

Wendell Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report September 30, 2025 and 2024 (Stock code: 6761)

Address: 6F.-1, No. 188, Baoqiao Rd., Xindian Dist., New Taipei City
Tel: (02)2917-5770

For the convenience of readers and for information purpose only, the auditors' 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.

Wendell Industrial Co., Ltd. and Subsidiaries
September 30,2025 and 2024 Consolidated Financial Statements and
Independent Auditors' Review Report

CONTENT

Item	Page
I. Cover	1
II. Content	2
III. Independent Auditors' Report	3-4
IV. Consolidated Balance Sheet	5-6
V. Consolidated Statement of Comprehensive Income	7
VI. Consolidated Statement of Changes in Equity	8
VII. Consolidated Statement of Cash Flows	9-10
VIII. Notes to Consolidated Financial Statements	11-45
1. Company History	11
2. Date and Procedure of Adoption of Financial Statements	11
3. Application of New and Amended Standards and Interpretations	11-12
4. Summary of Significant Accounting Policies	12-14
5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions	15
6. Explanations of Significant Accounting Items	15-36
7. Related Party Transactions	37
8. Pledged Assets	37
9. Significant Contingent Liabilities and Unrecognized Contract Commitments	37
10. Significant Disaster Loss	38
11. Significant Events after the Balance Sheet Date	38
12. Others	38-43
13. Supplementary Disclosures	43-44
14. Segment Information	44-45

Independent Auditors' Review Report

(114) Cai-Sheng-Bao-Tzu No. 25002253

Wendell Industrial Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Wendell Industrial Co., Ltd. and its subsidiaries (the "Group") as of September 30, 2025 and 2024, the consolidated comprehensive income statements for the periods from July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the periods from January 1 to September 30, 2025 and 2024, as well as notes to the consolidated financial statements (including summary of significant accounting policies). It is the management's responsibility to prepare fairly presented consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting recognized and effectively released by the Financial Supervisory Commission. Our responsibilities is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except those mentioned in the section of basis of reserved conclusion, we executed the review of the consolidated financial statements in accordance with the TWSRE2410 "Review of Financial Information Performed by the Independence Auditor of the Entity. The procedures performed for reviewing the consolidated financial statements included inquiries (mainly directed to persons in charge of finance and accounting), analytical procedures, and other review procedures. The scope of the review work is significantly less than that of the audit work. Therefore, we may not be able to detect all material matters that could be identified in the audit work, leading to our failure to express an audit opinion.

Basis of Reserved Conclusion

As mentioned in Note 4 (3) to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the preceding consolidated financial statements in the same period haven't been reviewed by the CPAs. The total assets of such subsidiaries amounted to NT\$ 321,626,000 and NT\$ 281,644,000 as of September 30, 2025 and 2024 respectively, constituting 13% and 12% of the consolidated total assets, while the total liabilities amounted to NT\$ 63,556,000 and NT\$ 54,220,000, respectively accounting for 8% and 5% of the total consolidated liabilities; the total comprehensive income from July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024 amounted to NT\$9,699,000、NT\$8,414,000、NT\$13,957,000 and NT\$17,063,000 respectively, accounting for 14%、14%、8% and 10% of the total consolidated income.

Reserved Conclusions

Based on our review results, except the potential impact on the consolidated financial statements due to the fact that the financial statements of some non-significant subsidiaries mentioned in the section of basis of reserved conclusion above that haven't been reviewed by the CPAs, we

haven't found that the preceding consolidated financial statements haven't been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting recognized and effectively released by the Financial Supervisory Commission, to result in the failure to fairly present Wendell Group's consolidated financial position as of September 30, 2025 and 2024 as well as the consolidated financial performance for the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, as well as consolidated cash flows for the periods from January 1 to September 30, 2025 and 2024.

PricewaterhouseCoopers Taiwan

CPA: CHEN, CHIN-CHANG
CHIU, CHAO-HSIEN

Financial Supervisory Commission
Auditing and Attestation No.:

FSC (Sheng) No. 1060025060

FSC (Sheng) No. 1020049451

November 3, 2025

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	Note	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 513,203	21	\$ 643,002	26	\$ 533,414	22
1110	Current financial assets at fair value through profit or loss	6(2)	33,554	1	177,735	7	204,600	9
1150	Notes receivable	6(3)	7,272	-	34,880	2	37,772	2
1170	Accounts receivable	6(3)	653,504	26	621,110	26	651,815	27
130X	Inventories	6(4)	258,634	10	291,614	12	324,940	14
1470	Other current assets		27,044	1	26,006	1	24,805	1
11XX	Total current assets		<u>1,493,211</u>	<u>59</u>	<u>1,794,347</u>	<u>74</u>	<u>1,777,346</u>	<u>75</u>
Non-current assets								
1600	Property, plant and equipment	6(5),8	701,324	28	556,257	23	487,723	20
1755	Right-of-use assets	6(6)	75,702	3	53,794	2	63,802	3
1840	Deferred tax assets		10,916	-	15,030	-	15,521	1
1900	Other non-current assets	6(7),8	242,397	10	21,089	1	23,780	1
15XX	Total non-current assets		<u>1,030,339</u>	<u>41</u>	<u>646,170</u>	<u>26</u>	<u>590,826</u>	<u>25</u>
1XXX	Total assets		<u>\$ 2,523,550</u>	<u>100</u>	<u>\$ 2,440,517</u>	<u>100</u>	<u>\$ 2,368,172</u>	<u>100</u>

(Continue on next page)

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2025, December 31, 2024 and September 30, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Liabilities and Equity	Note	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(8)	\$ 252,334	10	\$ 215,713	9	\$ 230,243	10
2120	Financial liabilities at fair value through profit or loss	6(2)	732	-	1,567	-	-	-
2130	Current contract liabilities	6(17)	1,003	-	5,637	-	2,756	-
2170	Accounts payable		203,711	8	206,553	9	213,254	9
2200	Other accounts payable	6(9)	113,627	5	121,682	5	95,625	4
2230	Current tax liabilities		29,137	1	37,732	2	30,534	1
2280	Current lease liabilities	6(6)	31,327	1	29,219	1	34,596	2
2320	Long-term liabilities - current portion	6(10)	-	-	326,060	13	370,107	16
2399	Other current liabilities - other		5,012	-	3,986	-	4,458	-
21XX	Total current liabilities		<u>636,883</u>	<u>25</u>	<u>948,149</u>	<u>39</u>	<u>981,573</u>	<u>42</u>
	Non-current liabilities							
2540	Long-term loans	6(11)	89,600	4	14,000	-	-	-
2570	Deferred tax liabilities		21,336	1	19,264	1	16,679	1
2580	Non-current lease liabilities	6(6)	45,013	2	25,262	1	29,931	1
2600	Other non-current liabilities		6,115	-	3,899	-	3,880	-
25XX	Total non-current liabilities		<u>162,064</u>	<u>7</u>	<u>62,425</u>	<u>2</u>	<u>50,490</u>	<u>2</u>
2XXX	Total liabilities		<u>798,947</u>	<u>32</u>	<u>1,010,574</u>	<u>41</u>	<u>1,032,063</u>	<u>44</u>
	Equity							
	Equity attributed to owners of parent							
	Share	6(14)						
3110	Ordinary share		349,559	14	304,061	13	301,531	13
3130	Certificates of bond-to-stock conversion		-	-	5,620	-	2,530	-
	Capital surplus	6(15)						
3200	Capital surplus		900,918	36	614,044	25	573,999	24
	Retained earnings	6(16)						
3310	Legal reserve		115,237	5	93,785	4	93,785	4
3320	Special reserve		6,150	-	2,322	-	2,322	-
3350	Unappropriated retained earnings		380,393	15	416,261	17	360,043	15
	Other equity							
3400	Other equity		(12,056)	(1)	(6,150)	-	1,899	-
3500	Treasury stocks	6(14)	(15,598)	(1)	-	-	-	-
3XXX	Total equity		<u>1,724,603</u>	<u>68</u>	<u>1,429,943</u>	<u>59</u>	<u>1,336,109</u>	<u>56</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 2,523,550</u>	<u>100</u>	<u>\$ 2,440,517</u>	<u>100</u>	<u>\$ 2,368,172</u>	<u>100</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
Three months and nine months ended September 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars,
except for EPS in New Taiwan Dollars

Item	Note	For the three months ended September 30,				For the nine months ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6(17)	\$ 484,805	100	\$ 502,097	100	\$1,553,628	100	\$1,514,955	100
5000 Operating costs	6(4)(20)	(298,882)	(61)	(333,781)	(66)	(995,384)	(64)	(1,028,950)	(68)
5900 Gross profit (loss) from operations		185,923	39	168,316	34	558,244	36	486,005	32
Operating expenses	6(20)								
6100 Selling expenses		(43,306)	(9)	(44,399)	(9)	(131,318)	(8)	(133,807)	(9)
6200 Administrative expenses		(57,775)	(12)	(46,803)	(9)	(164,635)	(11)	(158,072)	(10)
6300 Research and development expenses		(5,631)	(1)	(4,780)	(1)	(16,266)	(1)	(14,669)	(1)
6450 Impairment loss determined in accordance with IFRS 9	6(3)	(656)	-	46	-	163	-	999	-
6000 Total operating expenses		(107,368)	(22)	(95,936)	(19)	(312,056)	(20)	(305,549)	(20)
6900 Net operating income		78,555	17	72,380	15	246,188	16	180,456	12
Non-operating income and expenses									
7100 Interest income		2,143	-	4,155	1	6,368	-	10,889	1
7010 Other income		339	-	307	-	1,432	-	1,223	-
7020 Other gains and losses	6(18)	7,805	2	(164)	-	(16,758)	(1)	21,669	2
7050 Finance costs	6(19)	(629)	-	(3,099)	(1)	(3,694)	-	(10,158)	(1)
7000 Total non-operating income and expenses		9,658	2	1,199	-	(12,652)	(1)	23,623	2
7900 Profit from continuing operations before tax		88,213	19	73,579	15	233,536	15	204,079	14
7950 Tax expense	6(21)	(18,565)	(4)	(17,445)	(4)	(48,405)	(3)	(45,780)	(3)
8200 Profit (loss)		\$ 69,648	15	\$ 56,134	11	\$ 185,131	12	\$ 158,299	11
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
8361 Exchange differences on translation of financial statements of overseas operations		\$ 1,360	-	\$ 3,337	1	(\$ 5,906)	-	\$ 4,221	-
8300 Other comprehensive income (net)		\$ 1,360	-	\$ 3,337	1	(\$ 5,906)	-	\$ 4,221	-
8500 Total comprehensive income		\$ 71,008	15	\$ 59,471	12	\$ 179,225	12	\$ 162,520	11
Profit attributable to:									
8610 Owners of parent		\$ 69,648	15	\$ 56,134	11	\$ 185,131	12	\$ 158,299	11
Comprehensive income attributable to:									
8710 Owners of parent		\$ 71,008	15	\$ 59,471	12	\$ 179,225	12	\$ 162,520	11
Earnings per share	6(22)								
9750 Total basic earnings per share		\$ 2.00		\$ 1.86		\$ 5.51		\$ 5.44	
9850 Total diluted earnings per share		\$ 2.00		\$ 1.66		\$ 5.32		\$ 4.77	

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

	Note	Equity attributed to owners of parent						Exchange differences on translation of financial statements of overseas operations	Treasury stocks	Total
		Share	Retained earnings							
		Ordinary share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>2024</u>										
Balance at January 1		\$ 251,049	\$ -	\$ 326,681	\$ 83,425	\$ -	\$ 334,846	(\$ 2,322)	\$ -	\$ 993,679
Net profit in the current period		-	-	-	-	-	158,299	-	-	158,299
Other comprehensive income in the current period		-	-	-	-	-	-	4,221	-	4,221
Total comprehensive income in the current period		-	-	-	-	-	158,299	4,221	-	162,520
Earnings Assignment and Distribution in 2023	6(16)									
Legal reserve		-	-	-	10,360	-	(10,360)	-	-	-
Special reserve		-	-	-	-	2,322	(2,322)	-	-	-
Cash dividends		-	-	-	-	-	(120,420)	-	-	(120,420)
Capital increase by cash	6(14)(15)	50,000	-	212,500	-	-	-	-	-	262,500
Share-based payment	6(13)(15)	-	-	13,305	-	-	-	-	-	13,305
Conversion of convertible corporate bonds	6(10)(15)	482	2,530	21,513	-	-	-	-	-	24,525
Balance at September 30		\$ 301,531	\$ 2,530	\$ 573,999	\$ 93,785	\$ 2,322	\$ 360,043	\$ 1,899	\$ -	\$ 1,336,109
<u>2025</u>										
Balance at January 1		\$ 304,061	\$ 5,620	\$ 614,044	\$ 93,785	\$ 2,322	\$ 416,261	(\$ 6,150)	\$ -	\$ 1,429,943
Net profit in the current period		-	-	-	-	-	185,131	-	-	185,131
Other comprehensive income in the current period		-	-	-	-	-	-	(5,906)	-	(5,906)
Total comprehensive income in the current period		-	-	-	-	-	185,131	(5,906)	-	179,225
Earnings Assignment and Distribution in 2024	6(16)									
Legal reserve		-	-	-	21,452	-	(21,452)	-	-	-
Special reserve		-	-	-	-	3,828	(3,828)	-	-	-
Cash dividends		-	-	-	-	-	(195,719)	-	-	(195,719)
Treasury stocks buyback	6(14)	-	-	-	-	-	-	-	(15,598)	(15,598)
Conversion of convertible corporate bonds	6(10)(15)	45,498	(5,620)	286,874	-	-	-	-	-	326,752
Balance at September 30		\$ 349,559	\$ -	\$ 900,918	\$ 115,237	\$ 6,150	\$ 380,393	(\$ 12,056)	(\$ 15,598)	\$ 1,724,603

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Nine months ended September 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

	Note	Nine months ended September 30	
		2025	2024
<u>Cash flows from operating activities, indirect method</u>			
Profit before tax		\$ 233,536	\$ 204,079
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	42,608	44,174
Amortization expense	6(20)	2,929	890
Expected credit loss	6(3)	(163)	(999)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(18)	(650)	(7,133)
Interest expense	6(19)	3,694	10,158
Interest income		(6,368)	(10,889)
Loss on disposal of property, plant and equipment	6(18)	(144)	-
Gains on lease modification	6(6)	(59)	-
Share-based payment	6(13)	-	13,305
Unrealized foreign currency exchange loss		1,436	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		142,555	(119,569)
Notes receivable		27,615	1,739
Accounts receivable		(32,282)	(91,213)
Inventories		32,980	11,560
Other current assets		(4,209)	(5,081)
Other non-current assets		65	58
Changes in operating liabilities			
Contract liabilities - current		(4,634)	(4,456)
Accounts payable		(2,842)	58,093
Other accounts payable		17,459	(4,390)
Other current liabilities - other		1,026	1,792
Net defined benefit liability		30	(27)
Cash generated from operations		454,582	102,091
Interest collected		9,539	10,231
Interest paid		(1,997)	(4,590)
Income tax paid		(50,874)	(45,022)
Net cash generated from operating activities		411,250	62,710

(Continue on next page)

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Nine months ended September 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

	Note	Nine months ended September 30	
		2025	2024
<u>Cash flows from investing activities</u>			
Financial assets measured at amortized cost - Decrease in current assets		\$ -	\$ 2,000
Acquisition of property, plant and equipment	6(23)	(392,582)	(134,132)
Disposal of real estate, plant and equipment		404	-
Acquisition of intangible assets		(7,605)	(639)
Decrease (increase) in refundable deposits		691	(847)
Interest paid	6(5)	(8,386)	-
Net cash from (used in) investing activities		<u>(407,478)</u>	<u>(133,618)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term loans	6(24)	36,621	13,052
Repay corporate debt	6(24)	(1,000)	-
Proceeds from long-term debt	6(24)	75,600	-
Payments of lease liabilities	6(24)	(28,415)	(26,744)
Capital increase by cash	6(14)	-	262,500
Cash dividends paid	6(16)	(195,719)	(120,420)
Treasury stock repurchase cost	6(14)	(15,598)	-
Net cash generated from financing activities		<u>(128,511)</u>	<u>128,388</u>
Effect of exchange rate changes		<u>(5,060)</u>	<u>(2,195)</u>
Net increase in cash and cash equivalents		(129,799)	55,285
Cash and cash equivalents at beginning of period		643,002	478,129
Cash and cash equivalents at end of period		<u>\$ 513,203</u>	<u>\$ 533,414</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Amount in Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

1. Company History

Wendell Industrial Co., Ltd. (hereinafter referred to as the “Company”) was incorporated on June 1979. The stock of the Company was approved for public offering in September 2019, and initially traded at Taipei Exchange since November 8, 2021. The Company and its subsidiaries (hereinafter referred to as “the Group”) is mainly engaged in the import and export trade business, sales of electronic and electromechanical materials like capacitors, resistors and inductors, and relevant services and certification regarding electromagnetic compatibility.

2. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 3, 2025.

3. Application of New and Amended Standards and Interpretations

(1) Impact of the adoption of new and amended International Financial Reporting Standards (IFRSs) recognized, released and enforced by the Financial Supervisory Commission (hereinafter referred to as “FSC”)

The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2025:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7- “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group confirmed through evaluation that the aforesaid standards and interpretations didn’t have a significant impact on its financial position and financial performance.

(2) Standards or interpretations issued, revised or amended, by IASB which are endorsed by FSC, but not yet adopted by the Group

The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7- “contracts that reference nature-dependent electricity”	January 1, 2026

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "First-time Adoption of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The Group confirmed through evaluation that the aforesaid standards and interpretations didn't have a significant impact on its financial position and financial performance.

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC are listed below:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
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
Amendments to IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027(Note)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note : In a press release dated September 25, 2025, the Financial Supervisory Commission (FSC) announced that publicly traded companies would be subject to International Financial Reporting Standard 18 (IFRS 18) starting in 2028. Furthermore, companies wishing to apply IFRS 18 earlier may do so after the FSC has approved it.

Except the contents mentioned above, the Group has evaluated and confirmed that the aforesaid standards and interpretations did not have any material impact on its financial position and financial performance.

IFRS 18 "Presentation and Disclosure in Financial Statements" has been adopted in replacement of IAS 1. Also, the structure of the comprehensive income statement has been updated, and the disclosures of management performance measurement been added. Furthermore, the application of principles for the summarization and segmentation of the major financial statements and notes has been strengthened

4. Summary of Significant Accounting Policies

Apart from the statement of compliance, basis of preparation, basis of consolidation, and some additional descriptions, the significant accounting policies are same as Note IV to the consolidated financial statements of 2024. Unless otherwise specified, such policies should be consistently applied in all reporting periods.

(1) Statement of Compliance

- A. The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Accounting Standards 34 (hereinafter referred to as “IAS”) “Interim Financial Reporting”.
- B. These consolidated financial statements should be read together with the consolidated financial statements for the year 2024.

(2) Basis of Preparation

- A. The consolidated financial statements were prepared at historical cost except the following important items:
- (A) Financial assets and liabilities measured at fair value through profit or loss
- (B) Defined benefit liabilities recognized at the net present value of retirement fund assets after deduction of defined benefit obligations.
- B. Some significant accounting estimates shall be used to prepare financial statements that comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed (hereinafter referred to as “IFRSs”). In the application of the Group’s accounting policies, the management is required to apply its judgment. For highly judgmental or complicated items, or items involving the significant assumptions and estimates of the consolidated financial statements, please see Note 5 for details.

(3) Basis of Consolidation

- A. Preparation principle of consolidated financial statements

The preparation principle of these consolidated financial statements was same as that adopted for the consolidated financial statements for the year 2024.

- B. The subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Main Business	Percentage of Ownership (%)			Illustrate
			September 30,2025	December 31,2024	September 30,2024	
Wendell Industrial Co., Ltd. (Wendell Industrial)	Wendell Co., Ltd.	Sales of electronic parts	100%	100%	100%	Note1
Wendell Industrial	Wendell Pte. Ltd. (Wendell Pte)	Sales of electronic parts	100%	100%	100%	Note1
Wendell Industrial	Wendell Korea Co., Ltd. (Wendell Korea)	Sales of electronic parts	100%	100%	100%	Note1
Wendell Industrial	Nichtek Industrial Co., Limited (Nichtek)	Controlling company of investee	-	100%	100%	Note2
Wendell Industrial	Wendell Electrical Testing Co., Ltd. (Wendell Electrical Testing)	Testing and safety certification services	100%	100%	100%	Note1

Name of Investor	Name of Subsidiary	Main Business	Percentage of Ownership (%)			Illustrate
			September 30,2025	December 31,2024	September 30,2024	
Wendell Industrial	Shenzhen Qianhong Electronic Co., Ltd. (Shenzhen Qianhong)	Sales of electronic parts	100%	100%	100%	
Shenzhen Qianhong	Suzhou Lianhong Electronic Co., Ltd. (Suzhou Lianhong)	Sales of electronic parts	100%	100%	100%	
Shenzhen Qianhong	Shenzhen Qianhong Electrical Testing Co., Ltd. (Qianhong Electrical Testing)	Testing and certification services	100%	100%	100%	Note1

Note1 : The financial statements as of September 30, 2025 and 2024 were not reviewed by the CPAs since these companies didn't comply with the definition of significant subsidiaries.

Note2 : NichteK decided to liquidate in August 2024 and completed the dissolution and liquidate in May 2025.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Different adjustments and handling methods of subsidiaries in the accounting period: None.
- E. Significant restrictions: None.
- F. Subsidiaries of non-controlling interests significant for the Group: None.

(4) Employee Benefits

The pension cost rate determined on the ending day of the previous fiscal year using actuarial calculations is adopted as the pension cost for the interim period. The calculation is conducted for a period from the beginning of the year to the end of the current period. Adjustments will be made and relevant information will be disclosed per the aforesaid policy in case of significant market changes, major downsizing or repayments or other major one-time events.

(5) Income Tax

The income tax expenses in the interim period are calculated through the application of the estimated annual average effective tax rate in the before-tax profit or loss in the interim period, and relevant information will be disclosed per the aforesaid policy.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

No significant changes occurred in this period. Please refer to Note 5 to the consolidated financial statements for the year 2024.

6. Explanations of Significant Accounting Items

(1) Cash and cash equivalents

	September 30,2025	December 31,2024	September 30,2024
Cash on hand and working capital	\$ 650	\$ 498	\$ 442
Cheque and demand deposits	311,769	447,754	335,892
Time deposits	200,784	194,750	197,080
Total	<u>\$ 513,203</u>	<u>\$ 643,002</u>	<u>\$ 533,414</u>

A. The demand deposits mentioned above are highly liquid investments that are due within three months.

B. The Group establishes business relations with multiple financial institutions of good credit quality to spread credit risks. Therefore, the possibility of default is very low as expected.

C. The Group has no Cash and cash equivalents to others as collateral.

(2) Financial assets (liabilities) at fair value through profit or loss

Item	September 30,2025	December 31,2024	September 30,2024
Current Item:			
Financial assets mandatorily measured at fair value through profit or loss			
Hybrid instruments - financial bonds	\$ 33,520	\$ 172,695	\$ 196,245
Derivative instruments - forward exchange contracts	-	-	1,261
Derivative instruments - Convertible corporate Bonds redemption Rights	-	658	750
Derivative instruments - Convertible Bond Put Option	-	-	(713)
Evaluation and adjustment	34	4,382	7,057
Total	<u>\$ 33,554</u>	<u>\$ 177,735</u>	<u>\$ 204,600</u>

Item	September 30,2025	December 31,2024	September 30,2024
Financial liabilities at fair value through profit or loss			
Derivative instruments - forward exchange contracts	(\$ 732)	(\$ 1,567)	\$ -
Derivative instruments - Convertible corporate Bonds redemption Rights	-	(625)	-
Evaluation and adjustment	-	625	-
Total	<u>(\$ 732)</u>	<u>(\$ 1,567)</u>	<u>\$ -</u>

- A. Details regarding the recognition of financial assets and liabilities at fair value through profit or loss as profit or loss are as follows:

	Three months ended September 30,	
	2025	2024
Non-derivative instruments	\$ 1,085	\$ 7,517
Derivative instruments	(1,308)	1,808
Total	<u>(\$ 223)</u>	<u>\$ 9,325</u>

	Nine months ended September 30,	
	2025	2024
Non-derivative instruments	(\$ 158)	\$ 5,317
Derivative instruments	808	1,816
Total	<u>\$ 650</u>	<u>\$ 7,133</u>

- B. Information regarding the transactions and contracts of derivative financial assets undertaken by the Group without the application of hedge accounting is described as follows:

Derivative financial liabilities	September 30,2025	
	Contract amount (Nominal principal) (Thousands of NTD)	Contract period
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 1,078	2025/07/10- 2025/12/30
		December 31,2024
Derivative financial assets	Contract amount (Nominal principal) (Thousands of NTD)	Contract period
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 2,167	2024/11/05- 2025/03/03
		September 30,2024
Derivative financial assets	Contract amount (Nominal principal) (Thousands of NTD)	Contract period
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 2,208	2024/08/02- 2024/11/29

The forward foreign exchange contracts signed by the Group are to avoid the risk of exchange rate resulting from the export prices. However, hedge accounting hasn't been applied.

- C. The Group hasn't provided financial assets measured at fair value through profit or loss for pledge.

D. For information regarding the credit risks of relevant financial assets measured at fair value through profit or loss, please refer to Note 12 (2) for details.

(3) Notes and accounts receivable

	September 30,2025	December 31,2024	September 30,2024
Notes receivable	\$ 7,275	\$ 34,890	\$ 37,783
Less: Loss allowances	(3)	(10)	(11)
	<u>\$ 7,272</u>	<u>\$ 34,880</u>	<u>\$ 37,772</u>
Accounts receivable	\$ 656,062	\$ 623,868	\$ 653,726
Less: Loss allowances	(2,558)	(2,758)	(1,911)
	<u>\$ 653,504</u>	<u>\$ 621,110</u>	<u>\$ 651,815</u>

A. The average credit extension period offered by the Group to the customers lasts for 90~150 days in principle through monthly settlement. Except drawing of impairment loss for credit impairment actually occurring to individual customers, the Group calculates expected loss ratio to recognize loss allowance with reference to the historical experience and inconsideration of the customers' previous default records and current financial position as well as the future economic situation of the industry.

B. The aging analysis of accounts and notes receivable is as follows:

	September 30,2025		December 31,2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	\$ 634,220	\$ 7,275	\$ 610,760	\$ 34,890
in 30 days	17,354	-	8,705	-
31-90 days	3,030	-	2,866	-
above 91 days	1,458	-	1,537	-
	<u>\$ 656,062</u>	<u>\$ 7,275</u>	<u>\$ 623,868</u>	<u>\$ 34,890</u>

	September 30,2024	
	Accounts receivable	Notes receivable
Not overdue	\$ 640,983	\$ 37,783
in 30 days	10,023	-
31-90 days	1,148	-
above 91 days	1,572	-
	<u>\$ 653,726</u>	<u>\$ 37,783</u>

The aging analysis above is carried out based on the number of overdue days.

C. The balance of receivables (including notes receivable) contracted by the Group with customers reached NT\$663,337, NT\$658,758, NT\$691,509 and NT\$601,995 respectively on September 30, 2025, December 31, 2024, September 30, 2024 and January 1, 2024 respectively. Given that the collateral held or other credit enhancement is not considered, the maximum credit risk of the Group possibly resulting from the financial losses caused by the counterparties' failure to perform their obligations is the carrying amount of the financial assets recognized as of the ending date of the reporting period.

- D. The Group adopts a simplified practice to estimate the expected credit loss on the basis of preparation matrix and in consideration of characteristics such as geographical region, product type and customer rating.
- E. The Group charges against the amount of financial assets that appear not recoverable based on reasonable expectations after the recourse procedure. However, the Group will continually implement the legal recourse procedures to preserve its right over creditors' rights.
- F. The Group includes the loss ratios established based on the historical and current information in specific periods with future forward-looking considerations and adjustments, to estimate the loss allowance for accounts and notes receivable. The loss ratios on September 30, 2025, December 31, 2024 and September 30, 2024 are as follows:

	Not overdue	Overdue for 30 days	Overdue for 31-90 days	Overdue for more than 91 days	Total
<u>September 30, 2025</u>					
Expected loss ratio	0.05%	0.01%-9.75%	6.41%-100%	100.00%	
Total Notes receivable	\$ 7,275	\$ -	\$ -	\$ -	\$ 7,275
Total accounts receivable	\$ 634,220	\$ 17,354	\$ 3,030	\$ 1,458	\$ 656,062
<u>December 31, 2024</u>					
Expected loss ratio	0.03%	0.01%-9.75%	6.41%-100%	100.00%	
Total Notes receivable	\$ 34,890	\$ -	\$ -	\$ -	\$ 34,890
Total accounts receivable	\$ 610,760	\$ 8,705	\$ 2,866	\$ 1,537	\$ 623,868
<u>September 30, 2024</u>					
Expected loss ratio	0.03%	0.01%-12.81%	7.92%-100%	100.00%	
Total Notes receivable	\$ 37,783	\$ -	\$ -	\$ -	\$ 37,783
Total accounts receivable	\$ 640,983	\$ 10,023	\$ 1,148	\$ 1,572	\$ 653,726

- G. Table of changes in loss allowance for accounts and notes receivable by the Group through the use of the simplified practice is as follows:

	2025		2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
January 1	\$ 2,758	\$ 10	\$ 2,880	\$ 12
Drawing (reversal) of impairment loss	(156)	(7)	(998)	(1)
Amount affected by exchange rate	(44)	-	29	-
September 30	\$ 2,558	\$ 3	\$ 1,911	\$ 11

In the losses drawn for the three months and nine months ended September 30, 2025 and 2024, the impairment (loss) interests recognized from the receivables (including notes receivable) generated from contracts with customers were (\$656)、\$46、\$163 and \$999 respectively.

H. For information regarding the credit risks of relevant accounts receivable and notes receivable, please see Note 12 (2) for details.

(4) Inventories

	September 30, 2025		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 263,301	(\$ 46,797)	\$ 216,504
Raw material	65	-	65
Work in process	9,716	-	9,716
Finished goods	23,639	(351)	23,288
Merchandise in transit	9,061	-	9,061
Total	\$ 305,782	(\$ 47,148)	\$ 258,634

	December 31, 2024		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 315,199	(\$ 62,988)	\$ 252,211
Work in process	11,143	-	11,143
Finished goods	15,683	(366)	15,317
Merchandise in transit	12,943	-	12,943
Total	\$ 354,968	(\$ 63,354)	\$ 291,614

	September 30, 2024		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 342,107	(\$ 64,155)	\$ 277,952
Raw material	181	-	181
Work in process	4,639	-	4,639
Finished goods	19,659	(69)	19,590
Merchandise in transit	22,578	-	22,578
Total	\$ 389,164	(\$ 64,224)	\$ 324,940

Inventory cost recognized by the Group as expenses and losses in the current period:

	Three months ended September 30,	
	2025	2024
Cost of goods sold	\$ 270,322	\$ 303,877
(Recovery gains) Falling price loss	(9,481)	(4,605)
	<u>\$ 260,841</u>	<u>\$ 299,272</u>

	Nine months ended September 30,	
	2025	2024
Cost of goods sold	\$ 901,551	\$ 922,583
(Recovery gains) Falling price loss	(16,206)	(816)
	<u>\$ 885,345</u>	<u>\$ 921,767</u>

In the gains generated for the three months and nine months ended September 30, 2025 and 2024, were mainly resulted from the Group's active handling of its slow-moving inventories.

(5) Property, plant, and equipment

	2025						Total
	Land	Machinery	Office Equipment	Leasehold improvements	Other Equipment	Construction in Process	
January 1							
Cost	\$ 240,928	\$ 54,771	\$ 9,527	\$ 64,683	\$ 2,753	\$ 248,390	\$621,052
Accumulated depreciation	-	(25,378)	(5,984)	(31,619)	(1,814)	-	(64,795)
	<u>\$ 240,928</u>	<u>\$ 29,393</u>	<u>\$ 3,543</u>	<u>\$ 33,064</u>	<u>\$ 939</u>	<u>\$ 248,390</u>	<u>\$556,257</u>
January 1	\$ 240,928	\$ 29,393	\$ 3,543	\$ 33,064	\$ 939	\$ 248,390	\$556,257
Addition	-	7,215	1,918	2,299	-	148,821	160,253
Disciplinary Action	-	(23)	(18)	-	(219)	-	(260)
Transfer	-	4,800	-	13,873	-	(18,673)	-
Depreciation fee	-	(6,168)	(1,492)	(6,227)	(315)	-	(14,202)
Effects of changes in foreign exchange rates	-	(176)	(16)	(497)	(35)	-	(724)
September 30	<u>\$ 240,928</u>	<u>\$ 35,041</u>	<u>\$ 3,935</u>	<u>\$ 42,512</u>	<u>\$ 370</u>	<u>\$ 378,538</u>	<u>\$701,324</u>
September 30							
Cost	\$ 240,928	\$ 58,712	\$ 9,943	\$ 69,100	\$ 842	\$ 378,538	\$758,063
Accumulated depreciation	-	(23,671)	(6,008)	(26,588)	(472)	-	(56,739)
	<u>\$ 240,928</u>	<u>\$ 35,041</u>	<u>\$ 3,935</u>	<u>\$ 42,512</u>	<u>\$ 370</u>	<u>\$ 378,538</u>	<u>\$701,324</u>

	2024						Total
	Land	Machinery	Office Equipment	Leasehold improvements	Other Equipment	Construction in Process	
January 1							
Cost	\$ 240,928	\$ 78,916	\$ 8,363	\$ 69,157	\$ 2,665	\$ 48,476	\$448,505
Accumulated depreciation	-	(56,521)	(5,201)	(38,343)	(1,234)	-	(101,299)
	<u>\$ 240,928</u>	<u>\$ 22,395</u>	<u>\$ 3,162</u>	<u>\$ 30,814</u>	<u>\$ 1,431</u>	<u>\$ 48,476</u>	<u>\$347,206</u>
January 1	\$ 240,928	\$ 22,395	\$ 3,162	\$ 30,814	\$ 1,431	\$ 48,476	\$347,206
Addition	-	8,490	1,327	8,663	-	138,746	157,226
Transfer	-	698	-	-	-	(698)	-
Depreciation fee	-	(8,747)	(1,243)	(7,213)	(403)	-	(17,606)
Effects of changes in foreign exchange rates	-	248	30	563	56	-	897
September 30	<u>\$ 240,928</u>	<u>\$ 23,084</u>	<u>\$ 3,276</u>	<u>\$ 32,827</u>	<u>\$ 1,084</u>	<u>\$ 186,524</u>	<u>\$487,723</u>
September 30							
Cost	\$ 240,928	\$ 65,172	\$ 9,787	\$ 78,679	\$ 2,780	\$ 186,524	\$583,870
Accumulated depreciation	-	(42,088)	(6,511)	(45,852)	(1,696)	-	(96,147)
	<u>\$ 240,928</u>	<u>\$ 23,084</u>	<u>\$ 3,276</u>	<u>\$ 32,827</u>	<u>\$ 1,084</u>	<u>\$ 186,524</u>	<u>\$487,723</u>

1. For information on guarantees provided by real estate, plant and equipment, please refer to Note 8 for details

2. The amount of property, plant and equipment borrowing costs capitalized and their interest rates are as follows:

	Nine months ended September 30,	
	2025	2024
Capitalized amount	\$ 8,386	\$ 3,745
Interval of capitalized interest rate	2.55%-4.41%	3.55%

(6) Lease transactions – Lessee

	September 30,2025	December 31,2024	September 30,2024
Right-of-use assets:			
Housing	\$ 64,107	\$ 41,367	\$ 49,612
Transportation Equipment (official cars)	11,595	12,427	14,190
	<u>\$ 75,702</u>	<u>\$ 53,794</u>	<u>\$ 63,802</u>
Leasehold liabilities:			
Current	\$ 31,327	\$ 29,219	\$ 34,596
Non-current	45,013	25,262	29,931
	<u>\$ 76,340</u>	<u>\$ 54,481</u>	<u>\$ 64,527</u>

- A. The target assets leased by the Group include housing and official cars. The lease contract term usually lasts for 2-5 years. The lease contracts are individually negotiated and contain various different terms and conditions. No other restrictions have been imposed except that the leased assets shall not be used for loan guarantee.
- B. The lease term of housing, parking spaces and copying machines leased by the Group does not exceed 12 months.
- C. The information of depreciation expenses of right-of-use assets recognized is as follows:

	Three months ended September 30,	
	2025	2024
	Depreciation fee	Depreciation fee
Housing	\$ 7,640	\$ 7,482
Transportation Equipment (official cars)	1,593	1,705
	<u>\$ 9,233</u>	<u>\$ 9,187</u>

	Nine months ended September 30,	
	2025	2024
	Depreciation fee	Depreciation fee
Housing	\$ 23,585	\$ 21,458
Transportation Equipment (official cars)	4,821	5,110
	<u>\$ 28,406</u>	<u>\$ 26,568</u>

- D. The right-of-use assets added by the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 were NT\$34,688、NT\$7,183、NT\$52,458 and NT\$33,359 respectively.

E. The information of other profit and loss items related to lease contracts except depreciation is as follows:

	Three months ended September 30,	
	2025	2024
<u>Items that affect current profit or loss</u>		
Interest of lease liabilities	\$ 384	\$ 399
Expenses of short-term lease contracts	1,009	1,826
Gains on lease modification	58	(8)
	Nine months ended September 30,	
	2025	2024
<u>Items that affect current profit or loss</u>		
Interest of lease liabilities	\$ 1,166	\$ 1,180
Expenses of short-term lease contracts	2,555	6,119
Gains on lease modification	59	-

F. The total amount of lease cash outflows of the Group reached NT\$10,606、NT\$11,462、NT\$32,136 and NT\$34,043 respectively or the three-month and nine-month periods ended September 30, 2025 and 2024.

(7) Other non-current assets

	September 30,2025	December 31,2024	September 30,2024
Prepaid pre-sale real estate	\$ 185,280	\$ -	\$ -
Prepaid equipment	31,285	2,092	4,364
Deposit margin	15,537	16,228	16,570
Intangible assets	10,131	2,540	2,590
Other	164	229	256
	<u>\$ 242,397</u>	<u>\$ 21,089</u>	<u>\$ 23,780</u>

(8) Short-term loans

	September 30,2025	December 31,2024	September 30,2024
Credit loans	<u>\$ 252,334</u>	<u>\$ 215,713</u>	<u>\$ 230,243</u>
Interest rate range	2.57%-5.77%	0.50%~6.55%	0.50%-6.99%

The interest expenses recognized in profit or loss for the three-month and nine-month periods ended September 30, 2025 and 2024 reached NT\$245、NT\$858、\$831 and NT\$3,409 respectively

(9) Other payables

	September 30,2025	December 31,2024	September 30,2024
Compensation and bonus payable	\$63,467	46,183	30,419
Remunerations of employee and remunerations of the Directors payable	7,074	9,136	6,254
Payables on equipment and project	17,496	43,738	33,685
Other	25,590	22,625	25,267
Total	<u>\$ 113,627</u>	<u>\$ 121,682</u>	<u>\$ 95,625</u>

(10) Bonds payable

	September 30,2025	December 31,2024	September 30,2024
Bonds payable	\$ -	\$ 328,800	\$ 375,000
Less: Discounts on bonds payable	-	(2,740)	(4,893)
Subtotal	-	326,060	370,107
Less: Bonds payable - current	-	(326,060)	(370,107)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. Domestic convertible corporate bonds issued by the Company

(A) The issuance conditions of the first unsecured convertible corporate bond of the Company in Taiwan are as follows:

- I. The Company raised and issued the first unsecured convertible corporate bond in Taiwan with the approval from the competent authority. The total amount issued reached NT\$400,000 with nominal interest rate of 0%, and the issuance term is 3 years. The circulation period starts from June 8, 2022 and ends on June 8, 2025. Upon maturity of this convertible corporate bond, it shall be repaid by cash in a lump-sum manner per the face value of the bond. This convertible corporate bond was listed at Taipei Exchange for trading on June 8, 2022.
- II. The holders of this convertible corporate bond may request the Group for conversion of the bond to the ordinary shares of the Company from the next day after three months following the issue date of this bond to the due date except periods stipulated by relevant measures or regulations when transfer should be suspended. The rights and obligations accompanying the converted ordinary shares are same as those of ordinary shares originally issued.
- III. The conversion price of this convertible corporate bond was determined according to the pricing model stipulated in corresponding regulation governing issuance and conversion. The conversion price is NT\$ 105.9. Since the Company issued cash dividends of ordinary shares, the conversion price should be adjusted on the ex-dividend base date in accordance with the provisions of Article 11 of the regulation governing issuance and conversion. Therefore, the conversion price was adjusted from NT\$ 105.9 to NT\$ 82.2.
- IV. The Company may recover all its bonds by cash per the face value of the bond at any time subsequently when the closing price of the ordinary shares of the Company exceeds 30% of the conversion price then for thirty consecutive business days, or the outstanding balance of this convertible corporate bond is lower than 10% of the original total issue amount forty days prior to the expiry of the issuance period from the next day after three months following the issuance of this convertible corporate bond.
- V. The holders of this convertible corporate bond may require the cash redemption of the bonds they hold at the face value of the bond within forty days prior to the issuance of the bond for two years.
- VI. In accordance with the provisions of the regulation governing conversion, all the convertible corporate bonds recovered (including

those repurchased from the Taipei Exchange), repaid or converted by the Company will be canceled, and all rights and obligations still accompanying the corporate bonds will be terminated and no longer issued.

- (B) The convertible corporate bond with a face value of NT\$327,800 and NT\$24,900 were converted into 3,988,000 and 301,000 ordinary shares respectively from January 1, 2024 to September 30, 2024 and 2025. The capital reserve generated from this conversion was NT\$304,188 and NT\$22,828, and the stock option over the capital reserve was reduced by NT\$17,314 and NT\$1,315.
- (C) As of the maturity date of these convertible bonds, the face value of \$399,000 bonds has been converted into 4,852,000 ordinary shares, and the change of registration has been completed.
- (D) As of the maturity date of these convertible bonds, the Company didn't repurchase this convertible corporate bond from the Taipei Exchange.
- B. When issuing the convertible corporate bond, the Company separated the conversion right with nature of equity from the constituting element of each liability and recorded it in "Capital surplus - Subscription right" in accordance with IAS 32 "Financial Instruments: Presentation". As of September 30, 2025, the balance of "Capital surplus - Subscription right" was NT\$0. Besides, the embedded right of redemption and put right was separated according to the provisions of IFRS 9 "Financial Instruments" and considering that the economic characteristics of master contract debt products were not closely associated with risks. Also, the net amount of these embedded rights was recorded in "Financial assets or liabilities measured at fair value through profit or loss". The effective interest rate of the master contract was 1.91% after separation.

(11) Long-term loans

Type of borrowings	Borrowing period and repayment term	Interest rate	September 30,2025
Long-term bank loans			
Secured Loans	Borrowing period is from December 25, 2024 to October 17, 2026; principal is repayable in full at maturity; interest is repayable monthly	2.83%	\$ 89,600
<hr/>			
Type of borrowings	Borrowing period and repayment term	Interest rate	December 31,2024
Long-term bank loans			
Secured Loans	Borrowing period is from December 25, 2024 to October 17, 2026; principal is repayable in full at maturity; interest is repayable monthly	2.83%	\$ 14,000
<hr/>			

This situation didn't exist from September 30, 2024.

- A. As of September 30, 2025 and December 31, 2024, the company's unused long-term loan amount was \$190,400 and \$266,000 respectively
- B. Please refer to Note 8 for details of the collateral for the Group's long-term loans.

(12) Retirement pension

- A. (A) The Company has established a defined-benefit retirement regulation in accordance with the provisions of the "Labor Standards Act". This regulation applies to service seniority of all former employees before implementation of the "Labor Pension Act" on July 1, 2005, as well as the subsequent service seniority of employees who chose the continual application of the Labor Standards Act after implementation of the "Labor Pension Act". For employees who comply with the conditions for retirement, their pension will be calculated according to the service seniority and the average salary in 6 months prior to their retirement. Two base numbers are provided for each year if the service seniority is within 15 years (including given figure). One base number is provided for each year if the service seniority exceeds 15 years. However, it is limited to 45 base numbers. The Company appropriates 2% of the total compensation every month as retirement fund, and deposit it in a specific account opened at the Bank of Taiwan under the name of labor retirement reserve supervisory committee. Additionally, the Company estimate the balance of the special account of labor retirement reserve mentioned above before the end of each year. If this balance is not sufficient to pay the retirement pension of laborers who are expected to comply with the retirement conditions in the next year, the Company will appropriate the difference in a lump-sum way prior to the end of March next year.
 - (B) Wendell Korea chooses to adopt defined payment retirement regulation according to the local laws and regulations, and draws relevant retirement pension expenses according to the projected unit benefit method.
 - (C) For the three-month and nine-month periods ended September 30, 2025 and 2024, the pension cost recognized by the Group per the preceding pension measures was NT\$19、NT\$21、NT\$57 and NT\$1,040 respectively.
 - (D) The Group expects to pay appropriation amount of retirement plan as NT\$238 in 2025.
- B. (A) The Company and Wendell Electrical Testing established defined retirement pension appropriation measures applicable to all employees in Taiwan according to "Labor Pension Act" from July 1, 2005. If the employees choose to apply the labor pension system determined in "Labor Pension Act", the Company and its subsidiaries in Taiwan withdraw 6% of salaries as labor pension to the personal accounts opened by employees at the Bureau of Labor Insurance every month. The employees' pension will be paid on a

monthly basis or in a lump-sum manner in accordance with the amount in the special personal pension accounts of employees and the amount of accumulated income.

- (B) Shenzhen Qianhong, Suzhou Lianhong, and Qianhong Electrical Testing appropriate a certain ratio of the total amount of local employees' remuneration as pension insurance every month according to the pension insurance system stipulated by the government of the People's Republic of China. The pension of each employee will be managed and uniformly arranged by the government. The Group does not have further obligations other than monthly appropriation.
- (C) Wendell Korea and Wendell Co., Ltd. appropriates pension insurance according to the retirement regulation stipulated by the local government and based on the local employees' remuneration. This company does not have further obligations other than annual appropriation.
- (D) For the three-month and nine-month periods ended September 30, 2025 and 2024, the Group recognizes retirement pension cost of NT\$3,431、NT\$3,207、NT\$9,913 and NT\$9,073 respectively in accordance with the preceding retirement pension measures..

(13) Share-based payment

- A. The share-based payment of the Group as of September 30, 2024 is as follows:

Type of agreement	Grant date	Granted quantity	Contract term	Vesting conditions
Capital increase by cash with employee subscription reserved	January 23, 2024	710,000 shares	N/A	Immediately vested

The aforesaid share-based payment was closed with equity.

- B. For the share-based payment transaction granted by the Group on the grant date, Black-Scholes Option Pricing Model was employed to estimate the fair value of the stock options. Relevant information is as follows:

Type of agreement	Grant date	Stock price	Exercise price	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit
Capital increase by cash with employee subscription reserved	2024.1.23	\$71.2	\$52.5	17.01%	0.08 year	-	1.01%	\$18.74

- C. The compensation cost recognized by the Group in the quarter from July 1 to September 30 and January 1 to September 30, 2024. due to the aforesaid share-based payment transaction was NT\$ 0 and NT\$ 13,305.

(14) Capital stock

- A. The normal capital of the Company reached NT\$600,000 on September 30, 2025, divided into 60,000,000 shares. The paid-in capital was NT\$349,559 with face value per share of NT\$ 10. The stock capital corresponding to the shares already issued by the Company were already received.
- B. The number of outstanding ordinary shares of the Company (Bond exchange rights certificate) at the beginning and end of the period is adjusted as follows (Unit: 1,000 shares):

	<u>2025</u>	<u>2024</u>
January 1	30,967	25,105
Convertible Bond	3,988	301
Buy back treasury shares	(174)	-
Capital increase by cash	-	5,000
September 30	<u>34,781</u>	<u>30,406</u>

- C. For the requested conversion of convertible corporate bonds form January 1 to September 30, 2025 and 2024, please refer to the description of corporate bonds payable in Note 6 (10).
- D. The Board of Directors of the Company passed a resolution to handle the issuance of 5,000,000 ordinary shares through capital increase by cash on November 14, 2023. The face value per share reached NT\$ 10, and the issue price was NT\$ 52.5 per share at premium. The base date of capital increase by cash was February 26, 2024, and relevant change registration was already handled.
- E. Treasury shares

(A) The reasons for the recall of shares and the change in the quantity

<u>Name of the company holding the shares</u>	<u>Reasons for withdrawal</u>	<u>September 30,2025</u>	
		<u>Quantity</u>	<u>Book Value</u>
Our company	Shares transferred to employee	174	\$ <u>15,598</u>

- (B) According to the Securities and Exchange Act, a company's repurchase of its outstanding shares must not exceed ten percent of the total issued shares. Additionally, the total amount spent on repurchasing shares must not exceed the sum of retained earnings, share premium, and realized capital surplus.
- (C) According to the Securities and Exchange Act, the treasury stocks held by the Group shall not be pledged and shall not be entitled to the rights of shareholders before they are transferred.
- (D) Pursuant to the Securities and Exchange Act, repurchased shares transferred to employees must be transferred within five years. Failure to do so will be deemed as unissued shares, and the company must register the change and cancel the shares.

(15) Capital surplus

In accordance with the provisions of the Company Act, the surplus obtained from the issuance of stock beyond the nominal amount and the capital surplus received from donations may be used to compensate for losses. When the Company does not have any accumulated losses, new shares or cash will be distributed to shareholders based on their original shareholding ratios by using the aforesaid surplus. Besides, in accordance with relevant provisions of the Securities and Exchange Act, when the preceding capital surplus is used to increase the capital, the total amount increased shall not exceed ten percent of the paid-in capital every year. If the Company still has a loss after the earned surplus is used to make up for the capital losses, it is not allowed to use the capital surplus to supplement the loss.

	2025		
	Share premium account	Subscription right	Total
January 1	\$ 596,677	\$ 17,367	\$ 614,044
Convertible Bond	304,241	(17,367)	286,874
September 30	<u>\$ 900,918</u>	<u>\$ -</u>	<u>\$ 900,918</u>
	2024		
	Share premium account	Subscription right	Total
January 1	\$ 305,559	\$ 21,122	\$ 326,681
Capital increase by cash	212,500	-	212,500
Share-based payment	13,305	-	13,305
Convertible Bond	22,828	(1,315)	21,513
September 30	<u>\$ 554,192</u>	<u>\$ 19,807</u>	<u>\$ 573,999</u>

(16) Retained earnings

- A. In accordance with the provisions of the Articles of Association of the Company, if there are any earnings in the annual final accounts, they shall be used to pay taxes, and make up losses first if any. Then, 10% of the retained earnings may be drawn as statutory surplus reserve; however, when the accumulated amount of the statutory surplus reserve reaches the total capital of the Company, this provision shall not apply. Also, special surplus reserve may be appropriated or reversed according to relevant laws and regulations or the competent authority's provisions. If there are still remaining earnings, the Board of Directors may draw up a distribution proposal regarding the earnings and the accumulated unappropriated earnings and then submit to the Shareholders' Meeting for a resolution on the distribution of shareholder dividends.
- B. The dividend policy of the Company is determined in accordance with the current and future development plans, and in consideration of investment environment, capital demand, domestic and foreign competition, shareholders' interests, and other relevant factors. At least 10% of the distributable earnings in the preceding paragraph shall be appropriated to distribute dividends to shareholders either by cash or stock. The cash dividends shall not be lower than 10% of the total dividends.

- C. Except compensation for the losses of the Company and the distribution of new shares or cash per shareholders' original shareholding ratios, the statutory surplus reserve shall not be used. If it is used to distribute new shares or cash, it shall be limited to the part of this surplus reserve above 25% of the paid-in capital.
- D. When distributing earnings, the Company shall draw special surplus reserve for the debit balance of other equity items on the balance sheet date of the current year according to regulatory provisions first. Later, when the debit balance of other equity items is reversed, the reversed amount may be included in the distributable earnings.
- E. During the Shareholders' Meeting on May 28, 2025 and June 18, 2024, the appropriations and distribution of earnings for 2024 and 2023 have been separately proposed and approved with the following details:

	2024		2023	
	Amount	Dividends Per Share (NT\$)	Amount	Dividends Per Share (NT\$)
Legal capital reserve	\$ 21,452		\$ 10,360	
Special capital reserve	3,828		2,322	
Cash dividends	195,719	\$ 6.32	120,420	\$ 4.0
	<u>\$ 220,999</u>		<u>\$ 133,102</u>	

- F. Please see Note 6(20) for information on remunerations of employee and the Directors.

(17) Operating revenue

	Three months ended September 30,	
	2025	2024
Revenue from contracts with customers:		
Revenue from sale of goods	\$ 437,447	\$ 458,393
Revenue from labor services	47,358	43,704
Total	<u>\$ 484,805</u>	<u>\$ 502,097</u>

	Nine months ended September 30,	
	2025	2024
Revenue from contracts with customers:		
Revenue from sale of goods	\$ 1,429,386	\$ 1,385,817
Revenue from labor services	124,242	129,138
Total	<u>\$ 1,553,628</u>	<u>\$ 1,514,955</u>

- A. The source of revenue of the Group is the provision of commodities and labor services gradually transferred with the time and transferred upon a certain time point. Revenue can be segmented to the following primary geological areas:

Three months ended September 30,2025	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 176,394	\$ 166,921	\$ 27,536	\$ 66,596	\$ 437,447
Revenue from labor services	41,334	5,024	11	989	47,358
Revenue from contracts with external customers	<u>\$ 217,728</u>	<u>\$ 171,945</u>	<u>\$ 27,547</u>	<u>\$ 67,585</u>	<u>\$ 484,805</u>
At a fixed point in time	\$ 176,394	\$ 166,921	\$ 27,536	\$ 66,596	\$ 437,447
Revenue gradually recognized with the time	41,334	5,024	11	989	47,358
	<u>\$ 217,728</u>	<u>\$ 171,945</u>	<u>\$ 27,547</u>	<u>\$ 67,585</u>	<u>\$ 484,805</u>

Three months ended September 30,2024	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 195,245	\$ 167,721	\$ 47,794	\$ 47,633	\$ 458,393
Revenue from labor services	38,285	4,451	-	968	43,704
Revenue from contracts with external customers	<u>\$ 233,530</u>	<u>\$ 172,172</u>	<u>\$ 47,794</u>	<u>\$ 48,601</u>	<u>\$ 502,097</u>
Timing of revenue recognition:					
At a fixed point in time	\$ 195,245	\$ 167,721	\$ 47,794	\$ 47,633	\$ 458,393
Revenue gradually recognized with the time	38,285	4,451	-	968	43,704
	<u>\$ 233,530</u>	<u>\$ 172,172</u>	<u>\$ 47,794</u>	<u>\$ 48,601</u>	<u>\$ 502,097</u>

Nine months ended September 30,2025	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 581,576	\$ 515,025	\$ 128,085	\$ 204,700	\$ 1,429,386
Revenue from labor services	105,882	15,274	213	2,873	124,242
Revenue from contracts with external customers	<u>\$ 687,458</u>	<u>\$ 530,299</u>	<u>\$ 128,298</u>	<u>\$ 207,573</u>	<u>\$ 1,553,628</u>
Timing of revenue recognition					
At a fixed point in time	\$ 581,576	\$ 515,025	\$ 128,085	\$ 204,700	\$ 1,429,386
Revenue gradually recognized with the time	105,882	15,274	213	2,873	124,242
	<u>\$ 687,458</u>	<u>\$ 530,299</u>	<u>\$ 128,298</u>	<u>\$ 207,573</u>	<u>\$ 1,553,628</u>

Nine months ended September 30,2024	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 635,700	\$ 471,898	\$ 152,607	\$ 125,612	\$ 1,385,817
Revenue from labor services	112,703	11,431	43	4,961	129,138
Revenue from contracts with external customers	\$ 748,403	\$ 483,329	\$ 152,650	\$ 130,573	\$ 1,514,955
Timing of revenue recognition:					
At a fixed point in time	\$ 635,700	\$ 471,898	\$ 152,607	\$ 125,612	\$ 1,385,817
Revenue gradually recognized with the time	112,703	11,431	43	4,961	129,138
	\$ 748,403	\$ 483,329	\$ 152,650	\$ 130,573	\$ 1,514,955

Note: The revenue is disclosed per the locations of the customers.

B. Contract liabilities

The Group recognizes the contract liabilities related to revenue from contracts with customers as follows:

	September 30,2025	December 31,2024	September 30,2024	January 1,2024
Contract liabilities - current	\$ 1,003	\$ 5,637	\$ 2,756	\$ 7,212

The amount of beginning contract liabilities of the Group recognized as revenue in the current period for the three-month and nine-month periods ended September 30, 2025 and 2024 NT\$1,003, NT\$5,637, NT\$2,756 and NT\$7,212 respectively.

(18) Other gains and losses

	Three months ended September 30,	
	2025	2024
Gains(losses) on foreign currency exchange	\$ 7,912	(\$ 9,468)
Gains(losses) on financial assets (liabilities) measured at fair value through profit or loss	(223)	9,325
Losses from disposal of property, plant, and equipment	160	-
Other	(44)	(21)
	\$ 7,805	(\$ 164)
	Nine months ended September 30,	
	2025	2024
Gains (loss) on foreign currency exchange	(\$ 17,393)	\$ 14,584
Gains on financial assets (liabilities) measured at fair value through profit or loss	650	7,133
Losses from disposal of property, plant, and equipment	144	-
Other	(159)	(48)
	(\$ 16,758)	\$ 21,669

(19) Finance costs

	Three months ended September 30,	
	2025	2024
Convertible Bond	\$ -	\$ 1,842
Interest expense	245	858
Interest of lease liabilities	384	399
	<u>\$ 629</u>	<u>\$ 3,099</u>

	Nine months ended September 30,	
	2025	2024
Convertible Bond	\$ 1,697	\$ 5,569
Interest expense	831	3,409
Interest of lease liabilities	1,166	1,180
	<u>\$ 3,694</u>	<u>\$ 10,158</u>

(20) Depreciation, amortization expenses and employee benefits

	Three months ended September 30,	
	2025	2024
Salaries	\$ 72,997	\$ 60,614
Labor and health insurance	5,427	4,869
Pension	3,450	3,228
Remunerations of the Directors	1,369	1,148
Other employee benefits	2,602	2,689
Total	<u>\$ 85,845</u>	<u>\$ 72,548</u>
Depreciation expenses	<u>\$ 13,740</u>	<u>\$ 14,069</u>
Amortization expenses	<u>\$ 1,168</u>	<u>\$ 297</u>

	Nine months ended September 30,	
	2025	2024
Salaries	\$ 214,835	\$ 188,405
Share-based payment	-	13,305
Labor and health insurance	16,132	14,143
Pension	9,970	10,113
Remunerations of the Directors	3,756	3,243
Other employee benefits	7,723	7,407
Total	<u>\$ 252,416</u>	<u>\$ 236,616</u>
Depreciation expenses	<u>\$ 42,608</u>	<u>\$ 44,174</u>
Amortization expenses	<u>\$ 2,929</u>	<u>\$ 890</u>

- A. In accordance with the provisions of the Articles of Association, if the Company makes a profit in the current year (i.e., before-tax interests deducted with remunerations of employee and remunerations of the Directors distributed), and there is still a remaining amount after deduction of accumulated losses, the Board of Directors shall appropriate at least 1.5% of the annual profit as remunerations of employee and no more than 3% of the profit as remunerations of the Directors respectively.
- B. The estimated amount of remunerations of the Directors and remunerations of employee of the Company is listed as follows, and relevant amount is recorded as compensation expenses:

	Three months ended September 30,	
	2025	2024
Remunerations of the Directors	\$ 1,334	\$ 1,134
Remunerations of employee	1,334	1,134
	<u>\$ 2,668</u>	<u>\$ 2,268</u>

	Nine months ended September 30,	
	2025	2024
Remunerations of the Directors	\$ 3,537	\$ 3,127
Remunerations of employee	3,537	3,127
	<u>\$ 7,074</u>	<u>\$ 6,254</u>

Remunerations of the Directors and remunerations of employee in the quarters ended September 30, 2025 and 2024 were estimated based on the annual profits and pursuant to the provisions of the Articles of Association.

- C. Remunerations of the Directors and remunerations of employee resolved by the Board of Directors in 2024 were consistent with the amount recognized in the financial statements for the year 2024. The aforesaid remunerations of employee were paid in cash.
- D. For information related to the remunerations of the Directors and remunerations of employee approved by the Board of Directors of the Company, please query at the MOPS.

(21) Income tax

A. Income tax expense

	Three months ended September 30,	
	2025	2024
Current income tax expense:		
Income tax generated by income for the current period	\$ 11,516	\$ 17,522
Overestimation of income taxes in previous years	(2)	(51)
Total current income tax expense	<u>11,514</u>	<u>17,471</u>
Deferred income tax expense:		
Relating to origination and reversal of temporary differences	7,051	(26)
Income tax expense	<u>\$ 18,565</u>	<u>\$ 17,445</u>

	Nine months ended September 30,	
	2025	2024
Current income tax expense:		
Income tax generated by income for the current period	\$ 44,949	\$ 39,599
Underestimation (overestimation) of income taxes in previous years	(2,919)	318
Total current income tax expense	<u>42,030</u>	<u>39,917</u>
Deferred income tax expense:		
Relating to origination and reversal of temporary differences	6,375	5,863
Income tax expense	<u>\$ 48,405</u>	<u>\$ 45,780</u>

- B. The business income tax of the Company and its domestic subsidiary, i.e. Wendell Electrical Testing, was verified and approved by the tax collection authority until the year of 2023 and 2022.

(22) Earnings per share

	Three months ended September 30,		
	2025		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 69,648	34,781	\$ 2.00
<u>Diluted earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 69,648	34,781	
Effects of all dilutive potential common shares			
Remunerations of employee	-	24	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	\$ 69,648	34,805	\$ 2.00
	Three months ended September 30,		
	2024		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share (Note)</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 56,134	30,153	\$ 1.86
<u>Diluted earnings (loss) per share (Note)</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 56,134	30,153	
Effects of all dilutive potential common shares			
Convertible Bond	1,501	4,562	
Remunerations of employee	-	30	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	\$ 57,635	34,745	\$ 1.66

Nine months ended September 30,			
2025			
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 185,131	33,588	\$ 5.51
<u>Diluted earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 185,131	33,588	
Effects of all dilutive potential common shares			
Convertible Bond	1,336	1,433	
Remunerations of employee	-	33	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	\$ 186,467	35,054	\$ 5.32

Nine months ended September 30,			
2024			
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share (Note)</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 158,299	29,122	\$ 5.44
<u>Diluted earnings (loss) per share (Note)</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 158,299	29,122	
Effects of all dilutive potential common shares			
Convertible Bond	3,650	4,790	
Remunerations of employee	-	36	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	\$ 161,949	33,948	\$ 4.77

(23) Cash flow information

A. Investing activities only partially paid by cash:

	Nine months ended September 30,	
	2025	2024
Additions of property, plant and equipment	\$ 160,253	\$ 157,226
Add: Beginning payables on equipment	43,738	9,972
Ending payables on equipment	31,285	4,364
Prepaid pre-sale real estate at the end of the period	185,280	-
Less: Ending payables on equipment	(17,496)	(33,685)
Prepaid equipment payment at the beginning of the period	(2,092)	-
Capitalization of loan cost	(8,386)	(3,745)
Cash paid in the current period	<u>\$ 392,582</u>	<u>\$ 134,132</u>

B. Financing activities that do not affect cash flows

	Nine months ended September 30,	
	2025	2024
Convertible bonds payable		
Share capital payable upon conversion of convertible bonds	39,878	3,012
Capital reserve payable for conversion of convertible corporate bonds	286,874	21,513
Convertible bonds payable	(326,752)	(24,525)
Cash paid in the current period	<u>\$ -</u>	<u>\$ -</u>

(24) Reconciliation of liabilities arising from financing activities

	2025				Total liabilities arising from financing activities
	Short-term loans	Long-term loans	Bonds payable (including current)	Lease liabilities	
January 1	\$ 215,713	\$ 14,000	\$ 326,060	\$ 54,481	\$ 610,254
Movement of Financing Cash Flow	36,621	75,600	(1,000)	(28,415)	82,806
Interest amortization	-	-	1,697	-	1,697
Corporate bond conversion	-	-	(326,757)	-	(326,757)
Increase in lease liabilities during the period	-	-	-	52,458	52,458
Movement of other non-cash(Note)	-	-	-	(2,184)	(2,184)
September 30	<u>\$ 252,334</u>	<u>\$ 89,600</u>	<u>\$ -</u>	<u>\$ 76,340</u>	<u>\$ 418,274</u>

	2024				Total liabilities arising from financing activities
	Short-term loans	Bonds payable (including current)	Lease liabilities		
January 1	\$ 217,191	\$ 389,078	\$ 58,983	\$ -	\$ 665,252
Movement of Financing Cash Flow	13,052	-	(26,744)	(-)	13,692
Movement of other non-cash(Note)	-	(18,971)	32,288	-	13,317
September 30	<u>\$ 230,243</u>	<u>\$ 370,107</u>	<u>\$ 64,527</u>	<u>\$ -</u>	<u>\$ 664,877</u>

Note : Modification of the main system lease contract

7. Related Party Transactions

Bonuses for the Company's key managerial officers

	Three months ended September 30,	
	2025	2024
Remuneration and short-term employee benefits	\$ 7,864	\$ 8,430
Retirement benefits	298	235
Severance benefits	3,605	-
Total	<u>\$ 11,767</u>	<u>\$ 8,665</u>

	Nine months ended September 30,	
	2025	2024
Remuneration and short-term employee benefits	\$ 24,103	\$ 24,103
Retirement benefits	769	686
Severance benefits	3,605	-
Share-based payment	-	1,218
Total	<u>\$ 28,477</u>	<u>\$ 26,007</u>

8. Pledged Assets

The Company has pledged the following assets as collateral:

Asset Item	September 30,2025	December 31,2024	September 30,2024	Content of the secured liabilities
Time deposits (Note)	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	Customs duties guarantee
Property, plant, and equipment	<u>\$ 240,928</u>	<u>\$ 240,928</u>	<u>\$ -</u>	Long-term loanse and Credit line guarantee

Note: Other non-current assets are recorded.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure already contracted but not yet incurred

	September 30,2025	December 31,2024	September 30,2024
Pre-sale real estate	\$ 1,023,530	\$ -	\$ -
Property, plant and equipment	123,340	98,845	163,863
Intangible assets	2,392	10,484	-
Total	<u>\$ 1,149,262</u>	<u>\$ 109,329</u>	<u>\$ 163,863</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Other

(1) Capital management

No significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2024.

(2) Financial instruments

A. Category of financial instruments

	September 30,2025	December 31,2024	September 30,2024
<u>Financial assets</u>			
Financial assets at fair value through loss and gain	\$ 33,554	\$ 177,735	\$ 204,600
Financial assets at amortized cost (Note 1)	\$ 1,204,534	\$ 1,328,091	\$ 1,244,192
<u>Financial liabilities</u>			
Financial liabilities at fair value through loss and gain	\$ 732	\$ 1,567	\$ -
Financial liabilities at amortized cost (Note 2)	\$ 661,458	\$ 557,948	\$ 513,550
Bonds payable (including current)	\$ -	\$ 326,060	\$ 370,107
Lease liabilities	\$ 76,340	\$ 54,481	\$ 64,527

Note 1: Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables (recorded in other current assets), and guaranteed deposits paid.

Note 2: Including short-term loans, accounts payable, other payables, other payables non-current (listed as other non-current liabilities) and loan-term loans.

B. Policy of financial risk management

No significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2024.

C. Nature and level of significant financial risks

Unless those described below, no significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2024.

Market risk

Foreign exchange risk

(A) Since the business of the Group involves several non-functional currencies (the functional currency of the Company and some subsidiaries is NTD, while the functional currencies of some subsidiaries are RMB and KRW), it is thus influenced by the fluctuation in exchange rate. The information of foreign currency assets and liabilities with a significant impact of fluctuation in exchange rate is as follows:

September 30, 2025					
	Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
				Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 19,036	30.47	\$ 579,951	1%	\$ 5,800
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 10,438	30.47	\$ 318,004	1%	\$ 3,180
December 31, 2024					
	Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
				Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 20,012	32.78	\$ 655,993	1%	\$ 6,560
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 7,908	32.78	\$ 259,224	1%	\$ 2,592
September 30, 2024					
	Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
				Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 22,091	31.65	\$ 699,180	1%	\$ 6,992
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 8,556	31.65	\$ 270,797	1%	\$ 2,708

(B) Methods and assumptions used to estimate fair value are as follows:

Corporate bonds payable: Measured at the present value discounted per the market interest rate on the balance sheet date according to the cash flows expected to be paid.

C. Financial and non-financial instruments measured at fair value

(A) The Group classifies these financial instruments on the basis of the nature, characteristics, risks and fair value of assets and liabilities. Relevant information is as follows:

September 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Financial bonds	\$ 33,554	\$ -	\$ -	\$ 33,554
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ 732	\$ -	\$ 732
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Financial bonds	\$ 177,702	\$ -	\$ -	\$ 177,702
Right of redemption over convertible corporate bonds	-	-	33	33
Total	\$ 177,702	\$ -	\$ 33	\$ 177,735
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ 1,567	\$ -	\$ 1,567
September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Right of redemption over convertible corporate bonds	\$ 203,189	\$ -	\$ -	\$ 203,189
Financial bonds	-	1,261	-	1,261
Forward exchange contracts	-	-	150	150
Total	\$ 203,189	\$ 1,261	\$ 150	\$ 204,600

(B) Methods and assumptions used by the Group to measure fair value are described as follows:

- A. Those with fair value determined by the Group as quoted market prices (i.e., Level 1) are stocks of TWSE/TPEX listed companies as well as bonds issued by them. The closing prices of these stocks and bonds are their quoted market prices.
- B. The derivative instruments held by the Group are mainly forward foreign exchange contracts. They are non-standardized and less complicated financial instruments. The Group adopts evaluation techniques widely used by the market participants, and the parameters used are market observable information.
- C. The output of the evaluation model is an estimated value, while the evaluation techniques may not reflect all factors related to the financial and non-financial instruments held by the Group. Therefore, the estimated value of the evaluation model will be appropriately adjusted according to extra parameters, e.g., model risk or liquidity risk. In accordance with the fair value evaluation model management policy and related control procedures of the Group, the management believes that relevant evaluation and adjustment are appropriate and necessary for the fair presentation of the fair value of financial instruments and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the process of evaluation shall be prudently evaluated and appropriately adjusted according to the current conditions of the local markets.
- D. No transfer between Level 1 and Level 2 occurred from January 1 to September 30, 2025 and 2024.
- E. The changes in Level 3 from January 1 to September 30, 2025 and 2024 are presented in the following table:

	2025	
	Right of redemption over convertible corporate bonds	Put right over convertible corporate bonds
January 1	\$ 33	\$ -
Evaluated profit or loss	(28)	-
Current Issue Conversion	(5)	-
September 30	<u>\$ -</u>	<u>\$ -</u>
	2024	
	Right of redemption over convertible corporate bonds	Put right over convertible corporate bonds
January 1	\$ -	(\$ 840)
Evaluated profit or loss	166	840
Current Issue Conversion	(16)	-
September 30	<u>\$ 150</u>	<u>\$ -</u>

- F. No transfer-in and transfer-out of Level 3 occurred from January 1 to September 30, 2025 and 2024
- G. As for the evaluation process adopted by the Group for fair value classified to Level 3, relevant department is responsible for conducting independent fair value verification of financial instruments, relying on data from independent sources to make the evaluation results close to the market status, confirming that the data sources are independent, reliable, consistent with other data and represent executable prices, and regularly calibrating and updating the input value and data needed for the evaluation model as well as any other necessary fair value adjustments, to ensure the reasonableness of the evaluation results.
- H. The quantified information of significant unobservable input values of the evaluation model used for the evaluation of Level 3 fair value measurement items of the Group, and the sensitivity analysis of changes of these significant unobservable input values are described as follows:

	December 31, 2024 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	\$ 33	Binary tree evaluation model	Degree of fluctuation	39.00%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	\$ -				
	September 30, 2024 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	\$ 150	Binary tree evaluation model	Degree of fluctuation	38.18%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	\$ -				

This situation didn't exist from September 30, 2025

13. Supplementary Disclosures

(1) Information on Significant Transactions

- A. Financings provided to others: None.
- B. Endorsement / guarantee provided to others: None.
- C. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and interests in joint ventures): Please refer to Attachment 1

- D. Purchases or sales of goods from or to related parties with the amount exceeding NT\$100 million or 20% of paid-in capital: Please refer to Attachment 2.
- E. Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital: None.
- F. Business relationships and significant transactions between parent and subsidiary: Please refer to Attachment 3.

(2) Information on the reinvestment business

Name of Investee Company, Location...etc. (excluding Mainland China investee companies): Please refer to Attachment 4.

(3) Information on investment in Mainland China

- A. Basic information: Please refer to Attachment 5.
- B. Major transactions with investees in Mainland China directly or indirectly through business in a third region: Please refer to Note 13(1)-D&F.

14. Segment Information

(1) General information

The Group only operates business in a single industry. The Board of Directors evaluates performance and allocates resources of the Group as a whole. It is identified that the Group is the single sector to be reported.

(2) Measurement of department information

As for the measurement of department information, the information of the department requiring reporting provided to the main operation decision-maker is as follows:

	Three months ended September 30,	
	2025	2024
Segment revenue	\$ 484,805	\$ 502,097
Segment profit or loss	\$ 88,213	\$ 73,579
Segment profit or loss includes:		
Depreciation, amortization expenses	\$ 14,908	\$ 14,366
Interest income	\$ 2,143	\$ 4,155
Finance costs	\$ 629	\$ 3,099

	Nine months ended September 30,	
	2025	2024
Segment revenue	\$ 1,553,628	\$ 1,514,955
Segment profit or loss	\$ 233,536	\$ 204,079
Segment profit or loss includes:		
Depreciation, amortization expenses	\$ 45,537	\$ 45,064
Interest income	\$ 6,368	\$ 10,889
Finance costs	\$ 3,694	\$ 10,158

(3) Information on the adjustment of department profits and losses

Since the Board of Directors of the Group adopts after-tax net profit as the basis when evaluating departments' performance and deciding how to allocate resources, adjustment is thus not necessary.

Wendell Industrial Co., Ltd. and Subsidiaries
 Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures)
 September 30, 2025

Attachment 1

Unit: NT\$ thousands
 (Unless Otherwise Specified)

Securities Holding Company	Type and Name of Securities (Note 1)	Relationship with Issuer of Securities (Note 2)	Financial Statement Account	Ending Balance				Remark (Note 4)	
				Number of Shares (share)	Carrying amount (Note 3)	Percentage of Ownership	Fair value		
Wendell Industrial Co., Ltd.	Bond	The Goldman Sachs Group, Inc.	-	Financial assets at fair value through loss and gain - current	-	\$ 33,554	-	\$ 33,554	

Note 1. Securities mentioned in this table refer to stocks, bonds, and beneficiary certificates within the scope of IAS 9 “Financial Instruments” as well as securities derived from the aforesaid items.

Note 2. It is not required to fill out this column of the issuer of securities is not a related party.

Note 3. For those measured at fair value, please fill out the book balance obtained after evaluation and adjustment of fair value and deduction of accumulated impairment in the column of “Carrying amount”; for those not measured at fair value, please fill out the book balance obtained after deduction of accumulated impairment from the original acquisition cost or amortized cost in the column of “Carrying amount”.

Note 4. If securities listed are subject to guarantee, pledge loan, or other agreed restrictions, the guaranteed or pledged number of shares, amount of guarantee or pledge loan, and restricted use shall be specified in the column of “Remark”.

Note 5. This table lists securities that the company deems necessary to include based on the principle of materiality.

Wendell Industrial Co., Ltd. and Subsidiaries
Purchases or sales of goods from or to related parties with the amount exceeding NT\$100 million or 20% of paid-in capital
From January 1, 2025 to September 30, 2025

Attachment 2

Unit: NT\$ thousands
(Unless Otherwise Specified)

Purchases or sales Company	Counterparty	Relationship	Description of Transactions				Differences between transaction conditions and general transactions and reasons thereof		Notes and accounts receivable (payable)		Remarks
			Purchases or sales of goods	Amount	Ratio in total purchases (sales)	Credit extension period	Unit price	Credit extension period	Balance (net)	Ratio in total notes and accounts receivable (payable)	
Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	Subsidiaries	Sales	\$ 73,343	5%	150 days through monthly settlement	Equivalent with general transactions	\$ 56,445	9%		
Wendell Industrial Co., Ltd.	Wendell Korea Co., Ltd.	Subsidiaries	Sales	109,450	8%	90 days through monthly settlement	Equivalent with general transactions	18,178	3%		

Note 1. If the transaction conditions of related parties are different from general transaction conditions, the differences and reasons thereof shall be clearly indicated in the columns of "Unit price" and "Credit extension period".

Note 2. In case of advances received (prepayments), the reason, agreed contract terms, amount and differences from general transaction types shall be clearly indicated in the column of "Remark".

Wendell Industrial Co., Ltd. and Subsidiaries
Business relationships and significant transactions between parent and subsidiary
From January 1, 2025 to September 30, 2025

Attachment 3

Unit: NT\$ thousands
(Unless Otherwise Specified)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Description of Transactions			Percentage of Total Revenue or Total Assets (%) (Note 3)
				Account	Amount	Transaction Term	
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Sales revenue	\$ 73,343	able to General Transaction	5%
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Accounts receivable	56,445	"	2%
0	Wendell Industrial Co., Ltd.	Suzhou Lianhong Electronic Co., Ltd.	1	Sales revenue	29,572	"	2%
0	Wendell Industrial Co., Ltd.	Wendell Korea Co., Ltd.	1	Sales revenue	109,450	"	7%
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Purchase	69,169	"	4%

Note 1. The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

- (1) For the parent company, fill in 0.
- (2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2. Relationships with counterparties can be any one of the following three types (For a same transaction between parent company and a subsidiary or between subsidiaries, it is not required to disclose it repeatedly. For example, if the parent company has already disclosed a transaction with the subsidiary, the subsidiary will not be required to disclose this transaction repeatedly; if a subsidiary already discloses a transaction with another subsidiary, the latter will not be required to disclose this transaction repeatedly):

- (1) The parent company to subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Subsidiaries to subsidiaries.

Note 3. The ratio of transaction amount to total revenue or total assets is calculated as the ending balance to total assets if it is an asset or liability account. For profit and loss accounts, the calculation is based on the cumulative amount to total revenue in the period.

Individual transactions with amount not reaching 1% of the consolidated total operating revenue and the consolidated total assets will not be disclosed.

Note 4. Transactions amounting to less than 1% of consolidated total revenue and consolidated total assets will not be disclosed.

Wendell Industrial Co., Ltd. and Subsidiaries
Name of Investee Company, Location...etc. (excluding Mainland China investee companies)
From January 1, 2025 to September 30, 2025

Attachment 4

Unit: NT\$ thousands
(Unless Otherwise Specified)

Name of Investor	Name of Investee (Note 1, 2)	Location	Principal Business	Initial Investment Amount		End of the Period			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remarks
				Ending Balance for the Current	End of Last Year	Number of shares	Shareholding (%)	Carrying amount			
Wendell Industrial Co., Ltd.	Wendell Co., Ltd.	Japan	Sales of electronic components	\$ 6,802	\$ 6,802	500	100%	\$ 3,392	\$ 478	\$ 478	Subsidiaries
"	Wendell Pte. Ltd.	Singapore	Sales of electronic components	2,306	2,306	100,000	100%	6,253	619	619	"
"	Wendell Korea Co., Ltd.	Korea	Sales of electronic components	7,204	7,204	10,000	100%	108,192	16,857	16,907	"
"	Nichtek Industrial Co., Limited	Hong Kong	Reinvested holding company	-	65,847	-	-	-	-	-	Note3
"	Wendell Electrical Testing Co., Ltd.	Taiwan	Testing and safety certification services	100,246	100,246	10,020,000	100%	106,703	(1,547)	(1,547)	Subsidiaries

Note 1. If a public company has a foreign holding company and is required by local laws and regulations to use consolidated financial statements as the primary financial statements, the disclosure of information about the investee company may be limited to the relevant information of the holding company.

Note 2. For cases other than those described in Note 1, the following regulations apply:

- (1) The columns of "Name of investee company", "Location", " Principal business", " Initial investment amount" and "Shareholding as of the end of the period" shall be determined in accordance with the circumstances the Company's transfer of investment and each direct investment. The Company shall fill in the following information in the order of the reinvestment of the investee company or the indirectly controlled investor. The relationship between each investee company and the Company (if it is a subsidiary or sub-sub-subsidiary) shall be indicated in the Notes column.
- (2) The column of "Profit or loss of investee company for the period" shall be filled in the amount of profit or loss of each investee company for the period.
- (3) The column of "Gains or losses recognized during the period" shall be filled in only for each subsidiary and equity-method investee recognized by the (public) company. The remainder is not required. When filled "Amount of current profit or loss of each subsidiary recognized as a direct investment", the amount of current profit or loss of each subsidiary includes the investment income or loss that shall with the regulations for its reinvestment.

Note 3. Nichtek completed the dissolution and liquidate in May 2025

Wendell Industrial Co., Ltd. and Subsidiaries
Information on investment in Mainland China – Basic information
From January 1, 2025 to September 30, 2025

Attachment 5

Unit: NT\$ thousands
(Unless Otherwise Specified)

Investee in Mainland China	Main Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments	Investment Flows		Accumulated Amount of Investments	Net income (loss) of investee company P	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized (Note 2)	Carrying Amount of Investments	Accumulated Investment Income	Remarks
					Remitted	Repatriated							
Shenzhen Qianhong Electronic Co., Ltd.	Sales of electronic components	\$ 69,585	1	\$ 65,660	\$ -	\$ -	\$ 65,660	\$ 508	100%	(\$ 175)	\$ 48,983	\$ -	
Suzhou Lianhong Electronic Co., Ltd.	Sales of electronic components	2,286	1	-	-	-	-	(8,817)	100%	(8,817)	6,117	-	
Shenzhen Qianhong Electrical Testing Co., Ltd.	Testing and certification services	2,227	1	-	-	-	-	1,068	100%	1,068	4,985	-	
Company Name		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025			Investment Amounts Authorized by The Investment Commission, MOEA			Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA					
Wendell Industrial Co., Ltd.		\$		65,660	\$		65,660	\$		1,034,762,			

Note 1. Methods of investments are divided into the following three types:

- (1) Direct investment in mainland companies.
- (2) Investment in mainland companies through a third region remittance. (Please indicate the investment company in the third region)
- (3) Others

Note 2. Except the investment profit or loss recognized by Shenzhen Qianhong Electrical Testing Co., Ltd. according to its self-prepared financial statements in the same period that were not reviewed by the CPAs yet, the remaining investment profit or loss recognized in the current period was based on the financial statements of the parent company in Taiwan as reviewed by the CPAs.

Note 3. Relevant figures related to this table are presented in NTD.