140	Capital collected in advance	<u>1,284</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>4,558</u>	<u>-</u>
3100	Total share capital	<u>1,999,389</u>	<u>20</u>	<u>1,998,126</u>	<u>21</u>	<u>1,936,208</u>	<u>21</u>
3200	Capital surplus	<u>638,894</u>	<u>6</u>	<u>638,873</u>	<u>7</u>	<u>397,498</u>	<u>4</u>
	Retained earnings						
3310	Legal reserve	290,144	3	290,144	3	209,900	2
3320	Special reserves	87,942	1	87,942	1	43,767	1
3350	Undistributed earnings	<u>1,493,005</u>	<u>15</u>	<u>1,613,698</u>	<u>17</u>	<u>1,344,036</u>	<u>15</u>
3300	Total retained earnings	<u>1,871,091</u>	<u>19</u>	<u>1,991,784</u>	<u>21</u>	<u>1,597,703</u>	<u>18</u>
3400	Other equity	<u>194,246</u>	<u>2</u>	<u>128,125</u>	<u>1</u>	<u>67,155</u>	<u>1</u>
3XXX	Total equity	<u>4,703,620</u>	<u>47</u>	<u>4,756,908</u>	<u>50</u>	<u>3,998,564</u>	<u>44</u>
	Total liabilities and equity	<u>\$ 9,940,102</u>	<u>100</u>	<u>\$ 9,601,789</u>	<u>100</u>	<u>\$ 9,183,557</u>	<u>100</u>

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

Waffer Technology Corporation and its Subsidiaries
Consolidated Statement of Comprehensive Income
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		For the Three Months Ended March 31			
		2025		2024	
Code		Amount	%	Amount	%
4100	Revenue from sale of goods (Notes 18 and 26)	\$ 1,452,365	100	\$ 1,555,987	100
5110	Cost of sale of goods (Notes 8, 19 and 26)	<u>1,082,917</u>	<u>75</u>	<u>1,146,979</u>	<u>74</u>
5900	Gross profit margin	<u>369,448</u>	<u>25</u>	<u>409,008</u>	<u>26</u>
	Operating expenses (Notes 19 and 26)				
6100	Selling expenses	72,598	5	54,167	4
6200	Administrative expenses	98,342	7	69,609	4
6300	R&D expenses	<u>69,059</u>	<u>4</u>	<u>76,298</u>	<u>5</u>
6000	Total operating expenses	<u>239,999</u>	<u>16</u>	<u>200,074</u>	<u>13</u>
6900	Operating net profit	<u>129,449</u>	<u>9</u>	<u>208,934</u>	<u>13</u>
	Non-operating revenue and expenses (Note 19)				
7100	Interest revenue	2,134	-	1,418	-
7010	Other revenue	17,358	1	50,393	3
7020	Other gains and losses	18,984	1	13,698	1
7050	Financial costs	(<u>12,125</u>)	(<u>1</u>)	(<u>8,095</u>)	-
7000	Total non-operating revenue and expenses	<u>26,351</u>	<u>1</u>	<u>57,414</u>	<u>4</u>
7900	Profit before tax	155,800	10	266,348	17
7950	Income tax expense (Note 20)	<u>32,675</u>	<u>2</u>	<u>63,721</u>	<u>4</u>
8200	Net income	<u>123,125</u>	<u>8</u>	<u>202,627</u>	<u>13</u>

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(Brought Forward)

		For the Three Months Ended March 31			
		2025		2024	
Code		Amount	%	Amount	%
	Other comprehensive income				
	Items that might be reclassified to profit and loss				
8361	Exchange differences on translation of foreign financial statements	\$ 82,652	6	\$ 193,869	12
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 17)	(16,531)	(1)	(38,772)	(2)
8300	Other comprehensive income after tax for the period	66,121	5	155,097	10
8500	Total comprehensive income for the period	\$ 189,246	13	\$ 357,724	23
	Earnings per share (Note 21)				
9750	Basic	\$ 0.62		\$ 1.05	
9850	Diluted	\$ 0.61		\$ 1.04	

The accompanying notes are an integral part of these consolidated financial statements

Waffer Technology Corporation and its Subsidiaries
Consolidated Statement of Changes in Equity
For the Three Months Ended March 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of New Taiwan dollars)

		Share capital				Retained earnings				Other equity items	
Code		Ordinary share capital	Capital collected in advance	Total	Capital surplus	Legal reserve	Special reserves	Undistributed earnings	Total	Exchange differences on translation of foreign financial statements	Aggregate
A1	Balance on January 1, 2024	\$ 1,931,376	\$ 369	\$ 1,931,745	\$ 397,403	\$ 209,900	\$ 43,767	\$ 1,466,294	\$ 1,719,961	(\$ 87,942)	\$ 3,961,167
	Appropriation and distribution of 2023 earnings										
B5	Cash dividends	-	-	-	-	-	-	(324,885)	(324,885)	-	(324,885)
D1	Net income for the three months ended march 31, 2024	-	-	-	-	-	-	202,627	202,627	-	202,627
D3	Other comprehensive income after tax for the three months ended march 31, 2024	-	-	-	-	-	-	-	-	155,097	155,097
D5	Total comprehensive income for the three months ended march 31, 2024	-	-	-	-	-	-	202,627	202,627	155,097	357,724
N1	Ordinary shares issued under the employee stock options plan	274	(369)	(95)	95	-	-	-	-	-	-
N1	Employee stock options exercised - Capital collected in advance	-	4,558	4,558	-	-	-	-	-	-	4,558
Z1	Balance on March 31, 2024	\$ 1,931,650	\$ 4,558	\$ 1,936,208	\$ 397,498	\$ 209,900	\$ 43,767	\$ 1,344,036	\$ 1,597,703	\$ 67,155	\$ 3,998,564

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Code		Share capital				Retained earnings				Other equity items	Aggregate
		Ordinary share capital	Capital collected in advance	Total	Capital surplus	Legal reserve	Special reserves	Undistributed earnings	Total	Exchange differences on translation of foreign financial statements	
A1	Balance on January 1, 2025	\$ 1,998,045	\$ 81	\$ 1,998,126	\$ 638,873	\$ 290,144	\$ 87,942	\$ 1,613,698	\$ 1,991,784	\$ 128,125	\$ 4,756,908
	Appropriation and distribution of 2024 earnings										
B5	Cash dividends	-	-	-	-	-	-	(243,818)	(243,818)	-	(243,818)
D1	Net income for the three months ended march 31, 2025	-	-	-	-	-	-	123,125	123,125	-	123,125
D3	Other comprehensive income after tax for the three months ended march 31, 2025	-	-	-	-	-	-	-	-	66,121	66,121
D5	Total comprehensive income for the three months ended march 31, 2025	-	-	-	-	-	-	123,125	123,125	66,121	189,246
N1	Ordinary shares issued under the employee stock options plan	60	(81)	(21)	21	-	-	-	-	-	-
N1	Employee stock options exercised - Capital collected in advance	-	1,284	1,284	-	-	-	-	-	-	1,284
Z1	Balance on March 31, 2025	<u>\$ 1,998,105</u>	<u>\$ 1,284</u>	<u>\$ 1,999,389</u>	<u>\$ 638,894</u>	<u>\$ 290,144</u>	<u>\$ 87,942</u>	<u>\$ 1,493,005</u>	<u>\$ 1,871,091</u>	<u>\$ 194,246</u>	<u>\$ 4,703,620</u>

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

Waffer Technology Corporation and its Subsidiaries
Consolidated Cash Flow Statement
For the Three Months Ended March 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

Code		2025	2024
	Cash flow from operating activities		
A10000	Profit before tax for the period	\$ 155,800	\$ 266,348
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses (including right-of-use assets)	125,919	102,118
A20200	Amortization expenses	3,421	2,921
A20900	Financial costs	12,125	8,095
A21200	Interest revenue	(2,134)	(1,418)
A22500	Net loss (gain) on disposal of property, plant and equipment	(1,148)	(75)
A23700	Losses on inventory devaluation	19,261	22,291
A24100	Net loss (gain) on Unrealized foreign exchange	2,709	(46,886)
A29900	Long-term deferred revenue restated into other revenue	(5,523)	(4,276)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(3,641)	1,163
A31150	Accounts receivable	(69,203)	5,297
A31160	Accounts receivable - related party	(1,609)	6,885
A31180	Other receivables	1,009	(1,018)
A31200	Inventory	52,363	(38,246)
A31240	Other current assets	(67,757)	(34,426)
A31990	Other non-current assets	(1,614)	(25)
A32150	Accounts payable	(23,848)	108,325
A32180	Other payables	(32,377)	2,999
A32190	Other payables - related party	(3,367)	(1,693)
A32230	Other current liabilities	(35,409)	(8,500)
A33000	Cash inflow from operating activities	124,977	389,879
A33100	Interest collected	2,134	1,417
A33300	Interest paid	(12,123)	(7,804)
A33500	Income tax paid	(8,157)	(36,869)
AAAA	Net cash inflow from operating activities	<u>106,831</u>	<u>346,623</u>

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(Brought Forward)

Code		2025	2024
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	(\$ 393,510)	(\$ 333,407)
B02800	Proceeds from disposal of property, plant and equipment	3,061	102
B03700	Increase in refundable deposit	(2,164)	(77)
B03800	Decrease in refundable deposit	17,158	48,093
B06700	Increase in long-term deferred revenue	-	44,261
B07100	Increase in prepayments for equipment	(18,009)	(45,994)
BBBB	Net cash outflow from investing activities	(393,464)	(287,022)
	Cash flow from financing activities		
C00100	Increase (decrease) in short-term loans	219,875	(88,523)
C01600	Proceeds from Long-term loans	294,585	309,829
C01700	Repayments of long-term loans	(272,136)	(81,250)
C03100	Refund of deposit received	(229)	-
C04020	Repayment of principal portion of lease liabilities	(1,264)	(3,407)
C04800	Employee stock options exercise price	1,284	4,558
CCCC	Cash inflow from financing activities	242,115	141,207
DDDD	Effect of exchange rate changes on cash	979	1,542
EEEE	Net increase (decrease) in cash for the current year	(43,539)	202,350
E00100	Balance of cash, beginning	881,995	774,564
E00200	Balance of cash, ending	\$ 838,456	\$ 976,914

The accompanying notes are an integral part of these consolidated financial statements

Waffer Technology Corporation and its Subsidiaries
Notes to Consolidated Financial Statements
January 1 to March 31, 2025 and 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

I. Company history

Waffer Technology Corporation (hereinafter referred to as the “Company”) was incorporated in January 1954, primarily engaged in establishing factories to produce and sell the Magnesium Aluminum Alloy molded products in the mainland China. The Company listed its stocks on TPEx as of March 2003, and on TWSE in August 2004.

The present consolidated financial statements are expressed in New Taiwan Dollars, the functional currency of the Company.

II. Dates and procedures where the financial statements were resolved

The consolidated financial statements were approved by the Board of Directors on May 13, 2025.

III. Applicability of newly promulgated and amended standard rules and interpretations

- (1) The first-time adoption of the IFRS, IAS, IFRIC, and SIC approved and effective upon promulgation by the Financial Supervisory Commission (“FSC”) (hereinafter referred to as the “IFRS Accounting Standards” collectively).

The application of the Amendments to IAS 21 “Lack of Exchangeability” will not cause significant changes to the accounting policies of the Group.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7	January 1, 2026 (Note)
“Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Until the date the consolidated financial statements were authorized for issue, the Group assessed that the amendments to said standard rules and interpretations were not likely to pose any significant impact to its financial position and results of operations.

- (3) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS1 "Presentation of Financial Statements" and the main changes to the Standards include:

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

Except for the above impact, until the date the consolidated financial statements were authorized for issue, the Group still continued to assess the impact to be posed by the amendments to said standard rules and interpretations to its financial position and results of operations. It will disclose the relevant impact upon completion of the assessment.

IV. Summary of significant accounting policies

(1) Statement of compliance

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

(2) Basis of preparation

Except the financial instruments at fair value through profit or loss and the net defined benefit liabilities at the present value of defined benefit obligation less the fair values of the planned assets, the consolidated financial statements have been duly prepared on the grounds of historical costs.

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

1. Level 1 inputs refer to the quoted price (unadjusted) in active markets for identical assets or liabilities, available on the measurement date;
2. Level 2 inputs refer to those that can be observed directly (i.e. price) or indirectly (i.e. established from price) for an asset or liability, other than Level 1 quoted price.
3. Level 3 inputs refer to those that can not be observed for an asset or liability.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with

those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Please refer to Note 9, Schedules 6 and 7 for details about subsidiaries, and their shareholding percentages and business lines.

(4) Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1. Income tax expense

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

V. Significant accounting judgments, and major sources of estimation and assumption uncertainty

In the application of the Group's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The actual consequences might differ from the estimates.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

VI. Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working capital	\$ 54	\$ 60	\$ 40
Checks and demand deposit	838,402	881,935	931,772
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	-	-	45,102
	<u>\$ 838,456</u>	<u>\$ 881,995</u>	<u>\$ 976,914</u>

VII. Accounts receivable

The Group's average credit period for sale of goods ranges from 60 days to 135 days. The accounts receivable are collected without interest. According to the Group's policy, the Group only trades with the counterparts with renowned goodwill, and would insure the accounts receivable from certain counterparts to mitigate the risk of financial loss to be caused by delinquent payment, if necessary. Before accepting any new customer, the Group would evaluate the potential customer's credit quality and set the credit limit for the customer via the internal credit investigation and related sale management department. The customer's credit limit and rating shall be reviewed once per year.

In order to mitigate the credit risks, the Group's management shall assign the dedicated personnel to decide the credit limit, approve the loan and track the overdue payment, to ensure the proper actions have been taken for the recovery of overdue receivables. The Group would, on the balance sheet date, recheck the recoverable amounts of the accounts receivable one by one, in order to assure that appropriate impairment allowance has been duly provided for uncollectible accounts receivable. Given this, the Company's management believe that the consolidated companies' credit risk should have been significantly reduced.

The Group recognizes loss allowance for accounts receivable based on the lifetime expected credit loss, according to the streamlined approach under IFRS

9. The lifetime expected credit losses are calculated by considering the customers' past default records and current financial position, and economic condition of the industry. As the Group's credit loss history shows that there is no significant difference among the loss patterns of different customer bases, the reserve matrix doesn't further divide the customer bases, but only establishes the expected credit losses based on the number of days for which the accounts receivable become overdue.

The Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. the trading counterpart is under liquidation. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized into the income.

As of March 31, 2025; December 31, 2024; and March 31, 2024, the provision for bad debts in each aging range is 0 thousand.

The aging analysis for accounts receivable measured by the Group as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Not past due	\$ 1,613,813	\$ 1,519,153	\$ 1,724,516
Overdue 1~30 days	78,043	109,985	85,462
Overdue 31~90 days	23,127	15,740	7,375
Overdue 91~120 days	-	-	-
Overdue more than 120 days	4,744	-	6,373
Loss allowance	-	-	-
	<u>\$ 1,719,727</u>	<u>\$ 1,644,878</u>	<u>\$ 1,823,726</u>

VIII. Inventory

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 866,729	\$ 955,644	\$ 599,627
Semi-finished goods	274,657	226,418	249,437
Goods in process	122,511	132,320	93,100
Raw materials and supplies	25,862	28,268	50,814
	<u>\$ 1,289,759</u>	<u>\$ 1,342,650</u>	<u>\$ 992,978</u>

The cost of goods sold for the three months ended March 31, 2025 and 2024 included the losses on inventory devaluation of \$19,261 thousand and \$22,291 thousand, respectively.

IX. Subsidiary

(1) Subsidiaries included into the consolidated financial statements:

The present consolidated financial statements include the following key entities:

Investor's name	Subsidiary's name	Business nature	% of ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
The Company	Waffer International Limited (WIL)	Trading	100%	100%	100%
The Company	Burton Consultants Limited (Burton)	Investment	100%	100%	100%
The Company	Waffer Investments Limited (WIV)	Investment	100%	100%	100%
The Company	MGA Holdings Limited (MGA)	Investment	100%	100%	100%
The Company	Maanshan Capital Holding Limited (MCH)	Investment	100%	100%	100%
The Company	Perfect Light Co., Ltd. (WPL)	Investment	100%	100%	100%
WIV	Waffer Technology (Kunshan) Limited (WTK)	Production and marketing of magnesium aluminum alloy molded products and molds	100%	100%	100%
MGA	Waffer Technology (Maanshan) Limited (WTM)	Production and marketing of magnesium aluminum alloy molded products	100%	100%	100%
Burton	Waffer International (Maanshan) Limited (WIM)	Production and marketing of magnesium aluminum alloy molded products	100%	100%	100%
MCH	Waffer International (Hanshan) Limited(WIH)	Production and marketing of magnesium aluminum alloy molded products	100%	100%	100%
WPL	Waffer Technology (Vietnam) Co. Ltd (WTV)	Production and marketing of magnesium aluminum alloy molded products	100%	100%	100%

(2) Subsidiaries included into the consolidated financial statements: None.

X. Property, plant and equipment

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Assets used by the Group</u>			
Building	\$ 1,574,113	\$ 1,580,817	\$ 1,601,073
Machinery	2,214,056	2,067,011	1,956,609
Mold	2,015	2,482	4,003
Other equipment	173,903	160,860	124,201
Real estate under construction	<u>1,011,594</u>	<u>850,500</u>	<u>501,318</u>
	<u>\$ 4,975,681</u>	<u>\$ 4,661,670</u>	<u>\$ 4,187,204</u>

Except for the capital expenditures for production inputs amounting to \$354,539 thousand and \$545,998 thousand, respectively, and depreciation recognized, the Group did not have significant addition or disposal of property, plant and equipment during the three months ended March 31, 2025 and 2024.

Depreciation of the Group's property, plant and equipment is provided on a straight-line basis over useful years shown as follows:

Building	20 years
Machinery	2~15 years
Mold	2~5 years
Other equipment	2~11 years

For the amounts of property, plant and equipment as furnished by the Group to secure loans, please refer to Note 27.

XI. Lease agreement

(1) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Land	\$ 586,817	\$ 582,770	\$ 310,065
Building	<u>18,059</u>	<u>19,336</u>	<u>29,337</u>
	<u>\$ 604,876</u>	<u>\$ 602,106</u>	<u>\$ 339,402</u>

	For the Three Months Ended March 31	
	2025	2024
Depreciation of right-of-use assets		
Land	\$ 3,827	\$ 1,701
Building	<u>1,277</u>	<u>3,350</u>
	<u>\$ 5,104</u>	<u>\$ 5,051</u>

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

For the amounts of right-of-use assets furnished by the Group to secure loans, please refer to Note 27.

(2) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 5,158</u>	<u>\$ 5,107</u>	<u>\$ 11,792</u>
Non-current	<u>\$ 13,790</u>	<u>\$ 15,105</u>	<u>\$ 18,948</u>

Discount rate range of lease liabilities are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Building	<u>2.42%~2.91%</u>	<u>2.42%~2.91%</u>	<u>2.42%~4.00%</u>

(3) Important lease activities and terms

The Group rents the buildings occupied as factory premises and offices. The lease period ranges from 3 to 8 years. Upon termination of the lease period, the Group retains no preemptive right to purchase the rented building, and also agrees that it shall not sublet, lend or transfer the leased premises, in whole or in part, to another person without the landlord's prior consent.

(4) Information about other leases

	For the Three Months Ended March 31	
	2025	2024
Short-term lease expenses	\$ 5,215	\$ 6,814
Variable lease payments not included in lease liabilities	\$ 64	\$ 64
Total cash outflows from lease	(\$ 6,679)	(\$ 10,520)

The Group chooses the buildings, office equipment and low-value office equipment subject to a short-term lease to apply the exempted recognition and, therefore, no right-of-use assets or lease liabilities are recognized for the lease.

XII. Other assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Overpaid VAT	\$ 164,927	\$ 101,035	\$ 181,266
Prepaid expenses	50,934	49,837	32,642
Inventory of supply	38,268	35,382	31,756
Payment in advance	1,033	1,020	996
	<u>\$ 255,162</u>	<u>\$ 187,274</u>	<u>\$ 246,660</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 64,740	\$ 73,489	\$ 157,823
Long-term prepaid expenses	31,325	32,735	278,161
Refundable deposit	21,090	35,755	7,490
Net defined benefit assets	16,503	16,483	14,277
Others	4,600	4,600	4,600
	<u>\$ 138,258</u>	<u>\$ 163,062</u>	<u>\$ 462,351</u>

As of March 31, 2024, long-term prepaid expenses included land use rights in Vietnam amounting to \$245,425 thousand. As the Group obtained the land use right certificate in Q2 of 2024, the amount was reclassified to right-of-use assets.

XIII. Loans

(1) Short-term loans

The information about the Group's short-term loans:

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured loans</u> (Note 27)			
Bank loans	\$ -	\$ -	\$ 225,511
<u>Unsecured loans</u>			
Bank credit loans	<u>792,500</u>	<u>566,015</u>	<u>350,000</u>
	<u>\$ 792,500</u>	<u>\$ 566,015</u>	<u>\$ 575,511</u>

The interest rates for the bank credit loans ranged from 1.95% to 2.85%, 2.04% to 2.95%, and 1.83% to 3.15% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(2) Long-term loans

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured loans</u> (Note 27)			
Bank loans	\$ 1,458,125	\$ 1,144,378	\$ 631,431
<u>Unsecured loans</u>			
Bank credit loans	-	270,913	472,674
Less: Stated as the current portion	(<u>100,704</u>)	(<u>356,542</u>)	(<u>412,951</u>)
	<u>\$ 1,357,421</u>	<u>\$ 1,058,749</u>	<u>\$ 691,154</u>
<u>Loan details</u>			
Interest rates	2.60%~3.10%	2.95%~3.20%	2.10%~3.45%
Maturity date	Maturing gradually before May 2032	Maturing gradually before May 2032	Maturing gradually before June 2030

XIV. Accounts payable

The accounts payable as stated by the Group were generated from operating activities. The average credit period thereof should be 30~120 days. The Group has adopted its financial risk management policy to ensure that all payables are repaid within the credit term as agreed in advance.

XV. Other liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Payables for dividends	\$ 243,818	\$ -	\$ 324,885
Payables for equipment and engineering	234,071	273,042	521,543
Salary and bonus payable	220,923	243,546	215,241
Consumables expenses payable	185,600	183,085	193,932
Freight payable	53,865	55,524	50,151
Utilities payable	47,018	40,686	33,889
Remuneration payable to employees and directors	34,682	60,610	47,150
Repair and maintenance payable	16,506	16,963	19,759
Employee welfare payable	15,572	13,000	17,838
Vacation payable	12,171	8,216	7,567
Service fees payable	12,137	12,669	14,756
Others	94,994	111,062	132,080
	<u>\$ 1,171,357</u>	<u>\$ 1,018,403</u>	<u>\$ 1,578,791</u>
Other Current Liabilities			
Contract liabilities	\$ 185,121	\$ 160,222	\$ 143,107
Refund liability	55,953	116,287	57,331
Receipts under custody	7,109	7,083	5,983
	<u>\$ 248,183</u>	<u>\$ 283,592</u>	<u>\$ 206,421</u>

XVI. Retirement benefits plan

For the three months ended March 31, 2025 and 2024, the pension income of defined benefit plans were \$20 thousand and \$25 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

XVII. Equity

(1) Ordinary share capital

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares (in thousand shares)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Authorized share capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
The number of issued and outstanding shares with paid-in capital (in thousand shares)	<u>199,811</u>	<u>199,805</u>	<u>193,165</u>
Issued share capital	<u>\$ 1,998,105</u>	<u>\$ 1,998,045</u>	<u>\$ 1,931,650</u>
Capital collected in advance	<u>\$ 1,284</u>	<u>\$ 81</u>	<u>\$ 4,558</u>

The ordinary shares are issued with par value of NT\$10 per share with one voting right and right to collect dividends for each.

The share capital retained out of the authorized share capital for issuance of employee stock options totals 25,000 thousand shares.

The change in the Company's capital stock result from the cash capital increase and employees' execution of stock options. For the capital collected in advance for the employees' execution of stock options, the Board of Directors has resolved that May 13, 2025 shall be set as the record date for issuance of new shares and the change registration was pending at the competent authority.

The Company's Board of Directors resolved on May 9, 2024 to issue 5,800 thousand new shares for the cash capital increase, at the par value of \$10 per share, amounting to \$58,000 thousand in total. Said cash capital increase project took effect after being reported to the FSC on June 13, 2024. The Chairman, authorized by the Board of Directors, has decided to set December 6, 2024, as the record date for the capital increase and the shares should be issued at premium, \$50 per share. The registration of changes was already completed on December 18, 2024.

(2) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
<u>It can be applied for</u> <u>make-up of losses,</u> <u>cash distribution, or</u> <u>capitalization (Note).</u>			
Premium in stock issuance	\$ 563,609	\$ 563,588	\$ 333,311
Restated upon expiration of the employee stock options	6,071	6,071	6,071
Restated upon exercise of the employee stock options	69,214	68,727	55,049
<u>Not for any purposes</u>			
Employee stock options	-	487	3,067
	<u>\$ 638,894</u>	<u>\$ 638,873</u>	<u>\$ 397,498</u>

Note: Such capital surplus can be used to make up for losses. Meanwhile, when the Company suffers no losses, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(3) Retained earnings and dividend policy

According to the earnings distribution policy under the Company's Articles of Incorporation, if there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve. Subsequently, the Company shall contribute or reverse special reserve pursuant to laws or the competent authority's requirements. The balance, if any, plus the accumulated undistributed earnings in the past years, shall be distributed per the motion for distribution of earnings proposed by the Board of Directors. If it is distributed in the form of new shares, a motion shall be submitted to the shareholders' meeting for approval before distribution. If it is distributed in cash, special resolution should be passed at a Board meeting. The results shall then be reported to a shareholders'

meeting. Please refer to Note 19 (6) “Remuneration to Employees and Directors” for the distribution of remuneration to the employees and directors prescribed in the Company's Articles of Incorporation.

The legal reserve should be contributed until its balance reaches the Company’s total paid-in capital stock. The legal reserve can be appropriated to cover previous losses. Where the Company doesn’t operate at a loss, the part of the legal reserve in excess of 25% of the paid-in capital could be applied for capitalization and may be allocated in cash as well.

The Company's 2024 and 2023 earnings appropriation plan is stated as follows:

	<u>2024</u>	<u>2023</u>
Legal reserves	<u>\$ 59,671</u>	<u>\$ 80,244</u>
Special reserves	<u>(\$ 87,942)</u>	<u>\$ 44,175</u>
Cash dividends	<u>\$ 243,818</u>	<u>\$ 324,885</u>
Cash dividend per share (NT\$)	\$ 1.2197	\$ 1.6790

The above 2024 and 2023 appropriations for cash dividends had been resolved by the Company’s board of directors on February 25, 2025 and February 29, 2024, respectively; the other proposed appropriations for 2023 had been resolved by the shareholders in their meeting on May 28, 2024. The other proposed appropriations for 2024 will be resolved by the shareholders in their meeting to be held on May 23, 2025.

The 2024 payout ratio was estimated as NT\$1.22 per share, subject to the 199,851 thousand shares represented by shareholders entitled to participation in the distribution of dividends until January 31, 2025. As a result of the employees’ exercise of stock options to subscribe for ordinary shares, the Company's outstanding shares have been changed by 199,906 thousand shares until March 5, 2025 when the subscription was suspended. Therefore, the Board of Directors meeting on February 25, 2025 resolved the chairman was authorized to adjust the payout ratio as NT\$1.2197 per share.

The 2023 payout ratio was estimated as NT\$1.68 per share, subject to the 193,384 thousand shares represented by shareholders entitled to participation

in the distribution of dividends until January 31, 2024. As a result of the employees' exercise of stock options to subscribe for ordinary shares, the Company's outstanding shares have been changed by 193,503 thousand shares until March 11, 2024 when the subscription was suspended. Therefore, the Board of Directors meeting on February 29, 2024 resolved the chairman was authorized to adjust the payout ratio as NT\$1.6790 per share.

(4) Special reserves

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1 and March 31	<u>\$ 87,942</u>	<u>\$ 43,767</u>

(5) Other equity items

Exchange differences on translation of foreign financial statements

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 128,125	(\$ 87,942)
Exchange differences on translation of foreign financial statements	82,652	193,869
Related income tax	(16,531)	(38,772)
Balance on March 31	<u>\$ 194,246</u>	<u>\$ 67,155</u>

XVIII. Revenue

<u>Category of revenue from sales</u>	For the Three Months Ended March 31	
	2025	2024
Magnesium aluminum alloy molded products and molds	\$ 1,432,266	\$ 1,532,145
Plastic injection	<u>20,099</u>	<u>23,842</u>
	<u>\$ 1,452,365</u>	<u>\$ 1,555,987</u>

XIX. Net income (loss) of the current period

(1) Other revenue

	For the Three Months Ended March 31	
	2025	2024
Revenue from government subsidies (Note 23)	\$ 11,513	\$ 48,506
Others	<u>5,845</u>	<u>1,887</u>
	<u>\$ 17,358</u>	<u>\$ 50,393</u>

(2) Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Net foreign currency exchange gains	\$ 18,209	\$ 14,138
Disposal of property, plant and equipment (losses) gains	1,148	75
Others	(<u>373</u>)	(<u>515</u>)
	<u>\$ 18,984</u>	<u>\$ 13,698</u>

(3) Financial costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 15,102	\$ 13,145
Interest on lease liabilities	<u>136</u>	<u>235</u>
	15,238	13,380
Less: Amounts included in the cost of qualifying assets	(<u>3,113</u>)	(<u>5,285</u>)
	<u>\$ 12,125</u>	<u>\$ 8,095</u>

Information on capitalized interest is as follows:

	For the Three Months Ended March 31	
	2025	2024
Capitalized interest amount	\$ 3,113	\$ 5,285
Capitalization rate	2.60%	3.45%

(4) Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	\$ 120,815	\$ 97,067
Right-of-use assets	5,104	5,051
Long-term prepaid expenses	<u>3,421</u>	<u>2,921</u>
	<u>\$ 129,340</u>	<u>\$ 105,039</u>
Summarization of depreciation expenses by function		
Cost of goods sold	\$ 107,375	\$ 86,708
Operating expenses	<u>18,544</u>	<u>15,410</u>
	<u>\$ 125,919</u>	<u>\$ 102,118</u>
Summarization of amortization expenses by function		
Cost of goods sold	\$ 585	\$ 565
Operating expenses	<u>2,836</u>	<u>2,356</u>
	<u>\$ 3,421</u>	<u>\$ 2,921</u>

(5) Employee benefit expenses

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	<u>\$ 328,469</u>	<u>\$ 325,528</u>
Retirement benefits		
Defined contribution plan	18,669	15,820
Defined benefit plan	(<u>20</u>)	(<u>25</u>)
	<u>18,649</u>	<u>15,795</u>
Total employee benefit expenses	<u>\$ 347,118</u>	<u>\$ 341,323</u>
Summarization of employee benefit expenses by function		
Cost of goods sold	\$ 232,987	\$ 254,281
Operating expenses	<u>114,131</u>	<u>87,042</u>
	<u>\$ 347,118</u>	<u>\$ 341,323</u>

(6) Remuneration to employees and directors

According to the Articles of Incorporation, the Company shall appropriate 1%~10% and no more than 2% of the profit of the year as remuneration to employees and directors, respectively. According to the amendments to the Securities and Exchange Act in August 2024, the Company plans to amend the Articles of Incorporation in the 2025 shareholders' meeting, stipulating that the amount of the remuneration to the entry-level employees shall be no less than 5% of the remuneration allocated for the year. The remuneration to employees (including the remuneration to the entry-level employees) and directors for the three months ended March 31, 2025 and 2024 is as follows:

Estimate on ratio

	For the Three Months Ended March 31	
	2025	2024
Remuneration to employees	3.00%	3.00%
Remuneration to directors	1.00%	1.00%

Amount

	For the Three Months Ended March 31	
	2025	2024
Remuneration to employees	\$ 4,373	\$ 7,156
Remuneration to directors	\$ 1,457	\$ 2,385

Should there be any change to the annual consolidated financial statements after the reporting date, the differences are accounted for as the changes of accounting estimates in the following year.

The estimated remuneration to employees and directors in 2024 and 2023 were resolved at the Board of Directors meetings on February 25, 2025 and February 29, 2024 as follows:

Amount

	Cash	Cash
Remuneration to employees	<u>\$ 25,629</u>	<u>\$ 33,787</u>
Remuneration to directors	<u>\$ 3,224</u>	<u>\$ 3,822</u>

There was no difference between the amount of actual remuneration distributed to the employees and directors in 2024 and 2023 and the amount recognized in the 2024 and 2023 consolidated financial statements.

Please refer to the “Market Observation Post System (MOPS)” of TWSE for information on the remuneration to the Company’s employees and directors resolved at the Company’s Board of Directors meetings.

(7) Foreign currency exchange gains or loss

	For the Three Months Ended March 31	
	2025	2024
Total foreign exchange gains	\$ 55,776	\$ 131,763
Total foreign exchange losses	(<u>37,567</u>)	(<u>117,625</u>)
Net gains (losses)	<u>\$ 18,209</u>	<u>\$ 14,138</u>

XX. Income tax

(1) Income tax recognized into the income

The income tax expenses are primarily composed of the following items:

	For the Three Months Ended March 31	
	2025	2024
Current income tax		
Those generated in the current period	\$ 18,299	\$ 39,941
Deferred tax		
In respect of the current period	<u>14,376</u>	<u>23,780</u>
Income tax expenses recognized into the income	<u>\$ 32,675</u>	<u>\$ 63,721</u>

The Group applies the tax rate 20% applicable to entities under the R.O.C. Income Tax Act. Except for WTM and WIH, which is applicable to the

preferential tax rate of 15% for Chinese high-tech enterprises, other the tax rate 25% should be applied to the subsidiaries in the mainland China.

(2) Authorization of domestic income tax

The company's profit-seeking enterprise income tax returns has been approved by the tax collection authority for cases before 2022

XXI. Earnings per share

Unit: NT\$ per share

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	\$ 0.62	\$ 1.05
Diluted earnings per share	\$ 0.61	\$ 1.04

The net income and weighted average number of ordinary shares used to calculate the earnings per share (EPS) are enumerated below:

Net income

	For the Three Months Ended March 31	
	2025	2024
Net income used to calculate basic and diluted earnings per share	\$ 123,125	\$ 202,627

Quantity of shares

Unit: Thousand shares

	For the Three Months Ended March 31	
	2025	2024
The weighted average number of ordinary shares used to calculate the basic EPS	199,872	193,371
Effect of potentially dilutive ordinary shares:		
Employee stock options	28	646
Remuneration to employees	321	282
The weighted average number of ordinary shares used to calculate the diluted EPS	200,221	194,299

If the Group offers to settle the remuneration to employees in cash or shares, when calculating diluted earnings per share, the Company needs to

assume that the entire amount of the remuneration to employees will be settled in shares, and the resulting potential shares shall be included in the weighted average number of ordinary shares used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares should be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in next year.

XXII. Share-based Payment

(1) Employee stock options plan

The Company issued the employee stock option totaling 8,000 units on April 2, 2019. 1000 ordinary shares were subscribable per unit, effective for 6 years. The exercise price was NT\$14.95 per share at the time of issuance. The recipients included the employees of the Company and its subsidiaries that meet specific conditions. The contract was performed by issuance of new shares. 50%, 75% and 100% of the options may be exercised upon expiration of 2 years, 3 years and 4 years, respectively.

The information about the employee stock options issued by the Company:

Changes in the stock option units and weighted average exercise price:

	For the Three Months Ended March 31			
	2025		2024	
	Number of units	Weighted average exercise price (NT\$)	Number of units	Weighted average exercise price (NT\$)
Outstanding shares, beginning	96	\$ 13.40	941	\$ 13.50
Executed in the current year	(<u>96</u>)	13.40	(<u>337</u>)	13.50
Outstanding shares, ending	<u>-</u>	-	<u>604</u>	13.50
Exercisable shares, ending	<u>-</u>	-	<u>604</u>	13.50

The employee stock options for which the grant date is April 2, 2019 shall be vested in step subject to the grant date (upon expiration of 2 years, 3

years and 4 years after the issuance), at the fair value of the subscription, NT\$4.56, NT\$4.83 and NT\$5.08, respectively.

The weighted average stock price of the employee stock options executed for the three months ended March 31, 2025 and 2024 was NT\$64.54 and NT\$108.73 respectively.

The information about outstanding employee stock options until the balance sheet date:

	March 31, 2025	December 31, 2024	March 31, 2024
Range of exercise price (NT\$)	\$13.40	\$13.50	\$13.50
Weighted-average remaining contractual life (in years)	—	0.25年	1.00年

(2) Employee stock options out of cash capital increase

On September 20, 2024, the Board of Directors of the Company resolved to issue new shares for the cash capital increase in 2024, and reserved for subscription by employees in accordance with Article 267 of the Company Act.

The fair value of said employee stock options reserved by the Company upon the cash capital increase is calculated based on the Black-Scholes valuation model, and the inputs used in the valuation model are as follows:

	December 2, 2024
Stock price on grant date	NT\$70.90
Exercise price	NT\$50.00
Projected volatility ratio	45.00%
Projected lifetime	0 years
Projected dividend ratio	0%
Risk-free interest rate	1.3573%

The compensation costs recognized by the Company related to employee stock options reserved from the cash capital increase were NT\$11,098 thousand in 2024.

XXIII. Government subsidies

WTM and WIH within the Group received the local government subsidies, \$5,990 thousand and \$44,230 thousand for the three months ended March 31, 2025 and 2024. Said incentives refer to the immediate financial support granted by the local government per the incentive project, by nature.

WTM within the Group received the subsidies for fixed assets from Maanshan Economic and Technological Development Zone and WIH within the Group received the subsidies for fixed assets and related investment from Hanshan Economic Development Zone of Anhui, which have been stated as long-term deferred revenues, and restated into other revenues within the useful years of the related assets. The same were re-stated as other revenues, NT\$5,523 thousand and NT\$4,276 thousand for the three months ended March 31, 2025 and 2024. The unamortized long-term deferred revenues until March 31, 2025, December 31, 2024 and March 31, 2024 were NT\$175,101 thousand, NT\$178,140 thousand and NT\$158,353 thousand, respectively.

XXIV. Capital risk management

The Group conducts the capital management to ensure that the entities within the Group may, insofar as they can continue operating, maximize the ROE by optimizing the balances of liabilities and equity. The overall strategies adopted by the Group remains unchanged in a short term.

The capital structure of the Group consists of net debt (i.e. loans less cash and cash equivalents) and equity (i.e. share capital, capital surplus, and other equity).

The Group's key management would review the Group's capital structure for once per six months. The review covers consideration about various capital costs and related risks. The Group proceeds to balance its overall capital structure by issuing new shares and loans new debts or repaying old debts, per the key management's suggestions.

XXV. Financial instruments

- (1) Information about fair value - Non-financial instruments at fair value through profit or loss

The Group's management consider that the carrying amounts of non-financial assets/liabilities at fair value through profit or loss approximate their fair values.

(2) Types of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets measured at amortized cost (Note 1)	\$ 2,597,616	\$ 2,576,730	\$ 2,830,482
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	4,463,147	4,068,328	4,497,453

Note 1: The balances include the financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables and refundable deposit, etc.

Note 2: The balances include the financial liabilities measured at amortized cost, such as short-term loans, notes payable, accounts payable, other payables, long-term loans and deposit received.

(3) Financial risk management objectives and policies

The Group's financial management department provides services to various sales units, and takes charge of the overall planning and coordination about the launch into domestic and international financial market, and supervise and manage the financial risk related to the Group's operations in accordance with the risk level and extent analysis on exposure to the risk. Such risks include market risks (including foreign exchange rate risk and interest rate risk), credit risk and liquidity risk.

The financial management departments present the report to the Group's management and Board of Directors on a quarterly basis.

1. Market risk

The Group's business activities expose them primarily to the financial risks of changes in foreign currency exchange rates (please refer to the following Item (1)) and interest rates (please refer to the following Item (2)). Exposure related to market risk of the financial instrument and the management and measurement of such exposure by the Group remains unchanged for the time being.

a. Foreign exchange rate risk

The foreign currency-denominated sales and purchases exposed the Group to the risk of foreign exchange rate changes therefor. About 44% and 46% thereof were not denominated in the functional currency adopted by the Group entity engaged in the relevant transaction.

For the carrying amount of the Group's non-functional currency-denominated monetary assets and liabilities (including the non-functional currency-denominated monetary items already written off in the consolidated financial statements), please see Note 28.

Sensitivity analysis

The Group is primarily exposed to the fluctuation in foreign exchange rate in USD and CNY (RMB).

3% means the sensitivity ratio applied by the Group when it reported the foreign exchange rate risk to the management within the Group, and also the management's evaluation on reasonable changes of the foreign exchange rate. The sensitivity analysis includes outstanding foreign currency-denominated monetary items, and their translation at the end of the year is adjusted by changes in exchange rates by 3%

The positive figures in the following table indicate when the amount increased (decrease) for the net profit before tax when NTD against the related currencies depreciates by 3%, the increase (decrease) in the net profit before tax will be negative at the same

amount. Said effect primarily results from the Group's receivables, payables which were denominated in foreign currency and still outstanding on the balance sheet date.

	Effect by USD		Effect by CNY	
	For the Three Months		For the Three Months	
	Ended March 31		Ended March 31	
	2025	2024	2025	2024
Profit or loss	\$ 27,429	\$ 24,556	\$ 8,699	\$ 8,609

The increase in the Group's sensitivity in the current period is mainly due to the increase in net assets denominated in foreign currencies at the end of the period.

b. Interest rate risk

Any entity within the Group borrows fund at fixed and floating interest rates at the same time and, therefore, the fair value interest rate risk arises. The Group manages the interest rate risk by maintaining an adequate portfolio of fixed and floating interest rates. The Group evaluates hedging activities periodically to make them in line with the interest rate concept and existing risk appetite, in order to ensure adoption of the hedging policy that could best satisfy the cost effectiveness. The carrying amounts of financial assets and financial liabilities with exposure to interest rates on the balance sheet date are stated as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
- Financial assets	\$ -	\$ -	\$ 45,102
- Financial liabilities	811,448	586,227	606,251
Cash flow interest rate risk			
- Financial assets	838,402	881,935	931,772
- Financial liabilities	1,458,125	1,415,291	1,104,105

As the Group holds short-term loans with fixed interest rates maturing within one year, it evaluates that the interest rate risk should be considered immaterial. Further, as the Group holds the bank time deposit with floating interest rate and long-term loan, it has to deal with the cash flow interest rate risk.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to interest rates for non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis thereof is prepared under the assumption that the amount of liabilities outstanding on the balance sheet date are outstanding during the reporting period.

If the interest rate increases/decreases by 100 base points, while other variables are kept the same, the Group's, net profit before tax for the three months ended March 31, 2025 and 2024 will decrease/increase by NT\$1,549 thousand and NT\$431 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a trading counterpart will default on its contractual obligations and thereby result in the risk of financial

loss to the Group. Until the balance sheet date, the consolidated companies' maximum exposure to credit risk, which would cause a financial loss to the consolidated companies due to a trading counterpart's failure to discharge contractual obligation, would have primarily been caused by the carrying amount of the financial assets recognized in the consolidated balance sheets.

In addition to the top two customers of the Group as of March 31, 2025 and 2024, the Group is not exposed to any significant credit risk with any single trading counterpart or a group of trading counterparts with similar characteristics. The concentration of credit risk accounted for 39% and 43% of the total monetary assets, respectively, on March 31, 2025 and 2024.

The Group's credit risk by geographical area was primarily concentrated in the mainland China, and accounted for 53%, 57% and 68% of the total accounts receivable until March 31, 2025, December 31, 2024 and March 31, 2024.

3. Liquidity risk

The Group manages and maintains the cash and cash equivalent positions sufficient to finance the Group's operations and mitigate the effects of fluctuations in cash flows. For the Group, bank loans refer to the important source of liquidity. The management monitors the status of the facility granted by banks and ensures compliance with loan contracts.

a. Statement of liquidity and interest risk rate of non-derivative financial liabilities

The analysis on the remaining contractual maturity for the non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. Therefore, the bank loans required to be repaid by the Group immediately are included in the earliest time band in the following table,

regardless of the probability for the banks to choose exercise of their rights immediately. Notwithstanding, the analysis on the maturity dates for other non-derivative financial liabilities is prepared based on the agreed repayment dates.

March 31, 2025

	<u>within 1 year</u>	<u>1 years or above</u>
Non-interest bearing liabilities	\$ 1,949,513	\$ -
Lease liabilities	5,614	14,466
Fixed interest rate instruments	803,958	-
Floating interest rate instruments	<u>102,194</u>	<u>1,486,987</u>
	<u>\$ 2,861,279</u>	<u>\$ 1,501,453</u>

December 31, 2024

	<u>within 1 year</u>	<u>1 years or above</u>
Non-interest bearing liabilities	\$ 1,763,214	\$ -
Lease liabilities	5,598	15,882
Fixed interest rate instruments	572,164	-
Floating interest rate instruments	<u>360,399</u>	<u>1,184,579</u>
	<u>\$ 2,701,375</u>	<u>\$ 1,200,461</u>

March 31, 2024

	<u>within 1 year</u>	<u>1 years or above</u>
Non-interest bearing liabilities	\$ 2,530,343	\$ -
Lease liabilities	12,453	20,080
Fixed interest rate instruments	578,218	-
Floating interest rate instruments	<u>422,861</u>	<u>788,717</u>
	<u>\$ 3,543,875</u>	<u>\$ 808,797</u>

b. Facility

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank facility			
— Amount already advanced	\$ 792,500	\$ 836,928	\$ 822,674
— Amount not yet advanced	<u>3,186,377</u>	<u>2,530,470</u>	<u>1,858,000</u>
	<u>\$ 3,978,877</u>	<u>\$ 3,367,398</u>	<u>\$ 2,680,674</u>
Secured bank facility			
— Amount already advanced	\$ 1,458,125	\$ 1,144,378	\$ 856,942
— Amount not yet advanced	<u>1,756,814</u>	<u>1,614,918</u>	<u>784,778</u>
	<u>\$ 3,214,939</u>	<u>\$ 2,759,296</u>	<u>\$ 1,641,720</u>

XXVI. Transactions with related parties

The transactions, account balances, income and expenses between the Company and its subsidiaries (the Company's related parties) have been eliminated on consolidation and, therefore, are not disclosed in the Note. The transactions between the Group and other related parties are stated as follows:

(1) Name of related party and relationship

<u>Name of related party</u>	<u>Relationship with the Group</u>
Getac Holdings Corp. (Getac Holdings)	Investor that has significant influence
MPT Solution (Suzhou) Co., LTD (Suzhou MPT)	Subsidiary of the investor that has significant influence Company
MPT Solution (Kunshan) Co., LTD. (MPT Kunshan)	Subsidiary of the investor that has significant influence Company
National Aerospace Fasteners Corporation (NAFCO)	Subsidiary of the investor that has significant influence
Atemitech Corporation (Atemitech)	Subsidiary of the investor that has significant influence
MPT Solution (HK) Limited	Subsidiary of the indirect investor that has significant influence

(2) Operating Revenue

Account title	Category of related party	For the Three Months Ended March 31	
		2025	2024
Revenue from sale of goods	Investor that has significant influence (including its subsidiaries)	<u>\$ 7,167</u>	<u>\$ 2,730</u>

The trading conditions on which the Group sells to related parties the magnesium alloy molded products and molds are identical with the general trading conditions.

(3) Receivables - related party

Account title	Category of related party	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	Investor that has significant influence (including its subsidiaries)	<u>\$ 4,699</u>	<u>\$ 3,090</u>	<u>\$ 2,739</u>

The receivables from said related parties are not guaranteed and there is no impairment after assessment, so no allowance for losses is required.

(4) Accounts payable - related party

Account title	Category of related party	March 31, 2025	December 31, 2024	March 31, 2024
Other payables	Investor that has significant influence (including its subsidiaries)	<u>\$ 3,210</u>	<u>\$ 6,577</u>	<u>\$ 1,735</u>

The outstanding balance of accounts payable - related party is not secured.

(5) Management and maintenance expenses (stated as operating expenses)

<u>Category of related party</u>	<u>For the Three Months Ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Investor that has significant influence (including its subsidiaries)	\$ <u>763</u>	\$ <u>1,093</u>

(6) Salary and compensation to key management

Total amount of salary and compensation to directors and other key management is specified as follows:

	<u>For the Three Months Ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 10,968	\$ 19,365
Retirement benefits	<u>158</u>	<u>156</u>
	\$ <u>11,126</u>	\$ <u>19,521</u>

The salaries and remunerations to directors and other key management are determined by the Remuneration Committee in accordance with the Company's overall performance achievement status.

XXVII. Assets pledged as collateral or for security

The following assets of the Group are provided as collateral for financing loans from banks:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Building	\$ 674,622	\$ 674,824	\$ 695,373
Land use rights	<u>152,587</u>	<u>151,228</u>	<u>58,262</u>
	\$ <u>827,209</u>	\$ <u>826,052</u>	\$ <u>753,635</u>

XXVIII.Information about foreign-currency-denominated assets and liabilities that have significant influence

The following information is summarized according to the foreign currencies other than the functional currency of various entities within the consolidated companies. The foreign exchange rates disclosed are used to translate the foreign currency into the functional currency. Foreign-currency-denominated assets and liabilities that have significant influence:

March 31, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary item</u>			
USD	\$ 45,532	33.205 (USD : NTD)	\$ 1,511,890
USD	48,070	7.1782 (USD : RMB)	1,596,164
CNY (RMB)	50	4.6258 (RMB : NTD)	231
CNY (RMB)	62,636	7.1782 (RMB : USD)	289,742
			<u>\$ 3,398,027</u>
<u>Financial liabilities</u>			
<u>Monetary item</u>			
USD	58,219	33.205 (USD : NTD)	\$ 1,933,162
USD	7,848	7.1782 (USD : RMB)	260,593
			<u>\$ 2,193,755</u>

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary item</u>			
USD	\$ 37,513	32.785 (USD : NTD)	\$ 1,229,864
USD	44,104	7.1884 (USD : RMB)	1,445,950
CNY (RMB)	110	4.5608 (RMB : NTD)	502
CNY (RMB)	62,636	7.1884 (RMB : USD)	285,672
			<u>\$ 2,961,988</u>
<u>Financial liabilities</u>			
<u>Monetary item</u>			
USD	\$ 52,252	32.785 (USD : NTD)	\$ 1,713,082
USD	4,038	7.1884 (USD : RMB)	132,386
			<u>\$ 1,845,468</u>

March 31, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary item</u>			
USD	\$ 44,769	32.000 (USD : NTD)	\$ 1,432,608
USD	40,854	7.0950 (USD : RMB)	1,307,328
CNY (RMB)	778	4.5102 (RMB : NTD)	3,509
CNY (RMB)	62,845	7.0950 (RMB : USD)	283,445
			<u>\$ 3,026,890</u>
<u>Financial liabilities</u>			
<u>Monetary item</u>			
USD	53,470	32.000 (USD : NTD)	\$ 1,711,040
USD	6,574	7.0950 (USD : RMB)	210,368
			<u>\$ 1,921,408</u>

The foreign currency exchange gains (realized and unrealized) of the Group for the three months ended March 31, 2025 and 2024 were NT\$18,209 thousand and NT\$14,138 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

XXIX. Disclosures in notes

(1) Information on significant transactions:

1. Financing provided to others: Schedule 1
2. Endorsements/guarantees provided: Schedule 2
3. Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): None
4. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule 3
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule 4
6. Intercompany relationships and significant intercompany transactions: Schedule 5

(2) Information on investees: Schedule 6

(3) Information on investments in mainland China:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule 7
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Schedule 8
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - (3) The amount of property transactions and the amount of the resultant gains or losses: None
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
 - (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: Schedule 1
 - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

XXX. Information by department

The following refers to the analysis on the consolidated companies' revenue and results from continuing operations by reportable segments:

Magnesium Aluminum Alloy - production and sale of magnesium aluminum alloy molded products

Plastic - production and sale of plastic injection molded products °

Department revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable department:

	Magnesium Aluminum Alloy	Plastic	Reconcile and cancel	Total
<u>For the three months</u>				
<u>ended March 31, 2025</u>				
Revenue from external customers	\$ 1,432,266	\$ 20,099	\$ -	\$ 1,452,365
Internal revenue	2,387,571	-	(2,387,571)	-
Total revenue	<u>\$ 3,819,837</u>	<u>\$ 20,099</u>	<u>(\$ 2,387,571)</u>	<u>\$ 1,452,365</u>
Interest revenue	<u>\$ 2,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,134</u>
Financial costs	<u>\$ 12,014</u>	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ 12,125</u>
Material adjustments to reconcile profit (loss)				
Depreciation expenses	<u>\$ 123,903</u>	<u>\$ 2,016</u>	<u>\$ -</u>	<u>\$ 125,919</u>
Department net profit before tax	<u>\$ 157,555</u>	<u>(\$ 1,755)</u>	<u>\$ -</u>	<u>\$ 155,800</u>
Department assets	<u>\$ 9,718,895</u>	<u>\$ 221,207</u>	<u>\$ -</u>	<u>\$ 9,940,102</u>
<u>For the three months</u>				
<u>ended March 31, 2024</u>				
Revenue from external customers	\$ 1,532,145	\$ 23,842	\$ -	\$ 1,555,987
Internal revenue	2,788,343	-	(2,788,343)	-
Total revenue	<u>\$ 4,320,488</u>	<u>\$ 23,842</u>	<u>(\$ 2,788,343)</u>	<u>\$ 1,555,987</u>
Interest revenue	<u>\$ 1,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,418</u>
Financial costs	<u>\$ 7,640</u>	<u>\$ 455</u>	<u>\$ -</u>	<u>\$ 8,095</u>
Material adjustments to reconcile profit (loss)				
Depreciation expenses	<u>\$ 99,879</u>	<u>\$ 2,239</u>	<u>\$ -</u>	<u>\$ 102,118</u>
Department net profit before tax	<u>\$ 267,426</u>	<u>(\$ 1,078)</u>	<u>\$ -</u>	<u>\$ 266,348</u>
Department assets	<u>\$ 8,961,033</u>	<u>\$ 222,524</u>	<u>\$ -</u>	<u>\$ 9,183,557</u>

Waffer Technology Corporation and Subsidiaries
Financing provided to others
For the three months ended March 31, 2025

Schedule 1

Unit: NT\$ Thousand, unless otherwise specified

No. (Note 1)	Lender	Borrower	Accounting title	Related Party or not	Current maximum balance	Balance, ending	Drawdown	Interest rate range	Nature of loan (Note 2)	Business transaction amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Title	Value			
1	WIL	WTK	Other receivables - related party	Yes	\$ 372,589	\$ 372,589	\$ 372,589	0.05%~3%	2	\$ -	Working capital for affiliated companies	\$ -	—	\$ -	\$ 3,655,172 (Note 3)	\$ 3,655,172 (Note 3)	
2	Burton	WIL	Other receivables - related party	Yes	92,974	92,974	92,974	-	2	-	Working capital for affiliated companies	-	—	-	1,356,891 (Note 4)	1,356,891 (Note 4)	
3	WTK	WTM	Other receivables - related party	Yes	368,529	368,529	368,529	-	2	-	Purchase of equipment	-	—	-	1,234,626 (Note 5)	1,234,626 (Note 5)	

Note 1: The sections are completed in the following manners:

- (1) "0" for the issuer.
- (2) Investees are numbered from number 1 and so on.

Note 2: The nature of loan is specified in the following manners:

- (1) "1" for business association.
- (2) "2" for short-term financing needed

Note 3: The maximum fund loaned to a single borrower shall not exceed 40% of the net worth in WIL's latest financial statements audited or reviewed by the external auditors. The aggregate amount of the fund loaned to others shall not exceed 40% of the net worth in WIL's latest financial statements audited or reviewed by the external auditors, provided that if the borrowers are foreign companies wholly owned by the ultimate parent company directly or indirectly, the maximum fund loaned to a single borrower or aggregate amount of the fund loaned to all borrowers shall not exceed 500% of the net worth in WIL's latest financial statements audited or reviewed by the external auditors.

Note 4: The maximum fund loaned to a single borrower shall not exceed 40% of the net worth in Burton's latest financial statements audited or reviewed by the external auditors. The aggregate amount of the fund loaned to others shall not exceed 40% of the net worth in the Company's latest financial statements audited or reviewed by the external auditors, provided that if the borrowers are foreign companies wholly owned by the ultimate parent company directly or indirectly, the maximum fund loaned to a single borrower or aggregate amount of the fund loaned to all borrowers shall not exceed 150% of the net worth in Burton's latest financial statements audited or reviewed by the external auditors.

Note 5: The maximum fund loaned to a single borrower shall not exceed 40% of the net worth in WTK latest financial statements audited or reviewed by the external auditors. The aggregate amount of the fund loaned to others shall not exceed 40% of the net worth in the Company's latest financial statements audited or reviewed by the external auditors, provided that if the borrowers are foreign companies wholly owned by the ultimate parent company directly or indirectly, the maximum fund loaned to a single borrower or aggregate amount of the fund loaned to all borrowers shall not exceed 150% of the net worth in WTK latest financial statements audited or reviewed by the external auditors.

Waffer Technology Corporation and Subsidiaries
Endorsements/guarantees provided
For the three months ended March 31, 2025

Schedule 2 Unit: NT\$ Thousand, unless otherwise specified

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	The Company	WIL	(2)	\$ 14,270,724 (Note 3)	\$ 1,140,448	\$ 698,268	\$ -	\$ -	14.68	\$ 14,270,724 (Note 3)	Yes	—	—	
0	The Company	WIH	(2)	14,270,724 (Note 3)	601,356	601,356	-	-	12.64	14,270,724 (Note 3)	Yes	—	Yes	
0	The Company	WIM	(2)	14,270,724 (Note 3)	277,548	277,548	-	-	5.83	14,270,724 (Note 3)	Yes	—	Yes	
1	WTM	WIH	(4)	11,290,723 (Note 4)	1,665,293	1,665,293	942,347	-	73.75	11,290,723 (Note 4)	—	—	Yes	
1	WTM	WIM	(4)	11,290,723 (Note 4)	971,420	971,420	515,778	-	43.02	11,290,723 (Note 4)	—	—	Yes	

- Note 1: The sections are completed in the following manners:
- (1) “0” for the issuer.
 - (2) Investees are numbered from number 1 and so on.
- Note 2: There are 7 types of relations between the endorser/guarantor and the endorsee/guarantee party as follows. The types are specified as follows:
- (1) Any company with business dealings with the Company.
 - (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
 - (3) A company which directly or indirectly holds more than 50% of the voting shares of the Company.
 - (4) A company in which the Company directly or indirectly holds more than 90% of the voting shares.
 - (5) Companies that need to purchase insurance for each other in the same industry or for joint builders in accordance with contractual provisions based on the needs for contracting construction projects.
 - (6) A company that is endorsed and guaranteed by unanimous shareholders of the Company based on their ownership percentage due to a joint investment relationship.
 - (7) Companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

- Note 3: The aggregate amount of the endorsements/guarantees for others shall not exceed 200% of the net worth in the Company’s latest financial statements audited or reviewed by the external auditors, provided that the maximum endorsements/guarantees for a single subsidiary in which the Company holds more than 50% of the voting shares directly and indirectly shall not exceed 200% of the net worth in the Company’s latest financial statements audited or reviewed by the external auditors.
- Note 4: The aggregate amount of the endorsements/guarantees for others shall not exceed 500% of the net worth in WTM’s latest financial statements audited or reviewed by the external auditors, Companies in which the parent company, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees and indirectly shall not exceed 500% of the net worth in WTM’s latest financial statements audited or reviewed by the external auditors.
- Note 5: Please specify the amounts passed by the Board of Directors. If the Board of Directors authorizes the Chairman of Board to make decision in accordance with the subparagraph 8, Article 12 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,” they shall mean the amounts decided by the Chairman of Board
- Note 6: Please insert the amount drawn down by the endorser/guarantor within the balance of the endorsements/guarantees.
- Note 7: Yes" shall only be entered for the endorsement and guarantee made by the parent company, which is a TWSE/TPEX-listed company, for its subsidiary, by the subsidiary for its parent company, which is a TWSE/TPEX-listed company, or in the territories of the mainland China.

Waffer Technology Corporation and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

For the three months ended March 31, 2025

Schedule 3

Unit: NT\$ Thousand

Purchaser/ seller	Trading counterpart	Relationship	Transaction				The circumstances of and reasons for the trading conditions different from general transactions		Accounts/notes receivable (payable)		Note
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount (%)	Credit period	Unit price	Credit period	Balance	Percentage in total accounts/not es receivable (payable) (%)	
The Company	WIL	Associate	Purchase of goods	\$ 917,878	99		Cost plus, in principle	Subject to the funding (180 days in principle)	(\$ 1,802,136)	(99)	
WIL	The Company	Associate	Sale of goods	(917,878)	(99)		"	"	1,802,136	99	
WIL	WTM	Associate	Purchase of goods	619,788	67		"	"	(1,160,595)	(78)	
WTM	WIL	Associate	Sale of goods	(619,788)	(58)		"	"	1,160,595	65	
WIL	WIH	Associate	Purchase of goods	296,364	32		"	"	(299,343)	(20)	
WIH	WIL	Associate	Sale of goods	(296,364)	(58)		"	"	299,343	59	
WTK	WTM	Associate	Purchase of goods	170,699	82		"	"	(174,182)	(64)	
WTM	WTK	Associate	Sale of goods	(170,699)	(16)		"	"	174,182	10	
WTM	WIH	Associate	Purchase of goods	213,370	37		"	"	(203,988)	(24)	
WIH	WTM	Associate	Sale of goods	(213,370)	(42)		"	"	203,988	40	

Waffer Technology Corporation and Subsidiaries

Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital

For the three months ended March 31, 2025

Schedule 4

Unit: NT\$ Thousand, unless otherwise specified

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for bad debt
					Amount	Actions Taken		
WIL	WTK	Associate	Other receivables \$	-	\$ -	—	\$ -	\$ -
WIL	WTK	Associate	Other receivables 870	-	-	—	-	-
WIL	The Company	Associate	Accounts receivable 1,802,136	2.18	-	—	198,780	-
WIL	WTM	Associate	Other receivables 132,488	-	-	—	-	-
WTK	WTM	Associate	Other receivables 368,529	-	-	—	-	-
WTK	WTM	Associate	Other receivables 921	-	-	—	-	-
WTK	WTM	Associate	Accounts receivable 66,275	1.08	-	—	743	-
WTM	WTK	Associate	Accounts receivable 174,182	3.18	-	—	55,510	-
WTM	WIL	Associate	Accounts receivable 1,160,595	2.09	-	—	191,840	-
WTM	WIH	Associate	Other receivables 34,012	-	-	—	2,957	-
WTM	WIH	Associate	Accounts receivable 195,647	1.06	-	—	8,495	-
WIH	WTM	Associate	Other receivables 9,898	-	-	—	-	-
WIH	WTM	Associate	Accounts receivable 203,988	2.29	-	—	94,829	-
WIH	WIL	Associate	Accounts receivable 299,343	7.92	-	—	-	-

Note: The amount already collected until May 9, 2025.

Waffer Technology Corporation and Subsidiaries
Intercompany relationships and significant intercompany transactions
For the three months ended March 31, 2025

Schedule 5

Unit: NT\$ Thousand

No. (Note1)	Name of trader	Trading counterpart	Affiliation to trader (Note 2)	Transaction				
				Title	Amount (Note 4)	Trading conditions	To consolidated total assets (%) (Note 3)	To consolidated total operating revenue (%) (Note 3)
0	The Company	WIL	1	Accounts payable - related party	\$ 1,802,136	Paid in installment subject to overview of business and funding	18	-
0	The Company	WIL	1	Purchase of goods	917,878	Cost plus	-	63
0	The Company	WTM	1	Accounts payable - related party	16,187	Paid in installment subject to overview of business and funding	-	-
1	WIL	WTM	3	Purchase of goods	619,788	Cost plus	-	43
1	WIL	WTM	3	Accounts payable - related party	1,160,595	Paid in installment subject to overview of business and funding	12	-
1	WIL	WTM	3	Other receivables - related party	132,488	Collected in installment subject to overview of business and funding	1	-
1	WIL	WTK	3	Accounts payable - related party	34,211	Paid in installment subject to overview of business and funding	-	-
1	WIL	WTK	3	Other receivables - related party	372,589	Collected in installment subject to overview of business and funding	4	-
1	WIL	WIH	3	Accounts payable - related party	299,343	Paid in installment subject to overview of business and funding	3	-
1	WIL	WIH	3	Purchase of goods	296,364	Cost plus	-	20
1	WIL	WIM	3	Other receivables - related party	14,942	Collected in installment subject to overview of business and funding	-	-
2	Burton	WIL	3	Other receivables - related party	92,974	Collected in installment subject to overview of business and funding	1	-
3	WTK	WTM	3	Accounts payable - related party	174,182	Paid in installment subject to overview of business and funding	2	-
3	WTK	WTM	3	Purchase of goods	170,699	Cost plus	-	12
3	WTK	WTM	3	Other receivables - related party	368,529	Collected in installment subject to overview of business and funding	4	-
4	WTM	WTK	3	Accounts payable - related party	66,275	Paid in installment subject to overview of business and funding	1	-
4	WTM	WTK	3	Purchase of goods	17,498	Cost plus	-	1
4	WTM	WIH	3	Other receivables - related party	34,012	Collected in installment subject to overview of business and funding	-	-
4	WTM	WIH	3	Accounts payable - related party	203,988	Paid in installment subject to overview of business and funding	2	-
4	WTM	WIH	3	Purchase of goods	213,370	Cost plus	-	15
4	WTM	WIM	3	Other receivables - related party	50,035	Collected in installment subject to overview of business and funding	1	-
4	WTM	WIM	3	Accounts payable - related party	68,837	Paid in installment subject to overview of business and funding	1	-
4	WTM	WIM	3	Purchase of goods	56,533	Cost plus	-	4
5	WIH	WTM	3	Accounts payable - related party	195,647	Paid in installment subject to overview of business and funding	2	-
5	WIH	WTM	3	Purchase of goods	64,745	Cost plus	-	4
5	WIH	WTK	3	Accounts payable - related party	41,537	Paid in installment subject to overview of business and funding	-	-
5	WIH	WTK	3	Manufacturing costs	15,751	Subject to the general conditions	-	1

Note 1: The information about transactions between parent company and subsidiaries shall be numbered and noted in the following manner in the box of numbers:

1. 0 is for the Parent Company.
2. Subsidiaries are numbered from number 1.

Note 2: The relationship with the trader is classified into three categories as follows:

1. Parent Company to subsidiaries.
2. Subsidiaries to Parent Company.
3. Subsidiaries to subsidiaries.

Note 3: For computing the ratio of trade amount to the total consolidated operating revenue or total assets, if it is for asset and liability account, the computation is based on the ratio of ending balance to total consolidated assets; however, if it is for income and expense account, the computation is based on the ratio of interim cumulative amount to total consolidated operating revenue.

Note 4: Disclose the trade amount more than NT\$10,000 thousand.

Waffer Technology Corporation and Subsidiaries

Information on investees

For the three months ended March 31, 2025

Schedule 6

Unit: NT\$ Thousand

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Held at the end of the period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				End of the current period	End of last year	Number of Shares	%	Carrying Amount			
The Company	Burton	Samoa	Investment	\$ 883,337	\$ 883,337	28,022,235	100	\$ 907,176	\$ 1,417	\$ 1,417	Subsidiary
	WIL	Samoa	Trading	945,817	945,817	29,099,001	100	745,833	14,651	14,651	"
	WIV	Seychelles	Investment	628,066	628,066	20,800,000	100	831,229	7,644	7,644	"
	MGA	Samoa	Investment	690,108	690,108	23,000,000	100	2,328,077	67,590	67,590	"
	MCH	Samoa	Investment	493,480	493,480	16,000,000	100	752,443	36,633	36,633	"
	WPL	Seychelles	Investment	470,683	470,683	15,000,000	100	489,681	(2,183)	(2,183)	"
WPL	WTV	Vietnam	Manufacturing	470,683	470,683	Not applicable	100	489,681	(2,183)	(2,183)	Sub-subsidiary

Note 1: For the information about investees in the mainland China, please refer to Schedule 7.

Waffer Technology Corporation and Subsidiaries
Information on investments in Mainland China
For the three months ended March 31, 2025

Schedule 7

Unit: NT\$ Thousand, unless otherwise specified

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated outward remittance for investment from Taiwan at the beginning of the period	Remittance of Funds		Accumulated outward remittance for investment from Taiwan at the end of the period	% Ownership of Direct or Indirect Investment	Investment income recognized in the current period (Note 2)	Carrying Amount at the end of the period	Accumulated repatriation of investment income until the end of the period
					Outward	Outward					
WTK	Production and marketing of magnesium aluminum alloy molded products and molds	US\$20,800 thousand	(2) Investor: WIV	\$ 624,301 (US\$20,800 thousand)	\$	\$	\$ 624,301 (US\$20,800 thousand)	100	\$ 7,706 (2)2.	\$ 830,864	\$ -
WTM	Production and marketing of magnesium aluminum alloy molded products	US\$23,000 thousand	(2) Investor: MGA	690,108 (US\$23,000 thousand)			690,108 (US\$23,000 thousand)	100	67,633 (2)2.	2,326,433	-
WIM	Production and marketing of magnesium aluminum alloy molded products	US\$25,000 thousand	(2) Investor: Burton	772,653 (US\$25,000 thousand)			772,653 (US\$25,000 thousand)	100	1,417 (2)2.	812,570	-
WIH	Production and marketing of magnesium aluminum alloy molded products	US\$16,000 thousand	(2) Investor: MCH	493,480 (US\$16,000 thousand)			493,480 (US\$16,000 thousand)	100	36,633 (2)2.	752,436	-

Accumulated outward remittance for investment in Mainland China until the end of the period	Investment amounts authorized by Investment Commission, MOEA	Upper limit on the amount of investment in Mainland China stipulated by Investment Commission, MOEA
\$ 2,580,542 (US\$84,800 thousand) (Note 3)	\$ 2,580,542 (US\$84,800 thousand) (Note 3)	(Note 4)

Note 1: Ways of investment are classified into the following two types:

- (1) To invest in the mainland China directly.
- (2) To invest in the mainland China via a third area.

Note 2: Investment income recognized in the current period:

- (1) Please mark out if there has no investment gain or loss yet because the investment is still under planning.
- (2) The basis of recognition of investment gain/loss is classified into following three types, which should be marked out.
 1. Financial statements reviewed by an international CPA firm which cooperates with a CPA firm of the ROC.
 2. Financial statements reviewed by the CPAs of the parent company in Taiwan.
 3. Others. (Financial statements not reviewed by external auditors)

Note 3: Exclusive of the investment losses on disposal of Joinmain Technology (Shanghai) Ltd. not remitted inward back to Taiwan.

Note 4: Exempted from the investment limit requirement, as the approval letter for operational headquarters from Industrial Development Bureau on April 11, 2023 (applicable until April 5, 2026).

Waffer Technology Corporation and Subsidiaries
Statement of Significant Transactions with Investees in Mainland China
For the three months ended March 31, 2025

Schedule 8

Unit: NT\$ Thousand

Transaction for purchase of goods

<u>Investee's name</u>	<u>Business in the third area</u>	<u>Price and payment terms</u>	<u>Amount</u>	<u>Percentage in total purchase (%)</u>	<u>Notes/accounts payable, ending</u>	
					<u>Balance</u>	<u>%</u>
WTM, WIH, WTK	WIL	Cost plus, and 180 days for payment terms in principle	\$ 917,878	99	\$ 1,802,136	99