

V. Business Overview

1. Business activities

(1) Scope of Business

1. Primary business content, primary products and revenue ratio.

Business unit	Business activities	Products	Revenue Ratio	
			The Company and its merged subsidiaries	
			Amount (NT\$ million)	%
Wire and cables	Manufacture and sale of bare copper wire, various electrical wires, cables and related connection materials and accessories, as well as the contracting and execution of high-voltage cable engineering.	Bare copper strips, copper stranded wires, copper cables, power cables, high-voltage connectors and their accessories and telecommunication copper/optical fiber cables and industry power cables.	45,293	23.9
Stainless steel	Forging, processing and selling of stainless steel.	Billets, slabs, hot-rolled coils, cold-rolled coils, wire rods, hot-rolled bars, cold-finished bars, steel ingot, forged bars, seamless pipes and tubes, pierced billets, steel strands, reinforcing steel, and valve steel, machined shaft semi-finished products, and customized engineering components	94,543	49.8
Commodity	Production and sales of stainless steel upstream raw material, nickel pig iron, production and sales of nickel matte (the nickel raw materials for batteries), agency sales of stainless steel semi-finished products, procurement	Nickel pig iron, nickel matte, billets, slabs, and HR coils	41,556	21.9
Commercial real estate business	Real estate	Housing and parking space sales; commercial and office buildings sales	2,130	1.1
Others	Solar power engineering etc.		6,318	3.3

2. New products under development

Business unit	New products under development
Wire and cables	(1) Cables for Industrial 4.0 applications (2) High voltage cables used within large offshore wind turbines (3) Submarine cables for offshore wind sites (4) Rapid power supplement systems for new energy vehicles
Stainless steel	(1) Stainless steel and nickel-based alloys of various types, grades, sizes, conditions and product types. (2) Stainless steel and nickel-based alloys with high intensity, heat resistance, free-machining, soft magnetic property, and value-added. (3) Developing stainless steel and nickel-based alloys for various industrial applications, such as aerospace, oil and gas, nuclear energy, automotive, marine, machinery and equipment, chemical and petrochemical industries, construction, energy, consumer electronics, and medical applications.



(2) Industry overview

1. The current status and development of the industry

(1) Wire and Cable Business

According to the statistical forecast report by the International Copper Study Group (ICSG), the refined copper production in 2023 is expected to increase by 5.5% year-over-year, with primary production (ore electrolysis) increasing by 5% and secondary production (scrap copper) growing by 7%; it estimates that the annual output to reach 26.78 million metric tons. The consumption of refined copper in 2023, mainly benefiting from the growth of the Chinese market, is expected to increase by 4.0% year-over-year, with an estimated annual consumption of 26.87 million metric tons, resulting in a supply-demand gap of 90,000 metric tons. China continues to expand its copper smelting capacity, with refined copper production continuing to grow. Official estimates predict a 13% increase in refined copper production in 2023, with net imports of refined copper decreasing by about 5%.

According to the statistical analysis report published by the International Wrought Copper Council (IWCC), China is the world's largest copper consumer, with copper rod sales in China reaching 9.43 million metric tons in 2023, an annual increase of 2.2%. Taiwan's copper rod annual sales have shown a downward trend for two consecutive years, with sales in the first half of 2023 decreasing by 11.6% year-over-year; the annual sales is estimated to be about 310,000 metric tons.


The cable market is dominated by the procurement volume of enterprises in the electric power sector. China's power cable industry has benefited from the continuous advancement of new infrastructure investments, accelerated energy transformation, and steady progress in ultra-high voltage construction, supporting the stable development of the cable industry. According to public data released by the Ministry of Economic Affairs, Taiwan's domestic sales volume of power cables in 2023 increased by about 6.6% year-over-year, showing a continuous growth trend over the past six years. The growth momentum of Taiwan's power cable market in 2023 mainly comes from the government's green energy policy and Taiwan Power Company's resilient power grid plan, which is expected to maintain cautious optimism in the operation of the power cable industry. This motivates us to remain prudently optimistic about the power cable industry.

(2) Stainless Steel Business

According to market research firm, SMR, the global crude stainless steel production in 2023 is estimated to be 58.35 million metric tons, with China being the largest production region and producing 35.2 million metric tons of crude stainless steel, an increase of 8.8% from 2022 (32.35 million metric tons). Indonesia's crude stainless steel production was 4.025 million metric tons, a decrease of 21.0% from 2022, and other countries produced 19.125 million metric tons of crude stainless steel, a decrease of 1.3% from 2022. In terms of stainless steel product structure, plate products accounted for 85% of the total production in 2023, with hot-rolled coils accounting for 18% and cold-rolled coils for 82%; long products accounted for 15%, with hot-rolled bars accounting for 42%, wire rods for 34%, and billets for 25%.

About 48% of the end-use applications of long steel products are used for industrial production (such as machined parts), 25% for industrial production (e.g. machined parts), 17% for consumer durable goods and 10% for transportation. The top five long-strip stainless steel companies around the world by output are Jiangsu Delong, Tsingshan, Walsin Lihwa, Viraj and Yongxing Materials. (The above output figures are based on the data from the statistical report for 2023 published by SMR, a marketing agency.)

The steel industry faces overcapacity and severe price competition. Some steel mills have chosen to exit, while others have improved operational efficiency through consolidation, restructuring, and eliminating outdated capacity. In recent years, several stainless steel groups have formed internationally (e.g., Tsingshan, Baosteel/Wuhan Iron and Steel/Taiyuan Iron, and Outokumpu), with each group developing distinct business models. Larger players, such as those in China and Indonesia, who focus on general



materials sales, choose to control upstream raw materials to reduce costs; smaller players, on the other hand, opt for the development of high-profit products and application industry.

(3) Resources Business

Global nickel pig iron production capacity is mainly concentrated in Mainland China and Indonesia. In 2020, due to Indonesia's ban on ore exports, the movement of the nickel pig iron industry chains from Mainland China to Indonesia accelerated, and Indonesia has become the world's largest nickel pig iron producer. In 2023, high nickel pig iron production capacity in China and Indonesia reached 2.73 million metric tons of nickel and the production reached 1.68 million metric tons of nickel, with the production capacity and the production up by 16% and 14%, respectively, compared with 2022. Among them, total high nickel pig iron production in Mainland China was 310,000 metric tons of nickel, down by 7% from 2022, mainly because the raw material supply restrictions and high products costs continued to weaken China's overall competitiveness in high nickel pig iron, while the total high nickel pig iron production in Indonesia was 1,370,000 metric tons of nickel, up by 19% from 2021. We expect that, in 2024, China's nickel pig iron production will continue to be constrained by the uneconomic production caused by the decline in imported nickel ore grade, changes in Philippines' export policies, and other supplementary materials. Although there are still new production lines planned in Indonesia, as the number of production lines has decreased and high-grade ore is becoming scarce, it is expected that the new production capacity will continue to be injected, but the growth rate will continue to slow down.

In response to the green energy transformation and the booming development of the downstream of the new energy industry chain, a large amount of capital has been injected into Indonesia since 2020, and the production capacity of intermediate nickel products for batteries, such as nickel matte and mixed nickel-cobalt hydroxide precipitate (MHP), has been released since 2021 and grew at an accelerated speed from 2022 to 2023. Indonesia's MHP production reached 160,000 metric tons of nickel in 2023, up by 86% compared with 2022; the production of high nickel matte reached 240,000 metric tons of nickel, up by 18% compared with 2022. A large amount of intermediate production capacity was still being planned in Indonesia in the following years. It is expected that the new production capacity will continue to be developed in 2024 and the overall industrial chain will gradually expand downstream. At the end of 2023, the U.S. Treasury Department provided industry guidance on the Foreign Entity of Concern (FEOC) clause in the Inflation Reduction Act. Starting from 2024, the upstream battery industry chains for electric vehicles sold in the United States will actively seek raw materials produced by non-FEOC companies to enjoy the tax credit benefits stipulated by the aforementioned Act.

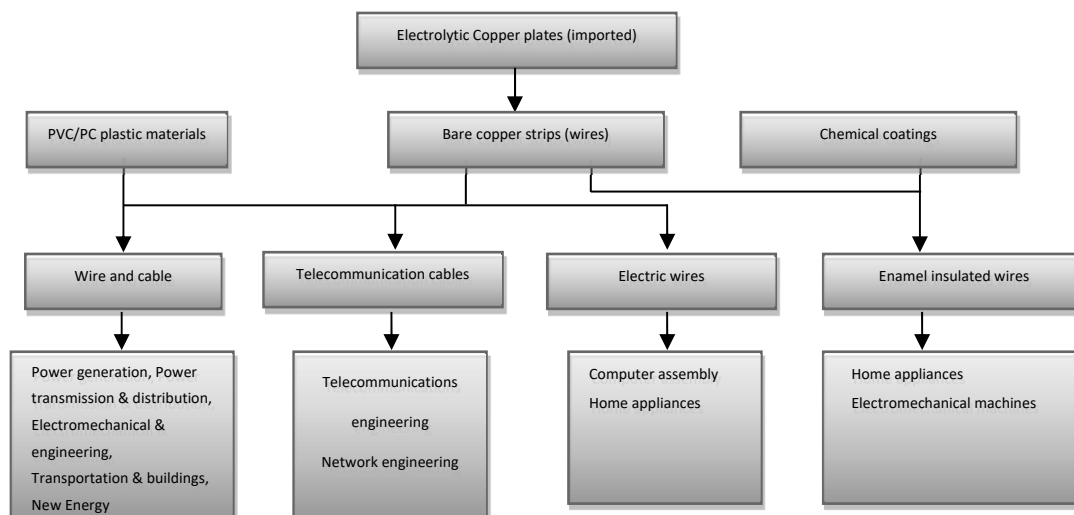
(4) Commercial Real Estate Business

In 2023, the Nanjing office market leasing demand gradually released, with the net leasing volume in the fourth quarter increasing by 21.4% quarter-over-quarter, and the citywide vacancy rate decreasing by 0.4% quarter-over-quarter. High-quality buildings in the city's core areas hold a competitive advantage, with the financial industry and professional services industry being the main forces in the leasing market, showing robust performance and maintaining a stable leasing speed. In 2023, the Nanjing retail property market steadily recovered, with the vacancy rate of shopping centers decreasing by 0.3% quarter-over-quarter. The catering industry became the main driving force, ranking first among all industries, with strong demand for hedging products and stable consumption of daily necessities. Nanjing is committed to creating distinctive consumption scenarios, thereby effectively stimulating market vitality.

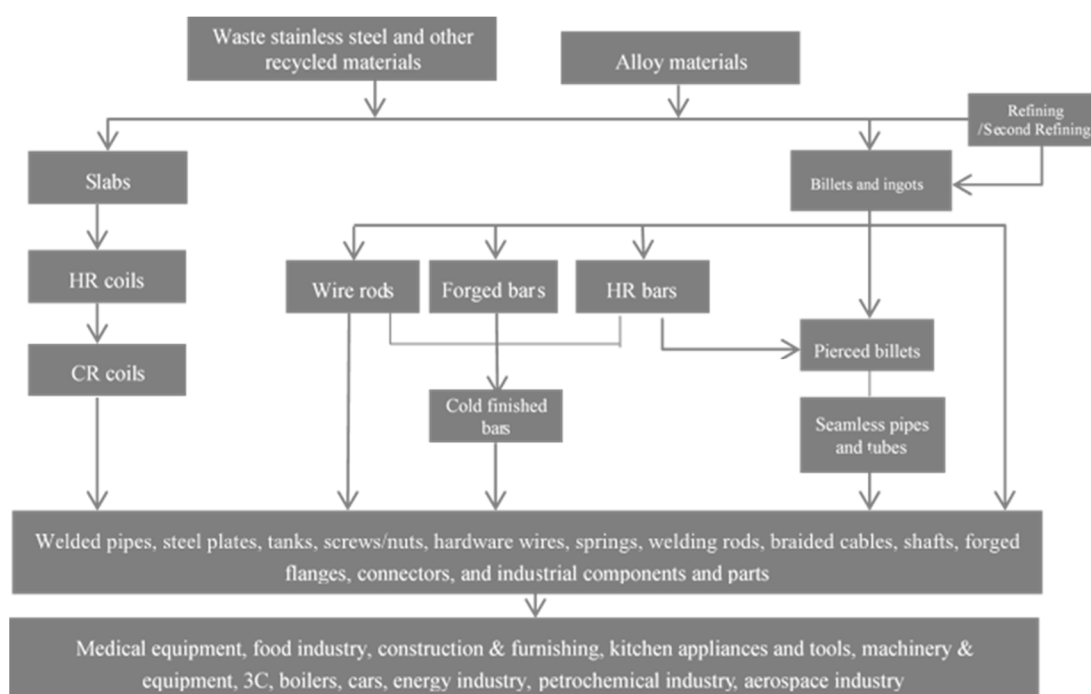


2. Relationships with suppliers in the industry's supply chain:

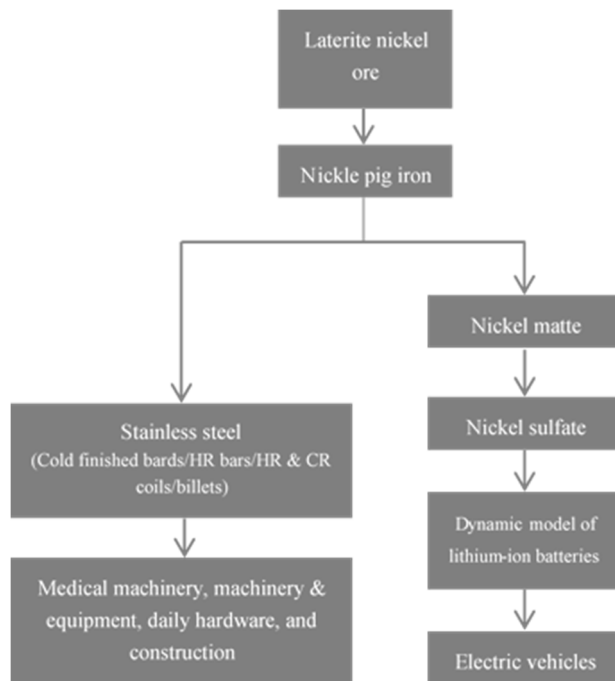
(1) Wire and Cable Business



(2) Stainless Steel Business



(3) Resources Business



3. Product development trends and competition

(1) Wire and Cable Business

Development trend: In addition to the traditional construction and infrastructure cables, there are many green energy related cable applications and products that have emerged in response to the global developing trend of net zero transition. For example, in the field of energy creation and transmission, solar power cables that need to prevent UV degradation, wind turbine cables that can withstand harsh environments, and submarine cables that transmit power from offshore wind turbines back to land or transfer power across borders between countries, are all products that are actively developed by major cable manufacturers around the world. In addition, in the area of energy storage and use, the electrification of transport equipment and smart power allocation, cable sets for power replenishment systems, and cables for energy storage equipment are all new products that the wire and cable industry is competing for development.

Competition: From the historical output of Taiwan's power cable market, there is still an oversupply of capacity in the overall cable market and competition is relatively fierce. However, benefiting from the regional supply chain integration of Taiwan businessmen back to Taiwan to drive the demand for plant expansion, coupled with the government's active promotion of green energy policy and Taipower's grid reinforcement plan to accelerate the deployment and construction of regional grids, demand for various products will emerge in a new type of competitive landscape.

(2) Stainless Steel Business

Development trend: In terms of product development, apart from actively developing nickel-free steel grades, major stainless steel makers are also developing functional stainless steel for specific applications. For example, in response to the demand for automation, the demand for wear-resistant, high-precision and zero-defect materials has increased. In the past, key technologies were held in Japan, Europe and other countries, but Asian steel makers have also continued to invest in research and development in recent years, and to refine their own technological capabilities. With the rising awareness of environmental protection, stainless steel is more widely used in various fields, and there are many cases of replacing carbon steel with stainless steel in the construction, transportation and other industries. In the renewable energy industry, stainless steel components can also be found in solar panels, wind turbines and renewable energy vehicles.



Competition: Indonesian steel mills will dominate the Asian market with the advantage of low-cost raw materials. With the promotion of capability control policy in Mainland China, the steel industry has shifted from volume to value-added, and large-scale steel makers have started to consolidate with the strategy of eliminating the weak and leaving the strong. The rest of the steel makers in Europe, America, Japan, and Korea have focused on niche industrial applications with high certification thresholds to add value to their products through end-use differentiation, specializing in the development of specialty steel applications. In addition, in response to the trend towards net-zero carbon emissions, major European steel makers have begun to focus on providing products with low carbon emissions or more sustainable significance.

(3) Resources Business

Development trend: Stainless steel plants in Mainland China and Indonesia are expanding their production capacity, and the demand for nickel pig iron and scrap steel will continue to rise, while nickel pig iron in Indonesia has a cost advantage and is economical for downstream steel plants. In the following years, there will still be new manufacturers entering Indonesia to invest in RKEF production line. In addition, in response to the continuous growth of the new energy industry chain, some of the RKEF production lines have started to change their processes in 2022 to make their output more flexible to switch between nickel pig iron and nickel matte; therefore, the "nickel matte - nickel sulfate - pure nickel" process has emerged. Price differentials between different nickel products will make their sales portfolios be more diversified, and the overall nickel market will reach a dynamic balance between supply and demand.

Competition: Indonesia's RKEF production lines have grown significantly since 2021 and will continue to open up significant capacity. In addition to continuing to provide additional stainless steel production capacity in Indonesia, the production lines will also make up for the possible decline in nickel pig iron supply in China. In addition, in response to the continuous growth of the new energy industry chain, some of the RKEF production lines have started to change their processes to make their output more flexible since 2022, so that they can flexibly switch between iron pig nickel and nickel matte.

(4) Commercial Real Estate Business

Development trend: As one of the three major cities in the Yangtze River Delta urban agglomeration, Nanjing's gross regional product reached RMB1.75 trillion in 2023, consistently ranking among the top ten nationwide. Due to its continuous population inflow and solid economic foundation, Nanjing is one of the core cities in China's real estate development focus. The market for Grade A office buildings in Nanjing has seen abundant new supply, continuously conducive to tenant upgrades and expansions. With the recovery of the non-banking financial and Internet industries, a foundation for the expansion of office market leasing demand has been laid, with the city's core business districts remaining the most resilient development areas. The leasing demand in Nanjing's retail market has gradually increased under a series of policies promoting the "flagship store economy" and "holiday economy," further improving consumer confidence. Sports, outdoor activities, and dining continue to lead the leasing demand in shopping centers, with brick-and-mortar stores becoming an important scene for immersive consumption.

Competition: With the increase in Grade A office space supply, multiple high-quality projects are expected to enter the market in the future, making premium clients a core competitive resource. The retail market's demand for shopping centers in terms of brand personalization and thematization has increased, while non-standard properties in the region have also become a strong source of competition.

(3) Overview of Technology and R&D

1. R&D Expenses and Results

R&D Expenses	From Jan. 1, 2023 to March 20, 2024, the R&D expenses were around NT\$400 million.
<p>(A) Technology Research & Development</p> <ol style="list-style-type: none"> (1) Develop CCS1/CCS2 80A-300A full-series charging gun cable set (2) Develop 14MW offshore wind turbine high-voltage cables (3) Develop spreader basket cables with fiber optic cables (4) Expand the development of stainless steel material types, sizes, conditions and product types. (5) Innovative research and development of functional stainless steel with high strength, high heat resistance, and easy turning characteristics to increase added value. (6) Continue to invest in the development of stainless steel for automotive components, aiming at energy conservation, environmental protection and high efficiency to meet market demand. (7) Deepen research on stainless steel for welding, and increase the service life of materials in harsh environments such as high temperature resistance, corrosion resistance and high temperature resistance. (8) Cooperate with domestic universities and research institutions to jointly promote various industry-university cooperation and outsourcing research projects, and expand the depth and breadth of process technology through the combination of theoretical knowledge and practical experience, thereby increasing the capacity of research and development. (9) Laboratory equipment for aerospace materials applications. (10) Special quality inspection techniques. <p>(B) Intelligent Manufacturing</p> <ol style="list-style-type: none"> (1) Smart Power Consumption: Collect and analyze equipment power consumption data, improve the accuracy of power consumption estimation, and reduce wasted power consumption. (2) Development of Intelligent Crane Automatic Storage System: New intelligent cranes are adopted to establish an automatic transportation and storage system for steel billets, which improves the space utilization rate, assists in optimizing the inventory management of incoming materials in the factories, automatically dispatches shipments and loads materials without interruption, improves production efficiency, avoids human operations, and improves work safety. (3) Establishment of Automated Guided Vehicles (AGV) System: A composite automated guided system is adopted to overcome the outdoor climate, realize outdoor unmanned automatic cross-factory transportation, improve transportation efficiency, and reduce forklift operations and operating manpower. (4) Establishment of an automated cable collecting/cutting system and the setup of an unmanned sorting and picking system. <p>(C) Energy and Environmental Protection</p> <ol style="list-style-type: none"> (1) Replacing Traditional Preheaters: Replace traditional preheaters with pure oxygen preheaters to reduce fuel consumption, improve combustion efficiency, and reduce greenhouse gas emissions. (2) Slag Recycling: The by-product slag produced by the steelmaking electric furnace can be converted into a variety of high-value recycled products after classification and screening, such as low-carbon concrete, red bricks as building materials, and pervious asphalt. (3) New heat treatment technology: Operating heat treatment furnaces at lower temperatures to reduce greenhouse gas emissions. (4) Installation of a cast iron section - baghouse dust collection system: Collecting smoke and dust generated during the casting process with baghouse dust collectors to reduce the emission of gases and hazardous substances. (5) Improvement of flue gas emission systems: Increasing the height of chimneys to facilitate the dispersion of flue gases in the atmosphere. (6) Installation of a wet ore shed - car wash station: Transport vehicle tires tend to carry mud. By adding a car wash station to clean the tires, it improves the road environment and prevents road surface pollution. (7) Installation of a vertical coal shed and wet ore shed - sedimentation pond: To prevent the loss of some raw materials, sedimentation ponds are installed for the coal and ore sheds to enhance the efficiency of recovery and production use. 	



2. Present and future R&D projects, as well as the estimated R&D investment expenditure

Plan for the most recent year	Current progress	Mass production completion time	Main reasons that future development will succeed
We plan to invest NT\$213,000,000 for R&D.			
Wire harness for renewable energy vehicles and power replenishment system	(1) The development of the full series of CCS1/CCS2 charging gun cable assemblies has been completed, obtaining VPC/UL/CE certification. (2) The design and development of liquid-cooled cables have been completed.	2024	(1) We are the only player in Taiwan with complete dynamic cable development and testing capabilities (2) We have completed UL/IEC full range of charging cable certification (3) We have the ability to independently develop and certify materials
Development of high-voltage cables within wind turbines	(1) The development of offshore 14MW wind turbine internal cables has been completed. (2) Passed the low-temperature torsion test for offshore wind turbine cables.	2024	(1) We are the only player in Taiwan with complete dynamic cable development and testing capabilities (2) We have the ability to independently evaluate and certify materials
Low carbon footprint, environmentally friendly eco-packaging materials	We have confirmed the source of technical cooperation and verified that waste plastic can be applied to the regeneration of packaging materials.	2025	(1) We are the only player in Taiwan with complete power cable testing and certification capabilities and equipment (2) We have the ability to independently develop and certify materials (3) We have the ability to develop business service models and customized information systems
Free-cutting soft magnetic stainless steel	Trial manufacturing phase	2024	Setting of hot rolling process parameters and heat treatment parameters
High heat-resistant stainless steel for automotive components	Trial manufacturing phase	2024	Setting of hot rolling process parameters and heat treatment parameters
High heat-resistant stainless steel for automotive components	Trial manufacturing phase	2024	Setting of hot rolling process parameters and heat treatment parameters
Stainless steel and nickel-based alloy vacuum melting and re-melting technology	Trial manufacturing phase	Second half of 2024 to 2025	Setting of alloy element composition, re-melting, hot rolling, and heat treatment parameters
Stainless steel for improved machinability quality of seamless pipes and tubes	Concept verification	2025	Setting of alloy element composition, hot rolling, and heat treatment parameters



(4) Business Plan – Long-term and Short-term

1. Wire and Cable Business

Short-Term: In response to the end-customer demand for building construction, we will be able to precisely supply goods with the help of smart manufacturing, enhance customer satisfaction with delicate services, change our operating models, and expand our market share, in order to promote sustainable management. We also aim to respond to the government's policy for domestic production of core components for offshore wind power plants, with the goal of exclusively researching and manufacturing cables for offshore wind turbines for 14 MW capacity or above in Taiwan, as well as developing the ability to produce and manufacture submarine cables. Following the global trend of popularizing electric vehicles and speeding up the construction of supporting infrastructure, we are developing wire harnesses for new energy vehicles and power replenishment systems that meet global standards.

Long-Term: We will seize the business opportunities brought by the global smart grid and new energy industries by marching into high-voltage markets both home and abroad and expanding our business scope of Energy Solution.

2. Stainless Steel Business

Short-Term: Taiwan: In response to the trend of small amount but diversified products in the high-value market, Walsin has adjusted its direction and gradually built up its product and service capabilities to meet the needs of different customer segments. For the wire rod, we will actively expand niche steel sales portfolio in line with market conditions to expand the volume of orders of favorable steel grades, while continuing the research and development and the capital expenditure to increase the application of new steel types and new industries and stabilize product quality. For cold finished bars, we will focus on the development of direct customer channels in the industry and the expansion of available specifications in order to expand our market share; for plate products, we will use digital analysis to assist in material preparation and production scheduling, so that the delivery time can be close to customer expectations. We will also implement the e-companion system to satisfy our customers' demand for monitoring orders and to enhance our customer retention.

Mainland China: The new intelligent production lines for hot rolled bars/wire rods will be commissioned, which utilize advanced manufacturing process and intelligent production to supply high precision and quality stainless steel products. In this way, we will effectively achieve import substitution, increase our market share, and reach the goal of selling all of the products we produce. We will continue to develop high-value steel grades for hot rolled bars and seamless steel pipes in the hope of increasing value added to our products. For the cold refined rods, we will increase the volume of orders from direct customers and strengthen the collaboration between marketing/technology/business for serving customers, to ensure the completion of the integrated material application supply chain, so that the upstream and downstream can work more closely together.

Europe: Our Italian subsidiary, Cogne Acciai Speciali, acquired a Swedish rolling mill, Degerfors Long Products, and a British stainless steel and nickel-based alloy leader, Special Melted Products, in 2023. These two acquisitions are expected to enhance CAS's steelmaking capacity utilization and expand Walsin's share in high-end industries, such as aerospace, oil and gas, and new energy, while also broadening our sales network.

Long-term: Taiwan: We will grasp upstream raw materials to enhance the competitiveness of Walsin's stainless steel products. For bar materials, in addition to maintaining the major customers with high demand, the Company will actively develop new customer bases and expand suitable markets for export. For cold finished bars, in addition to continuing to strengthen the advantages in our integrated production lines, we will increase the quality and output of deep-processed products. For wire rods, the long-term goal is to increase the proportion of niche steel grades in our sales mix. In terms of operations, we are strengthening our competitiveness by accelerating internal process improvement and Industry 4.0 automation projects.

Mainland China: We will focus on certification application markets, such as transportation, petrochemical, boiler, nuclear power, and food, as key development industries, in cooperation with China's nationalization



policy and industry development potentials. We will also expand our technical service capacity and market management, hoping to enhance the added value of our products and brands. We will set up distribution centers in major markets to enhance our market penetration in each region through rapid logistics and distribution.

Europe: By establishing a vertically integrated supplier in Europe with a sustainable product portfolio and a stable market share in high-end products, the Company aims to achieve cost excellence through lean manufacturing and agile management. Moreover, it is committed to driving sustainable growth in the European region through a balanced strategy of organic growth and acquisitions.

3. Resources Business

Short-term: PT. Walsin Nickel Industrial Indonesia's nickel pig iron production lines were fully commissioned. We will continue to ensure that those production lines have stable capacity utilization rates and are fully in operation for production, and to strengthen the stability of upstream raw materials for stainless steel, so as to enhance our competitiveness. The nickel matte production lines acquired from PT. Sunny Metal Industry in the second half of 2022 were commissioned for trial production at the end of the same year. In the first quarter of 2023, the company commenced full production operations, entering the battery nickel supply chain through the nickel matte production line, thereby opening opportunities in the power battery materials market and initiating expansions for new energy.

Regarding our agency services, considering the uncertainty of competing global markets and international political and economic conditions, we continue to negotiate with Indonesian suppliers in order to source competitive raw materials in terms of costs, stable supply, and accurate delivery, to meet the needs of our customers and to strengthen the cooperative relationship between the Taiwanese industry and upstream suppliers, thereby enhancing the competitiveness of Taiwan stainless steel players in the international markets and further increasing the volume of orders received by our agency services. Additionally, with the Indonesian subsidiary's production lines entering mass production in 2023, the focus is not only on securing raw materials for stainless steel production but also on extending to the new energy industry supply chain, aiming for stable development in nickel pig iron and high-grade nickel matte business.


Long-term: In response to the trend of climate change and sustainable development, we will continue to pay attention to the development of environmental protection policies and the trend of the industry. In addition to continuing to promote the production of nickel resources products, we will also develop green cycle projects by ensuring the effective use of resources, to create a win-win situation for both the economy and the environment.

Regarding our agency service, we will leverage our agency advantage to ensure stable supplies for the demand in the Taiwan stainless steel market, provide a stable source of materials with competitive costs, avoid the risk of price fluctuations and reduce the pressure on inventory capital (i.e., value-added services) to promote the overall effectiveness of the value chain of the stainless steel industry in Taiwan, and strive to achieve the long-term goal of simultaneous growth in the volume of orders received by the agency and the price of the stainless steel industry in Taiwan. We also aim to stabilize sales channels of ferro-nickel and nickel matte to increase product diversification of our business.

4. Commercial Real Estate Business

Short-Term: For the second phase of the Company's real estate business, Phase II Lot AB, Building No. 6, the office spaces have been almost fully leased and operating, while the leasing for high-end restaurants on the 1st to 4th floors continues to operate, generating stable rental income. Building No. 1, which meets the International Grade A Office Standards, has entered into leasing contracts for 26,000 square meters of the offices, continuously generating effective rental income flows.

Long-term: Walsin Centro integrates various residential, commercial and office properties with a complementary relationships and we will increase overall brand value and create economies of scale through



integrated marketing. High-end residential will bring brand reputation and market influence to the commercial, while high-quality commercial will bring support and services to the office. The landmark Grade A office will further enhance the brand status of the commercial and residential sectors, bringing abundant traffic and consumption to the commercial sector. The maturation of each new industry is consolidating the competitive advantage of the existing industry and enhancing the value of the existing industry. After more than ten years of continuous development, Walsin Centro has become an urban landmark in Nanjing and the Walsin Centro project has become a successful model for commercial development in Nanjing, with its market influence and brand reputation continuing to expand and its commercial and business value continuing to rise.

2. Market Analysis and Sales Overview

(1) Market Analysis

1. Sales region(s) and market share of main products

(1) Wire and Cable Business

The Company is focused on the development of the wire and cable business and offers a one-stop comprehensive production series from the upstream bare copper wire, copper rod production, to the research and production of all types of cables such as power cables, communication copper cables, fiber optic cables, industry cables, and submarine cables. The main sales regions include Taiwan and Mainland China. In 2023, the sales of the Company's power cable products was approximately NT\$18.2 billion, and that of bare copper wire was about NT\$26.3 billion. The Company maintains leadership in Taiwan's power cable and copper bar markets.

(2) Stainless Steel Business

The Company is a major global stainless steel material company, with stainless steel products such as stainless steel billet, cold- and hot-rolled steel coils, wire rods, cold finished bars, seamless steel pipe and precision roll bonding steel. The main sales regions include Taiwan, Mainland China, Japan, Korea, Southeast Asia, Australia, Europe and North and South America, etc. Our stainless steel wire rod and cold finished bars occupy a significant position on the global market and we offer customers optimal lead times and services with sales offices distributed across the Taiwan Strait, a vertically integrated supply chain and a standardized production process.

For the sales of stainless steel products made by the Company in 2023, its domestic market shares reach 70% (wire rods), 30% (hot-rolled steel coils), 20% (cold-rolled steel coils) and 30% (cold finished bars); its market shares in China are 9% (hot-rolled steel bars) and 9% (cold finished bars); the Company's global market shares are 7% (wire rods), 7% (hot-rolled steel coils) and 2% (cold finished bars). Market share in Europe: 20% in automotive industry, and 22% in oil & gas industry.

Note: The above market shares are estimated only in respect of the territories to which we sell products and our available specifications.

(3) Resources Business

Nickel pig iron produced by PT. Walsin Nickel Industrial Indonesia is the upstream raw material for stainless steel manufacturing, which is mainly supplied to local steel mills in Indonesia for smelting stainless steel. The sales of nickel pig iron in 2023 were 380,000 metric tons, with full production and sales. PT. Sunny Metal Industry primarily produces nickel matte for downstream battery material manufacturers, with the flexibility to produce nickel pig iron depending on market conditions. In 2023, nickel matte sales amounted to 33,000 metric tons of nickel, and nickel pig iron sales reached 17,000 metric tons, achieving full production and sales. The Company's 2023 nickel pig iron production accounted for approximately 4% of Indonesia's total production. In 2023, high-grade nickel matte production in Indonesia was 240,000 metric tons of nickel, with the use of the Company's nickel matte accounting for approximately 12.7%.



In terms of agency service, the Company has been acting as an agent for the sales of Indonesia Tsingshan since May 2020. We sell as an agent mainly stainless steel products, such as stainless steel billets, slabs and hot rolled steel coils, to mainly Taiwan enterprises, with the aim of maintaining the international competitiveness of Taiwan's stainless steel plate products and promoting the overall efficiency of the value chain of the stainless steel industry. The Company received orders of about 680,000 metric tons in 2020, about 980,000 metric tons in 2021, and over 800,000 metric tons in both 2022 and 2023, stably accounting for more than 80% of Taiwan's 300 series hot rolled stainless steel imports.

(4) Real Estate Business

In 2023, the area of business land transactions in Nanjing totaled 4.101 million square meters, down by 18% year-on-year, with the total transaction amount of RMB104.73 billion, down by 36% year-on-year, which signals a continued reduction in and the bottoming out of supply and sales. The development scale of Walsin Centro in Nanjing Hexi exceeds 1 million square meters, and the finished residential units have been sold out. The commercial shopping center has been successfully opened and operated. Currently, the main products are the leasing and operation of Office Building No. 1 and the design and planning of plots in Phase 3.


2. Overview of supply and demand and projected growth

(1) Wire and Cable Business

According to the global copper production forecast by the International Copper Study Group (ICSG), global copper supply will grow by about 3.7% in 2024. In terms of refined copper production, ICSG expects refined copper production to grow by 4.6% in 2024. In terms of the refined copper consumption, despite a challenging global economic outlook, the anticipated improvement in manufacturing activities, ongoing energy transition, and the development of new semiconductor capacities globally are expected to support the growth in refined copper consumption, with a projected increase of 2.7% in 2024. Infrastructure development in major countries and the global trend towards clean energy and electric vehicle development are expected to continue to support the long-term growth of copper demand.

Mainland China continues to promote infrastructure construction, with investments in power supply and grid projects expected to rise. The State Grid announced at its annual work conference that it would continue to enhance the construction of a smart and strong power grid, promote green and low-carbon energy transformation, and initiate ultra-high voltage project constructions, with the total investment in 2024 expected to exceed RMB 500 billion. Additionally, with the continuous expansion of the automotive industry, both domestic and export sales of new energy vehicles are expected to maintain double-digit growth, with a positive growth outlook for 2024. In the real estate sector, Mainland China's continued relaxation of related policies is expected to stabilize the industry gradually. Overall, the development of the aforementioned industries should drive copper consumption demand, support copper prices, and stabilize and potentially promote the production and sales of cable-related products.

In view of the shift of global supply chains and the change of regionalization in Taiwan, the number of Taiwanese businesses returning to Taiwan to build factories continues to increase. The Executive Yuan has approved to extend the period of acceptance of the Action Plan for Welcoming Taiwan Businesses to Invest in Taiwan to 2024, in order to maintain the strength of private investment. In addition, the Ministry of Economic Affairs (MOEA) estimates that Taiwan's electricity consumption will grow at an average annual rate of 2.5% from 2021 to 2050, and the national electricity consumption will reach 573.1 billion kWh by 2050, which is expected to increase the demand for electricity from the public. Following significant power outages across Taiwan (such as 303 and 517 Outages), public concern over power outage crises prompted the MOEA to announce the "Strengthening Power Grid Resilience Construction Plan," aiming to invest NT\$564.5 billion over ten years, focusing on distributing, strengthening, and protecting against power grids. Taiwan Power Company, tasked with great responsibility of energy transformation and stable power supply, has significantly invested in power plant renewal, hydropower, offshore wind power, solar power, and



constructions of power transmission and transformation projects, with capital expenditures reaching NT\$85.3 billion in 2023 and increasing to NT\$130.9 billion NTD in 2024, a 54% annual increase, boosting orders and revenues for related businesses, with the wire and cable industry being one of the biggest beneficiaries. With the demand generated by various projects promoted by the government, future orders for the cable will be highly predictable for us.

(2) Stainless Steel Business

The expansion of global stainless steel and crude steel production capacity has reached a plateau. Under the carbon emission control policy in mainland China, factories are replacing old instead of creating new capacity, while European and American steel mills, after years of consolidation, have ceased increasing capacity and shifted their focus to high-end industry applications and nickel-based alloy production. In Indonesia, the pace of capacity investments has slowed down, while stainless steel makers in the rest of the countries around the world will operate only through the development of steelmaking technology, so that the existing capacity may be slightly increased; therefore, we will not see the previous annual growth of capacity in double-digits any longer. On the demand side, the International Stainless Steel Forum (Worldstainless) estimates that global stainless steel consumption will grow by 3.4% in 2024, maintaining a positive growth rate. However, considering the impact of the current global economic uncertainty, such growth may be very limited. Although the increase or decrease in stainless steel consumption is susceptible to fluctuations due to changes in the current year's economy, the compound annual growth rate of stainless steel consumption during the past 10 years is about 2% to 3%, and we expect this trend to be maintained in the coming years.

The growth of demand also varies depending on the product type. Flat panel products account for more than 80% of the total stainless steel usage and are widely used in various end-use applications, with a high correlation between the increase or decrease in demand and the economic conditions. The application of long strip products are industry-specific; it is expected that the robust development of infrastructure, machinery and equipment, transportation, new energy, and semiconductor in recent years will drive the demand for long strip products, which will increase at a rate faster than the flat panel products in the next few years.

(3) Resources Business

According to SMM's research report, Indonesia's nickel pig iron production increased by 231,300 metric tons of nickel in 2023. The production of nickel pig iron by smelters in mainland China reduced by 5.12% in 2023 due to profitability factors and replenishments from Indonesia, and is expected to slightly reduce or remain flat in 2024. As far as the demand side is concerned, it is more economic for stainless steel mills to use nickel pig iron than scrap steel; therefore, we expect that the proportion of China's use of nickel pig iron to produce stainless steel will continue to increase, while Japan, South Korea, India and other countries are also likely to increase the use of nickel pig iron from Indonesia, coupled with the possible smooth transition of nickel pig iron to nickel matte production lines, it is expected that nickel pig iron supply and demand will be in a dynamic balance. In response to the green energy transition and the booming development of the downstream new energy industry chain, the capacity for battery nickel intermediates, including nickel matte, has been released since 2021, with rapid growth from 2022 to 2023. In 2023, Indonesia's high-grade nickel matte production reached 240,000 metric tons of nickel, an 18% increase from 2022. Indonesia plans to continue expanding intermediate product capacity in the coming years, with new capacity expected to be commissioned in 2024, and the overall industry chains gradually extending downstream.

In terms of our agency services, in 2022, the supply chain anomalies normalized, and the total quantity of 300 series hot rolled stainless steel imported into Taiwan was about 900,000 to 950,000 metric tons in 2023, which is almost the same as the import quantity in 2022. This level of import volume is equivalent to the rigid demand for the Taiwan market. However, considering recent trade barriers and anti-circumvention



investigations on Indonesian stainless steel semi-finished materials, the import volume of stainless steel from Indonesia to Taiwan is expected to remain flat in 2024.

(4) Real Estate Business

Nanjing Jiangyou District is building a Yuantong shopping district centered on the Yuantong subway station to create a "demonstration area of international consumer center city." Yuantong is becoming the business office center with the highest standard of construction and the largest number of new projects in Nanjing, and the position of the Jiangyou District and the business center of Hexi in the urban structure of Nanjing has become more solid. After becoming a financial center, the core area of Yuantong will also become the center of business offices and commercial consumption in Nanjing.

Looking ahead to the development of Walsin Centro, Nos. One and Six Office Buildings continue to operate and have established Walsin's position as the first tier and leading brand in Nanjing's quality business office industry. The arrival of many headquarters-type office enterprises in the future will provide stable rental income and bring sufficient customer flow and stable consumption to the shopping center of One Mall, thus promoting the steady development of the real estate sector.

3. Competitive niche, favorable and unfavorable factors for long-term growth and response measures

Wire and Cable Business	
Competitive Niche	<ul style="list-style-type: none"> (1) We have the advantage of stable internal supply of important raw materials of copper metal and can give full play to the benefits from the upstream and downstream integration. (2) Long-term supply of products and services related to demand for project engineering, accumulating rich supplier experience and having brand advantages. (3) Advantages such as local supply and branding will help to enter the industrial cable field such as solar energy, offshore wind power and port infrastructure.
Favorable Factors	<ul style="list-style-type: none"> (1) The performance of quality, service and delivery is highly satisfactory to customers and we have brand power in the Taiwanese engineering market. (2) The high-voltage cable demand in the public sector may grow steadily, driven by Taipower's construction initiative to reinforce the resilience of its power grids. (3) The increase in investment from Taiwanese business back in Taiwan is driving cable demand for factory expansion, commercial offices and housing.
Unfavorable Factors	<ul style="list-style-type: none"> (1) Real estate is susceptible to recessions, inflation, interest rate hikes, stock market volatility, high material prices and labor shortages, as well as the government's implementation of policies to combat property speculation. Therefore, in a strong wait-and-see atmosphere, the recovery of property purchases is delayed in the market, and the fluctuations in demand have intensified and are hard to predict. (2) The private sector faces oversupply and price competition.
Response Measures	<ul style="list-style-type: none"> (1) We will make focused research on technology applications and change the nature of our services by being service-oriented. Through Industry 4.0 and production and sales intelligence, we expect to improve our efficiency and service capacity. (2) We will actively cooperate with the government's policy for net zero and carbon reduction by being technology-oriented, and grasp the infrastructure business opportunities such as renewable energy, new energy vehicles and grid renewal and expansion.

Stainless Steel Business	
Competitive Niche	<ol style="list-style-type: none"> (1) We have production sites in Taiwan, China, Italy, the UK, and Sweden for the long strips, with a stable quality and delivery period, so that we can supply to each market nearby and support each other for any shortage of products. (2) Plate materials have the advantage of short delivery period. We can cooperate with players in ASEAN countries to develop OEM to expand the available specifications. (3) We invest in upstream raw materials by building a nickel pig iron plant in Indonesia to improve the international competitiveness of stainless steel products and increase the hedging capacity for raw materials. (4) Possessing vacuum melting and re-melting technologies and holding a robust market share in high-end markets.
Favorable Factors	<ol style="list-style-type: none"> (1) Taiwan's cold-rolled steel coils are protected by anti-dumping duties. (2) China's policies have restricted the expansion of crude steel capacity. (3) Trade wars, regional economies, and geopolitics have led to de-globalization/short supply chains, so the industry is paying more attention to local supply sources. (4) The growth potential in high-end markets such as aerospace, oil and gas, and new energy.
Unfavorable Factors	<ol style="list-style-type: none"> (1) China-based steel manufacturers have set up integrated production lines from nickel raw materials to products in China and Indonesia, significantly cutting production costs and reducing the general supplies market to pure price competition. (2) Global trade protectionism, frequent anti-dumping cases, EU steel defense measures and China's and Indonesia's increase in exports affect global steel liquidity and reduce the Company's export volume. (3) Increasing awareness of environmental protection and the initiatives of many countries to impose or propose carbon fees and carbon tariffs will increase the operating costs of, and weaken profit margins of, the steel industry.
Response Measures	<ol style="list-style-type: none"> (1) In addition to continuing to strengthen the advantages in our integrated production lines, we will gradually develop product specifications and high value-added steel grades, as well as actively expand the sales volume of niche steel and increase the quality of processed products. (2) Maintaining major customers, actively developing new customer bases and expanding suitable markets for export (3) Continuing to improve internal processes and carrying out industrial 4.0 automation projects to improve the efficiency and reducing costs. (4) Utilizing the synergy of horizontal integration among plants, increasing the scale and efficiency of our sales, and positioning ourselves for high-value products, so as to enhance our overall competitiveness. (5) Actively investing in energy-saving and environmental protection equipment and deploying green power industry to enhance our competitiveness in environmental protection costs. (6) Operational vertical integration to control the value chain and cost competitiveness. (7) Through meticulous integration plans, clear communication, diligent work, and seamless team collaboration, maximizing sales and operational synergies. (8) Focusing on ESG sustainable development, actively investing in energy-saving, environmental protection equipment, and expansion into green power, enhancing environmental cost competitiveness. Additionally, actively monitoring the work environment to ensure employee safety and health.

Resources Business	
Competitive Niche	<ol style="list-style-type: none"> (1) Nickel pig iron and nickel matte production line are located in Indonesia, which is a major producer of nickel ore in the world and has advantages in raw material prices and production costs. (2) The production lines are equipped with its own power plant, which can supply electricity for full production without any issue.
Favorable Factors	<ol style="list-style-type: none"> (1) With Mainland China's continued shrinking in the nickel pig iron production due to unfavorable production costs, Indonesia nickel pig iron is expected to make up for the



Resources Business	
	<p>possible production reduction gap in Mainland China. China's abolition of export tax has increased the cost of exports, and our agency service has a cost advantage over the the steel coils produced by Tsingshan Indonesia.</p> <p>(2) The Indonesian government continues to ban the export of nickel ore, and the local raw material has a cost advantage. The Indonesian government may subsequently restrict the issuance of licenses for smelting, which will raise the barrier of entry for later competitors.</p>
Unfavorable Factors	As environmental awareness is increasing, carbon reduction has become a common issue worldwide. Governments and economies around the world continue to adopt policies to strengthen environmental controls and carbon reduction efforts. We expect that related taxes, charges and other expenses will be unavoidable.
Response Measures	In addition to stabilizing capacity utilization and refining production plans, in response to international carbon reduction policy trends and requirements from the United States and the European Union, the Company has begun conducting a comprehensive carbon footprint inventory and source classification, discussing various carbon reduction measures, and preparing for the assessment and execution of carbon reduction benefits in advance.

Real Estate Business	
Competitive Niche	<p>(1) Walsin Centro is located in the core area of Nanjing Hexi New City, including office buildings, commercial centers, quality houses and other types of products, with the floors under development reaching more than 1 million square meters; thus, Walsin Centro has become a landmark project in Nanjing, with location, business and scale advantages.</p> <p>(2) Office Building No. 1, in line with the new trend of market demand, widely uses energy-saving and environmentally-friendly new materials and new technologies. We've also paid attention to the humanization of our design and the durability and maintainability of our products from the details. Our products have a competitive edge in that they have passed LEED & WELL double gold international certification.</p> <p>(3) Office Building No.1 has established a leading position for Walsin Centro in Nanjing's high-quality business office industry within two years of entering the market, with its high-quality building image, high-standard operational services, and excellent leasing performance becoming the industry benchmark for the high-end office industry in Nanjing.</p>
Favorable Factors	<p>(1) The economy promoted by the Chinese government has continued to develop for many years. The central city has great ability to promote and control the economy, which makes the high-end office building market stable for a long time, and demand growth can be expected.</p> <p>(2) With the delivery of residential housing in the project, the resident population is growing rapidly; transportation facilities and public ancillary services have been completed, the market is fully mature, and business demand continues to grow steadily.</p> <p>(3) The development of CBD is close to completion, and the further concentrated demand for high-end office buildings in the central area of Hexi will lead that in Nanjing.</p>
Unfavorable Factors	The supply of Grade A office buildings has increased, with government self-built projects being forcefully prioritized for introduction, leading to more severe competition for customer resources and further expanding competition among buildings.
Response Measures	Tracking and responding in advance the policy trends of government departments governing relevant industries in a timely manner, and timely seizing the best timing for lease and sales according to market changes, in order to expand our client base.

(2) Key applications and production processes of main products

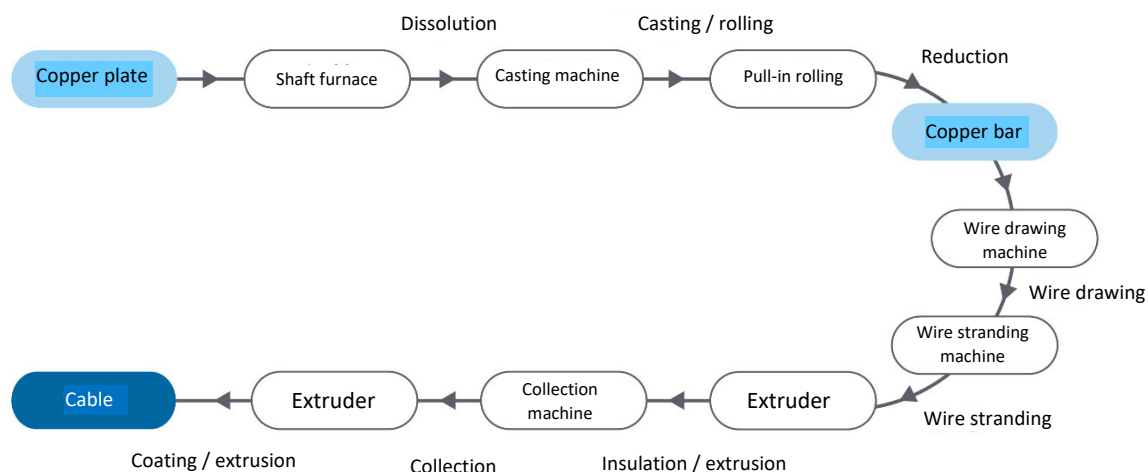
1. Key Applications of Main Products

Main Products	Key Applications
Copper material	Wire and cable conductor, home appliances, electrical and electronic devices, transformers, etc.
Power cables	Primarily used for power plants, power transmission and distribution, plant facilities, transportation construction, construction of power transmission lines, etc.
Steel billets	Hot-rolled wire rods, hot-rolled straight rods, flanges, seamless steel pipes, etc.
Flat billet	Hot-rolled steel coils, hot-rolled plates, heavy forgings, etc.
Wire rods	Screws and nuts, springs, welding rods, steel wires, braids and hardware wires, etc.
Hot-rolled coil (flat panel category)	Chemical tanks, pipes for industry and building and pipes for petrochemical industry
Cold rolled coil (flat panel category)	Building decoration, kitchen utensils, appliances, medical equipment, electronic communications, chemical tanks and steel tubes
Peeled straight rods	Forging materials, turning parts, electric machine accessories, etc.
Cold finish straight rods	Shafts, medical equipment, furniture decoration items, turning parts, electric machine accessories, etc.
Stainless steel seamless pipe	Petrochemical heat exchanger; fluid pipe and instrument pipe boiler station pipe; nuclear power station pipe; shipboard fluid pipe and instrument pipe; turning pipe.
Mechanical processing shaft semi-finished products	Aircraft engines, oil and gas mud engines, drill bits, etc.
Engineering components	Customized products
Nickle pig iron	Our products are mainly supplied to and used by steel mills to smelt stainless steel, and processed into semi-finished stainless steel products such as billets, slabs, HR coils and HR straight bars.
Nickel matte	We supply the product to mainly nickel sulfate factories for processing into nickel sulfate, which can continue to go downstream for the production of electrolytic nickel or ternary cathode materials for batteries.
Real estate	Housing, office buildings and shopping malls

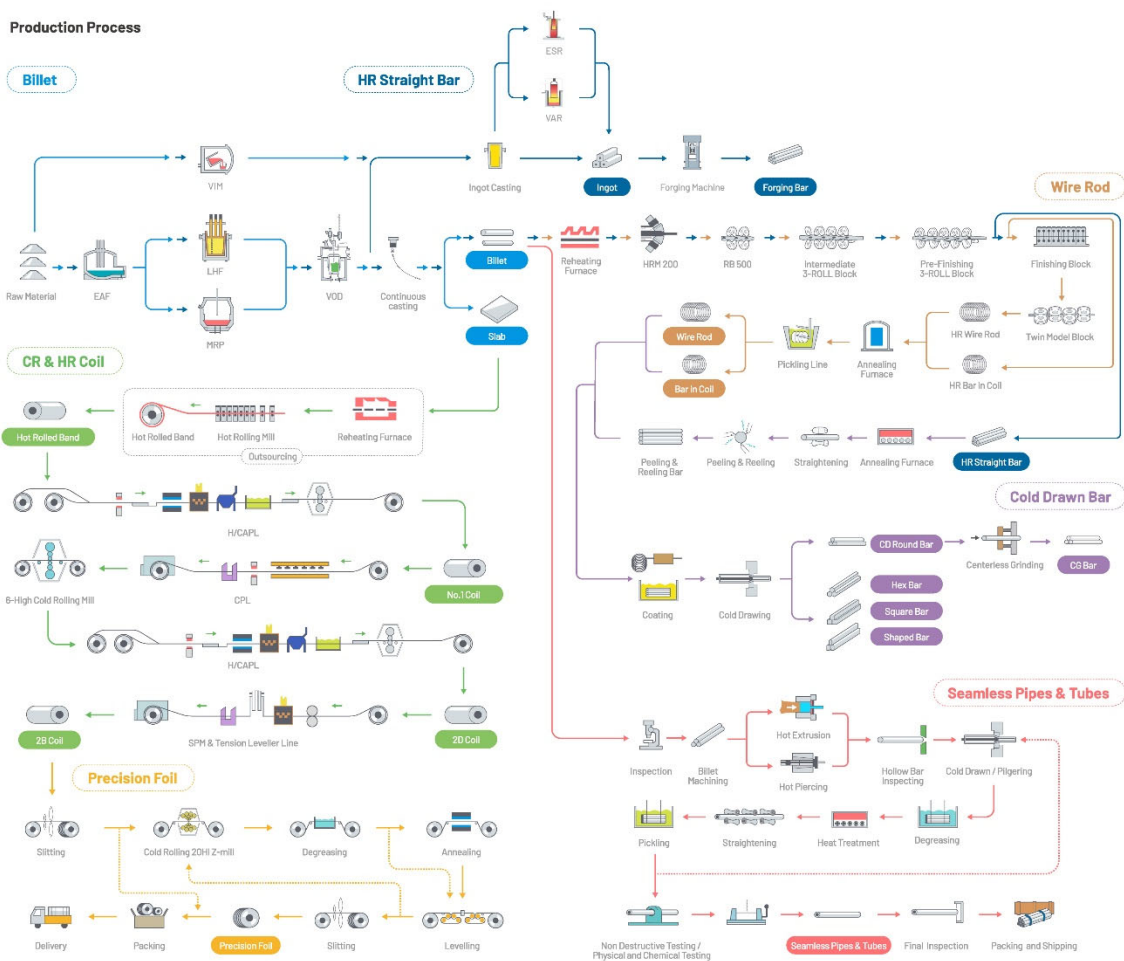


2. Production Process

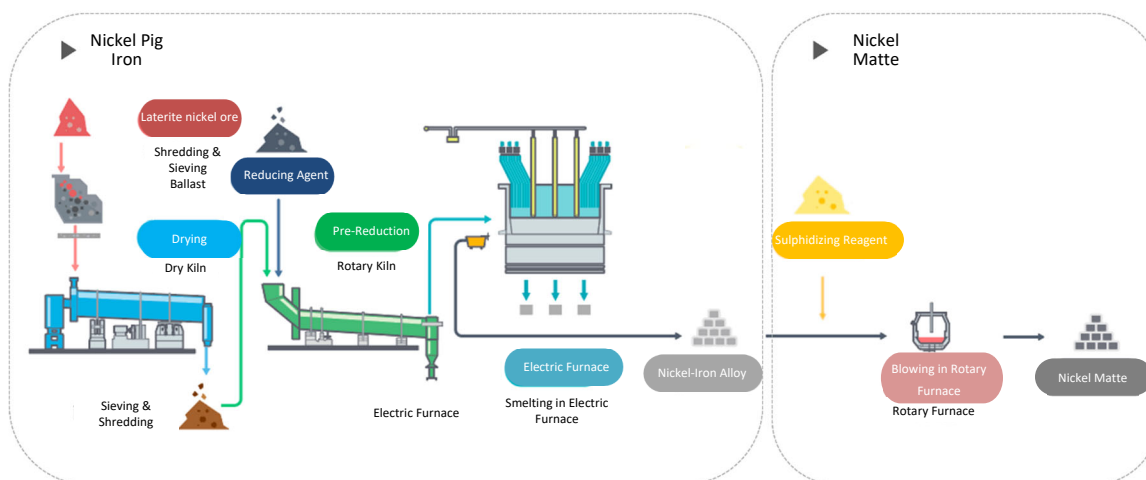
(1) Wire and Cable Business



(2) Stainless Steel Business



(3) Resources Business



(3) Supply Status of Main Raw Materials

Business Unit	Main Raw Materials	Description of Supply Status
Wire and cables	Copper plates	The main sources are Japan, Australia, Chile and Southeast Asia by signing long-term annual contracts, which sources are supplemented by spot purchases. Therefore, the supply is stable.
	Polyethylene	Purchased by quarterly quantity bargaining, mainly imported from Middle East, Europe and Japan.
	Other chemical materials	Adopts monthly/quarterly quantity bargaining method and raw materials should mainly be locally sourced.
Stainless Steel	Pure nickel, high carbon nickel iron, high carbon ferrochrome, stainless steel scraps, grade 1 steel scraps, molybdenum iron, etc.	We seek long-term partnerships with well-established, reputable suppliers and allocate the appropriate proportion of supply sources to diversify risks and enhance the resilience of the supply chain. In addition to being sourced from Taiwan, raw materials are also from Indonesia, Japan, Australia, New Caledonia, South Africa, Europe, United States and China.
Commodity	Laterite nickel ore	All laterite nickel ore used for nickel pig iron and nickel matte is sourced from local suppliers in Indonesia, and the supply is stable.
Commercial Real Estate	Land	Implement land reserves pursuant to the Company's real estate development strategy and participate in government land auction tenders.
	Construction Projects and Materials	The Company further reduces costs and enhances effectiveness by selecting good quality construction companies and as well as material and equipment suppliers through tenders.
	Retailers	Integrating resources and doing a good job of gathering office demand for high-end enterprises, quality customers and signing contract with merchants according to the Company's project positioning, business objectives and development ideas for the phase 2 of the Office Building No.1, by further leveraging the advantage of high-quality, premium services.



- (4) The names, procurement (sales) amounts and ratio of our clients whose total procurement (sales) for any year in the last two years reached 10% or more.

1. Major supplier information for the last two years

Unit: NT\$ thousands

Year	2022				2023			
Item	Name	Amount	Percentage of Total Purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Total Purchases (%)	Relationship with Issuer
	Supplier A	20,022,193	12.4	-				-
	Other (Note)	141,099,498	87.6	-	Other (Note)	156,291,794	100	-
	Net Purchases	161,121,691	100	-	Net Purchases	156,291,794	100	-
Reason for the change: 10% of purchases were from a single vendor in 2022, due to the advantages offered by the vendor.								

Note: There is no supplier accounting for more than 10% of total amount of purchases.

2. Major customer information for the last two years

Unit: NT\$ thousands

Year	2022				2023			
Item	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer
	Net Sales	180,400,719	100	-	Net Sales	189,839,626	100	-

Note: There is no customer accounting for more than 10% of the total sales amount.

- (5) Output volume and value for the last two years

Volume Unit: Tonne
Currency Unit: NT\$1,000

Year	2022			2023		
Production value/main product	Production capacity	Production volume	Value	Production capacity	Production volume	Value
Bare copper wire	252,000	165,794	43,760,292	252,000	119,047	26,672,388
Wire and cables	58,920	45,537	14,640,970	52,920	36,848	12,099,505
Steel strands	81,200	66,806	1,836,131	76,800	41,456	1,174,289
Stainless steel strips and bars	615,742	532,241	44,569,930	881,643	631,142	63,783,575
Stainless steel coils	300,000	287,058	24,837,187	300,000	303,817	23,659,505
Seamless steel pipes	14,400	14,093	3,193,241	16,130	15,838	4,218,551
Nickle pig iron	40,956	40,956	12,118,333	89,406	89,406	31,759,542
Total			144,956,084			163,367,355

Note1: Product capacity means the quantity that can be produced under normal operation with the existing production equipment while taking into account factors such as work stoppage and holidays.

(6) Sales volume and value for the last two years

Volume Unit: Tonne
Currency Unit: NT\$ 1,000

Year	2022				2023			
Value of Main Products/ Sales volume and value	Domestic Sales		Exports		Domestic Sales		Exports	
Main Products	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
Bare copper wire	96,909	19,904,276	64,331	17,370,198	63,131	11,823,845	52,347	14,275,532
Wire and cables	48,167	18,671,101	2,643	753,425	38,459	15,548,660	1,844	569,334
Steel strands	64,299	1,939,353	2,956	80,766	36,549	1,068,625	3,470	88,666
Stainless steel strips and bars	350,619	30,734,171	116,776	14,527,314	461,470	47,225,699	144,823	17,843,316
Stainless steel coils	213,100	18,563,523	100,498	9,259,867	238,684	18,360,341	66,046	5,148,862
Seamless steel pipes	7,120	1,877,398	7,263	1,748,933	7,675	2,084,293	8,928	2,341,972
Nickel pig iron	40,956	22,086,992			65,996	27,945,666	23,410	11,133,380
Others (Note)	-	22,134,155	-	749,247	-	12,443,612	-	1,937,823
Total		135,910,969		44,489,750		136,500,741		53,338,885

Note 1: "Others" include sales of non-core business products as well as real estate business, rental and product income revenues.



3. Employee Data

(1) Employees of Walsin Lihwa Holdings Limited:

As of March 20, 2024

Year		2022	2023	Current Year as of March 20, 2023
Number of employees		9,691	10,508	10,476
Average age		37.1	36.8	29.1
Average years of service		6.9	7.3	6.7
Education background (%)	Ph.D.	0.3	0.3	0.3
	Master's	6.3	6.9	6.8
	University/College	37.6	31.9	31.9
	High school	39.8	43.5	43.6
	Below high school	16.0	17.4	17.4

Note: Walsin Lihwa Group includes all of Walsin Lihwa's business divisions and subsidiaries.

(2) Employees of Walsin Lihwa Corp.:

As of March 20, 2024

Year		2022	2023	Current Year as of March 20, 2024
Number of employees		2,981	2992	2960
Average age		39.0	39.4	39.5
Average years of service		9.6	9.9	10.1
Education background (%)	Ph.D.	1.0	1.0	0.9
	Master's	18.7	19.8	19.5
	University/College	42.8	42.5	42.8
	High school	23.6	22.5	22.5
	Below high school	14.0	14.2	14.3

4. Environmental Protection Expenditure Information

- (1) For the most recent year and up to the date of publication of the annual report, the losses suffered by the Company as a result of environmental pollution (including compensations and violations of environmental protection laws and regulations found in environmental protection inspections; the punishment date, the letter number, the legal basis for the punishment, the legal provision and the content of the punishment shall be specified), and the estimated amount of such losses that may occur now and in the future and the countermeasures against them; if they are not reasonably possible to estimate, the facts that they cannot be reasonably estimated should be stated: The Company did not have any major environmental fines in 2023(Note).

Note: The standard for disclosure of major fines is NT\$100,000/RMB22,000

The Company will continue to enhance its environmental management around its factories. We also plan to prevent the recurrence of violation via internal control, environmental education & training, as well as our annual KPI evaluation system.

- (2) Future response measures (including improvement measures) and possible expenses:

Despite the large amount of manpower, materials and funding invested in environmental protection to comply with international benchmarks over the years, Walsin Holdings was still fined for pollution. To keep pollution under adequate control, the Company requires factories in Taiwan and overseas to step up self-regulation to avoid human errors and to implement economically feasible environmental management projects. Internal audit and environmental education & training (including regulatory identification) will also be applied to assist in reinforcing self-regulation and horizontal development at various factories. Environmental investment plans and management measures are as follows:

1. Obtained ISO-14001 certification for system management:

In line with international environmental conventions, factories in both Taiwan (Hsinchuang plant 1, Hsinchuang plant 2, Yangmei plant, Taichung plant and Yenshui plant) and mainland China (Shanghai Walsin Lihwa Power Wire & Cable plant, Nanjing plant, Jiangyin plant, Yantai plant and Changshu plant) have all obtained "Environmental Management System" certification. In order to ensure the operational effectiveness of Walsin's environmental management system, the Company hired a professional consulting team in 2017 to instruct 10 domestic and overseas factories to transition to ISO 14001:2015. Basic operation for ISO 45001 was also introduced as a pilot program, as environmental protection and vocational safety & health management system are integrated into a universal operating model across the entire group while on-site guidance is also provided. Consistency in documentation and stability in system operation are required of these factories. Through educational training at various factories, the spirit of the management system is deeply ingrained in actual factory operation after multiple training sessions focusing on topics ranging from regulatory interpretation to actual operation. Furthermore, with a proactive attitude, we will continue to improve our overall environmental protection efforts and vocational safety & health condition. We will strive to enhance environmental performance, reduce environmental loss, improve corporate image and boost our international competitiveness. Walsin has completed the integration and version conversion of its management system at all of its factories at home and abroad in 2018, with the certificates being valid for three years. The relevant certificate documents are placed in the document management section of Walsin Lihwua website

2. Air pollution management:

Comply with the air pollution control laws in Taiwan and in China and apply for permits for fixed (atmospheric) pollution source ranges that are progressively announced. The various plants in Taiwan and in China have obtained operating (emission of pollutants) permits for various manufacturing processes and facilities, reducing atmospheric emissions.

3. Greenhouse gas emission and campaign for reduction:

To counter climate change and global warming, reduction in greenhouse gas emission is a necessary measure. GHGs inventories provide compliance basis for efforts to reduce greenhouse gas emission.

Since 2015, the Company has established the "Safe Environment Information Platform--the ability to conduct GHGs inventories and to calculate carbon emission for products" to collect greenhouse gas emissions at home and abroad. Through continuous review every year and smart system management, the Company keeps



optimizing its greenhouse gas emissions. Through the electronic system, we can grasp the current year's quarterly emissions and compare them with the same period last year, and further produce the trend graph for the quarterly meeting of the Environmental, Safety and Health Management Committee to review the carbon emissions regularly, so as to effectively review and manage the Company's carbon emissions. In addition, in order to improve the company-wise operation of the greenhouse gas control system, we also plan to promote the implementation of ISO 14064-1 in each plant. In 2015, our Taichung and Yenshui plants in Taiwan have obtained ISO 14064-1 certification, and the latest certificates and expiration dates are regularly posted on our CSR website every August. Hsinchuang, Yangmei, Taichung, and Yenshui Plants have also obtained the new version of ISO 14064:2018 certification in 2021, and at the same time, we planned to promote the introduction of ISO 14064-1 in overseas plants and have executed the same and obtained a third-party certification in 2023. At the same time, we are also actively participating in overseas carbon emission trading to integrate into China's carbon trading market, which can not only ensure that the Company has sufficient carbon allowance in the future, but also promote measures such as energy conservation through advanced technology, thereby laying a good foundation for the Company's long-term operation and development.

Safety and Environmental Information Platform

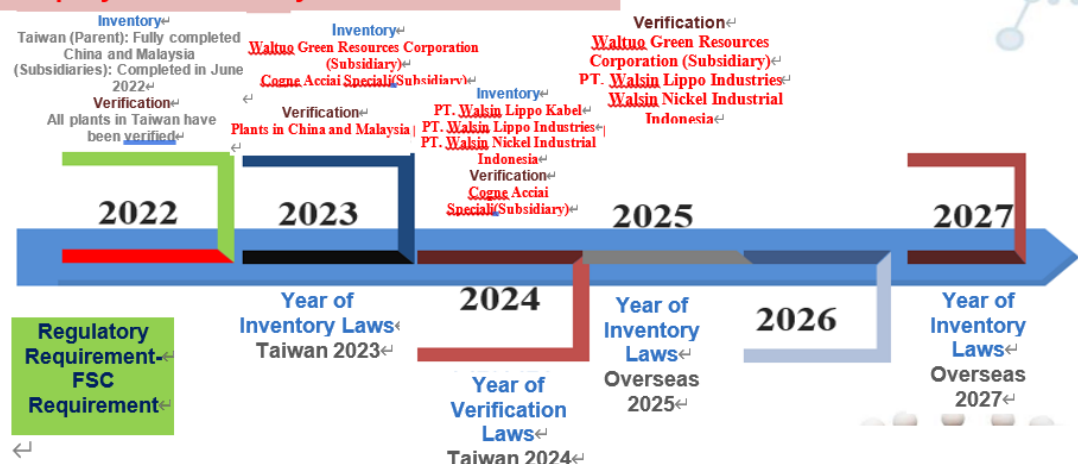
Since 2015, "Safety and Environmental Information Platform - Greenhouse Gas Inventory and Calculation Product Carbon Inventory" has been established and continuously optimized to collect the greenhouse gas emissions of each plant; the Environment, Health and Safety Committee reviews and manages the greenhouse gas emissions on a quarterly basis.

ISO 50001(Energy Management System)	ISO 14064-1 (Greenhouse Gas Verification Standards)	ISO 14067 (International Standards for Product Carbon Footprint)
Since 2018, our Taiwan's plants and China's plants have promoted the five-year energy management plan (2022-2027) based on ISO 50001, and an annual dynamic review has been conducted based on the status of each plant.	Since 2015, we have promoted the introduction of ISO 14064-1 in all plants, and our Taichung Plant and Yenshui Plant have passed ISO 14064-1 certification. In 2020, our Hsinchuang Plant and Yangmei Plant and in 2022, overseas plants introduced the ISO 14064-1:2018 standards to conduct internal greenhouse gas emission inventory; From 2022 to 2023, our four plants in Taiwan continued to pass ISO 14064-1:2018 certification. In 2023, our overseas plants passed the ISO 14064-1:2018 certification.	Our four plants in Taiwan completed the product carbon footprint inventory based on ISO 14067:2018, and our Hsinchuang Plant passed the third-party product carbon footprint verification.

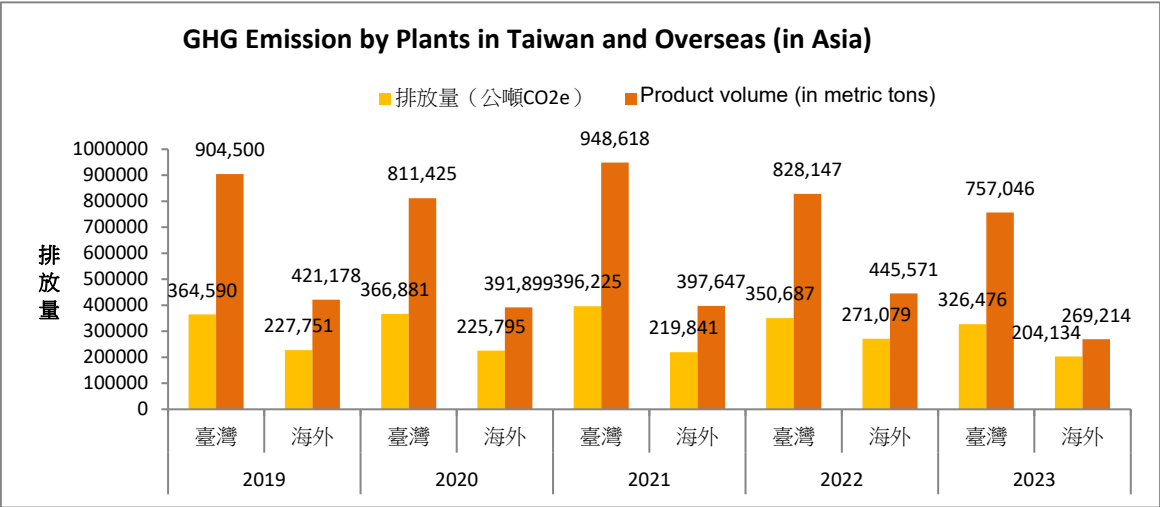
In addition, Walsin continues to pay attention to the development of carbon emission trading, EU carbon border tax, Taiwan carbon fee, and internal carbon pricing, and to participate in the operation of China's carbon trading market, in order to ensure the future carbon allowance and the Company's sustainable operation and development.

Timeline and Planning for Company-Wide

Company-Wide Inventory Plan and Execution

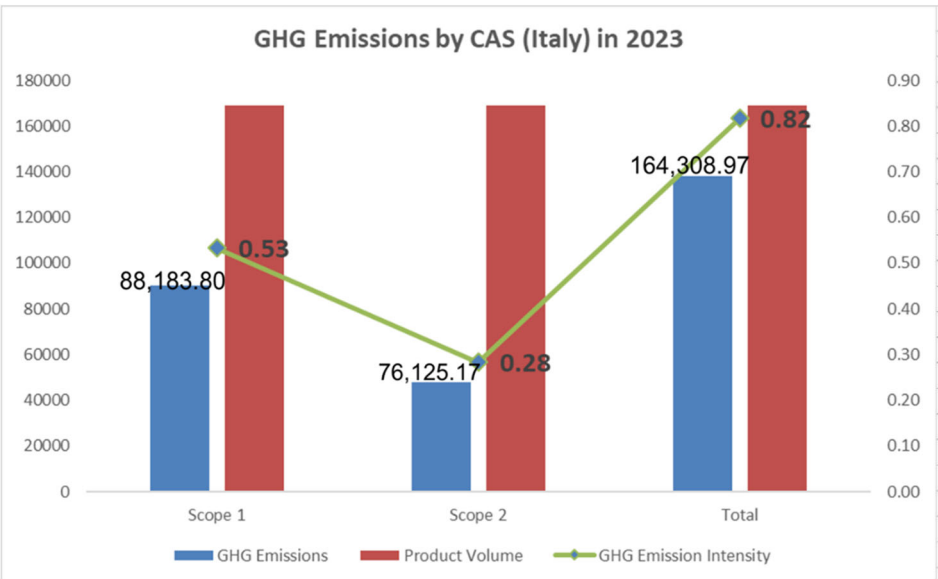
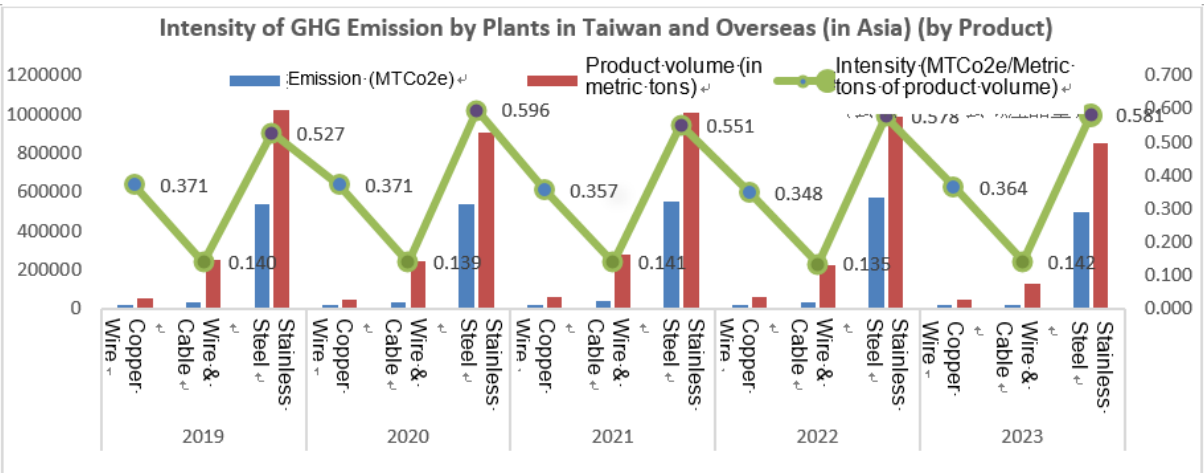


(1) Greenhouse Gas Value Chain Inventory (GHG Scope 1-2)



(2) Greenhouse Gas Value Chain Inventory (GHG Scope 3)

Walsin Lihwa, in an effort to create a greater impact on climate change and to enhance the highest value of the product value chain, extends its carbon management plan beyond its own operational greenhouse gas emissions.





Following the ISO 14064:2018 and GHG Protocol standards, and through third-party verification and disclosure, Walsin Lihwa expands its carbon management plan to include its value chain partners. This identifies the most emission-intensive activities within the value chain as a precise guide for emission reduction strategies, also uncovering more opportunities for transformation. In the action plan for 2023, we have established a low-carbon alliance and promoted a sustainable supply chain, working together with our value chain partners to create a sustainable development business model.

In our 2023 project of Scope 3 greenhouse gas inventory, we adopted materiality assessment criteria, considering factors such as emission volume, improvement potential, and quantification methods. We identified emissions from upstream raw materials of our purchased products and services, upstream emissions from fuel and energy-related activities, and disclosed a total of 12 items in Scope 3/Categories 3 to 4. Walsin Lihwa continues to collaborate with its value chain partners in developing low-carbon products through strategies such as green product design, jointly combating climate change and global warming with its value chain partners.

	GHG Protocol	ISO 14064-1:2018	Emissions from Taiwan Plants (MTCO ₂ e)	Overseas Plants (Asia) (MTCO ₂ e)
Scope 3	Category 4: Emissions from upstream transportation and distribution Category 7: Emissions from employee commuting Category 9: Emissions from downstream transportation and distribution	Category 3: Greenhouse gas emissions from transportation	109,684.67	74,840.48
	Category 3: Emissions from fuel- and energy-related activities (not covered in Scope 1 or Scope 2) Category 5: Emissions from waste generated in operations	Category 4: Indirect greenhouse gas emissions from products used by the organization	2,102,479.49	2,035,642.18

Note: 1. Scope 1 is direct energy, and Scope 2 and Scope 3 are indirect energy; the sources of greenhouse gas emissions include CO₂, N₂O, CH₄, HFCs, and SF₆

2. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, and Taichung Plant

3. Overseas (Asia): Jiangyin Alloy, Shanghai Walsin, Yantai Walsin, Changshu Walsin, and Walsin Precision

4. Overseas (Europe): Italy (CAS)

5. Emission Unit: MTCO₂e; Intensity Unit: MTCO₂e/metric tons of product

6. The emission factor is based on the Environmental Protection Administration's announced greenhouse gas emission factor management table version 6.02, with the GWP (Global Warming Potential) values taken from the IPCC 6th Assessment Report (2021). The greenhouse gas compilation method is based on the operational control approach.

7. 2014 is the starting year for the Company's implementation of the energy-saving plan

8. Scope 2 emissions are calculated based on a location-based approach

4. Wastewater treatment:

The wastewater from each of Walsin Lihwa's plants has been properly treated and discharged through wastewater treatment facilities in the plant site and the wastewater quality testing has been regularly conducted to avoid the impact of wastewater discharge on the environment. Management at source is most important in water conservation. Based on water quality characteristics, the treatment procedures were designed and recycling units were installed, so the wastewater has been discharged to nearby rivers according to regulations or piped to recycling units in order to effectively use limited water resources. Each plant site has adjusted equipment and process to reduce water consumption and improve wastewater recycling system, so as to enhance the recycling ratio of the process water.

The average pollutant concentration in wastewater discharged by the factories in 2023 met the effluent criteria. The recycling ratio of Taiwan plants reached 90% and above.

5. Strict control of industrial waste:

The 4Rs (reduce, reuse, recycle and recovery) have constituted the foundation for Walsin's waste production and control. In 2023, our overall waste recycling rate of copper wire, wire and cable and stainless steel reached 95.61%, of which the non-hazardous waste recycling rate was 97.20% to 98.89%; hazardous waste was 55.9%

to 99.55%. Except for some of the waste produced by self-recycling and reuse, the rest are entrusted to qualified manufacturers for removal, treatment or reuse. The output of waste in Taiwan and overseas factories increased by 6% compared with 2022, mainly because of the addition of Yantai rolling mill; for the Taiwan plants, the overall waste recycling rate of harmful waste increased by 1.82% compared with 2022, mainly because all the waste acid from Yenshui Plant was transported to the Taichung Plant for waste acid treatment and reuse and process improvement and adjustment, thereby reducing the dust collection ash and sludge, and the landfill rate of plants in Taiwan and overseas regions stood at <1% target.

Aside from continuing to promote source reduction of waste and recycling of waste in the plant, the Company will, in conjunction with the strength of the supply chains, reduce the amount of raw materials and reduce the harm that production may bring to the environment. The Company has established strict control and auditing mechanisms for waste flow and screening of qualified vendors to ensure that waste flows are proper and legal.

Waste output and disposal by Taiwan and overseas plants in 2023 (Unit: Tonne):

Region	Taiwan			Overseas (China and Malaysia)			Overseas (Europe)		
Disposal	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total
Recycling (for reuse)	112,956.74	57,188.39	170,145.14	58,631.75	8,509.45	67,141.20	15,343.21	4,520.58	19,863.79
Incineration	699.80	4.92	704.72	339.10	5,686.07	6,025.17	0	0.052	0.052
Burial	27.71	249.13	276.84	321.99	409.36	731.35	57,201.61	0	57,201.61
Other treatment	2,530.30	4.00	2,534.30	0	616.95	616.95	96.08	6,326.84	6,422.92
Total	116,214.55	57,446.44	173,660.99	59,292.84	15,221.83	74,514.67	72,640.90	10,847.47	83,488.38
Recycling rate	97.20%	99.55%	97.98%	98.89%	55.90%	90.10%	21.12%	41.67%	23.97%
Incineration rate	0.60%	0.01%	0.41%	0.57%	37.35%	8.09%	0.00%	0.00%	0.00%
Burial rate	0.02%	0.43%	0.16%	0.54%	2.69%	0.98%	78.75%	0.00%	68.51%
Other treatment	2.18%	0.01%	1.46%	0.00%	4.05%	0.83%	0.13%	58.33%	7.69%

Note: 1. Except for the hazardous waste from dust collection by Yenshui Plant, which was recycled in the plant, and the waste acid from Taichung Plant, which was disposed of and recycled in the plant (29,744.27 metric tons in total), all hazardous and non-hazardous waste generated by our plants in Taiwan and Asia was disposed of outside of the plants.

2. The total amount of non-hazardous waste recycled in the European plants was 10,064.82 metric tons, while the remaining hazardous and non-hazardous waste was disposed of outside of the plants.

6. Improving energy use efficiency:

Walsin Lihwa upholds the business philosophy of "Green Manufacturing, Happy Enterprise and Sustainable Management". In addition to committing to quality management, pollution prevention, environmental protection, safety and health, our company adopts "Enhancing energy efficiency and promoting clean energy" as its energy management guidelines to fulfill its social responsibility in energy conservation and carbon reduction. We aggressively incorporate energy-saving equipment, efficient technologies, environment-friendly facilities and environmental protection designs and green process into promoting improvement of energy efficiency at source. In response to the governments' energy policies and measures, we educate our employees about energy conservation and inventory the energy consumed by equipment and facilities to seek opportunities for improving our energy performance and to also effectively implement our energy saving plans.

7. Energy conservation and carbon reduction:

To reduce energy consumption and greenhouse gas emissions, since 2015, Walsin Lihwa has set up an energy saving and carbon reduction management organization in each plant, set annual targets and various energy saving and carbon reduction measures, and held regular meetings to review and set up an energy management E-system for real-time management.

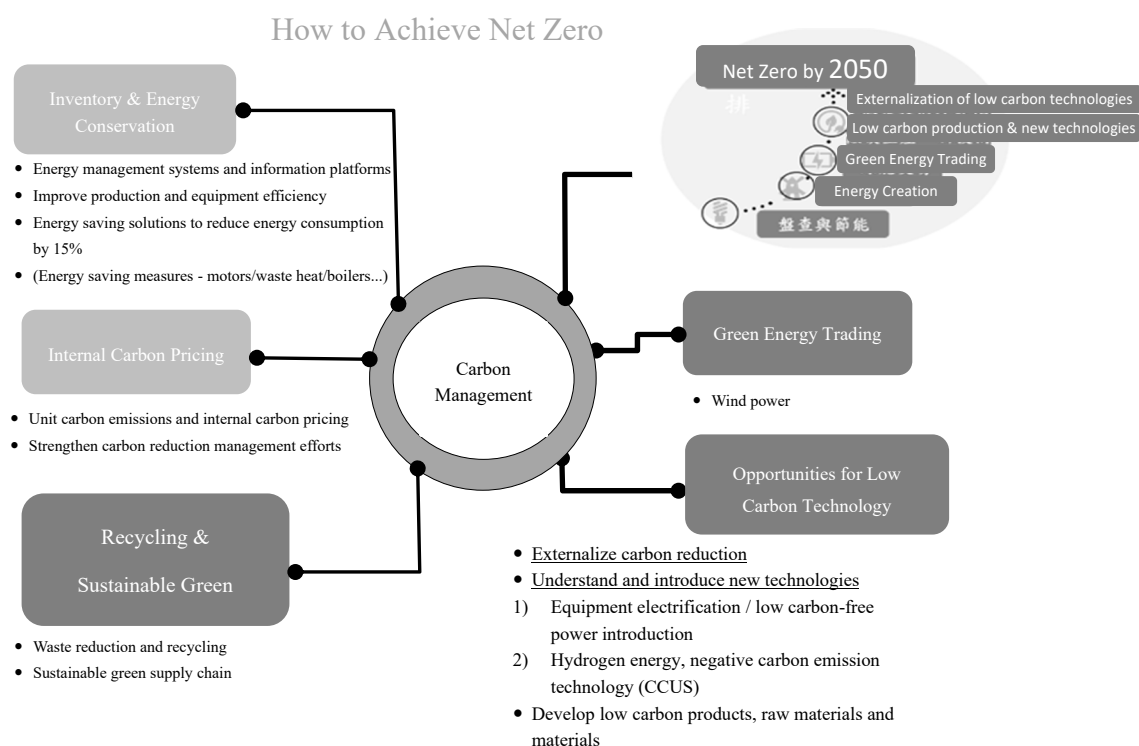
All of our four plants in Taiwan met the 1% energy conservation rate required by the Bureau of Energy, Ministry of Economic Affairs in 2023, with an average electricity saving rate of 1.54%. The total energy saving rate of our Taiwan and China plants was 1.64%, and a total of 133 carbon reduction initiatives were proposed, with a total carbon reduction of 10,089.7 metric tons of CO₂e/year. Total carbon reduction in our European plants reached 2,405 metric tons CO₂e/year (contributed by 4 carbon reduction plans).



In 2022, the Environmental, Health and Safety Committee dynamically adjusted the five-year energy management plan, setting an annual goal of reducing energy consumption and carbon emissions by 1.5%.

In 2021, the plan included the installation of renewable energy sources (solar energy) for self-consumption at 5.5 MWp. By 2023, 4.9 MWp had been successfully installed and connected to the grid, generating a total of 1,054,868 kWh of electricity. The remaining 0.6 MWp of solar energy for self-consumption is expected to be completed by 2024.

In addition, in order to effectively manage the efficiency of energy use, the Environmental Safety and Health Management Committee has formulated its five-year energy management plan from 2020, setting the goal of continuous annual energy savings and carbon reduction of 1%. In doing so, the Company expects to effectively reduce environmental pollution, reduce greenhouse gas emissions, reasonably and most efficiently use energy, to meet the challenges of climate change.



Carbon Reduction Results from 2015 to 2023 (Unit: MTCO₂e)

2023 Energy Saving Plans

Plant	Project Type	Energy-Saving Type	Project Quantity	Energy Savings	Energy Consumption Reduced (in MJ)	Carbon Reduction (MTCO ₂ e)	Carbon Reduction Amount
Taiwan	Energy saving in manufacturing processes/offices	Electricity (kWh)	93	5,884	50,978,976	2,965	NTD166,313,141
		Natural gas (in thousand cubic meters)	11	379	14,276,930	1,880	
		Others (in metric tons)	2	-	-	1,104	
		Total	106	-	65,255,906	5,949	
Overseas (China & Malaysia)	Energy saving in manufacturing processes	Electricity (kWh)	18	4,195	36,345,480	2,713	RMB 15,144,679 MYR 34,526 total equivalent to NT\$233,664,074
		Natural gas (in thousand cubic meters)	8	632	14,276,930	1,309	
		Vapor (in cubic meters)	1	488	1,344,928	118	
		Total	27	-	51,967,338	4,140	
		Electricity (kWh)	2	2,568	9,245	1,153	

Plant	Project Type	Energy-Saving Type	Project Quantity	Energy Savings	Energy Consumption Reduced (in MJ)	Carbon Reduction (MTCO ₂ e)	Carbon Reduction Amount
Overseas (Europe (CAS))	Energy saving in manufacturing processes	Natural gas (in thousand cubic meters)	2	630	22,227,030	1,252	EUR 144,318 (equivalent to NT\$4,862,073)
Total			4	-	22,236,275	2,405	
Total Carbon Reduction							NT\$238,526,147

8. 2023 Environmental Investments

Walsin actively introduces advanced recycling equipment and combines various management systems and methods to minimize the adverse impact of production activities on the environment, including reducing emissions and improving recycling rates, introducing a complete environmental monitoring system to inventory potential polluted areas, and taking preventive and improvement measures in advance. We spent a total of NT\$1,465,410,511 on environmental protection equipment and expenses in 2023.

2023 Environmental Investments by Walsin

Category of Environmental Protection Costs	Taiwan (NTD)		China (RMB)		Malaysia (MYR)	
	Amount	%	Amount	%	Amount	%
Environmental Protection Equipment Costs	82,159,000	14%	157,414,508	80%	0.0	0%
Environmental Protection-Related Management Costs	497,770,177	83%	26,134,407	13%	17,335.2	51%
Other Environmental Protection-Related Costs	17,151,988	3%	13,300,429	7%	16,462.5	49%
Total	597,081,165	100%	196,849,344	100%	33,797.7	100%

5. Employees-employer relations

(1) Worker-Management Relations and Welfare

The pursuit of excellence, innovation and learning and friendly environment form the basis of sustainable development at Walsin Lihwa. Its respect and attention to "people" is reflected in its human resources management systems and various worker-management relations mechanisms, which are described as follows:

1. Smooth worker-management communication channels

- (1) In 1976 the Company established an industry union to advocate suitable policies and the voice and proposals of workers are communicated using an employer and employee dual-channel communication method.
- (2) The union's negotiation meetings between employer and employee representatives are held each quarter. Union representative conferences are held every year to establish a good bridge of communication between employers and employees. Walsin has not entered into a group agreement with the industry union. Although the Company has established a union, the Company has not yet entered into a group agreement with it because the union has not requested a group agreement from the Company to date.
- (3) The Company publishes the "Walsin People Digital Newsletter" to share information on critical business operations and management. The company has also established an international communication platform to hold online events and opinion surveys.

2. The Company's remuneration is established on the principle of being able to attract and retain talent as follows:

- (1) **Salary:** The Company ensures that its overall remuneration is competitive in the market through regular market salary surveys every year. The Company's remuneration policy is based on the following principles:
 - A reasonable and competitive overall remuneration based on the market value of each professional function and the employee's contribution to their responsibilities.
 - Bonus payments are made in accordance with the Company's operational performance, the achievement of team objectives and the employee's personal contribution and performance.
 - Employees are paid and compensated on the basis of their academic experience, technical expertise, professional seniority and personal performance, without discrimination based on gender, race, religion, political affiliation, marital status or union affiliation.
 - The starting salary standards for fresh graduates and foreign workers comply with local laws and regulations.



- We create harmonious labor relations within the scope of the law, in accordance with the relevant local laws and regulations.

(2) Bonuses and Rewards: The reward and compensation system offered by the Company is designed to motivate employees who perform well in their work. Performance bonuses and production bonuses are granted based on the Company's operational performance, achievement of team goals and individual performance, and employees are remunerated according to the Company's profitability.

3. We also provide a diverse welfare system that includes the following:

Insurance & Protection	Subsidies	Other Benefits
<ul style="list-style-type: none"> • Labor insurance • Health insurance • Group insurance (life insurance, accidental injury insurance, hospitalization insurance, cancer insurance, etc.) • Overseas Travel and Expatriate Insurance • Regular health checks for all staff • Monthly pension payment • Severance payments, pensions 	<ul style="list-style-type: none"> • Travel Subsidies • Subsidies for club activities • Wedding and Funeral Grant • Maternity benefit • Supervisor's Health Benefits • Hospitalization condolences • Scholarship for Staff and Children • Various interest-free loans (emergency loans, education loans for employees' children, home purchase loans) 	<ul style="list-style-type: none"> • Birthday Gift Vouchers • 3 Festival Gift Money (Voucher) • Labor's Day Souvenirs • Staff dorms (for some factories) • Commuter Bus (Factories) • Annual leave of absence on a pro rata basis upon onboarding, which is better than what is provided by law • We invite experts and scholars to give lectures on quality of life, mindfulness, financial management, and travel to colleagues • Discount for employees by signing contracts with vendors • Gold medal for senior staff • Corner of Massage

4. Under the "Walsin Lihwa Employee Learning and Development System," each employee is incorporated into the Company's operating strategies, policies and target objectives based on his/her capabilities, job performance and career development. This enables employees, job performance and the organization to be fully integrated and to achieve synergies in employee learning and development. The content of the system includes the following:

- (1) Professional talent training in all levels
- (2) Management talent training
- (3) New employee orientation
- (4) Employee general education courses
- (5) Self-motivation course
- (6) Quality and safety awareness course

In 2023, the Company spent a total of NT\$24,109,000 on employee education and training. Details are as follows:

Total training participation	Total training hours	Average training hours per employee
72,202	232,358.45	43.79

Training statistics above include data from Taiwan and the subsidiaries in China.

5. Retirement system:

To provide job security to employees, the Company has established a retirement system pursuant to regulatory requirements with specific measures as follow:

- (1) Established a "Pension Oversight Committee" in 1986, whereby workers' pension funds are deposited monthly into a pension account at the Bank of Taiwan.
- (2) The Company has commissioned external consultants to prepare a pension fund actuarial report annually since 1994 and set aside a pension reserve fund each month based on the actuarial report in order to satisfy pension applications made by employees eligible for retirement.
- (3) In line with the implementation of the new pension system in 2005, the company has continued the issuance of the pension fund to retired employees who have elected to receive the pension under the old system. As for employees adopting the new system, 6% of their salary will be monthly withdrawn as retirement pension and deposited into each employee's personal account at Labor Insurance Bureau. Employees may voluntarily contribute within the 6% to satisfy personal demand in retirement preparation based on personal needs. For the year ended December 31, 2023, the amount of NT\$114,765,000 that should have been appropriated according to the percentage specified in the defined benefit plan was recognized in the consolidated statement of income of the Company.



- (4) According to the revisions of the Labor Standards Act in 2015, the Company assesses the balance in the designated labor pension reserve funds account, calculate required labor pension funds for the laborers who meet the legal retire criteria in the follow following year and make up the difference before the end of March the following year.
- (5) In addition to compliance with the aforementioned retirement regulations and in recognition of the contributions made by retired employees, the company also issues commemorative medals and awards to retired employees. Meanwhile, the Employee Welfare Committee as well as the industry union has also issued retirement souvenirs to fully reflect the company's gratitude towards retired employees.
- (6) For employees in China, the subsidiaries enroll their employees in pension plans as required by law and make monthly contributions to the pension plans according to the local regulations in order to provide adequate retirement protection for the employees.

6. Employee Code of Conduct:

To ensure that employees comply with obligations to the Company, customers, competitors and suppliers during business operations, the Company has established an Employee Code of Conduct in order to regulate employee behavior. The highlights of this Code are as follows:

- (1) Obligation to the Company: All Company employees must be dedicated, studious, conform to all rules of the Company and ensure confidentiality.
- (2) Obligation to customers: When conducting business dealings in representation of this Company, the employee's attitude must be humble and without any arrogance or pride lest damaging the Company's image.
- (3) Obligation to competitors: The Company's employees should gather competitor information to serve as a reference for Company strategy in a legal and open manner.
- (4) Obligation to suppliers: Negotiations and transactions with suppliers by employees must uphold the principles of fairness, reasonableness and reciprocity in order to achieve a win-win result.

As a guide for employees to follow ethical standards and corporate governance, the Company has established additionally an Employee Code of Ethical Conduct. The highlights of this Code are as follows:

- (1) Prevention of conflicts of interests
 - (2) Prevention of opportunities to obtain personal gains
 - (3) Duty of confidentiality
 - (4) Fair trade
 - (5) Protection and appropriate use of Company assets
 - (6) Legal compliance
 - (7) Prohibition of gifts, bribes or any improper benefits
 - (8) Prohibition of external communication of information against the Company
 - (9) Equal employment opportunity and prohibition of discrimination
 - (10) Health and safety in workplace
 - (11) Correctly prepared documents and duty to maintain records
 - (12) Respect for intellectual property
- (2) Protective measures taken to ensure a safe working environment and maintain employees' personal safety

Walsin Lihwa's ESH and energy policy is "Green Manufacturing, Happy Enterprise and Sustainable Management".

The health and safety system and administrative measures are as follows:

1. To enhance occupational safety and health management (including fire safety management) and fully implement the Occupational Safety and Health Management System (ISO 45001), the application covers all plants in Taiwan (Hsinchuang, Yangmei, Taichung, Yenshui), mainland China plants (Shanghai Walsin, Dongguan Walsin, Jiangyin Walsin, Jiangyin Alloy, Changshu Walsin, Yantai Walsin), PT. Walsin Nickel Industrial Indonesia, and CSA, encompassing all workers (employees, contractors, and visitors). The overall coverage rate is 89.63% for employees and 97.59% for non-employees (contractors), excluding Taipei headquarters, Nanjing Walsin (Real Estate), and Walsin Precision in Malaysia, which have not yet passed certification. The Company continues to use the PDCA cycle for dynamic review and improvement, management methods for prevention of recurrence, and internal audits and exercise, and to set and track annual occupational safety and health performance indicators, in a view to enhancing workplace safety for colleagues and establishing a comprehensive and friendly workplace. In terms of safety and health performance indicators, this includes proactive indicators such as key system promotion, support from senior management at each plant, and disclosure of management systems; reactive indicators such as work-related accidents and penalties from competent authorities; and indicators such as the frequency and items of general (special) health examinations. In fire safety performance management, each plant is fully staffed with fire management personnel (firefighters/security supervisors/fire equipment area autonomous management personnel), implements fire equipment maintenance management, and regularly conducts full-staff fire escape drills and fire self-defense organization drills.



2. Designated health and safety and environmental management units or staff

Each of Walsin Lihwa's domestic and overseas plants also has its own Occupational Safety and Health Committee (in Taiwan)/Safety Production Committee (in China). Those committees include certain labor representatives to participate in and discuss matters relating to occupational safety and health. The number of labor representatives in the safety and health committees set up in Taiwan factories in accordance with the law are in line with the regulatory requirements. These committees hold meetings every quarter. In addition to the passing down of practical experience and the dissemination of ethical principles in occupational safety, we provide a platform for the exclusive Environmental Safety and Health Committee meeting minutes system and an electronic signature system for quarterly meeting results, and send internal newsletters through the intranet with work-safety-related emails to share our experiences.

Plants	General Members	Labor Representatives	Meetings Times
Taiwan	97	63	34
China	79	65	14
Malaysia	22	21	1
Indonesia	13	11	2
Italy	15	4	1

Note: Cogne organizes at least one corporate safety meeting annually (according to Italian Legislative Decree No. 81/2008) to discuss and update the above issues, with the participation of workers' health and safety representatives (RLS). Investigations and specialized meetings are also conducted at the request of RLS and/or workers. RLS are also invited to participate in the visits to the workplace conducted alongside with occupational health physicians (according to Italian Legislative Decree No. 81/2008).

3. Safe Workplace and Friendly Management

In 2023, a project to strengthen hazard identification and risk assessment was initiated, with plants in Taiwan and mainland China revisiting three major aspects under the existing SJP risk management system: personnel operation safety, equipment safety, and environmental safety. A total of 11 plants (sites) reviewed 147 units, examining 1816 types of operations and identifying 381 hazard factors; among these, physical risks accounted for 84.9%, chemical risks 11.2%, human and other types 1.9%, and biological hazards 0.1%. To avoid underestimating high risks, in 2024, we will include the disaster cases of 2023 (including 84 work-related injury incidents (including minor injuries (Note 1), excluding CAS) and 205 near-miss incidents (near-miss incident rate of 238.98% (Note 2), excluding CAS)) into the calculation. Through the contractor mobile app inspection system and walk-around management methods, predictive danger identification and calling (KYT) activities, and adjusting the existing probability of accidents, severity, operation frequency, and risk level, we hope to shape the safety awareness of all employees and achieve the goal of zero work-related injuries.

Note 1: Minor injury: refers to the non-temporarily incapacitated state: unable to work on the day of injury, but can resume normal operation the next day.

Note 2: Work-related near miss frequency rate (NMFR) = number of near miss events * 200,000/total hours experienced.

4. Training on occupational safety and health for workers

In addition to legally mandated training, necessary training is conducted based on departmental operations, on-site job types, and the annual safety training plan requirements of the business unit. Regular training plans are also established for environmental and safety responsibilities, fire escape drills, special operation personnel, and emergency response drills, along with a comprehensive environmental and safety certification system in place to keep track of the certification trends and needs of each site.

Occupational Safety and Health Educational Training	New Recruit Training	In-Service Personnel Training (internal training)		In-Service Personnel Training (external training, including for license acquisition)		Pre-Site Training for Contractors	
	Number of Persons	Number of Times	Number of Persons	Number of Times	Number of Persons	Number of Times	Number of Persons
Plants in Taiwan	616	498	8,590	176	382	243	1,836
Plants in China	764	375	7,556	206	943	110	5,220
Plants in Malaysia	31	21	309	3	3	0	0
Plants in Indonesia	338	215	3,926	24	80	184	3,664
Plants in Italy	91	804	6,154	263	1,022	8	629
Subtotal	1,840	1,913	26,535	672	2,430	545	11,349

5. Optimization of Contractor Management

In 2023, no contractor incidents of fire occurred in the Company's working environment. All factories implemented the "Walsin Lihwa Contractor Management Principles," with all contractors required to sign the "Environmental, Safety, and Health Commitment" and comply with the "Contractor Instructions" (coverage rate of 100%). Regular kickoff meetings and contractor agreement meetings are held, and all contractors must undergo relevant contractor training before they can qualify for entry to the site (or the plant). Since the

establishment of the "Contractor Management System" in 2020, Walsin has entered its fourth year in 2023, with a cumulative number of contractor entries at 27,324 and a total working hours accumulated at 1,381,069 hours. Walsin plants continue to implement the "Walsin Lihwa Contractor Safety and Health Management Blue Book," "Standardization of Contractor Safety and Health Management Regulations," "Contractor Insurance Standards," and access control, issuing a total of 724 notices for improvement and 98 penalty tickets for violations. This year, two work-related injuries occurred in Yantai Plant, with the related deficiencies immediately rectified, and the focus issues have been promoted. We continue our way towards the goal of zero work-related injuries.

Following the 2023 strategic direction of establishing a robust environmental, safety, and health intelligent management system, we promote the execution of the zero work-related injury goal, continuously execute the contractor safety and health management project (contractor management effectiveness confirmation and new plant area inclusion for control), and the make use of the PDCA method for sustainable operation. We continue tracking the operational status of each manufacturing factory system, immediate reporting any system failure, and repairing the system to restore its operation, while optimizing improvements when system defects occur. On December 1, 2023, we completed the new plant system setup and inclusion for the Yantai rolling mill, implementing contractor safety and health management in the plant area, reducing construction hazard risks, and ensuring the health and safety of all workers.

6. Compliance with Occupational Safety and Health Regulations

In 2023, there were 5 major violations of occupational safety and health regulations in Taiwan, with total fines of NT\$600,000. (No violations in our plants in China and Southeast Asia)

We will continue to review each accident and penalty event, as well as high-risk hazardous operations and equipment, high-frequency near miss events by focusing on hidden dangers based on projects, and we will, through information systems, gradually help improve personnel safety awareness, with real-time control of machinery and equipment, (raw) materials and chemicals control, and gradual construction of a regulatory cloud information system, to optimize our occupation, safety, and health management system. In 2023, the Company did not have any fire, explosion, or chemical leakage. Note: The standard for disclosure of major fines is NT\$100,000/RMB22,000.

7. Establish friendly, safe and healthy workplace through health promotion

(1) Occupational Safety and Health Activity Highlights

Employees are the most precious assets of a company, and Walsin Lihwa designs feasible employee health promotion plans every year. The Company conducts health inspections and analysis of results based on risk management, as well as on hazardous operations and special groups of hazardous operations (such as noise, free radiation, dust, high temperature, lead, manganese, nickel, and hexane operations) in the plants, and establishes health protection plans for hazardous operations, to ensure that employees have a good working environment and avoid occupational diseases.

In 2023, a total of 8 female pregnant employees received maternal health protection. At the same time, through organizing health promotion lectures and activities, we have enhanced employees' health awareness by positively and actively promoting and guiding employees to change their personal health behaviors and habits, have more correct hygiene knowledge, and embrace the concept of self-efficacy in the health belief model. In 2023, a total of 115 health education lectures were held, with a total of 4,142 participants, showing enthusiastic participation among colleagues.

(2) Results of Health Promotion Activities

Health Promotion	Number of Times	Number of Attendees
Health Promotion - Dynamic Activities	16	1,002
Health Issues - Static Lectures	30	718
Safety First Aid Education and Training	60	1,777
Blood donation for charity	9	645 (1,054 bags of blood donated)

(3) 2023 Promotion of Healthy Workplaces

Taipei Headquarters was awarded 2023 Excellent Health Workplace – Dynamic Award from the Health Promotion Administration, MOHW

Taipei Headquarters received 2023 Healthy Workplace Certification-Health Promotion Badge

Taipei Headquarters received the Excellent Lactation Room Special Excellence Certification from Health Department, Taipei City Government

Hsinchuang Plant received the 2023 Safe Place Certification

(4) From the most recent year to the date of publication of this Annual Report, any labor-management disputes and resulting losses suf



(5) **ferred by the Company and its countermeasures: None.**

6. Information Security Management

- (1) Describe the risk management framework for information and communications security, information and communications security policies, specific management plans, and resources devoted to information and communications security management.

Walsin Lihwa's dedicated information security team is committed to strengthening the overall information security protection capability of the enterprise, to enhance the enterprise's information security rating, meet customers' information security requirements, and fulfill the commitment to information security goals for customers, shareholders, and all stakeholders. We have strengthened our information security year after year from four aspects: IT governance, personnel/device protection, network/system control, and perimeter defense, including enhancing the management of high-privilege accounts, host security monitoring and security testing, application security enhancement, external service vulnerability improvement, network security segmentation, introduction of information security monitoring mechanisms (SOC), strengthening cloud information security management, and enhancing colleagues' awareness of information security.

1. Risk management framework for information and communications security

To build a "digitally sustainable" information system architecture and promote the corporate goal of "digital transformation," Walsin Lihwa has promoted an information security strategy plan centered on "strengthening information security resilience" by establishing an overall information security protection platform, perfecting information security technical protection measures, demonstrating proactive defense capabilities, and laying the foundation for digital sustainability, in line with the government's policy goal of "information security equals national security."

Walsin has established its information security risk management framework with a dedicated information security organization, senior executive participation, and alignment with international information security standards, specifying relevant information security policies and regulations to implement information security management.

- **Dedicated Information Security Organization:** In response to the corporate transformation and enhancement of information security management, Walsin Lihwa has established a dedicated information security organization - "Information Security and System Operation & Management Division" and, in 2022, appointed a Chief Information Security Officer (CISO), an information security manager, and two or more dedicated information security personnel. The division is responsible for formulating information security policies, planning, coordinating and implementing information security protection measures, performing information security risk assessment and management, developing a complete information security plan, and promoting information security management and solutions year by year.
- **Participation of Senior Executives:** The Company has established the IT Steering Committee, which is the information security management and decision-making body for the head office and business units, and is responsible for reviewing and deciding on matters related to information security management. There are also several members on the Board of Directors with backgrounds in information security in the Audit Committee to supervise and review the promotion of information security policies.
- **Implementation of Information Security Management:** In 2022, Walsin Lihwa implemented ISO 27001 Information Security Management System (ISMS) and obtained certification from a third-party certification body to fully manage its information security through PDCA. We have built up the confidentiality, integrity, and availability of information security management system of our organizations comprehensively, and strengthened our information security management continuously through different management plans in such aspects as prevention beforehand, monitoring during the event, and response after the event.

2. Information Security Policies and Goals

The goal of information security at Walsin is to maintain the confidentiality, integrity and availability of sensitive information, such as customer data and business information. Therefore, all of our employees, internal and external information service users and third-party outsourced service providers should work together to follow and achieve the following policies and objectives:

- To protect the Company's confidential information from being accessed, altered, or damaged in an unauthorized way or improperly disclosed, in accordance with various laws and regulations. (In compliance with both internal and external regulations)
- To protect information on the Company's business activities from unauthorized access or disclosure, and to ensure the accuracy of all business information. (Protection of trade secrets)
- To establish a complete business continuity plan and information security incident management procedures, to ensure that incidents are responded to, controlled and handled properly, and by conducting regular drills, to ensure the continuous operation of information systems or services.
- To handle and protect personal information and intellectual property rights in a prudent manner in accordance with the relevant domestic and foreign regulations in respect of the Personal Information Protection Act and the intellectual property law. (Intellectual property)

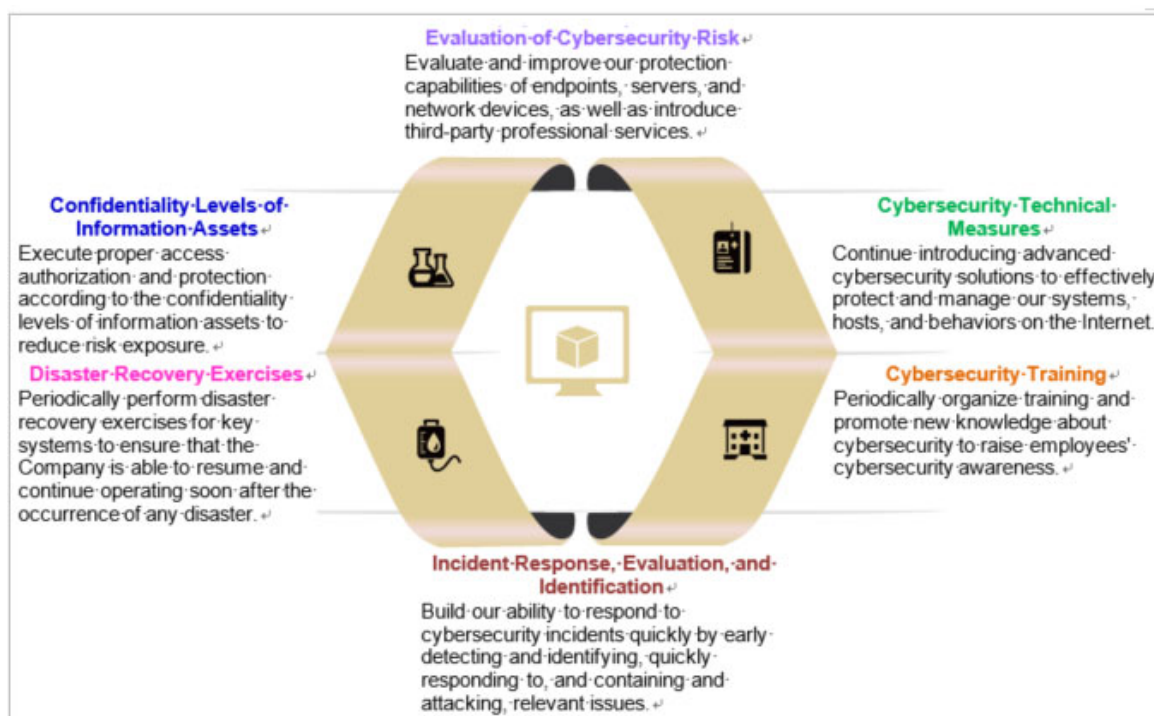
- To perform regular information security compliance audits to review the implementation of the information security management system. (PDCA)
- All employees shall maintain a high level of information security awareness at all times, and supervisors at all levels shall assume ultimate responsibility for information security supervision, management and training, to achieve the goal of reducing the risk of information use through various activities, such as management review, risk assessment, internal audit, education and training, and information security drills. (Participation of all employees)
- All staff of the Company shall follow information security policies, management practices and standard procedures, and violations of information security policies and related regulations shall be handled in accordance with relevant laws and regulations or the Company's regulations. (Participation of all employees)

3. Construction of the resilience of corporate information security and implementation of information security management

- We have drafted information security plan to promote information security policy year by year, to introduce information security system and process specification, and to continuously establish complete information security technical protection measures.
- The specific management plan will be gradually achieved in five stages, "Internal and External Segregation", "Physical Fitness", "Insight", "Smart Security", and "Behavior Analysis", with four components, "IT Governance", "Data and Device Protection", "Network and System Control", and "Boundary Defense".
- The specific management plans:
 1. Planning and establishing data protection mechanisms to reduce risk of leaking confidential information.
 2. Continuously introducing advanced information security solutions to effectively protect and manage system, host and network behavior.
 3. Strengthening external information service protection to enhance the ability to block hacker attacks.
 4. Regularly organizing educational training to promote new information security knowledge and to raise employees' awareness of information security.
 5. Regularly conducting disaster preparedness drills for important systems, so that in the event of a disaster, operations may be quickly resumed to ensure the company's operational sustainability.
 6. Improving the protection capability of endpoints, servers and network devices by introducing Endpoint Detection and Response (EDR).
 7. Introduction of information security monitoring mechanisms (SOC) to establish effective real-time incident handling and response capabilities.
 8. Walsin Lihwa introduced the ISO 27001 Information Security Management System (ISMS) in 2022 and obtained certification from a third-party verification institution, thereby implementing information security management with PDCA. We have comprehensively built the confidentiality, integrity, and availability of the organization's information security management system, and according to different management planning in the aspects of prevention, monitoring, and response, in order to assist the enterprise in continuously strengthening information security management.



9. Strengthening cloud information security management and achieving ESG digital sustainability purposes through ZeroTrust.



4. Investment in cyber security management resources

- The corresponding information security management issues and the resources to be invested are summarized as follows:
 1. Major issue: "Information Security Management" was included as one of the "Major Issues" in the Company's sustainability report for 2023.
 2. Dedicated organization: A dedicated information security organization, "Information Security and System Operation & Maintenance Division," was established and a Chief Information Security Officer (CISO), an information security manager, and two or more dedicated information security personnel were appointed, responsible for drafting and amending information security policies, as well as planning, coordinating, and executing information security protection measures.
 3. Management review: The IT Steering Committee holds at least one management review meeting annually to audit the information security policy and its implementation and execution, in order to ensure the effectiveness and appropriateness of the standardized information security policy in compliance with relevant laws and the requirements of competent authorities.
 4. Information security certification: We pass the ISO27001 Information Security Management System (ISMS) certification annually, while there are no significant deficiencies in our related information security audits.
 5. Stakeholder issues: In 2023, no major cyber security incidents or confidential information leakage occurred, nor did any other event cause losses to the Company and its customers.
 6. Advocacy and training: The Company continues promoting a month-long information security awareness campaign annually, as well as implementing mandatory information security education training courses for all employees. In 2023, the number of participants exceeded 2500. In 2023, two email social engineering drills were conducted, with more than 5000 participants, and colleagues who failed the social engineering drills were required to participate in online information security courses and complete the test.
 7. Information security regulations: In addition to revising all information security regulations in 2022, three information security regulations were revised in 2023 to comply with domestic and international legal requirements and respond to changes in the external environment.
 8. Information security testing: Three third-party information security risk testing operations were conducted in 2023.

- (2) In 2023, no major cyber security incidents or confidential information leakage occurred, nor did any other event cause losses to the Company and its customers.

7. Material Contracts

(1) Walsin Lihwa Corporation

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Loan Agreement	DBS Bank	The agreement was signed on March 23, 2020, with the maturity of the loan falling on April 15, 2025	The loan is a five-year facility in a total amount of USD 300 million.	1. Current ratio \geq 100% 2. Debt ratio \leq 120% (Net liabilities/Tangible net worth) 3. Interest coverage ratio \geq 150% 4. Tangible net worth \geq NT\$55 billion
Guarantee Agreement	Lenders of RMB syndicated term loan: CTBC Bank (Arranger), Mega Bank, First Commercial Bank, and Chang Hwa Bank	The agreement was signed on February 6, 2024, with the maturity of the loan falling on February 7, 2029	The loan is a five-year facility in a total amount of RMB 800 million.	1. Current ratio \geq 100% 2. Debt ratio \leq 120% (Net liabilities/Tangible net worth) 3. Interest coverage ratio \geq 300% 4. Tangible net worth \geq NT\$80 billion
Land Lease Agreement	Taiwan International Ports Corporation, Kaohsiung Port Branch	Effective from March 21, 2022; 20 years after the commencement of operation	1. Lease of approximately 18.38 hectares of land in A6 of the first phase of the Kaohsiung Port Intercontinental Container Center; 2. The annual rent is NT\$13,971,738, and the annual fixed management fee is NT\$13,971,738.	No rights under the agreement may be transferred without the consent of the Lessor.
Construction Agreement	Chung-Lu Construction Co., Ltd.	2021/7/5-2023/5/15	NT\$3,249,750,000	None
Land Lease Agreement	Taiwan International Ports Corporation, Kaohsiung Port Branch	Effective from November 3, 2023; 20 years from the date of delivery	1. Lease of A6 Port for the first phase of the Kaohsiung Port Intercontinental Container Center and the right to use the rear land of approximately 376 hectares; 2. The annual rent is NT\$8,150, and the annual fixed management fee is NT\$8.5 million.	No rights under the agreement may be transferred without the consent of the Lessor.



(2) Walsin (Nanjing) Development Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Construction Agreement	38 companies, including Nanjing Construction Design Research Institute Co., Ltd.	2022/01/06-2028/06/30	1. Design, consultancy, and construction for Walsin Centro Plot AB, Phases II & III. 2. Cumulative Amount: RMB50,250,000.	None

(3) Yantai Walsin Stainless Steel Co., Ltd.


Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Sale and Purchase of Real Property	China Merchants Real Estate (Yantai) Co., Ltd.	April 17, 2023	1. Acquisition of real property 2. Amount: Approximately RMB129,765,000	None
Construction Agreement	25 companies, including China Construction Eighth Engineering Division. Corp. Ltd.	2022/01/12-2023/12/31	1. Civil construction for Yantai Plant 2. Cumulative Amount: RMB689,879,000.	None
Loan Agreement	Lenders of RMB syndicated term loan: CTBC Bank (Arranger), Mega Bank, First Commercial Bank, and Chang Hwa Bank	The agreement was signed on February 6, 2024, with the maturity of the loan falling on February 7, 2029	The loan is a five-year facility in a total amount of RMB 800 million.	The total amount of shareholders' equity and the amount borrowed by shareholders or affiliates shall not be less than RMB1.8 billion.

(4) Dongguan Walsin Wire & Cable Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	Hangzhou Futong Group Co., Ltd.	Obtaining control on February , 2024	1. Dongguan Walsin Wire & Cable Co., Ltd. acquired 60% equity of Hangzhou Walsin Power Cable Co., Ltd. 2. Acquisition Price: Approximately RMB301,864,000.	None

(5) Walsin Energy Cable System Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Joint Venture Agreement	Walsin Lihwa Corporation NKT HV Cables AB	Effective from March 1, 2023	In order to jointly develop the submarine cable business, Walsin Lihwa Corporation and NKT HV Cables AB jointly established Walsin Energy Cable System Co., Ltd.	None



Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Technical Consulting Agreement and Technology Licensing Agreement	NKT HV Cables AB	Effective from March 1, 2023	In order to jointly develop the submarine cable business, NKT HV Cables AB provides technical consultation and licenses its technology to Walsin Energy Cable System Co., Ltd.	None
Land Sublease Agreement	Walsin Lihwa Corporation	Effective from 5 May 2023, and 20 years from the date of commencement of operation	<ol style="list-style-type: none"> 1. In order to develop the submarine cable business, it subleased to Walsin Lihwa Corporation a total of about 18.38 hectares of the rear land of the first phase of Kaohsiung Intercontinental Container Terminal Project; 2. The annual rent is NT\$13,971,738, and the annual fixed management fee is NT\$13,971,738. 	This sublease was carried out with the consent of the Lessor.
Construction Agreement	Chung-Lu Construction Co., Ltd.	1. From July 17, 2023 to November 12, 2023	<ol style="list-style-type: none"> 1. In order to develop the submarine cable business, the contractor was commissioned to construct the civil works for the plant. 2. Cumulative amount of civil works: NT\$4,664,625,000 	None

(6) Borrego Energy, LLC

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	Anza RE Buyer, LLC	February 24, 2023	<ol style="list-style-type: none"> 1. Borrego Energy, LLC formed a wholly owned subsidiary, Anza RE, LLC, with the business of its solar and energy storage sourcing and trading platform division and completed the disposition of the business of the solar and energy storage sourcing and trading platform division through the sale of its equity interest in Anza RE, LLC. 2. Disposition Price: US\$26,740,000 	None



(7) Cogne Acciai Speciali S.p.A

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	MUTARES HOLDING-33 GMBH	May 5, 2023	1. Cogne Acciai Speciali S.p.A. has acquired 100% equity of Special Melted Products Limited (based in the UK). (This transaction was made through the Company's investment structure in Cogne Acciai Speciali S.p.A.; Walsin Lihwa Corporation ultimately holds a 70% consolidated shareholding in Special Melted Products Limited) 2. Acquisition Price: £142,165,394.	None
Equity Trading	Com.Steel S.p.A.	January 26, 2024	1. Cogne Acciai Speciali S.p.A. has acquired 65% of the shares of Com. Steel Inox S.p.A. (based in Italy). 2. Acquisition Price: Up to EUR 28,000,000.	None

(8) Walsin Singapore Pte. Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	PT. Harum Nickel Industry	October 26, 2023	1. Disposition of the its 29.5% equity interest in Indonesian PT. Westrong Metal Industry. 2. Disposition Price: US\$146,000,000	None
Equity Trading	Indigo International Investment Limited	October 26, 2023	1. Acquisition of 75% equity interest in Berg Holding Limited (based in Hong Kong). 2. Acquisition Price: US\$118,500,000	None

(9) PT. WALHSU METAL INDUSTRY

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Construction Agreement	PT. PERINTIS MAKMUR INDONESIA	June 26, 2023 – September 19, 2024	1. Commissioning of construction on land 2. Amount: US\$37,400,000	None
Buying and Selling of Equipment	Eternal Tsingshan Group Limited	June 26, 2023	1. Procurement of high-grade nickel matte converter equipment. 2. Amount: US\$49,330,000	None