



Financial Information

Brief Balance Sheets and Comprehensive Income Statements of Recent Five Years

(1) Condensed Balance Sheet – Consolidated (Based on IFRSs)

Unit: NT \$Thousands

	Year	Financial Summary for the Last Five Years						
Items		2019	2020	2021	2022	2023		
Current Asse	ets	60,789,794	56,176,808	69,320,640	92,707,385	78,751,988		
Property, Pla Equipment	ant and	27,845,109	34,294,221	41,474,488	65,656,466	78,154,936		
Intangible A	ssets	168,134	175,000	173,430	9,339,422	12,155,696		
Other Assets	5	49,263,365	60,917,977	72,066,340	89,194,468	97,307,411		
Total Assets		138,066,402	151,564,006	183,034,898	256,897,741	266,370,031		
Current	Before Distribution	40,743,553	31,458,157	38,852,513	60,869,368	50,759,328		
Liabilities	After Distribution	42,406,553	34,546,357	44,342,646	67,585,767	55,193,794		
Non-current Liabilities		18,756,735	32,825,019	36,236,117	61,819,250	61,161,390		
Total	Before Distribution	59,500,288	64,283,176	75,088,630	122,688,618	111,920,718		
Liabilities	After Distribution	61,163,288	67,371,376	80,578,763	129,405,017	116,355,184		
Equity Attributable to owners of the Company		77,384,341	84,468,235	105,883,524	123,580,876	140,810,315		
Capital Stock		33,260,002	32,260,002	34,313,329	37,313,329	40,313,329		
Capital Surplus		16,055,238	15,690,406	18,440,875	24,672,454	33,624,917		
Retained	Before Distribution	31,179,511	36,330,187	47,787,207	62,038,398	60,590,617		
Earnings	After Distribution	29,516,511	33,241,987	42,297,074	55,321,999	56,156,151		
Other Equity		(3,110,410)	187,640	5,342,113	(443,305)	6,281,452		
Treasury Stock		0	0	0	0	0		
Non-controlling Interests		1,181,773	2,812,595	2,062,744	10,628,247	13,638,998		
Total Equity	Before Distribution	78,566,114	87,280,830	107,946,268	134,209,123	154,449,313		
Total Equity	After Distribution	76,903,114	84,192,630	102,456,135	127,492,724	150,014,847		



(2) Condensed Balance Sheet - Unconsolidated (Based on IFRSs)

Unit: NT \$Thousands

	Year	Financial Summary for the Last Five Years							
Items		2019	2020	2021	2022	2023			
Current Asse	ets	16,615,466	18,421,337	28,943,268	37,348,050	20,943,624			
Property,Pla Equipment	nt and	17,621,858	17,493,296	17,411,273	18,760,190	20,828,266			
Intangible As	ssets	0	0	0	0	0			
Other Assets	i	86,140,209	104,556,223	118,325,438	144,973,880	161,093,192			
Total Assets		120,377,533	140,470,856	164,679,979	201,082,120	202,865,082			
Current	Before Distribution	25,700,349	24,192,375	23,762,737	23,723,277	11,474,045			
Liabilities	After Distribution	27,363,349	27,280,575	29,252,870	30,439,676	15,908,511			
Non-current Liabilities		17,292,843	31,810,246	35,033,718	53,777,967	50,580,722			
Total	Before Distribution	42,993,192	56,002,621	58,796,455	77,501,244	62,054,767			
Liabilities	After Distribution	44,656,192	59,090,821	64,286,588	84,217,643	66,489,233			
Capital Stock		33,260,002	32,260,002	34,313,329	37,313,329	40,313,329			
Capital Surpl	us	16,055,238	15,690,406	18,440,875	24,672,454	33,624,917			
Retained	Before Distribution	31,179,511	36,330,187	47,787,207	62,038,398	60,590,617			
Earnings	After Distribution	29,516,511	33,241,987	42,297,074	55,321,999	56,156,151			
Other Equity		(3,110,410)	187,640	5,342,113	(443,305)	6,281,452			
Treasury Stock		0	0	0	0	0			
Total Equity	Before Distribution	77,384,341	84,468,235	105,883,524	123,580,876	140,810,315			
Total Equity	After Distribution	75,721,341	81,380,035	100,393,391	116,864,477	136,375,849			



(3) Condensed Statements of Comprehensive Income - Consolidated (Based on IFRSs)

Unit: NT \$Thousands (Excpet EPS:NT\$)

	Unit: NT \$Thousands (Excpet EPS:NT\$)							
Year	Financial Summary for the Last Five Years							
Items	2019	2020	2021	2022	2023			
Net Sales	134,804,405	112,546,603	156,664,766	180,400,719	189,839,626			
Gross Profit	9,390,566	12,468,338	19,809,465	17,346,305	14,443,612			
Operating Income	4,059,474	7,385,062	13,345,552	9,498,714	6,240,766			
Non-operating Revenue and Expense	680,793	1,865,603	5,776,946	13,903,299	1,197,632			
Profit before Taxes	4,740,267	9,250,665	19,122,498	23,402,013	7,438,398			
Gain from Continued Operations	3,783,324	7,005,801	15,257,314	19,140,076	5,941,250			
Loss from Discontinued Operations	0	0	0	0	0			
Profit for the year	3,783,324	7,005,801	15,257,314	19,140,076	5,941,250			
Other comprehensive income,net of income tax	915,620	3,338,209	5,113,693	(2,768,002)	6,665,891			
Total comprehensive income for the year	4,698,944	10,344,010	20,371,007	16,372,074	12,607,141			
Profit for the year attributable to owners of the company	3,149,679	6,691,149	14,642,629	19,352,097	5,134,316			
Profit for the year attributable to non-controlling interests	633,645	314,652	614,685	(212,021)	806,934			
Total comprehensive income for the year attributable to owners of the company	4,082,661	10,114,207	19,791,160	16,639,046	11,993,418			
Total comprehensive income for the year attributable to noncontrolling interests	616,283	229,803	579,847	(266,972)	613,723			
Earnings Per Share	0.95	2.04	4.27	5.45	1.32			



(4) Condensed Statements of Comprehensive Income - Unconsolidated (Based on IFRSs)

Unit: NT \$Thousands (Excpet EPS:NT\$)

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Year		st Five Years			
Items	2019	2020	2021	2022	2023
Net Sales	71,596,648	64,097,690	97,789,648	98,420,045	83,321,352
Gross Profit	4,155,851	4,457,566	12,894,560	11,207,400	6,758,790
Operating Income	2,445,178	2,681,141	10,197,929	7,741,047	4,041,947
Non-operating Revenue and Expense	644,517	3,982,969	8,195,530	16,915,494	2,909,936
Profit before Taxes	3,089,695	6,664,110	18,393,459	24,656,541	6,951,883
Gain from Continued Operations	3,149,679	6,691,149	14,642,629	19,352,097	5,134,316
Loss from Discontinued Operations	0	0	0	0	0
Profit for the year	3,149,679	6,691,149	14,642,629	19,352,097	5,134,316
Other comprehensive income,net of income tax	932,982	3,423,058	5,148,531	(2,713,051)	6,859,102
Total comprehensive income for the year	4,082,661	10,114,207	19,791,160	16,639,046	11,993,418
Earnings Per Share	0.95	2.04	4.27	5.45	1.32

(5) Auditors' Opinion from 2018 to 2022

Year	СРА	Audit Opinion		
2019	Deloitte & Touche	An Unmodified Opinion with an Other		
2019	Wen-Yea, Shyu, Kwan-Chung, Lai	Matter Paragraph		
2020	Deloitte & Touche	An Unmodified Opinion with an Other		
2020	Wen-Yea, Shyu, Kwan-Chung, Lai	Matter Paragraph		
2021	Deloitte & Touche	An Unmodified Opinion with an Other		
2021	Wen-Yea, Shyu, Ker-Chang Wu	Matter Paragraph		
2022	Deloitte & Touche	An Unmodified Opinion with an Other		
2022	Wen-Yea, Shyu, Ker-Chang Wu	Matter Paragraph		
2022	Deloitte & Touche	An Unmodified Opinion with an Other		
2023	Wen-Yea, Shyu, Ker-Chang Wu	Matter Paragraph		



2. Financial Analysis of Recent Five Years

(1) Financial Analysis – Consolidated (Based on IFRSs)

	Year	ear Financial Analysis for the Last Five				S
Analysis Items		2019	2020	2021	2022	2023
Capital	Debt Ratio	43.09	42.41	41.02	48.59	42.01
structure (%)	Ratio of long-term Capital to Property, Plant and Equipment	349.51	350.22	347.64	291.90	275.87
	Current Ratio	149.20	178.57	178.41	152.30	155.14
	Quick Ratio	89.96	93.29	81.52	79.25	76.59
analysis (%)	Interest Coverage Ratio (times)	947.08	1,813.14	4,675.29	2022 48.59 4 291.90 1 152.30 2 79.25 9 2,927.30 6 10.16 3 35.92 3 4.81 1 12.10 6 75.88 3 3.36 3 0.82 1 9.09 2 62.71 3 10.60 7 5.45 7 22.77 0 42.45 0 4.39 2 2.27	448.28
	Accounts Receivable Turnover (Times)	10.06	10.35	12.95	10.16	10.05
	Average Collection Period	36.28	35.26	28.18	35.92	36.31
	Inventory Turnover (Times)	5.21	4.64	5.18	4.81	5.02
Operating Performance	Accounts Payable Turnover (times)	15.32	13.30	16.51	12.10	10.08
	Average Days in Sales	70.05	78.66	70.46	75.88	72.70
	Property, plant and equipment Turnover (Times)	5.09	3.62	4.13	3.36	2.64
	Total Assets Turnover (Times)	0.99	0.77	0.93	0.82	0.72
	Return on Total Assets (%)	3.12	5.12	9.31	9.09	2.92
	Return on Stockholders' equity (%)	4.79	8.44	15.63	16.09	4.11
Profitability	Pre-tax Income to Paid-in Capital (%)	14.25	28.67	55.72	62.71	18.45
analysis	Profit Ratio (%)	2.80	6.22	9.73	10.60	3.12
	Earnings (loss) Per Share (NT\$) (Note 1)	0.95	2.04	4.27	5.45	1.32
CI-	Cash Flow Ratio (%)	21.17	22.99	3.37	22.77	44.81
	Cash Flow Adequacy Ratio (%)	72.07	68.21	45.50	42.45	56.72
Liquidity analysis (%) Operating Performance Profitability analysis Cash Flow(Note 2) Leverage	Cash Reinvestment Ratio (%)	4.51	4.65	0.00	4.39	7.71
Lovorage	Operating Leverage	2.93	2.06	1.72	2.27	3.26
Leverage	Financial Leverage	1.15	1.07	1.03	1.09	1.52

Analysis of financial ratio difference for the last two years (Not required if the difference does not exceed 20%)

- A. Compared to 2022, interest coverage ratio in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.
- B. Compared to 2022, property, plant and equipment turnover in 2023 shows a decrease. This is because that the increase in net sales was lower than the increase in the average net amount of property, plant and equipment for the year 2023.
- C. Compared to 2022, return on total assets, return on stockholders' equity, and earnings per share in 2023 show a decrease. This is because that pre-tax income for the year 2023 decreased.
- Compared to 2022, pre-tax Income to paid-in capital in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.
- E. Compared to 2022, cash flow ratio and cash reinvestment ratio in 2023 show an increase. This is because that net cash flow from operating activities increased for the year 2023.
- Compared to 2022, cash flow adequacy ratio in 2023 shows an increase. This is because that net cash flow from operating activities over the past five years increased.
- Compared to 2022, operating leverage in 2023 show an increase. This is because that operating Income for the year 2023 decreased.
- Compared to 2022, financial leverage in 2023 show an increase. This is because that interest expense for the year 2023 increasd.



Note: Financial analysis formulas show as the following: 1. Financial Structure: (1)Debt Ratio = Total liabilities / Total assets (2) Ratio of Long-term Capital to Property, plant and equipment = (Stockholders' equity + non-current liabilities) / net worth of Property, plant and equipment 2.Solvency: (1)Current Ratio = Current assets / Current liabilities (2)Quick Ratio = (Current assets – inventories – prepaid expenses) / Current liabilities (3)Interest Coverage Ratio = Income before tax and interest expenses / Current Interest expenses 3. Operating Performance: (1)Receivable (included trade receivables and operating notes receivable) Turnover = Net sales / Average receivables for each period (included trade receivables and operating notes receivable) (2) Average Collection Period Turnover Days = 365 / Receivable turnover (3)Inventory Turnover = Cost of sales / Average inventories (4) Payables (included trade payables and operating notes payable) Turnover = Cost of sales / Average payables for each period (included trade payables and operating notes payable) (5) Average Days in Sales = 365 / Inventory turnover (6)Property, Plant and Equipment Turnover = Net sales / Average of property, plant and equipment, (7)Total Assets Turnover = Net sales / Average of total assets 4.Profitability: (1)Return on Total Assets = [Net income after tax + interest expensex (1−tax rate)] / Average of total assets (2)Return on Stockholders' equity = Net income after tax / Average of stockholders' equity (3)Profit Ratio = Net income after tax / Net sales (4)Earnings (loss) Per Share = Net income attributable to owners - stock dividend -preferred) Weighted average of outstanding shares 5.Cash Flow: (1) Cash Flow Ratio = Net cash provided by operating activities / Current liabilities (2)Cash Flow Adequacy Ratio = Net cash provided by operating activities in recently five years / Recently five years of (capital expenses + increase of inventories+ cash dividend) (3)Cash Reinvestment Ratio = (Net cash provided by operating activities- cash dividend) / (Property, plant and equipment, gross +long-term investment + other non-current assets + working capital) 6.Leverage: (1)Operating Leverage = (Net sales – variable operating cost and expense) / Operating income (2)Financial Leverage = Operating income / (Operating income – interest expense)



(2) Financial Analysis – Unconsolidated (Based on IFRSs)

	Financial Analysis for the Last Five Years					
Analysis Items		2019	2020	2021	2022	2023
Capital	Debt Ratio	35.71	39.86	35.70	38.54	30.58
Capital structure (%) Liquidity analysis (%) Operating	Ratio of Long-term Capital to Property, plant and equipment	537.27	664.70	809.34	945.40	918.90
	Current Ratio	64.65	76.14	121.80	157.43	182.53
-	Quick Ratio	26.77	31.25	47.99	99.09	82.86
anaiysis (%)	Interest Coverage Ratio (times)	676.50	1,571.22	4,424.13	3,488.06	962.04
	Accounts Receivable Turnover (Times)	32.56	32.75	28.78	23.99	28.66
	Average Collection Period	11.21	11.14	12.68	15.21	12.73
	Inventory Turnover (Times)	6.53	6.67	7.05	6.36	6.67
Operating	Accounts Payable turnover (times)	21.25	23.75	30.51	27.83	22.27
Performance	Average Days in Sales	55.89	54.72	51.77	57.38	54.72
	Property, plant and equipment Turnover (Times)	4.20	3.65	5.60	5.44	4.20
	Total Assets Turnover (Times)	0.59	0.49	0.64	0.53	0.41
	Return on Total Assets (%)	3.08	5.47	9.81	10.89	2.83
	Return on Stockholders' equity (%)	4.07	8.26	15.38	16.86	3.88
Profitability	Pre-tax Income to Paid-in Capital (%)	9.28	20.65	53.60	66.07	17.24
analysis	Profit Ratio (%)	4.39	10.43	14.97	19.66	6.16
	Earnings (loss) Per Share (NT\$) (Note 1)	0.95	2.04	4.27	5.45	1.32
	Cash Flow Ratio (%)	18.90	16.56	14.67	62.53	95.69
	Cash Flow Adequacy Ratio (%)	46.95	46.03	36.66	41.69	41.86
i iow(Note 2)	Cash Reinvestment Ratio (%)	0.89	15.61	19.14	21 2022 35.70 38.54 09.34 945.40 21.80 157.43 47.99 99.09 24.13 3,488.06 28.78 23.99 12.68 15.21 7.05 6.36 30.51 27.83 5.60 5.44 0.64 0.53 9.81 10.89 15.38 16.86 53.60 66.07 14.97 19.66 4.27 5.45 14.67 62.53 36.66 41.69	2.32
Loverage	Operating Leverage	2.63	2.52	1.48	1.73	2.30
Leverage	Financial Leverage	1.28	1.20	1.04	1.10	1.24

Analysis of financial ratio difference for the last two years (Not required if the difference does not exceed 20%)

- A. Compared to 2022, debt ratio in 2023 shows a decrease. This is because that loans decreased.
- Compared to 2022, interest coverage ratio in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.
- Compared to 2022, property, plant and equipment turnover in 2023 shows a decrease. This is because that net sales for the year 2023 decreased.
- D. Compared to 2022, return on total assets, return on stockholders' equity, and earnings per share in 2023 show a decrease. This is because that pre-tax income for the year 2023 decreased.
- Compared to 2022, pre-tax Income to paid-in capital in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.
- F. Compared to 2022, the cash flow ratio in 2023 show an increase. This is because that short-term loans decreased.
- G. Compared to 2022, the cash reinvestment ratio in 2023 show a decrease. This is because that net cash flow from operating activities decreased for the year 2023 and non-current assets increased.
- Compared to 2022, operating leverage in 2023 show an increase. This is because that operating Income for the year 2023 decreased.

Note 1: Financial analysis formulas see Table (1).



3. Audit Committee's Review Report for the Recent Year

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for allocation of earnings. The Financial Statements had been audited by Deloitte & Touche Accountants, Wen-Yea, Shyu and Ker-Chang Wu and has issued an audit report.

The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Walsin Lihwa Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Walsin Lihwa Corporation

Chairman of the Audit Committee:

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February 23, 2024

4. Financial Statements of Recent Years

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Walsin Lihwa Corporation

Opinion

We have audited the accompanying consolidated financial statements of Walsin Lihwa Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters of the consolidated financial statements of the Group as of and for the year ended December 31, 2023:

Sales Revenue Recognition

In 2023, the main products of the Group's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed

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under the contracts at the time of shipments. The Group prepares reports on point-of-sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually, and their amounts are significant to the consolidated financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 28 to the consolidated financial statements for related accounting policies and disclosure of information relating to revenue recognition.

Our audit procedures performed in respect of the above key audit matter were as follows:

- We obtained an understanding and tested the reasonableness of revenue recognition policy and internal control procedures over the sales of bare copper wires and evaluated the effectiveness of relevant internal controls.
- 2. We performed sampling and reconciliation of sales prices and quantities with their respective amounts in the contracts and verified the accuracy of market price adjustments.
- 3. We verified the accuracy of monthly reports by recalculating the sales revenue and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

Emphasis of Matter

As disclosed in Note 20, the Group acquired 50.10% interest in PT. Sunny Metal Industry on September 23, 2022. The Purchase Price Allocation Report was finalized in 2023. Therefore, the initial accounting treatment and provisionally determined amounts from the acquisition date were adjusted and retrospectively restated for comparative periods. Our review result is not modified in respect of this matter.

Other Matter

The financial statements of certain subsidiaries included in the consolidated financial statements as of and for the years ended December 31, 2023 and 2022 were audited by other auditors. Our opinion, insofar as it relates to such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT\$38,396,983 thousand and NT\$27,113,218 thousand, which constituted 14.41% and 10.55% of the Group's consolidated total assets, as of December 31, 2023 and 2022, respectively, and the total net operating revenue of such subsidiaries amounted to NT\$34,331,965 thousand and NT\$3,409,851 thousand, which constituted 18.08% and 1.89% of the Group's consolidated total net operating revenue, for the years ended December 31, 2023 and 2022, respectively.

We did not audit the financial statements of some associates accounted for using the equity method included in the consolidated financial statements of the Group, but such statements were audited by other auditors. As of December 31, 2022, the carrying amount of investments accounted for using the equity method was NT\$4,869,105 thousand, representing 1.90% of the consolidated total assets, and the share of losses of these associates was NT\$313 thousand, representing 0.00% of the consolidated income before income tax.

We have also audited the parent company only financial statements of Walsin Lihwa Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated **Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

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the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Yea Shyu and Ker-Chang Wu.

Deloitte & Touche Taipei, Taiwan Republic of China

February 23, 2024

Notice to Readers

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

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



CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ACCEPTE	2023	0.	2022 (Restated	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS	0.16045010		A 10 100 550	0
Cash and cash equivalents (Notes 3, 4 and 6) Financial assets at fair value through profit or loss - current (Notes 4 and 7)	\$ 16,347,012 1,508,943	6 1	\$ 19,438,759 7,631	8
Financial assets at amortized cost - current (Notes 4 and 8)	727	-	2,202	_
Financial assets for hedging - current (Notes 4 and 9)	346,441	-	20,615	-
Contract assets - current (Notes 4 and 10) Notes receivable (Notes 4, 11, 38 and 39)	996,025 920,752	-	3,022,237 4,537,322	1 2
Trade receivables (Notes 4, 11, 38 and 39)	14,991,531	6	17,294,990	7
Finance lease receivables - current (Notes 4, 12 and 39)	62,067	-	60,020	-
Other receivables (Note 38) Inventories (Notes 4 and 13)	3,707,450 33,704,296	2 13	3,857,091 36,080,291	1 14
Other financial assets - current (Notes 3, 6 and 39)	788,894	-	505,340	-
Other current assets (Note 22)	5,377,850	2	7,880,887	3
Total current assets	78,751,988	30	92,707,385	36
NON-CURRENT ASSETS	1.262.640		2 (20 755	1
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7) Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 14)	1,263,649 18,823,172	7	2,639,755 12,342,232	1 5
Financial assets at amortized cost - non-current (Notes 4 and 8)	184,613	-	189,242	-
Financial assets for hedging - non-current (Notes 4 and 9)	53,439	-	144,404	-
Investments accounted for using the equity method (Notes 4 and 16) Property, plant and equipment (Notes 4, 17 and 39)	49,640,171 78,154,936	19 29	46,189,399 65,656,466	18 26
Right-of-use assets (Notes 4 and 18)	4,719,043	29	4,309,355	20
Investment properties (Notes 4 and 19)	15,514,751	6	16,123,806	6
Goodwill (Notes 4 and 20)	4,157,877	1	286,139	-
Other intangible assets (Notes 4, 20 and 21) Deferred tax assets (Notes 4 and 30)	7,997,819 4,234,852	3 2	9,053,283 3,448,277	4
Refundable deposits (Notes 6 and 39)	158,940	- -	288,948	-
Finance lease receivables - non-current (Notes 4, 12 and 39)	540,456	-	602,523	-
Other non-current assets (Notes 6, 22 and 39)	2,174,325	1	2,916,527	1
Total non-current assets	<u>187,618,043</u>	70	164,190,356	64
TOTAL	<u>\$ 266,370,031</u>	<u>100</u>	<u>\$ 256,897,741</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 23)	\$ 11,508,074	4	\$ 17,120,571	7
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7) Financial liabilities for hedging - current (Notes 4 and 9)	22,746 5,878	-	64,772 222,272	-
Contract liabilities - current	13,828	-	6,014	-
Notes payable (Note 38)	317,865	-	591,536	-
Trade payables (Note 38)	16,390,669	6	17,497,315	7
Other payables (Note 25) Current tax liabilities (Notes 4 and 30)	12,069,796 5,861,143	5 2	15,315,705 6,103,462	6 2
Lease liabilities - current (Notes 4 and 18)	257,859	-	245,223	-
Current portion of long-term borrowings and bonds payable (Notes 23 and 24) Other current liabilities	1,640,420 2,671,050	1	1,207,209 2,495,289	1 1
Total current liabilities	50,759,328	19	60,869,368	24
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	484,429	-	363,192	-
Financial liabilities for hedging - non-current (Notes 4 and 9)	2,705	-		-
Bonds payable (Note 24) Long-term borrowings (Note 23)	12,951,405 31,924,532	5 12	7,742,955 40,820,860	3 16
Long-term notes and bills payable (Note 23)	2,998,822	1	1,497,914	10
Deferred tax liabilities (Notes 4, 20 and 30)	6,587,732	3	5,782,915	2
Lease liabilities - non-current (Notes 4 and 18) Net defined benefit liabilities - non-current (Notes 4 and 26)	2,765,167 349,381	1	2,309,732 348,779	1
Other non-current liabilities (Note 35)	3,097,217	1	2,952,903	1
Total non-current liabilities	61,161,390	23	61,819,250	24
Total liabilities	111,920,718	42	122,688,618	48
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 27)				
Share capital	40,313,329	<u>15</u>	37,313,329	14
Capital surplus Retained earnings	33,624,917	13	24,672,454	10
Legal reserve	9,538,222	4	7,564,090	3
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings Total retained earnings	48,340,145 60,590,617	<u>18</u> 23	51,762,058 62,038,398	<u>20</u> 24
Other equity	00,370,017		02,030,330	
Exchange differences on translation of the financial statement of foreign operations	(4,947,475)	(2)	(4,256,774)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	14,068,677	5	6,693,877	3
Loss on hedging instruments Other equity - others	(65,100) (2,774,650)	(1)	(105,801) (2,774,607)	(1)
Total other equity	6,281,452	<u>(1)</u>	(443,305)	
Total equity attributable to owners of WLC	140,810,315	53	123,580,876	48
NON-CONTROLLING INTERESTS	13,638,998	5	10,628,247	4
Total equity	154,449,313	58	134,209,123	52
TOTAL	<u>\$ 266,370,031</u>	<u>100</u>	<u>\$ 256,897,741</u>	100

The accompanying notes are an integral part of the consolidated financial statements. (With Deloitte & Touche auditors' report dated February 23, 2024)



CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

COPTE	2023		2022 (Restated	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS Cash and cash equivalents (Notes 3, 4 and 6)	\$ 532,389	6	\$ 633,081	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	49,143	6 1	249	-
Financial assets at amortized cost - current (Notes 4 and 8)	24	-	72	-
Financial assets for hedging - current (Notes 4 and 9) Contract assets - current (Notes 4 and 10)	11,283 32,439	-	671 98,428	1
Notes receivable (Notes 4, 11, 38 and 39)	29,987	-	147,771	2
Trade receivables (Notes 4, 11, 38 and 39)	488,244	6	563,263	7
Finance lease receivables - current (Notes 4, 12 and 39) Other receivables (Note 38)	2,021 120,744	2	1,955 125,618	1
Inventories (Notes 4 and 13)	1,097,681	13	1,175,062	14
Other financial assets - current (Notes 3, 6 and 39) Other current assets (Note 22)	25,693 175,146	2	16,458 256,665	3
			· · · · · · · · · · · · · · · · · · ·	<u> </u>
Total current assets	2,564,794	30	3,019,293	36
ON-CURRENT ASSETS Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	41,155	-	85,972	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 14)	613,033	7	401,962	5
Financial assets at amortized cost - non-current (Notes 4 and 8) Financial assets for hedging - non-current (Notes 4 and 9)	6,012 1,740	-	6,163 4,703	-
Investments accounted for using the equity method (Notes 4 and 16)	1,616,680	19	1,504,296	18
Property, plant and equipment (Notes 4, 17 and 39)	2,545,349	29	2,138,299	26
Right-of-use assets (Notes 4 and 18)	153,690	2 6	140,347	2 6
Investment properties (Notes 4 and 19) Goodwill (Notes 4 and 20)	505,284 135,414	1	525,120 9,319	-
Other intangible assets (Notes 4, 20 and 21)	260,473	3	294,847	4
Deferred tax assets (Notes 4 and 30)	137,921	2	112,303	1
Refundable deposits (Notes 6 and 39) Finance lease receivables - non-current (Notes 4, 12 and 39)	5,176 17,602	-	9,410 19,623	-
Other non-current assets (Notes 6, 22 and 39)	70,812	1	94,985	1
Total non-current assets	6,110,341	70	5,347,349	64
DTAL	<u>\$ 8,675,135</u>	<u>100</u>	\$ 8,366,642	100
A DIL VELEG A ND FOUNTY				
ABILITIES AND EQUITY				
JRRENT LIABILITIES Short-term borrowings (Note 23)	\$ 374,795	4	\$ 557,583	7
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	741	-	2,109	-
Financial liabilities for hedging - current (Notes 4 and 9)	191	-	7,239	-
Contract liabilities - current Notes payable (Note 38)	450 10,352	-	196 19,265	-
Trade payables (Note 38)	533,811	6	569,852	7
Other payables (Note 25)	393,089	5	498,802	6
Current tax liabilities (Notes 4 and 30) Lease liabilities - current (Notes 4 and 18)	190,886 8,398	2	198,777 7,986	2
Current portion of long-term borrowings and bonds payable (Notes 23 and 24)	53,425	1	39,316	1
Other current liabilities	86,991	1	81,268	1
Total current liabilities	1,653,129	<u>19</u>	1,982,393	24
ON-CURRENT LIABILITIES Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	15,777	_	11,828	_
Financial liabilities for hedging - non-current (Notes 4 and 9)	88	-	-	-
Bonds payable (Note 24)	421,801	5	252,172	3
Long-term borrowings (Note 23) Long-term notes and bills payable (Note 23)	1,039,718 97,666	12 1	1,329,453 48,784	16 1
Deferred tax liabilities (Notes 4, 20 and 30)	214,549	3	188,338	2
Lease liabilities - non-current (Notes 4 and 18)	90,056	1	75,223	1
Net defined benefit liabilities - non-current (Notes 4 and 26) Other non-current liabilities (Note 35)	11,379 100,869	<u> </u>	11,359 96,171	1
Total non-current liabilities	1,991,903	23	2,013,328	24
Total liabilities	3,645,032	42	3,995,721	48
DUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 27)				
Share capital	1,312,924	15	1,215,220	14
Capital surplus	1,095,096	13	803,532	10
Retained earnings Legal reserve	310,641	4	246,347	3
Special reserve	88,333	1	88,333	1
Unappropriated earnings	1,574,341	18	1,685,786	20
Total retained earnings Other equity	1,973,315	23	2,020,466	24
Other equity Exchange differences on translation of the financial statement of foreign operations	(161,130)	(2)	(138,635)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	458,188	5	218,006	3
Loss on hedging instruments Other equity - others	(2,120) (90,365)	<u>(1)</u>	(3,446) (90,363)	(1)
Total other equity	<u>(90,363)</u> <u>204,573</u>	(1)	(14,438)	
Total equity attributable to owners of WLC	4,585,908	53	4,024,780	48
ON-CONTROLLING INTERESTS	<u>444,195</u>	5	346,141	4
Total equity	5,030,103	58	4,370,921	52
DTAL	\$ 8,675,135	<u> 100</u>	\$ 8,366,642	100



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Amount
OPERATING COSTS (Note 13) (175.396.014) (93) (163.054.414) (91) GROSS PROFIT 14,443,612 7 17,346,305 9 OPERATING EXPENSES Selling and marketing expenses 2,166,373 1 2,880,008 1 General and administrative expenses 5,742,908 3 4,748,280 3 Research and development expenses 293,565 - 219,303 - Total operating expenses 8,202,846 4 7,847,591 4 PROFIT FROM OPERATIONS 6,240,766 3 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on valuation of financial assets and liabilities at fair value through profit or loss 169,525 - 265,134 - Other expense
GROSS PROFIT 14,443,612 7 17,346,305 9 OPERATING EXPENSES Selling and marketing expenses 2,166,373 1 2,880,008 1 General and administrative expenses 5,742,908 3 4,748,280 3 Research and development expenses 293,565 - 219,303 - Total operating expenses 8,202,846 4 7,847,591 4 PROFIT FROM OPERATIONS 6,240,766 3 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair val
OPERATING EXPENSES 2,166,373 1 2,880,008 1 General and administrative expenses 5,742,908 3 4,748,280 3 Research and development expenses 293,565 - 219,303 - Total operating expenses 8.202,846 4 7,847,591 4 PROFIT FROM OPERATIONS 6,240,766 3 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss (909,612) - 265,134 - Other expenses (909,61
Selling and marketing expenses 2,166,373 1 2,880,008 1 General and administrative expenses 5,742,908 3 4,748,280 3 Research and development expenses 293,565 - 219,303 - Total operating expenses 8,202,846 4 7,847,591 4 PROFIT FROM OPERATIONS 6,240,766 3 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss 169,525 - 265,134 - Other expenses (909,612) - (305,781) - Reversal (
General and administrative expenses 5,742,908 3 4,748,280 3 Research and development expenses 293,565 - 219,303 - Total operating expenses 8,202,846 4 7,847,591 4 PROFIT FROM OPERATIONS 6,240,766 3 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss 169,525 - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (No
Research and development expenses 293,565 - 219,303 - 219,
Total operating expenses 8,202,846 4 7,847,591 4 PROFIT FROM OPERATIONS 6,240,766 3 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
PROFIT FROM OPERATIONS 6,240,766 9,498,714 5 NON-OPERATING INCOME AND EXPENSES Interest income Dividend income 541,506 541,506 766,857 1,763,119 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) Gain on disposal of investments (Note 29) Foreign exchange (loss) gains, net Gain on valuation of financial assets and liabilities at fair value through profit or loss Other expenses Reversal (recognition) of impairment loss (Note 29) 12,427 - (87)
NON-OPERATING INCOME AND EXPENSES Interest income 541,506 - 240,793 - Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss 169,525 - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
Interest income
Dividend income 513,679 - 766,857 - Other income (Note 29) 1,763,119 1 1,130,256 1 (Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss (909,612) - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
Other income (Note 29)
(Loss) gain on disposal of property, plant and equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss (169,525 - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
equipment (11,472) - 68,051 - Gain on disposal of investments (Note 29) 965,914 1 7,210,043 4 Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss (909,612) - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
Gain on disposal of investments (Note 29) Foreign exchange (loss) gains, net Gain on valuation of financial assets and liabilities at fair value through profit or loss Other expenses Reversal (recognition) of impairment loss (Note 29) 965,914 1 7,210,043 4 1,748,708 1 1,748,708 1 169,525 - 265,134 - (305,781) - Reversal (recognition) of impairment loss (Note
Foreign exchange (loss) gains, net (240,593) - 1,748,708 1 Gain on valuation of financial assets and liabilities at fair value through profit or loss (169,525 - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
Gain on valuation of financial assets and liabilities at fair value through profit or loss Other expenses (909,612) Reversal (recognition) of impairment loss (Note 29) 12,427 - (87)
liabilities at fair value through profit or loss 169,525 - 265,134 - Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
Other expenses (909,612) - (305,781) - Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
Reversal (recognition) of impairment loss (Note 29) 12,427 - (87) -
29) 12,427 - (87) -
Interest expense (2,135,730) (1) (827,715) -
Share of profit of associates accounted for using the equity method 528,869 - 3,607,040 2
Total non-operating income and expenses 1,197,632 1 13,903,299 8
PROFIT BEFORE INCOME TAX FROM
CONTINUING OPERATIONS 7,438,398 4 23,402,013 13
INCOME TAX EXPENSE (Notes 4 and 30) (1,497,148) (1) (4,261,937) (2)
NET PROFIT FOR THE YEAR 5,941,250 3 19,140,076 11

(Continued)



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023			2022 (Restated)			
		Amount	%		Amount	%	
OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit plans Unrealized gain (loss) on investments in equity instruments at fair value through	\$	(109,805)	-	\$	260,538	-	
other comprehensive income Share of the other comprehensive income (loss) of associates accounted for using		6,307,904	3		(4,067,542)	(2)	
the equity method		1,288,908	1		(644,358)	(1)	
		7,487,007	4		(4,451,362)	<u>(3</u>)	
Items that may be reclassified subsequently to profit or loss: Exchange differences on translation of the							
financial statements of foreign operations Gain (loss) on hedging instruments Share of the other comprehensive (loss) income of associates accounted for using		(833,485) 60,360	-		1,609,132 (105,801)	1 -	
the equity method		(47,991) (821,116)	<u></u>		180,029 1,683,360	<u> </u>	
Other comprehensive income (loss) for the year		6,665,891	4		(2,768,002)	<u>(2</u>)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$</u>	12,607,141	7	\$	16,372,074	9	
NET PROFIT ATTRIBUTABLE TO:							
Owners of WLC Non-controlling interests	\$	5,134,316 806,934	3	\$	19,352,097 (212,021)	11	
Non-controlling interests	_	800,934	-		(212,021)	<u> </u>	
	\$	5,941,250	3	\$	19,140,076	<u>11</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:							
Owners of WLC	\$	11,993,418	6	\$	16,639,046	9	
Non-controlling interests		613,723	1		(266,972)		
	\$	12,607,141	7	\$	16,372,074	9	

(Continued)



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2023 2022 (Resta	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 31)				
Basic	\$ 1.32		\$ 5.45	
Diluted	\$ 1.32		\$ 5.44	

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		
-	Amount	%	Amount	%	
OPERATING REVENUE (Notes 4 and 28)	\$ 6,182,694	100	\$ 5,875,288	100	
OPERATING COSTS (Note 13)	(5,712,295)	<u>(93</u>)	(5,310,354)	<u>(91</u>)	
GROSS PROFIT	470,399	7	564,934	9	
OPERATING EXPENSES					
Selling and marketing expenses	70,554	1	93,796	1	
General and administrative expenses	187,035	3	154,642	3	
Research and development expenses	9,561		7,142		
Total operating expenses	267,150	4	255,580	4	
PROFIT FROM OPERATIONS	203,249	3	309,354	5	
NON-OPERATING INCOME AND EXPENSES					
Interest income	17,636	-	7,842	_	
Dividend income	16,729	_	24,975	_	
Other income (Note 29)	57,421	1	36,810	1	
(Loss) gain on disposal of property, plant and	•		,		
equipment	(374)	_	2,216	_	
Gain on disposal of investments (Note 29)	31,458	1	234,817	4	
Foreign exchange (loss) gains, net	(7,836)	_	56,952	1	
Gain on valuation of financial assets and	(,,,,,,,			_	
liabilities at fair value through profit or loss	5,521	_	8,635	_	
Other expenses	(29,624)	_	(9,959)	_	
Reversal (recognition) of impairment loss (Note	(25,021)		(5,555)		
29)	405	_	(3)	_	
Interest expense	(69,556)	(1)	(26,957)	_	
Share of profit of associates accounted for using	(03,220)	(1)	(20,557)		
the equity method	17,224		117,474	2	
Total non-operating income and expenses	39,004	1	452,802	8	
PROFIT BEFORE INCOME TAX FROM					
	242.252	4	7/0 15/	12	
CONTINUING OPERATIONS	242,253	4	762,156	13	
INCOME TAX EXPENSE (Notes 4 and 30)	(48,759)	<u>(1</u>)	(138,802)	<u>(2</u>)	
NET PROFIT FOR THE YEAR	193,494	3	623,354 (Co	11 ontinued)	
			(0.		



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2023			2022 (Restated)			
-	A	mount	%	I	Amount	%	
OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit plans Unrealized gain (loss) on investments in equity instruments at fair value through	\$	(3,576)	-	\$	8,485	-	
other comprehensive income Share of the other comprehensive income (loss) of associates accounted for using the		205,436	3		(132,471)	(2)	
equity method		41,977	1		(20,985)	<u>(1</u>)	
Items that may be reclassified subsequently to profit or loss:		243,837	4		(144,971)	(3)	
Exchange differences on translation of the financial statements of foreign operations Gain (loss) on hedging instruments Share of the other comprehensive (loss) income of associates accounted for using		(27,145) 1,966	-		52,406 (3,446)	1 -	
the equity method		(1,563) (26,742)	<u> </u>		5,863 54,823	<u></u>	
Other comprehensive income (loss) for the year		217,095	4		(90,148)	<u>(2</u>)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$</u>	410,589	<u>7</u>	<u>\$</u>	533,206	9	
NET PROFIT ATTRIBUTABLE TO: Owners of WLC Non-controlling interests	\$	167,214 26,280	3	\$	630,259 (6,905)	11 	
	<u>\$</u>	193,494	3	<u>\$</u>	623,354	<u>11</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	Φ.	200 (01		Φ.	541.001	0	
Owners of WLC Non-controlling interests	\$	390,601 19,988	6 1	\$	541,901 (8,695)	9 	
	<u>\$</u>	410,589	7	<u>\$</u>	533,206 (Co	ntinued)	



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2023		2022 (Restated)		
	Amount	%	Amount	%	
EARNINGS PER SHARE (Note 31)					
Basic	<u>\$ 0.04</u>		\$ 0.18		
Diluted	\$ 0.04		\$ 0.18		

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

					Equity Attributab	ole to Owners of WLC	O4h E - '4					
	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statement of Foreign Operations	Other Equity Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 34,313,329	\$ 18,440,875	\$ 6,109,568	\$ 2,712,250	\$ 38,965,389	\$ (6,100,687)	\$ 11,534,267	\$ -	\$ (91,467)	\$ 105,883,524	\$ 2,062,744	\$ 107,946,268
Appropriation of 2021 earnings (Note 27)	Ψ 34,313,327	\$ 10,440,675	\$ 0,107,500	\$ 2,712,250	\$ 30,703,307	\$ (0,100,007)	Ψ 11,554,207	y -	\$ (71,407)	\$ 105,665,524	φ 2,002,744	\$ 107,540,200
Legal reserve Cash dividends distributed by WLC	-	-	1,454,522	- -	(1,454,522) (5,490,133)	-	- -	-	- -	(5,490,133)	- -	(5,490,133)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)	-	(2,683,140)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(994)	-	-	-	-	-	-	-	(994)	-	(994)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	887	-	-	79,546	-	(79,546)	-	-	887	-	887
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000	-	9,000,000
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097	(212,021)	19,140,076
Other comprehensive income (loss) for the year ended December 31, 2022		<u>-</u>	<u>-</u> _	<u>-</u>	313,270	1,843,913	(4,764,433)	(105,801)		(2,713,051)	(54,951)	(2,768,002)
Total comprehensive income (loss) for the year ended December 31, 2022	_		<u>-</u>		19,665,367	1,843,913	(4,764,433)	(105,801)	<u>-</u>	16,639,046	(266,972)	16,372,074
Share-based payment transaction (Note 32)	-	225,000	-	-	-	_	_	-	_	225,000	-	225,000
Others	-	6,686	-	-	-	_	_	-	-	6,686	-	6,686
Changes in non-controlling interests	<u>-</u> _		_		<u>-</u> _		<u>-</u> _	_	<u>-</u> _		8,832,475	8,832,475
BALANCE AT DECEMBER 31, 2022 (AS RESTATED)	37,313,329	24,672,454	7,564,090	2,712,250	51,762,058	(4,256,774)	6,693,877	(105,801)	(2,774,607)	123,580,876	10,628,247	134,209,123
Appropriation of 2022 earnings (Note 27) Legal reserve Cash dividends distributed by WLC	-	-	1,974,132	-	(1,974,132) (6,716,399)	-	-	-	-	(6,716,399)	-	(6,716,399)
·	-	-	-	-	(0,710,399)	-	-	-	-	(0,710,399)	-	(0,/10,399)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(6,932)	-	-	204,652	-	(204,652)	-	-	(6,932)	-	(6,932)
Changes in percentage of ownership interests in subsidiaries	-	26,730	-	-	-	-	-	-	-	26,730	(26,730)	-
Issuance of ordinary shares for cash	3,000,000	8,923,497	-	-	-	-	-	-	-	11,923,497	-	11,923,497
Net profit for the year ended December 31, 2023	-	-	-	-	5,134,316	-	-	-	-	5,134,316	806,934	5,941,250
Other comprehensive (loss) income for the year ended December 31, 2023	-	_	_		(70,350)	(690,701)	7,579,452	40,701	-	6,859,102	(193,211)	6,665,891
Total comprehensive income (loss) for the year ended December 31, 2023					5,063,966	(690,701)	7,579,452	40,701	<u>-</u> _	11,993,418	613,723	12,607,141
Others	-	9,168	-	-	-	-	-	-	(43)	9,125	-	9,125
Changes in non-controlling interests		_				<u>-</u>	_		_		2,423,758	2,423,758
BALANCE AT DECEMBER 31, 2023	<u>\$ 40,313,329</u>	<u>\$ 33,624,917</u>	<u>\$ 9,538,222</u>	<u>\$ 2,712,250</u>	<u>\$ 48,340,145</u>	<u>\$ (4,947,475)</u>	<u>\$ 14,068,677</u>	<u>\$ (65,100)</u>	<u>\$ (2,774,650)</u>	<u>\$ 140,810,315</u>	<u>\$ 13,638,998</u>	<u>\$ 154,449,313</u>

The accompanying notes are an integral part of the consolidated financial statements. (With Deloitte & Touche auditors' report dated February 23, 2024)



Financial Information

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

					Equity Attributal	ble to Owners of WLC						
				Retained Earnings		Exchange Differences on Translation of the Financial Statement	Other Equity Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value through Other				N. A. D.	
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	of Foreign Operations	Comprehensive Income	Loss on Hedging Instrument	Others	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 1,117,516	\$ 600,581	\$ 198,976	\$ 88,333	\$ 1,269,024	\$ (198,688)	\$ 375,648	\$ -	\$ (2,979)	\$ 3,448,411	\$ 67,180	\$ 3,515,591
Appropriation of 2021 earnings (Note 27) Legal reserve Cash dividends distributed by WLC	- -	- -	47,371	- -	(47,371) (178,803)	- -	- -	-	- -	(178,803)	-	(178,803)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(87,384)	(87,384)	-	(87,384)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(32)	-	-	-	-	-	-	-	(32)	-	(32)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(117)	-	117	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	29	-	-	2,591	-	(2,591)	-	-	29	-	29
Issuance of ordinary shares for cash	97,704	195,408	-	-	-	-	-	-	-	293,112	-	293,112
Net profit for the year ended December 31, 2022	-	-	-	-	630,259	-	-	-	-	630,259	(6,905)	623,354
Other comprehensive income (loss) for the year ended December 31, 2022				-	10,203	60,053	(155,168)	(3,446)		(88,358)	(1,790)	(90,148)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-		-	640,462	60,053	(155,168)	(3,446)	-	541,901	(8,695)	533,206
Share-based payment transaction (Note 32)	-	7,328	-	-	-	-	-	-	-	7,328	-	7,328
Others	-	218	-	-	-	-	-	-	-	218	-	218
Changes in non-controlling interests		_	-	_	-	_	-	_	_	_	287,656	287,656
BALANCE AT DECEMBER 31, 2022 (AS RESTATED)	1,215,220	803,532	246,347	88,333	1,685,786	(138,635)	218,006	(3,446)	(90,363)	4,024,780	346,141	4,370,921
Appropriation of 2022 earnings (Note 27) Legal reserve Cash dividends distributed by WLC	- -	- -	64,294	- -	(64,294) (218,740)	- -	- -	-	- -	(218,740)	-	(218,740)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(226)	-	-	6,666	-	(6,665)	-	-	(225)	-	(225)
Changes in percentage of ownership interests in subsidiaries	-	871	-	-	-	-	-	-	-	871	(871)	-
Issuance of ordinary shares for cash	97,704	290,620	-	-	-	-	-	-	-	388,324	-	388,324
Net profit for the year ended December 31, 2023	-	-	-	-	167,214	-	-	-	-	167,214	26,280	193,494
Other comprehensive (loss) income for the year ended December 31, 2023					(2,291)	(22,495)	246,847	1,326		223,387	(6,292)	217,095
Total comprehensive income (loss) for the year ended December 31, 2023				<u> </u>	164,923	(22,495)	246,847	1,326		390,601	19,988	410,589
Others	-	299	-	-	-	-	-	-	(2)	297	-	297
Changes in non-controlling interests	-	<u> </u>		_		<u> </u>	_				78,937	78,937
BALANCE AT DECEMBER 31, 2023	<u>\$ 1,312,924</u>	<u>\$ 1,095,096</u>	<u>\$ 310,641</u>	<u>\$ 88,333</u>	<u>\$ 1,574,341</u>	<u>\$ (161,130</u>)	<u>\$ 458,188</u>	<u>\$ (2,120)</u>	<u>\$ (90,365</u>)	<u>\$ 4,585,908</u>	<u>\$ 444,195</u>	\$ 5,030,103

The accompanying notes are an integral part of the consolidated financial statements. (With Deloitte & Touche auditors' report dated February 23, 2024)



CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

		2023	202	22 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$	7,438,398	\$	23,402,013
Adjustments for:	,	.,,	,	-, - ,
Depreciation expenses		7,016,106		4,385,647
Amortization expenses		1,192,166		65,655
Expected credit loss recognized on trade receivables		412,281		105,680
Net gain on fair value changes of financial assets and liabilities				
at fair value through profit or loss		(169,525)		(265,134)
Interest expenses		2,135,730		827,715
Interest income		(541,506)		(240,793)
Dividend income		(513,679)		(766,857)
Compensation costs of employee share options		-		233,077
Share of profit of associates accounted for using the equity				
method		(528,869)		(3,607,040)
Loss (gain) on disposal of property, plant and equipment		11,472		(68,051)
Gain on disposal of other asset		(121,938)		-
Gain on disposal of investments		(965,914)		(7,210,043)
Impairment loss (reversed) recognized on non-financial assets		(12,427)		87
Unrealized (gain) loss on foreign currency exchange		(63,228)		183,114
Gain from bargain purchase		(1,168,686)		(339,526)
Loss on lease modification		1,045		6
Changes in operating assets and liabilities		1 (10 550		(501.544)
Decrease (increase) in contract assets		1,618,550		(581,544)
Decrease (increase) in notes receivable		3,616,570		(1,909,911)
Decrease in trade receivables		3,675,874		100,992
Increase in other receivables		(1,487,488)		(1,225,918)
Decrease (increase) in inventories		3,312,465		(2,101,272)
Decrease in other current assets		914,699		631,447
Increase in other financial assets		(242,768)		(55,183)
Decrease (increase) in other operating assets		68,712		(446,591)
Increase (decrease) in financial liabilities held for trading Increase in contract liabilities		973,916		(823,192)
		5,480		244 590
(Decrease) increase in notes payable		(273,671)		244,589
(Decrease) increase in trade payables (Decrease) increase in other payables		(701,919) (1,677,792)		3,673,923 1,094,617
Increase in other current liabilities		2,377		273,773
Increase (decrease) in net defined benefit liabilities		602		(211,583)
Increase (decrease) in other operating liabilities		54,659		(556,29 <u>3</u>)
Cash generated from operations		23,981,692	-	14,813,404
Interest received		493,679		357,042
Dividends received		1,888,623		2,166,803
Interest paid		(1,926,395)		(740,191)
Income tax paid		(1,689,669)		(2,731,958)
moome an paid		(1,007,007)	-	(2,131,730)
Net cash generated from operating activities		22,747,930		13,865,100
tuen Britista nom obstating assistate			-	(Continued)
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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other		
comprehensive income	\$ (173,986)	\$ (140,417)
Disposal of financial assets at fair value through other		
comprehensive income	-	24,004
Purchase of financial assets at amortized cost	-	(183,665)
Purchase of financial assets for hedging	(342,786)	<u>-</u>
Purchase of investments accounted for using the equity method	(1,077,128)	(4,980,030)
Prepayments for investments	(1,334,026)	(2,204,073)
Net cash outflow on acquisition of subsidiaries	(5,856,439)	(11,037,204)
Disposal of subsidiaries	(16.512.200)	9,242,576
Payments for property, plant and equipment	(16,512,380)	(15,499,282)
Proceeds from disposal of property, plant and equipment Increase in advance receipts	32,361	154,162
Decrease (increase) in refundable deposits	1,779,516 126,456	(68,728)
Purchase of intangible assets	(37,277)	(141,056)
Purchase of investment properties	(37,277)	(141,030)
Acquisition of right-of-use assets	_	(283,745)
Other investing activities	1,894,919	(1,228,906)
Other investing activities	1,074,717	(1,220,700)
Net cash used in investing activities	(21,500,770)	(26,346,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(6,499,696)	7,713,149
Proceeds from issuance of bonds	5,300,000	-
Repayment of bonds	(100,066)	(46,684)
Proceeds from long-term borrowings	13,383,126	21,755,400
Repayment of long-term borrowings	(22,027,953)	(19,732,834)
Increase in long-term notes and bills payable	1,500,908	1,497,914
(Decrease) increase in other payables	(2,780,037)	5,375,736
Repayment of the principal portion of lease liabilities	(308,747)	(120,625)
Cash dividends paid	(6,716,022)	(5,489,781)
Proceeds from issuance of ordinary shares	11,923,497	9,000,000
Changes in non-controlling interests	2,355,894	359,522
Other financing activities	9,168	6,685
Net cash (used in) generated from financing activities	(3,959,928)	20,318,482
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE		
OF CASH HELD IN FOREIGN CURRENCIES	(378,979)	1,133,649
	((Continued)
		()



CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

		2023	202	2 (Restated)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$	(3,091,747)	\$	8,970,685
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		19,438,759		10,468,074
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$</u>	16,347,012	\$	19,438,759
The accompanying notes are an integral part of the consolidated financial	al sta	tements.		
(With Deloitte & Touche auditors' report dated February 23, 2024)				(Concluded)



CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

		2023	2022	(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$	242,253	\$	762,156
Adjustments for:		,		,
Depreciation expenses		228,500		142,832
Amortization expenses		38,826		2,138
Expected credit loss recognized on trade receivables		13,427		3,442
Net gain on fair value changes of financial assets and liabilities				
at fair value through profit or loss		(5,521)		(8,635)
Interest expenses		69,556		26,957
Interest income		(17,636)		(7,842)
Dividend income		(16,729)		(24,975)
Compensation costs of employee share options		-		7,591
Share of profit of associates accounted for using the equity				
method		(17,224)		(117,474)
Loss (gain) on disposal of property, plant and equipment		374		(2,216)
Gain on disposal of other asset		(3,971)		-
Gain on disposal of investments		(31,458)		(234,817)
Impairment loss (reversed) recognized on non-financial assets		(405)		3
Unrealized (gain) loss on foreign currency exchange		(2,059)		5,964
Gain from bargain purchase		(38,062)		(11,058)
Loss on lease modification		34		-
Changes in operating assets and liabilities				
Decrease (increase) in contract assets		52,713		(18,940)
Decrease (increase) in notes receivable		117,784		(62,202)
Decrease in trade receivables		119,716		3,289
Increase in other receivables		(48,444)		(39,926)
Decrease (increase) in inventories		107,880		(68,434)
Decrease in other current assets		29,790		20,565
Increase in other financial assets		(7,906)		(1,797)
(Decrease) increase in other operating assets		2,238		(14,545)
Increase (decrease) in financial liabilities held for trading		31,718		(26,810)
Increase in contract liabilities		178		7.066
(Decrease) increase in notes payable		(8,913)		7,966
(Decrease) increase in other payables		(22,860)		119,652
(Decrease) increase in other payables Increase in other current liabilities		(54,642)		35,649
Increase in other current habilities Increase (decrease) in net defined benefit liabilities		77 20		8,916 (6,891)
Increase (decrease) in other operating liabilities		1,780		(18,117)
Cash generated from operations		781,034		482,441
Interest received		16,078		11,628
Dividends received		61,509		70,568
Interest paid		(62,739)		(24,107)
Income tax paid		(55,029)		(88,974)
meome tax para		(33,049)	_	(00,7/4)
Net cash generated from (used in) operating activities		740,853		451,556
1.01 out fortiled from (about iii) operating activities	_	, 10,055		(Continued)
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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other		
comprehensive income	\$ (5,666)	\$ (4,573)
Disposal of financial assets at fair value through other		
comprehensive income	-	782
Purchase of financial assets at amortized cost	-	(5,982)
Purchase of financial assets for hedging	(11,164)	-
Purchase of investments accounted for using the equity method	(35,080)	(162,190)
Prepayments for investments	(43,447)	(71,782)
Net cash outflow on acquisition of subsidiaries	(190,732)	(359,460)
Disposal of subsidiaries	-	301,012
Payments for property, plant and equipment	(537,775)	(504,780)
Proceeds from disposal of property, plant and equipment	1,054	5,021
Increase in advance receipts	57,955	-
Decrease (increase) in refundable deposits	4,118	(2,238)
Purchase of intangible assets	(1,214)	(4,594)
Purchase of investment properties	-	(6)
Acquisition of right-of-use assets	-	(9,241)
Other investing activities	61,714	(40,023)
Net cash used in investing activities	(700,237)	(858,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(211,682)	251,202
Proceeds from issuance of bonds	172,610	· <u>-</u>
Repayment of bonds	(3,259)	(1,520)
Proceeds from long-term borrowings	435,861	708,530
Repayment of long-term borrowings	(717,406)	(642,659)
Increase in long-term notes and bills payable	48,882	48,784
(Decrease) increase in other payables	(90,540)	175,077
Repayment of the principal portion of lease liabilities	(10,055)	(3,929)
Cash dividends paid	(218,727)	(178,791)
Proceeds from issuance of ordinary shares	388,324	293,112
Changes in non-controlling interests	76,727	11,709
Other financing activities	299	218
Net cash (used in) generated from financing activities	(128,966)	661,733
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE		
OF CASH HELD IN FOREIGN CURRENCIES	(12,342)	36,922
	/	(Continued)
		` ,



CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

	2023	2022 (Restated)				
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (100,692)	\$ 292,157				
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	633,081	340,924				
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 532,389</u>	<u>\$ 633,081</u>				
The accompanying notes are an integral part of the consolidated financial statements.						
(With Deloitte & Touche auditors' report dated February 23, 2024)		(Concluded)				



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

Walsin Lihwa Corporation (WLC) was incorporated in December 1966 and commenced operations in December 1966. To diversify its operations, WLC made various investments in construction, electronics, material science, real estate, etc. WLC's main products are wires, cables, stainless steel, resource business and real estate.

WLC's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1972. In October 1995, November 2010 and June 2023, WLC increased its share capital and issued Global Depositary Receipts (GDRs), which were listed on the Luxembourg Stock Exchange.

The consolidated financial statements are presented in WLC's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATE

The consolidated financial statements of WLC and its subsidiaries (collectively, the "Group") were approved by the board of directors of WLC on February 23, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND **INTERPRETATIONS**

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

When applying the amendments, the Group refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

Financial Information

- The Group may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or
- e) The accounting is complex, and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The Group has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group recognized the cumulative effect of retrospective application in retained earnings on



4) Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)				
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)				
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024				
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024				
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)				

- Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.
- Note 3: The amendments provide some transition relief regarding disclosure requirements.
- 1) Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"

The amendments clarify that the liability that arises from a sale and leaseback transaction that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

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2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Group shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Group's liabilities and cash flows and on the Group's exposure to liquidity risk.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and	January 1, 2023
IFRS 17 - Comparative Information"	
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

- Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.
- 1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic



conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. Presentation reclassification

The management of the Group considers the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows in 2023. The other financial assets were reclassified to cash and cash equivalents with a carrying amount of \$23,380 thousand and \$40,786 thousand on December 31, 2023 and 2022. The impact on cash flows for the year ended December 31, 2022 was as follows:

Adjustments

Net cash used in operating activities \$ (39,707) Net decrease in cash and cash equivalents \$ (39,707)

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

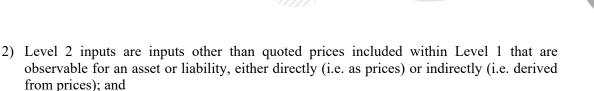
The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other related regulations and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basic of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;



- 3) Level 3 inputs are unobservable inputs for an asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of WLC and the entities controlled by WLC.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of WLC and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount

Financial Information

by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the WLC.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Refer to Note 15 and Table 8 for the percentage of ownership, main businesses and details of the subsidiaries.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date. Contingent considerations is remeasured at fair value at the end of subsequent reporting period with any gain or loss recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual company entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Group's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of WLC are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of WLC and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

Inventories in the construction industry include construction land and work in progress, which are accounted for on the basis of acquisition cost or construction cost, and the cost is calculated separately for each project. Interest expenses incurred before the completion of the project are capitalized as part of its construction cost.



h. Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and



does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

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A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable

amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses are recognized in other gains or losses. Fair value is determined in the manner described in Note 37.



b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest earned upon early withdrawal exceeds that of regular saving accounts, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, operating lease receivable, finance lease receivables, as well as contract assets.

The Group always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables, operating lease receivable, finance lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- a) Internal or external information shows that the debtor is unlikely to pay its creditors.
- b) Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.



The repurchase of WLC's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of WLC's own equity instruments.

Financial liabilities

1) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses are recognized in other gains or losses. Fair value is determined in the manner described in Note 37.

b) Financial guarantee contracts

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of the loss allowance reflecting expected credit losses; and
- ii. The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

1) Fair value hedges

Gain or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income (from the period when the hedge was effective) remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

p. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a

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period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

q. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation and the amount of the obligation can be measured reliably.

r. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods and real estate

Revenue from the sale of goods and real estate comes from sales of wires, cables, stainless steel and real estate. Sales of wires, cables and stainless steel are recognized as revenue when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

For contracts to sell properties in the ordinary course of business, the fixed transaction price is received in instalments and recognized as a contract liability. The transaction price, after adjusting for the effect of the significant financing component, is recognized as revenue when the construction is completed, and the property is transferred to the buyer.

2) Revenue from the others

a) Revenue from the rendering of services

Revenue from the rendering of services is recognized when services are rendered. Revenue generated from services provided under the contract is recognized according to the completion of the contract.

b) Construction contract revenue

Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payment exceeds the revenue recognized to date, then the Group recognizes a contract liability for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.



s. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a

a) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

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Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

u. Employee benefits

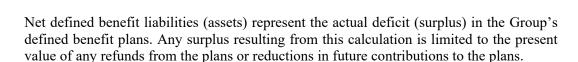
1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.



v. Share-based payment arrangements

Employee share options granted to employees and others providing similar services.

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

w. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to

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utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION **UNCERTAINTY**

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

When developing material accounting estimates, the Group review the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revisions and future years if the revision affects both current and future years.



6. CASH AND CASH EQUIVALENTS

	December 31			
	20	023		2022
Cash on hand	\$	3,613	\$	4,413
Checking accounts and cash in banks	13,	901,500	15	5,013,929
Cash equivalents				
Time deposits	2,	068,397	4	1,265,727
Short-term bills		350,122		113,904
Foreign exchange deposit account for offshore funds		23,380		40,786
	<u>\$ 16,</u>	347,012	\$ 19	9,438,759

The market rate intervals of cash in the bank at the end of the year were as follows (except for the checking accounts' interest rate of 0.00%):

	December 31		
	2023	2022	
Bank balance	0.001%-2.60%	0.001%-3.80%	
Time deposits	0.755%-5.60%	0.96%-4.00%	
Short-term bills	0.53%-1.27%	0.4%-0.5%	

Other bank deposits have been reclassified to other accounts for the following purposes:

		Decem	iber 31
	Purpose	2023	2022
Other financial assets - current			
Restricted deposits	To meet contract requirements for completing construction	\$ 81,640	\$ 34,648
	To secure short-term borrowings and letters of credit	25,306	167,546
Refundable deposits	Futures deposits	2,348 109,294	303,146 505,340
Refundable deposits		<u> </u>	
Other - pledged time deposits	To meet contract requirements for completing construction	62,080	51,718
	To meet required security deposit	-	268
Other non-current assets - other			
Restricted deposits	To meet construction project and performance letter of guarantee	10,838	11,023
Pledged time deposits	To meet required security deposit	1,427 74,345	1,439 64,448
		<u>\$ 183,639</u>	\$ 569,788

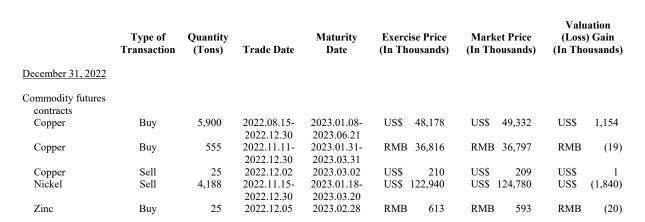


7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31		
	2023	2022	
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting) Commodity futures contracts Options Interest rate swap contracts	\$ 68,624 10,142	\$ - 7,629 2	
Non-derivative financial assets Contingent consideration (Note 34) Foreign unlisted shares	\$ 2,614,285 79,541	\$ 2,567,786 71,969	
Financial assets at FVTPL	\$ 2,772,592	<u>\$ 2,647,386</u>	
Current Non-current	\$ 1,508,943 	\$ 7,631 	
	\$ 2,772,592	<u>\$ 2,647,386</u>	
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting) Commodity futures contracts Foreign exchange forward contracts Exchange rate swap contracts Non-derivative financial liabilities	\$ - 16,041 6,705	\$ 21,189 21,470 22,113	
Contingent consideration	484,429	363,192	
Financial liabilities at FVTPL	\$ 507,175	<u>\$ 427,964</u>	
Current Non-current	\$ 22,746 484,429	\$ 64,772 363,192	
	\$ 507,175	<u>\$ 427,964</u>	

a. As of December 31, 2023 and 2022, outstanding commodity futures not under hedge accounting were as follows:

	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valua (Loss) (In Thou	Gain
<u>December 31, 2023</u>								
Commodity futures contracts								
Copper	Buy	13,300	2023.08.21- 2023.12.29	2024.01.17- 2024.06.19	US\$ 110,946	US\$ 113,261	US\$	2,315
Nickel	Buy	150	2023.11.01- 2023.11.24	2024.02.01- 2024.02.23	US\$ 2,550	US\$ 2,478	US\$	(72)
Zinc	Sell	150	2023.10.30	2024.01.01	RMB 3,176	RMB 3,233	RMB	(57)



b. As of December 31, 2023 and 2022, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Sell	EUR to USD USD to RMB EUR to MYR	2024.01.02-2024.01.22 2024.01.02-2024.03.04 2024.02.02-2024.04.19	EUR7,572/USD8,242 USD32,000/RMB227,033 EUR510/MYR2,583
Buy	USD to RMB USD to JPY USD to IDR USD to SGD EUR to GBP EUR to BRL EUR to KRW EUR to RMB EUR to SEK	2024.01.02 2024.01.29 2024.01.02-2024.02.01 2024.01.16-2024.02.27 2024.01.31-2024.03.28 2024.01.19-2024.04.23 2024.02.29 2024.03.28 2024.01.31-2024.04.30	USD5,000/RMB35,629 USD3,500/JPY495,565 USD78,000/IDR1,205,962,000 USD4,000/SGD5,331 EUR9,795/GBP8,500 EUR3,786/BRL20,420 EUR128/KRW183,000 EUR3,674/RMB28,800 EUR4,177/SEK48,100
December 31, 2022			
Sell	USD to RMB EUR to MYR EUR to USD	2023.01.31-2023.05.05 2023.01.31-2023.06.30 2023.01.03-2023.01.10	USD2,543/RMB17,228 EUR1,499/MYR7,048 EUR7,987/USD8,500
Buy	USD to IDR USD to JPY USD to RMB EUR to USD USD to SGD EUR to KRW EUR to TRY EUR to GBP EUR to BRL	2023.01.31 2023.01.05 2023.01.05 2023.01.05 2023.01.30-2023.02.01 2023.01.31-2023.02.28 2023.01.31 2023.01.18-2023.02.17 2023.01.31-2023.03.31 2023.01.17-2023.03.15	USD91,000/IDR1,429,633,100 USD3,000/JPY412,605 USD16,571/RMB116,504 EUR15,834/USD16,571 USD13,127/SGD17,778 EUR434/KRW592,638 EUR292/TRY6,000 EUR710/ZAR12,483 EUR4,944/GBP4,340 EUR5,485/BRL29,982



c. As of December 31, 2023 and 2022, outstanding exchange rate swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023	USD to RMB	2024.02.07-2024.02.27	USD143,988/RMB1,024,564
	USD to NTD	2024.01.02-2024.02.29	USD118,000/NTD3,649,647
December 31, 2022	USD to RMB	2023.01.18	USD75,000/RMB516,585
	EUR to USD	2023.01.17	EUR15,955/USD17,000
	EUR to ZAR	2023.01.18	EUR133/ZAR2,390

d. As of December 31, 2023 and 2022, outstanding commodity futures option contracts not under hedge accounting were as follows:

December 31, 2023

Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
US\$11,241	Put	Buyer	US\$371	US\$330
<u>December 31, 2022</u>				
Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
US\$29,118	Put	Buyer	US\$672	US\$249

e. As of December 31, 2022, outstanding interest rate swap contracts not under hedge accounting were as follows:

	Notional Amount	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2022	EUR19,934	2023.02.01	-0.433%	Note

Note: It is the three-month interest rate of Euro Interbank Offered Rate (Euribor) on the second business day before the issuance date.

- f. For the years ended December 31, 2023 and 2022, the Group's strategies for commodity futures contracts, foreign exchange forward contracts, exchange rate swap contracts and interest rate swap contracts were to hedge exposures to fluctuations in the prices of raw material, foreign exchange rates and interest rates. However, those derivative financial instruments did not meet the criteria of hedge effectiveness; therefore, they were not accounted for hedge accounting.
- g. Financial assets contingent consideration is the amount of consideration to be received by the Group from the acquirer in the disposal of the subsidiary (the "Target Company") on July 27, 2022. In accordance with the agreement of contingent consideration, the acquirer shall respectively pay additional payments when the gross profit of Target Company during the

- period starting from the settlement date to December 31, 2023 and the gross profit in the year 2024 meet the amount agreed upon by Target Company.
- h. Financial liabilities contingent consideration according to the agreement of acquisition, the Group is required to make additional payments to the seller if Cogne Acciai Speciali S.p.A.'s earnings before interest, income tax, depreciation and amortization from the settlement date to 2025 meet the contract requirements.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31		
	2023	2022	
Current			
Foreign investments Corporate bonds Mutual funds	\$ 15 712 \$ 727	\$ 588 1,614 \$ 2,202	
Non-current	<u> </u>	<u> </u>	
Foreign investments Government bonds	<u>\$ 184,613</u>	<u>\$ 189,242</u>	

The interest rates for the government bonds the Group purchased was 4.45% as of December 31, 2023 and 2022.

9. FINANCIAL INSTRUMENTS FOR HEDGING

	December 31		
Financial assets	2023	2022	
Cash flow hedges - hedged foreign currency deposits Cash flow hedges - interest rate swap contracts	\$ 346,441 53,439	\$ - 165,019	
	\$ 399,880	<u>\$ 165,019</u>	
Current Non-current	\$ 346,441 53,439	\$ 20,615 144,404	
	\$ 399,880	<u>\$ 165,019</u>	
		(Continued)	

	December 31		
Financial liabilities	2023	2022	
Cash flow hedges - foreign exchange forward contracts Cash flow hedges - gas and electricity swap contracts	\$ 4,967 3,616	\$ - <u>222,272</u>	
	\$ 8,583	<u>\$ 222,272</u>	
Current Non-current	\$ 5,878 2,705	\$ 222,272 	
	\$ 8,583	\$ 222,272 (Concluded)	

- a. The Group entered into foreign exchange forward contracts and foreign currency deposits to hedge against the exchange rate fluctuations associated with designated foreign currency receivables and payables. The conditions of the foreign exchange forward contracts are the same as those of the corresponding financial assets, so the management believes that the foreign exchange forward contracts are highly effective hedging instruments. For information regarding the financial instruments used for hedging, refer to Note 37.
- b. The Group converts some of the issued floating rate financial liabilities from floating rate to fixed rate through the interest rate swap contracts in order to reduce the risk of the cash flow of the issued floating rate financial liabilities due to changes in interest rates. The conditions of the interest rate swap contracts are the same as the one of the related financial liabilities, therefore, the management of the Group considers they can be highly effective hedging instruments. For information regarding the financial instruments used for hedging, refer to Note 37.
- c. The Group is exposed to the risk that the future cash flows of the assets and liabilities may fluctuate due to changes in market prices of gas and electricity that are required for the Group's operations. The Group assesses that the risk may be significant and therefore enters into gas and electricity swap contracts for hedging purposes. The breakdown of the cash flow hedge items and derivative financial instruments designated for hedging at the end of the reporting period were as follows:

Financial Commodity	Type of Transaction	Quantity	Trade Date	Maturity Date	Notional Amount (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2023</u>							
Gas	Buy	13,600 Tons	2023.12.11	2024.01.31- 2024.03.31	EUR 502	EUR 435	EUR (67)
Electricity	Buy	22,000 Megawatt hours	2023.12.14	2024.01.31- 2024.06.30	EUR 1,857	EUR 1,817	EUR (40)
<u>December 31, 2022</u>							
Gas	Buy	139,800 Tons	2022.04.22- 2022.12.28	2023.01.31- 2023.12.31	EUR 17,700	EUR 10,907	EUR (6,793)



10. CONTRACT ASSETS

As of December 31, 2023 and 2022, contract balances were as follows:

	December 31			
	2023		2022	
Contract assets				
Cable installation	\$	735,895	\$ 1,242,468	
Solar power systems installation		260,130	1,779,769	
Less: Allowance for impairment loss				
Contract assets - current	<u>\$</u>	996,025	\$ 3,022,237	

The changes in the balance of contract assets primarily resulted from the timing differences between the Group's satisfaction of performance obligations and the respective customer's payment.

11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31		
	2023	2022	
Notes receivable			
Notes receivable	\$ 920,752	\$ 4,537,322	
Trade receivables			
Trade receivables Less: Allowance for impairment loss	\$ 15,628,930 (637,399)	\$ 17,575,200 (280,210)	
	<u>\$ 14,991,531</u>	<u>\$ 17,294,990</u>	

Notes receivable

The Group entered into a factoring agreement with financial institutions to sell its discounted notes receivable. Although the Group has transferred the contractual rights to receive cash flows, the Group is still obligated to bear the default risk of such discounted notes receivable. Thus, it did not meet the conditions for derecognition of financial assets. The related information is as follows:



December 31, 2022

Factoring Partners	Notes Receivable Transferred (Note)	Amount Advanced	Interest Rate
Shanghai Pudong Development Bank Co., Ltd. China Minsheng Banking Corp., Ltd.	\$ 1,425,350 128,663	\$ 1,425,350 128,663	1.25%-2.20% 1.57%-2.10%
	\$ 1,554,013	<u>\$ 1,554,013</u>	

Note: Classified under short-term borrowings; for related information on guarantee and short-term borrowings, refer to Notes 23 and 39.

Trade receivable

The average credit period on the sales of goods is 30 to 65 days. In determining the collectability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. When the Group dealt with new entities, the Group reviewed the credit ratings of the entities and obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group permits the use of a lifetime expected credit losses allowance for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience with the respective debtors and an analysis of the debtors' current financial positions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on the past due status of receivables is not further distinguished according to different segments of the Group's customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.



December 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%-1%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount Loss allowance	\$ 11,050,307	\$ 3,109,790	\$ 585,572	\$ 550,249	\$ 333,012	\$ 15,628,930
(lifetime ECLs)	(16,320)	(34,607)	(71,766)	(292,380)	(222,326)	(637,399)
Amortized cost	<u>\$ 11,033,987</u>	\$ 3,075,183	\$ 513,806	\$ 257,869	<u>\$ 110,686</u>	<u>\$ 14,991,531</u>

December 31, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%-1%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount Loss allowance (lifetime ECLs)	\$ 14,708,361 (8,432)	\$ 2,274,401 (31,422)	\$ 255,547 (26,064)	\$ 172,148 (71,707)	\$ 164,743 (142,585)	\$ 17,575,200 <u>280,210</u>)
Amortized cost	\$ 14,699,929	\$ 2,242,979	<u>\$ 229,483</u>	\$ 100,441	<u>\$ 22,158</u>	<u>\$ 17,294,990</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31		
	2023	2022	
Balance at January 1	\$ 280,210	\$ 92,903	
Add: Net remeasurement of loss allowance	412,281	105,680	
Add: Acquisitions through business combination	-	91,508	
Less: Amounts written off	(51,459)	(17,859)	
Foreign exchange gains and losses	(3,633)	7,978	
Balance at December 31	<u>\$ 637,399</u>	\$ 280,210	

The amounts and the details of the factoring agreements for accounts receivable of the Group are set out in Notes 23, 37 and 39.

12. FINANCE LEASE RECEIVABLES

	Dece	December 31			
	2023	2022			
Undiscounted lease payments					
Year 1	\$ 81,359	\$ 81,359			
Year 2	81,359	81,359			
Year 3	81,359	81,359			
Year 4	81,359	81,359			
		(Continued)			



	December 31	
	2023	2022
Year 5	81,359	81,359
Year 6 onwards	287,658	369,017
	694,453	775,812
Less: Unearned finance income	<u>(91,930</u>)	(113,269)
Net investment in leases presented as finance lease receivables	<u>\$ 602,523</u>	\$ 662,543
Current	\$ 62,067	\$ 60,020
Non-current	540,456	602,523
	\$ 602,523	\$ 662,543 (Concluded)

The power supply contracts of solar power equipment are processed according to the finance leases accounting policy. The average term of finance leases entered into was 20 years.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The average effective interest rate contracted was 3.30% per annum as of December 31, 2023 and 2022.

The finance lease receivables as of December 31, 2023 and 2022 were neither past due nor impaired.

The amounts of finance lease receivables pledged as collateral or for security are set out in Note 39.

13. INVENTORIES

	December 31		
	2023	2022	
Manufacturing and trading industries			
Raw materials	\$ 8,353,682	\$ 7,852,613	
Raw materials in transit	2,496,691	1,871,877	
Supplies	2,017,810	2,256,735	
Work-in-process	7,900,218	8,652,837	
Finished goods and merchandise	10,441,129	12,807,714	
Contracts in progress	227,395	462,456	
	31,436,925	33,904,232	
Real estate development industry		·	
Undeveloped land	3,434	3,434	
Buildings and land held for sale	174,510	208,551	
Contracts in progress	2,089,427	1,964,074	
	2,267,371	2,176,059	
	<u>\$ 33,704,296</u>	<u>\$ 36,080,291</u>	

- a. The cost of goods sold related to inventories for the years ended December 31, 2023 and 2022 were NT\$174,176,304 thousand and NT\$162,026,574 thousand, respectively.
- b. The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of NT\$97,969 thousand and reversals of inventory write-downs of NT\$101,667 thousand, respectively.
- c. The inventory for the real estate development business are primarily land and construction costs for future construction and contracts in progress of WLC subsidiary, Walsin (Nanjing) Development Co., Ltd.
- d. Walsin (Nanjing) Development Co., Ltd. entered into an agreement with third parties for the sale of real estate as of December 31, 2023 and 2022; the selling prices for the related residential buildings and office buildings were RMB13,950 thousand and RMB4,710 thousand, respectively. The sale of the real estate in the amounts of NT\$58,663 thousand and NT\$19,786 thousand were recognized as operating revenue for the years ended December 31, 2023 and 2022, respectively.

14. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER **COMPREHENSIVE INCOME**

	December 31			31
		2023		2022
Domestic listed ordinary and emerging market shares HannStar Display Corp. HannStar Board Corp. TECO Electric & Machinery Corp.	\$	3,550,641 3,525,594 10,815,701	\$	3,340,899 2,017,812 6,348,587
K. S. Terminals Inc. Domestic unlisted ordinary shares		10,426 812,330		10,179 564,148
Foreign unlisted ordinary shares		108,480		60,607
	<u>\$</u>	18,823,172	\$	12,342,232
Non-current	\$	18,823,172	\$	12,342,232

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. For the years ended December 31, 2023 and 2022, the unrealized valuation gains (losses) resulting from these investments in equity instruments were NT\$6,307,904 thousand and NT\$(4,067,542) thousand, respectively, which were recognized in other comprehensive income (loss).



15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The consolidated entities as of December 31, 2023 and 2022 were as follows:

				e of Ownership (%)
Investor	Investee	Main Business	2023	2022
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited (WLHL)	Investment holding	100.00	100.00
corporation	Concord Industries Limited (CIL)	Investment holding	100.00	100.00
	Ace Result Global Limited Min Maw Precision Industry Corp. (Min Maw)	Investment holding Solar power systems management, design, and installation	100.00 100.00	100.00 100.00
	Walsin Info-Electric Corp. (Walsin Info-Electric)	Mechanical and electrical, communications, and power systems	99.51	99.51
	Chin-Cherng Construction Co. (Chin-Cherng)	Investment in the construction of residential and sale of commercial buildings, rental design and interior decoration business	99.22	99.22
	Joint Success Enterprises Limited	Investments	49.05	49.05
	P.T. Walsin Lippo Industries (P.T. Walsin)	Manufacture and sale of cables and wires Cables and wires	70.00 70.00	70.00 70.00
	PT. Walsin Lippo Kabel Waltuo Green Resources Corp.	Waste disposal, resource recovery and cement products	100.00	100.00
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	50.00	50.00
	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	100.00	100.00
	Walsin Singapore Pte. Ltd. Walsin America, LLC	Investment holding Investment holding	100.00 100.00	100.00 100.00 (Note 1)
	Walsin Lihwa Europe S.a r.l.	Investment holding	100.00 (Note 2)	100.00 (Note 2)
	PT. Walsin Research Innovation Indonesia	Consulting and Management	99.50 (Note 5)	99.00 (Note 5)
	Walsin Energy Cable System Co., Ltd.	Submarine communication cables	90.00 (Note 7)	-
Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00	42.00
Liu.	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10	50.10 (Note 6)
WLHL	Walsin (China) Investment Co., Ltd.	Investment holding	100.00	100.00
	Jiangyin Walsin Steel Cable Co., Ltd. (JHS) Shanghai Walsin Lihwa Power Wire & Cable	Manufacture and sale of steel cables and wires Manufacture and sale of cables and wires	100.00 95.71	100.00 95.71
	Co., Ltd. Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	100.00	100.00
	Walsin International Investments Limited Nanjing Taiwan Trade Mart Management Co., Ltd.	Investments Business and assets management, consulting and advertising services	100.00 100.00	100.00 100.00
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	18.37	18.37
CIL	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment holding	100.00	100.00
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00
	Yantai Walsin Stainless Steel Co., Ltd. Jiangyin Walsin Specialty Alloy Materials Co.,	Production and sale of new-type alloy materials Manufacture and sale of cold-rolled stainless steel	100.00 81.63	100.00 81.63
	Ltd. XiAn Walsin Metal Product Co., Ltd.	and flat-rolled products Production and sale of medium and heavy	100.00	100.00
Chin-Cherng	Joint Success Enterprises Limited	specialty steel plates Investments	50.95	50.95
Construction Co. Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and	100.00	100.00
Emerprises Limited	Nanjing Walsin Property Management Co., Ltd.	industrial factories Property management, business management and housing leasing	100.00	100.00
Min Maw Precision Industry Corp. (Min	PT. Walsin Research Innovation Indonesia	Consulting and management	0.50 (Note 5)	1.00 (Note 5)
Maw) Walsin America, LLC	Borrego Energy Holdings, LLC	Solar power system	72.55	72.55 (Note 1)
Borrego Energy Holdings, LLC	Borrego Energy, LLC	Solar power system	100.00	100.00 (Note 1)
notaings, 22e	Cleanleaf Energy Holdings, Inc.	Investment holding	100.00 (Note 13)	-
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Investment holding	90.21 (Note 2)	85.03 (Note 2)
MEG S.A.	Cogne Acciai Speciali S.p.A.	Manufacture and sale of stainless steel	77.60 (Note 3)	82.32 (Note 3)
Cogne Acciai Speciali S.p.A.	Cogne France Société par Actions Simplifiée	Sale of stainless steel	100.00	100.00 (Note 4)
.r	Cogne Edelstahl Gmbh	Sale of stainless steel	100.00	100.00 (Note 4)
	Cogne SG Pte. Ltd.	Sale of stainless steel	100.00	100.00 (Note 4)
	Cogne Hong Kong Limited	Investment holding	100.00	100.00 (Note 4)
				(Continued)

			Percentage of	f Ownership (%)
				mber 31
Investor	Investee	Main Business	2023	2022
	Cogne U.K. Limited	Sale of stainless steel	100.00	100.00 (Note 4)
	Cogne Stainless Bars SA	Manufacture and sale of stainless steel	100.00	100.00 (Note 4)
	Cogne Mexico Sociedad Anonima de Capital Variable	Manufacture and sale of stainless steel	82.53	99.00
	Metalinox Cogne Acos Inoxidaveis Especiais Ltda	Sale of stainless steel	(Note 10) 100.00	(Note 4) 100.00 (Note 4)
	Cogne Speciality Steel USA, Inc.	Sale of stainless steel	100.00	100.00
	Cogne Celik Sanayi ve Ticaret Limited Şirketi	Sale of stainless steel	100.00	(Note 4) 100.00 (Note 4)
	Dong Guan Cogne Steel Products Co., Ltd.	Manufacture and sale of stainless steel	100.00 (Note 11)	-
	Special Melted Products Limited	Manufacture and sale of high-quality special steels and nickel-based alloys	100.00 (Note 9)	-
	Degerfors Long Products AB	Sale of special steel	100.00 (Note 9)	-
Cogne Edelstahl Gmbh	EMB GmbH Edelstahl & Metallhandel - Beratung & Service	Sale of stainless steel	(Note 12)	100.00 (Note 4)
Cogne Hong Kong Limited	Dong Guan Cogne Steel Products Co., Ltd.	Manufacture and sale of stainless steel	(Note 11)	100.00 (Note 4)
Cogne Stainless Bars SA	Aosta Servizi Generali S.r.l.	Machinery and Electrical maintenance	100.00	100.00 (Note 4)
	Cogne Mexico Sociedad Anonima de Capital Variable	Manufacture and sale of stainless steel	0.02 (Note 10)	1.00 (Note 4)
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	0.10 (Note 8)	- '
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	99.90 (Note 8)	-
			(Concluded)

- Note 1: On May 24, 2022, WLC's board of directors resolved to establish Walsin America, LLC. After the Group's organizational restructuring, Walsin America, LLC acquired 72.55% shares of Borrego Energy Holdings, LLC's shares. Borrego Energy Holdings, LLC owns 100% of Borrego Energy Holdings, LLC's shares. Due to the adjustment of the investment structure of the Group, Walsin America, LLC was transferred from WLHL to WLC in December 2022.
- On May 31, 2022, WLC's board of directors resolved to establish Walsin Lihwa Note 2: Europe S.a r.l. and Walsin Lihwa Europe S.a r.l. acquired 85.03% shares of Luxembourg MEG S.A. On May 5, 2023, WLC's board of directors approved to increase capital in cash of MEG S.A., and the capital increase base date was August 30, 2023. The Group subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in an increase in the continuing interest rate from 85.03% to 90.21%.
- On May 31, 2022, WLC's board of directors resolved that Luxembourg MEG S.A. acquired 82.32% shares of Cogne Acciai Speciali S.p.A. On May 5, 2023, WLC's board of directors approved to increase capital in cash of Cogne Acciai Speciali S.p.A., and the capital increase base date was September 18, 2023. MEG S.A. subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in a decrease in the continuing interest rate from 82.32% to 77.60%.
- Note 4: The subsidiaries of Cogne Acciai Speciali S.p.A. were merged into the Group in November 2022 through the above-mentioned business combination.
- Note 5: The Group established PT. Walsin Research Innovation Indonesia on August 23, 2022, and injected capital on November 9, 2022. On February 24, 2023, WLC's board of directors approved to increase capital in cash of PT. Walsin Research Innovation Indonesia, and the capital increase base date was on May 22, 2023.

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- Note 6: On September 23, 2022, the Group acquired 50.10% shares of PT. Sunny Metal Industry from Ever Rising Limited and Berg Holding Limited at the price of US\$200,000 thousand. On November 4, 2022, WLC's board of directors resolved to transfer PT. Sunny Metal Industry to Walsin Singapore Pte. Ltd.
- The Group established Walsin Energy Cable System Co., Ltd. on February 13, 2023. On February 24, 2023, WLC's board of directors approved to increase capital in cash of Walsin Energy Cable System Co., Ltd., and the capital increase base date was on May 23, 2023. The Group did not subscribe according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100.00% to 90.00%.
- The Group established PT. Walhsu Metal Industry on May 23, 2023, and injected Note 8: capital on June 5, 2023.
- Note 9: Cogne Acciai Speciali S.p.A. acquired 100.00% shares of Degerfors Long Products AB and Special Melted Products Ltd. in 2023. Please refer to Note 33.
- Note 10: On April 13, 2023, the board of directors approved to increase capital in cash of Cogne Mexico Sociedad Anonima de Capital Variable, and the capital increase base date was on August 14, 2023. The Group did not subscribe according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100.00% to 82.55%
- Note 11: Due to the adjustment of the investment structure of the Group, it was transferred from Cogne Hong Kong Limited to Cogne Acciai Speciali S.p.A in May 2023.
- Note 12: In January 2023, Cogne Edelstahl Gmbh merged EMB GmbH Edelstahl & Metallhandel - Beratung & Service through absorption.
- Note 13: The Group established Cleanleaf Energy Holdings, Inc. on September 14, 2023. As of December 31, 2023, the capital injection had not been completed.
- b. The following entity was excluded from consolidation as of December 31, 2023 and 2022:

			Percentage of Ownership (%)		
			Decen	iber 31	
Investor	Investee	Main Business	2023	2022	Note
WLHL	Walcom Chemicals Industrial Limited	Commerce	65.00	65.00	Note

Note: The investee has a capital of HK\$500 thousand and total assets of HK\$1 thousand. As of December 31, 2023 and 2022, the investee had no sales, and its total assets were less than 1% of the Group's consolidated total assets.

The financial statements of certain subsidiaries included in the consolidated financial statements, namely P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd., Cogne Acciai Speciali S.p.A. and subsidiaries, and Walsin America LLC's subsidiary Borrego Energy Holdings, LLC for the years ended December 31, 2023 and 2022 were not audited by the auditor of WLC but by other auditors. As of December 31, 2023 and 2022, the combined total assets of those subsidiaries were NT\$38,396,983 thousand and NT\$27,113,218 thousand, respectively; for the years ended December 31, 2023 and 2022, the combined net operating



revenues of these subsidiaries were NT\$34,331,965 thousand and NT\$3,409,851 thousand, respectively.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

	December 31			
	2023		2022	
Name of Associate	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
Material associates				
Winbond Electronics Corp. Walton Advanced Engineering,	\$ 20,335,573	21.99	\$ 20,953,105	22.21
Inc.	2,230,609	21.17	2,109,400	21.01
Walsin Technology Corp.	8,631,671	18.30	8,147,080	18.30
Associates that are not individually material	-			
Others	18,442,318		14,979,814	
	\$ 49,640,171		<u>\$ 46,189,399</u>	

Refer to Table 8 "Information on Investees" and Table 9 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

The Group is the single largest shareholder of the abovementioned material associates in which the Group has an ownership percentage of less than 50%. Considering the relative size and wide dispersion of the voting rights owned by other shareholders, the Group has no ability to direct the relevant activities of the associates and therefore has no control over these associates.

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

	December 31		
Name of Associate	2023	2022	
Winbond Electronics Corp. Walton Advanced Engineering, Inc. Walsin Technology Corp.	\$ 27,995,121 \$ 1,671,833 \$ 10,934,986	\$ 17,323,429 \$ 1,244,282 \$ 7,023,284	

All the associates were accounted for using the equity method.

The Group's share of profit and other comprehensive income of associates for the years ended December 31, 2023 and 2022 were based on the associates' financial statements audited by independent auditors for the same period.



a. Material associates

December 31, 2023

	****	Walton	**/ 1 •
	Winbond Electronics	Advanced Engineering,	Walsin Technology
	Corp.	Inc.	Corp.
Current assets	\$ 66,505,389	\$ 5,910,245	\$ 38,015,600
Non-current assets	124,282,555	11,394,115	56,427,628
Current liabilities	(36,032,759)	(3,608,250)	(25,474,021)
Non-current liabilities	<u>(54,295,007)</u>	(3,069,785)	(12,353,431)
Equity	100,460,178	10,626,325	56,615,776
Non-controlling interests	(8,163,361)	(92,257)	(10,036,131)
	<u>\$ 92,296,817</u>	<u>\$ 10,534,068</u>	<u>\$ 46,579,645</u>
Proportion of the Group's			
ownership	21.99%	21.17%	18.30%
Equity attributable to the Group	\$ 20,296,070	\$ 2,230,062	\$ 8,524,075
Other adjustments	39,503	547	107,596
Carrying amount	\$ 20,335,573	\$ 2,230,609	\$ 8,631,671
Operating revenue	<u>\$ 75,006,078</u>	<u>\$ 7,276,069</u>	<u>\$ 32,797,671</u>
Net profit for the year	\$ 34,449	\$ (112,652)	\$ 2,657,922
Other comprehensive income (loss)	(1,304,665)	601,516	1,555,362
Total comprehensive income for the			
year	<u>\$ (1,270,216)</u>	<u>\$ 488,864</u>	\$ 4,213,284
December 31, 2022			
		Walton	
	Winbond	Advanced	Walsin
	Electronics	Engineering,	Technology
	Corp.	Inc.	Corp.
Current assets	\$ 68,537,523	\$ 8,080,399	\$ 42,078,074
Non-current assets	115,627,470	11,240,954	49,653,421
Current liabilities	(27,776,754)	(5,110,938)	(19,230,081)
Non-current liabilities	(53,654,523)	(3,970,323)	(18,917,380)
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	(8,570,720)	(200,109)	(9,303,110)
	<u>\$ 94,162,996</u>	<u>\$ 10,039,983</u>	<u>\$ 44,280,924</u>
			(Continued)

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Proportion of the Group's ownership	22.21%	21.01%	18.30%
Equity attributable to the Group Other adjustments	\$ 20,913,601 <u>39,504</u>	\$ 2,109,400	\$ 8,103,409 43,671
Carrying amount	<u>\$ 20,953,105</u>	\$ 2,109,400	<u>\$ 8,147,080</u>
Operating revenue	<u>\$ 94,529,790</u>	\$ 9,506,348	\$ 35,297,163
Net profit for the year Other comprehensive income (loss)	\$ 14,986,552 2,717,903	\$ 156,098 (1,186,315)	\$ 2,295,275 218,387
Total comprehensive income for the year	<u>\$ 17,704,455</u>	<u>\$ (1,030,217)</u>	\$ 2,513,662 (Concluded)

b. Associates that are not individually material

	For the Year Ended December 31		
	2023	2022	
The Group's share of:			
Net profit from continuing operations	\$ 361,594	\$ 389,057	
Other comprehensive (loss) income	1,059,418	(893,111)	
Total comprehensive income for the year	<u>\$ 1,421,012</u>	<u>\$ (504,054)</u>	

In December 2023, WLC's board of directors resolved that the subsidiary Dongguan Walsin Wire & Cable Co., Ltd. acquired 60% shares of the associate Hangzhou Walsin Power Cable & Wire Co., Ltd. at a consideration of RMB310,864 thousand. This transaction will cause the Group to increase its shareholding percentage in Hangzhou Walsin Power Cable & Wire Co., Ltd. from 40% to 100%, and the relationship with the Group will change from associate to subsidiary. As of the issuance date of the consolidated financial report, the transaction has not yet been completed.

The Group's shares of profit and other comprehensive income of the associates for the years ended December 2023 and 2022 were based on the associates' financial statements audited by independent auditors for the same period. PT. Westrong Metal Industry and PT. CNGR Walsin New Energy and Technology Indonesia for the year ended 2022 were not audited by the auditor of WLC but by other auditors. As of December 31, 2022, the carrying amount of investments accounted for using the equity method was NT\$4,869,105 thousand; for the year ended 2022, the amount of the share of loss was NT\$313 thousand.



17. PROPERTY, PLANT AND EQUIPMENT

December 31 2023 2022

Assets used by the Group

\$ 78,154,936 \$ 65,656,466

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2023 Additions Disposals	\$ 3,776,670 207,703	\$ 22,865,186 205,834 (14,619)	\$ 50,428,862 1,327,378 (297,804)	\$ 8,607,005 282,805 (212,726)	\$ 23,862,639 15,148,027 (6,215)	\$ 109,540,362 17,171,747 (531,364)
Acquisition through business combinations Reclassified Transfers to investment properties Effects of foreign currency	2,169 12,652	1,112,763 6,328,748	664,434 13,345,299	35,147 3,423,208 (4,558)	88,900 (23,251,543)	1,903,413 (141,636) (4,558)
exchange differences	1,191	(229,104)	304,032	(127,037)	105,959	55,041
Balance at December 31, 2023	<u>\$ 4,000,385</u>	\$ 30,268,808	\$ 65,772,201	\$ 12,003,844	<u>\$ 15,947,767</u>	\$ 127,993,005
Accumulated depreciation and impairment						
Balance at January 1, 2023 Depreciation expenses Capitalized depreciation expense Disposals Reclassified Impairment losses recognized Effects of foreign currency exchange differences	\$ 8,067 - - - - -	\$ 9,790,075 1,215,719 - (10,909) - - (11,775)	\$ 28,172,188 4,262,838 123 (270,836) (328) 93	\$ 5,913,566 724,009 45 (205,783) (19,664) 43 (64,695)	\$ - - - - -	\$ 43,883,896 6,202,566 168 (487,528) (19,992) 136 258,823
Balance at December 31, 2023	\$ 8,067	\$ 10,983,110	\$ 32,499,371	<u>\$ 6,347,521</u>	<u>\$</u>	\$ 49,838,069
Carrying amount at December 31, 2023	\$ 3,992,318	<u>\$ 19,285,698</u>	<u>\$ 33,272,830</u>	<u>\$ 5,656,323</u>	<u>\$ 15,947,767</u>	<u>\$ 78,154,936</u>
Cost						
Balance at January 1, 2022 Additions Disposals Acquisition through business combination Reclassified	\$ 3,611,025 80,867 (50,357) 27,303 107,209	\$ 18,671,274 38,133 (12,016) 2,117,040 316,857	\$ 34,969,055 456,243 (294,063) 11,468,941 2,574,412	\$ 7,783,638 558,271 (208,508) 126,563 429,784	\$ 6,305,375 12,079,434 (401) 8,905,089 (3,428,262)	\$ 71,340,367 13,212,948 (565,345) 22,644,936
Transfers from (to) investment properties Transfers from inventories Effects of foreign currency	- -	87,958 1,291,378	- -	(100,679)	- -	(12,721) 1,291,378
exchange differences	623	354,562	1,254,274	17,936	1,404	1,628,799
Accumulated depreciation and impairment	<u>\$ 3,776,670</u>	<u>\$ 22,865,186</u>	\$ 50,428,862	<u>\$ 8,607,005</u>	<u>\$ 23,862,639</u>	<u>\$ 109,540,362</u>
Balance at January 1, 2022 Depreciation expenses Disposals Reclassified Impairment losses reversed Transfers from (to) investment	\$ 8,067 - - - -	\$ 7,102,766 879,711 (9,863) 156,976	\$ 17,527,744 2,423,403 (273,116) (344,870) (111)	\$ 5,227,302 589,329 (196,262) 187,894 (44)	\$ - - - -	\$ 29,865,879 3,892,443 (479,241) - (155)
properties Acquisition through business	-	5,223	-	(17,082)	-	(11,859)
combination Effects of foreign currency	-	1,566,907	8,513,323	70,907	-	10,151,137
exchange differences	-	88,355	325,815	51,522		465,692
Balance at December 31, 2022	\$ 8,067	\$ 9,790,075	<u>\$ 28,172,188</u>	\$ 5,913,566	<u>\$</u>	<u>\$ 43,883,896</u>
Carrying amount at December 31, 2022	<u>\$ 3,768,603</u>	<u>\$ 13,075,111</u>	<u>\$ 22,256,674</u>	<u>\$ 2,693,439</u>	<u>\$ 23,862,639</u>	\$ 65,656,466

a. Apart from the machinery equipment of Resource Department which is depreciated on an accelerated basis over their estimated useful lives for 16 years, the property, plant and equipment of the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	3-50 years
Machinery and equipment	3-20 years
Other equipment	3-15 years

The Group's main buildings and electrical and mechanical power equipment are depreciated over their estimated useful lives of 20-50 years and 18-20 years, respectively.

- b. The Group owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, WLC keeps in its possession the land titles with the annotation of the land being pledged to WLC. As of December 31, 2023 and 2022, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand.
- c. After appropriate evaluation, the Group recognized an impairment loss on property, plant and equipment of NT\$136 thousand for the year ended December 31, 2023, and a reversal of impairment loss on property, plant and equipment of NT\$155 thousand for the year ended December 31, 2022.

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land Buildings Machinery equipment Office equipment Transportation equipment	\$ 3,389,816 526,343 710,189 58,177 34,518	\$ 3,443,726 506,666 263,942 61,617 33,404
	\$ 4,719,043 For the Year End 2023	\$ 4,309,355 ded December 31 2022
Additions to right-of-use assets Acquisition through business combination Disposals	\$ 555,761 \$ 53,822 \$ (24,196)	\$ 1,751,920 \$ 933,182 \$ (48,913)
Depreciation charge for right-of-use assets Land Buildings	\$ 157,629 95,885	\$ 115,110 61,748 (Continued)



		For the Year End	ded December 31
		2023	2022
		60.200	2.255
	Machinery equipment	60,308	3,357
	Office equipment	20,217	762
	Transportation equipment	15,382	<u> 18,211</u>
		\$ 349,421	\$ 199,188
		<u>Ψ 319,121</u>	(Concluded)
			()
b.	Lease liabilities		
		Dagam	.h 21
		Decem 2023	2022
		2023	2022
	<u>Carrying amounts</u>		
	Current	\$ 257,859	\$ 245,223
	Non-current	\$ 2,765,167	\$ 2,309,732
	Tion carrent	<u>\$\pi_2,703,107</u>	<u> </u>
	Range of discount rates for lease liabilities was as follows	::	
		Decem	iber 31
		2023	2022
	Land	0.83%-6.123%	0.83%-6.123%
	Buildings	0.83%-8.76%	1.198%-8.00%
	Machinery equipment	3.00%-3.90%	3.00%-3.90%
	Office equipment	3.00%-3.90%	3.00%-3.90%
	Transportation equipment	1.964%-3.44%	1.964%-5.75%
c.	Other lease information		
			ded December 31
		2023	2022
	Expenses relating to short-term leases	\$ 83,990	\$ 52,133
	Expenses relating to low-value asset leases	\$ 1,145	\$ 936
	Expenses relating to variable lease payments not		
	included in the measurement of lease liabilities	<u>\$ 4,992</u>	\$ 9,052
	Total cash outflow for leases	<u>\$ (398,874</u>)	<u>\$ (182,746)</u>
IN	VESTMENT PROPERTIES		
		Decem	ber 31
		2023	2022
Co	mpleted investment properties	<u>\$ 15,514,751</u>	<u>\$ 16,123,806</u>

19.

	Completed Investment Properties
Cost	
Balance at January 1, 2023 Transfers from property, plant and equipments Transfers to inventories Effects of foreign currency exchange differences	\$ 19,078,843 4,558 (34,586) (140,232)
Balance at December 31, 2023	<u>\$ 18,908,583</u>
Balance at January 1, 2022 Additions Transfers from property, plant and equipment Others Transferred from inventories Effects of foreign currency exchange differences	\$ 12,991,354 182 12,721 72,339 5,968,587 33,660
Balance at December 31, 2022	<u>\$ 19,078,843</u>
Accumulated depreciation and impairment	
Balance at January 1, 2023 Depreciation expenses Effects of foreign currency exchange differences	\$ 2,955,037 464,119 (25,324)
Balance at December 31, 2023	\$ 3,393,832
Balance at January 1, 2022 Depreciation expenses Transfers from property, plant and equipment Others Effects of foreign currency exchange differences	\$ 2,560,291 294,016 11,859 76,950 11,921
Balance at December 31, 2022	\$ 2,955,037 (Concluded)

The completed investment properties are depreciated on a straight-line method over their estimated useful lives of 20 to 50 years.

The investment properties of the Group increased because the Group changed the purpose of use of the completed commercial building of Walsin (Nanjing) Development Co., Ltd. and transferred it to investment property. The main investment properties of the Group are Walsin Xin Yi Building and the completed investment properties of Walsin (Nanjing) Development Co., Ltd. The building's valuation was commissioned by independent appraisal agencies (third parties). As of December 31, 2023 and 2022, the fair values of the investment properties were NT\$46,171,839 thousand and NT\$45,032,010 thousand, respectively.



20. GOODWILL

	For the Year Ended December 31	
	2023	2022
Cost		
Balance at January 1 Acquisition through business combination Disposal of subsidiary (Note 34) Effects of foreign currency exchange differences	\$ 286,139 3,900,572 (28,834)	\$ 152,771 295,178 (157,359) (4,451)
Balance at December 31	<u>\$ 4,157,877</u>	<u>\$ 286,139</u>
Accumulated impairment		
Balance at January 1	<u>\$</u> -	<u>\$</u> _
Balance at December 31	<u>\$</u>	<u>\$</u>
Carrying amount at December 31	<u>\$ 4,157,877</u>	<u>\$ 286,139</u>

The Group acquired Special Melted Products Ltd. on September 19, 2023 and recognized the provisionally determined goodwill of NT\$3,900,572 thousand. As of the date of issuance of the consolidated financial statements, the purchase price allocation report has not been finalized. The amount may change afterward. Please refer to Note 33.

The Group acquired PT. Sunny Metal Industry on September 23, 2022 and recognized the goodwill of NT\$295,178 thousand. Please refer to Note 33. The Group adjusted the initial accounting treatment and provisionally determined amounts from the acquisition date based on the finalized purchase price allocation report in 2023. The comparative period amount was restated accordingly.

The adjustments to the Group's balance sheet items are as follows:

	I	December 31, 2022	
	Amount Before Restatement	Adjustment	Restated
Goodwill Other intangible assets-supply contract Other intangible assets-core technology Deferred tax liabilities Non-controlling interests	\$ 83,393 \$ 2,734,203 \$ 1,922,845 \$ (5,797,938) \$ (6,240,336)	\$ 202,746 \$ 2,427,687 \$ 1,742,455 \$ 15,023 \$ (4,387,911)	\$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \

The adjustments to the Group's statements of comprehensive income items are as follows:

	For the Year Ended December 31, 2022			
The Effects on Comprehensive Income	Amount Before Restatement	Adjustment	Restated	
Exchange differences on translation of the financial statement of foreign operations	<u>\$ 1,757,704</u>	<u>\$ (148,572)</u>	\$ 1,609,132	

21. OTHER INTANGIBLE ASSETS

	Supply Contract	Core Technology	Others	Total
Cost				
Balance at January 1, 2023 Additions Acquisitions through business	\$ 5,161,890	\$ 3,665,300	\$ 873,664 37,599	\$ 9,700,854 37,599
combination Effect of foreign currency	-	-	18,820	18,820
exchange differences	(840)	(597)	28,610	27,173
Balance at December 31, 2023	<u>\$ 5,161,050</u>	\$ 3,664,703	\$ 958,693	<u>\$ 9,784,446</u>
Accumulated amortization and impairment				
Balance at January 1, 2023 Amortization expenses Effect of foreign currency	\$ - 627,287	\$ - 432,015	\$ 647,571 72,521	\$ 647,571 1,131,823
exchange differences	(9,041)	(6,226)	22,500	7,233
Balance at December 31, 2023	<u>\$ 618,246</u>	<u>\$ 425,789</u>	<u>\$ 742,592</u>	\$ 1,786,627
Carrying amount at December 31, 2023	\$ 4,542,804	<u>\$ 3,238,914</u>	<u>\$ 216,101</u>	<u>\$ 7,997,819</u>
Cost				
Balance at January 1, 2022 Additions Acquisitions through business	\$ - -	\$ - -	\$ 69,229 153,868	\$ 69,229 153,868
combination Disposals Effect of foreign currency exchange differences	5,336,699	3,789,426	630,172 (1,524)	9,756,297 (1,524)
	(174,809)	(124,126)	21,919	(277,016)
Balance at December 31, 2022	\$ 5,161,890	\$ 3,665,300	<u>\$ 873,664</u>	\$ 9,700,854 (Continued)



	Supply Contract	Core Technology	Others	Total
Accumulated amortization and impairment				
Balance at January 1, 2022 Amortization expenses Acquisitions through business	\$ - -	\$ -	\$ 48,570 40,708	\$ 48,570 40,708
combination Disposals	-	-	545,096 (1,524)	545,096 (1,524)
Effect of foreign currency exchange differences			14,721	14,721
Balance at December 31, 2022	<u>\$</u>	<u>\$</u>	<u>\$ 647,571</u>	<u>\$ 647,571</u>
Carrying amount at December 31, 2022	\$ 5,161,890	\$ 3,665,300	\$ 226,093	\$ 9,053,283 (Concluded)

- a. The Group acquired PT. Sunny Metal Industry on September 23, 2022. According to the finalized purchase price allocation report being issued in the third quarter of 2023, the Group restated the comparative period amount and recognized the supply contract and core technology of NT\$5,336,699 thousand and NT\$3,789,426 thousand, respectively. Please refer to Note 33.
- b. Except for the above description and the recognition of amortization expenses, there were no significant additions, disposals or impairments of other intangible assets of the Group for the nine months ended December 31, 2023 and 2022.
- c. The supply contract and core technology generated by PT. Sunny Metal Industry are amortized on an accelerated basis over 8 years and 16 years, respectively.
- d. Apart from stated above, the other intangible assets of the Group are amortized on a straight-line basis over 5-18 years.

22. OTHER ASSETS

	December 31	
	2023	2022
Prepayment for purchases	\$ 3,012,629	\$ 3,694,957
Prepaid expense	669,186	999,406
Prepaid sales tax	1,615,043	3,142,781
Prepayment for investments	1,334,026	5 2,204,073
Others	921,291	756,197
	\$ 7,552,175	<u>\$ 10,797,414</u>
		(Continued)



	Dec	December 31		
	2023	2022		
Current Non-current	\$ 5,377,850 2,174,32			
	<u>\$ 7,552,173</u>	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		

23. BORROWINGS

	December 31		
	2023	2022	
Short-term borrowings Current portion of long-term borrowings Long-term borrowings Long-term notes and bills payable	\$\;11,508,074 \\$\;\;1,538,480 \\$\;\;31,924,532 \\$\;\;\;\;2,998,822	\$ 17,120,571 \$ 1,109,049 \$ 40,820,860 \$ 1,497,914	

a. Short-term borrowings as of December 31, 2023 and 2022 were as follows:

	December 31			
	20	2023)22
	Interest Rate		Interest Rate	
	%	Amount	%	Amount
Bank lines of credit	0.86-7.60	\$ 11,490,666	0.95-6.42	\$ 15,566,558
Discounted notes receivable	-	-	1.25-2.20	1,554,013
Transferred receivables	1.98	17,408	-	
		<u>\$ 11,508,074</u>		<u>\$ 17,120,571</u>

Notes receivable financing is based on notes receivable of the Group which are used to apply for a discounted loan. Refer to Note 39 for the amount of discounted notes receivable and relevant terms with recourse rights.

Refer to Note 39 for transferred receivables which were secured by a portion of the Group's trade receivables.

Refer to Notes 6 and 39 for collaterals pledged for short-term borrowings as of December 31, 2023 and 2022.



b. Long-term borrowings as of December 31, 2023 and 2022 were as follows:

	December 31		
	2023 Significant Covenant	Amount	2022 Amount
Long-term secured loan	organicant covenant	Amvullt	Amvant
Cathay United Bank	From December 15, 2011 to September 27, 2027; after the grace period, repayments are due	\$ 179,177	\$ 233,439
Taipei Fubon Commercial Bank	monthly From December 25, 2013 to October 11, 2028; after the grace period, repayments are due in stages	38,033	67,375
Other long-term secured loan	From January 12, 2019 to December 18, 2030; repayments are due according to contracts	56,237	<u>78,365</u>
Long-term credit loan		273,447	379,179
The Export-Import Bank of the Republic of China	Loan from December 4, 2020 to December 4, 2027; principal to be repaid evenly in seven phases; 1st repayment is due 48 months after the drawdown date, after which repayments are due once every six months	1,137,770	1,137,770
Bank of Taiwan	From September 22, 2020 to October 4, 2027; principal to be repaid in two phases: From the 5th year, repayments are due once every six months; at rates of 20% and 80%, respectively	9,000,000	9,000,000
Taiwan Cooperative Bank	From June 28, 2021 to June 28, 2026; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	2,000,000	2,000,000
DBS Bank	Principal repayment at maturity, from March 30, 2020 to April 15, 2025	-	7,552,100
Hua Nan Commercial Bank	From March 29, 2021 to March 29, 2026; principal to be repaid in two phases: From the 5th year, repayments are due once every six months	2,000,000	2,000,000
Chinatrust Commercial Bank	Principal repayment at maturity, from October 4, 2022 to October 3, 2025	-	1,500,000
Taiwan Cooperative Bank	From October 4, 2022 to October 4, 2027; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	3,000,000	3,000,000
Far Eastern International Bank	Loan from October 21, 2022 to October 14, 2027; principal to be repaid evenly in three phases; 1st repayment is due 48 months after the signing date, after which repayments are due once every six months	2,000,000	500,000
KGI Bank	Principal repayment at maturity, from October 24, 2022 to April 24, 2027	-	1,500,000
Standard Chartered Bank	Principal repayment at maturity, from November 16, 2022 to December 31, 2024	-	1,555,400
Hua Nan Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 28, 2027	2,500,000	2,500,000
Agricultural Bank of Taiwan	Principal repayment at maturity, from October 31, 2022 to October 31, 2025	-	1,000,000
Chang Hwa Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 8, 2027	2,000,000	3,000,000
Bank of Taiwan	Loan from June 13, 2023 to June 13, 2030; principal to be repaid evenly in forty-eight phases; 1st repayment is due 36 months after the drawdown date.	1,799,194	-
Chinatrust Commercial Bank	Principal repayment at maturity, from August 15, 2023 to September 22, 2026	134,484	-
			(Continued)

	December 31		
	2023		2022
	Significant Covenant	Amount	Amount
Intesa Sanpaolo S.p.A	Principal repayment at maturity, from December 30, 2019 to June 30, 2028	\$ 2,486,656	\$ 1,007,776
Other long-term credit loans	Principal repayments are due according to contracts, from November 1, 2018 to November 15, 2033	5,131,461	4,297,684
		33,189,565	41,550,730
		33,463,012	41,929,909
Less: Current portion of long-term borrowings		(1,538,480)	(1,109,049)
		<u>\$ 31,924,532</u>	\$ 40,820,860 (Concluded)
			(Concluded)

- 1) Under the loan agreements with DBS Bank, WLC should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual consolidated financial statements audited by the independent auditors. The financial ratios are as follows:
 - a) Ratio of current assets to current liabilities not less than 100%;
 - b) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;
 - c) Ratio of Interest Coverage Ratio which included net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%; and
 - d) Tangible net worth (net worth less intangible assets) not less than NT\$55,000,000 thousand.
- 2) As of December 31, 2023 and 2022, the effective interest rate ranges of the credit borrowings were 0.10%-8.00% and 0.10%-5.56% per annum, respectively. As of December 31, 2023 and 2022, the effective interest rate ranges of the secured borrowings were 2.15%-6.20% and 0.55%-4.70% per annum, respectively.
- 3) As of December 31, 2023 and 2022, the Group's current portions of the long-term borrowings under the loan agreements were NT\$1,538,480 thousand and NT\$1,109,049 thousand, respectively. The Group's consolidated financial statements for the years ended December 31, 2023 and 2022 showed that the Group was in compliance with the aforementioned financial ratio requirements.
- 4) Refer to Note 39 for collaterals pledged on bank borrowings as of December 31, 2023 and 2022.



c. Long-term notes and bills payables as of December 31, 2023 and 2022 were as follows:

<u>December 31, 2023</u>

Acceptance Agency	Type	Interest Rate	Amount
China Bills, Mega Bills and International Bills	Unsecured	1.521-1.58	\$ 3,000,000
Less: Discount on long-term bills payable			(1,178)
			\$ 2,998,822
<u>December 31, 2022</u>			
Acceptance Agency	Type	Interest Rate	Amount
China Bills and International Bills Less: Discount on long-term bills payable	Unsecured	1.395-1.50	\$ 1,500,000 (2,086)
			\$ 1,497,914

24. BONDS PAYABLE

	December 31		
	2023	2022	
Domestic unsecured bonds Overseas unsecured bonds Less: Current portion of long-term borrowings	\$ 12,800,000 253,345 (101,940)	\$ 7,500,000 341,115 (98,160)	
	<u>\$ 12,951,405</u>	<u>\$ 7,742,955</u>	

On October 8, 2021, WLC issued the first unsecured bond of 2021 at amount of NT\$7.5 billion, each with a face value of NT\$10 million. The issuance period is 5 years, and the annual rate is 0.7%. The maturity date is on October 8, 2026. Since the issuance date, the interest will be paid once a year, and the principal will be repaid once due.

On April 11, 2023, the Company issued the first unsecured bond of 2023 at amount of NT\$5.3 billion and were divided into A and B bonds according to different issuance conditions. The issuance amount of Bond A is NT\$3 billion, and the issuance period is 5 years. The annual rate is 1.7%, and the maturity date is on April 11, 2028. The issuance amount of Bond B is NT\$2.3 billion, and the issuance period is 10 years. The annual rate is 2.1%, and the maturity date is on April 11, 2033. The interest of the two bonds will be paid once a year, and the principal will be repaid at maturity.

The overseas unsecured bonds were acquired through business combination and were issued on June 24, 2019 in the amount of EUR15,000 thousand, each with a face value of EUR100 thousand. The insurance period is 7 years, and the annual percentage rate is 3.5%. The maturity date is on June 24, 2026. Since the insurance date, the interest will be paid in half a year, and the principal will be repaid in 10 installments from the second year.



25. OTHER PAYABLES

	December 31		31	
		2023		2022
Payables for purchases of equipment	\$	3,436,394	\$	3,211,232
Payables for salaries or bonuses		1,001,161		968,942
Payables for dividends		3,586		3,209
Other accrued expenses payables		4,942,356		5,468,712
Other financing payables		2,628,672		5,375,736
Other payables - other		57,627		287,874
	<u>\$</u>	12,069,796	\$	15,315,705

As of December 31, 2023 and 2022, the effective interest rate ranges of other financing payables of the subsidiary PT. Sunny Metal Industry were 6.83%-7.62% and 3.38%-5.21% respectively.

26. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The Group recognized expenses of NT\$114,765 thousand and NT\$109,019 thousand for the years ended December 31, 2023 and 2022, respectively, which is based on the specified ratio in defined contributions plan.

b. Defined benefit plans

The defined benefit plans adopted by WLC in accordance with the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. WLC contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

Cogne Acciai Speciali S.p.A. of the Group also adopts defined benefit plan.



The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

		Decemb	oer 31
	-	2023	2022
Present value of defined benefit obligation Fair value of plan assets	on	\$ 1,293,149 (1,036,090)	\$ 1,332,167 (1,060,075)
Net defined benefit liabilities		<u>\$ 257,059</u>	<u>\$ 272,092</u>
	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2022 Service cost	<u>\$ 1,487,554</u>	\$ (1,037,916)	\$ 449,638
Current service cost Net interest expense (income) Recognized in profit or loss	10,455 <u>9,721</u> 20,176	(6,442) (6,442)	10,455 3,279 13,734
Remeasurement Return on plan assets (excluding	20,170	(0,442)	13,/34
amounts included in net interest) Actuarial gain - changes in financial	-	(82,973)	(82,973)
assumptions Actuarial gain - experience	(63,850)	-	(63,850)
adjustments Recognized in other comprehensive	(113,715)	_	(113,715)
loss Contributions from the employer	<u>(177,565</u>) -	(82,973) (52,475)	(260,538) (52,475)
Benefits paid Acquisition of subsidiaries through	(119,731)	119,731	-
business combination Exchange difference	118,977 2,756	<u> </u>	118,977 2,756
Balance at December 31, 2022 Service cost	1,332,167	(1,060,075)	272,092
Current service cost Net interest expense (income)	120,194 15,119	(13,317)	120,194 1,802
Recognized in profit or loss Remeasurement	135,313	(13,317)	121,996
Return on plan assets (excluding amounts included in net interest) Actuarial loss - experience	-	(9,604)	(9,604)
adjustments Recognized in other comprehensive	119,409		119,409
loss Contributions from the employer	<u>119,409</u>	(9,604) (53,180)	109,805 (53,180)
Benefits paid Exchange difference	(298,379) 4,639	100,086	(198,293) 4,639
Balance at December 31, 2023	\$ 1,293,149	<u>\$ (1,036,090</u>)	<u>\$ 257,059</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans are as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 87,335	\$ 6,982
Selling and marketing expenses	7,623	914
General and administrative expenses	26,923	5,638
Research and development expenses	<u>115</u>	200
	<u>\$ 121,996</u>	<u>\$ 13,734</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31		
	2023	2022	
Discount rates	1.25%-3.10%	1.25%-3.00%	
Expected rates of salary increase	1.85%-2.25%	2.25%-2.80%	

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rates 0.5% increase 0.5% decrease	\$ (43,458) \$ 46,068	\$ (47,681) \$ 50,683 (Continued)



	December 31	
	2023	2022
Expected rates of salary increase		
0.5% increase	\$ 44,682	\$ 49,149
0.5% decrease	\$ (42,588)	\$ (46,718)
		(Concluded)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

27. EQUITY

	December 31	
	2023	2022
Share capital		
Ordinary shares	\$ 40,313,329	\$ 37,313,329
Capital surplus	33,624,917	24,672,454
Retained earnings	60,590,617	62,038,398
Others	6,281,452	(443,305)
Non-controlling interests	13,638,998	10,628,247
	<u>\$ 154,449,313</u>	<u>\$ 134,209,123</u>

a. Share capital

Ordinary shares

	December 31		
	2023	2022	
Number of authorized shares (in thousands)	6,500,000	6,500,000	
Amount of authorized shares	\$ 65,000,000	<u>\$ 65,000,000</u>	
Number of issued and fully paid shares (in thousands)	4,031,333	3,731,333	
Amount of issued shares	\$ 40,313,329	\$ 37,313,329	

As of January 1, 2022, the balances of WLC's capital account were NT\$34,313,329 thousand, which consisted of 3,431,333 thousand shares at par value of NT\$10.

On June 6, 2022, WLC's board of directors resolved to issue 300,000 thousand ordinary shares at a price of NT\$33 per share with August 10, 2022 as the base date for capital increase. On July 21, 2022, WLC chairman adjusted the new share issuing price from NT\$33 to NT\$30.

On May 29, 2023, WLC's board of directors resolved to issue ordinary shares for cash to participate in the issuance of GDRs. On June 30, 2023, the Group issued 30,000 thousand units of GDRs on the Luxembourg Stock Exchange, with each unit representing 10 ordinary shares of WLC. This amounted to a total of 300,000 thousand shares with a unit price of

US\$12.97, raising a total of US\$389,100 thousand. As of December 31, 2023, the paid-in capital was NT\$40,313,329 thousand, divided into 4,031,333 thousand ordinary shares at par value of NT\$10.

As of December 31, 2023, 30,002 thousand GDRs of WLC were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 300,022 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 27,787,949	\$ 18,864,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net		, ,
assets during actual disposal or acquisition	2,130	2,130
Share of changes in capital surplus of associates	434,243	441,175
Treasury share transactions	2,254,074	2,254,074
Gain on disposal of property, plant and equipment	2,074,231	2,074,231
Others	1,045,560	1,036,392
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries	26,730	
	\$ 33,624,917	\$ 24,672,454

Note: The premium from shares issued in excess of par (share premium from issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's capital surplus and to once a year). The capital surplus arises from changes in capital surplus of associates accounted for using the equity method, employee share options and share warrants may not be used for any purposes.

c. Retained earnings and dividend policy

Under the dividends policy where WLC made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit this requirement is not applicable when the legal reserve has reached the total capital, and then any remaining profit together with prior unappropriated earnings shall be appropriated for special reserve or appropriate reversal of special reserve in accordance with the laws and regulations, and then the balance shall be used by WLC's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. If appropriated earnings are distributed in cash, the cash distribution shall be resolved by WLC's board of directors and reported in the shareholders' meeting. Other than the aforementioned



regulations, the distribution shall be after deducting share of profit of associates accounted for using the equity method and adding cash dividends of associates accounted for using the equity method. WLC shall reserve no lesser than 40% of the balance amount as shareholders' profit after offsetting its loss and tax payments in the previous year, capital reserve, and special reserve adjusted by the accumulated net deduction of other equity. The profits shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals WLC's paid-in capital. The legal reserve may be used to offset any deficits. If WLC has no deficit and the legal reserve has exceeded 25% of WLC's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by WLC.

Refer to Note 29 for the policies on the distribution of employees' compensation and remuneration of directors.

The appropriation of earnings for 2021, which was approved in the shareholders' meeting on May 13, 2022, was as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve Cash dividends	\$ 1,454,522 	\$ - 1.6
	<u>\$ 6,944,655</u>	

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Po	er Share (NT\$)
	2023	2022	2023	2022
Legal reserve Cash dividends	\$ 526,862 4,434,466	\$ 1,974,132 6,716,399	\$ - 1.1	\$ - 1.8
	<u>\$ 4,961,328</u>	\$ 8,690,531		

The above appropriations for cash dividends were approved by WLC's board of directors on February 23, 2024 and February 24, 2024, and the other appropriations for 2022 were approved by the shareholders in the meeting on May 19, 2023. The other appropriations for 2023 are yet to be resolved at the shareholders' meeting scheduled for May 17, 2024.

d. Special reserve

	Decem	December 31	
	2023	2022	
Special reserve	<u>\$ 2,712,250</u>	<u>\$ 2,712,250</u>	

Information regarding the above special reserve did not change for the years ended December 31, 2023 and 2022.

e. Other equity items

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

	For the Year Ended December 31		
	2023	2022	
Balance at January 1 Share from subsidiaries and associates accounted	\$ (4,256,774)	\$ (6,100,687)	
for using the equity method	(690,701)	1,843,913	
Balance at December 31	<u>\$ (4,947,475)</u>	<u>\$ (4,256,774</u>)	

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (the New Taiwan dollar) were recognized directly in other comprehensive income and accumulated in the exchange differences on the translation of the financial statements of foreign operations. Exchange differences previously accumulated in the exchange differences on the translation of the financial statements of foreign operations were reclassified to profit or loss when disposing foreign operation.

2) Unrealized valuation gain (loss) on financial assets at FVOCI

	For the Year Ended December 31			
	2023		2022	
Balance at January 1	\$	6,693,877	\$	11,534,267
Unrealized gain (loss) - equity instruments		6,307,904		(4,067,542)
Share from associates accounted for using the equity method		1,271,548		(696,891)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal		(204,652)		(75,957)
Balance at December 31	\$	14,068,677	<u>\$</u>	6,693,877

3) Loss on hedging instruments

	For the Year Ended December 31		
	2023	2022	
Cash flow hedges			
Balance at January 1 Loss on hedging instruments	\$ (105,801) (40,701)	\$ - (105,801)	
Balance at December 31	<u>\$ (65,100)</u>	<u>\$ (105,801</u>)	



4) Other equity - others

	For the Year Ended December 31		
	2023	2022	
Balance at January 1	\$ (2,774,607)	\$ (91,467)	
Originally recognized equity items arising from the acquisition of subsidiary equity instrument put			
options	-	(2,683,140)	
Other comprehensive loss from associates accounted for using the equity method	(43)		
Balance at December 31	<u>\$ (2,774,650)</u>	<u>\$ (2,774,607)</u>	

28. OPERATING REVENUE

	For the Year Ended December 31		
	2023	2022	
Sales revenue	\$ 184,438,249	\$ 175,754,340	
Sales of real estate	58,663	19,786	
Other revenue	5,342,714	4,626,593	
	<u>\$ 189,839,626</u>	<u>\$ 180,400,719</u>	

29. NET PROFIT FROM CONTINUING OPERATIONS

a. Non-operating income and expense - gain (loss) on disposal of investments

	For the Year Ended December 31			
	2023		2022	
Gain (loss) on disposal of investments - non-iron commodity futures	\$	799,172	\$	(646,558)
(Loss) gain on disposal of investments - foreign exchange forward contracts Gain (loss) on disposal of investment - exchange rate	·	(89,402)		152,471
swap contracts Loss on disposal of investment - future options Gain on disposals of investments - subsidiaries		300,349 (44,205)		(169,573) (25,673) 7,899,376
	\$	965,914	\$	7,210,043



b. Non-operating income and expense - impairment loss reversed (recognized)

	For the Year End	led December 31
	2023	2022
Impairment loss (recognized) reversed on property, plant and equipments Others	\$ (136) 	\$ 155 (242)
	<u>\$ 12,427</u>	<u>\$ (87</u>)

c. Non-operating income and expense - other revenue

The Group sold its subsidiary Borrego Energy, LLC's solar PV and energy storage procurement platform division for NT\$816,840 thousand in 2023, and the gain of disposal was NT\$528,226 thousand. After deducting related operating costs of NT\$406,288 thousand, the total was NT\$121,938 thousand, which was recognized as "other income".

d. Employee benefits expense, depreciation and amortization

	For the Year Ended December 31, 2023			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment				
benefits	\$ 5,273,501	<u>\$ 3,332,057</u>	<u>\$</u>	<u>\$ 8,605,558</u>
Post-employment	Ф 20 <i>4.</i> 417	¢ 120.001	¢.	Ф 415 2 00
benefits Other employee	<u>\$ 294,417</u>	<u>\$ 120,881</u>	<u>\$ -</u>	<u>\$ 415,298</u>
benefits	<u>\$ 975,917</u>	<u>\$ 416,686</u>	<u>\$</u>	<u>\$ 1,392,603</u>
Depreciation Property, plant and				
equipments	\$ 5,535,465	\$ 664,425	\$ 2,676	\$ 6,202,566
Right-of-use assets Investment	195,826	153,595	-	349,421
properties	461,939	2,180		464,119
	\$ 6,193,230	<u>\$ 820,200</u>	<u>\$ 2,676</u>	<u>\$ 7,016,106</u>
Amortization	<u>\$ 1,117,481</u>	<u>\$ 74,685</u>	<u>\$</u>	\$ 1,192,166



	Fo	For the Year Ended December 31, 2022			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total	
Short-term employment benefits	\$ 4,430,500	\$ 2,906,207	\$ <u>-</u>	\$ 7,336,707	
Post-employment benefits Other employee	\$ 222,785	\$ 108,317	<u> </u>	\$ 331,102	
benefits Depreciation	<u>\$ 674,335</u>	<u>\$ 811,982</u>	<u>\$ -</u>	<u>\$ 1,486,317</u>	
Property, plant and equipments Right-of-use assets Investment	\$ 3,458,410 44,479	\$ 431,174 154,709	\$ 2,859	\$ 3,892,443 199,188	
properties	291,837 \$ 3,794,726	2,179 \$ 588,062	\$ 2,859	294,016 \$ 4,385,647	
Amortization	\$ 23,497	\$ 42,158	\$ 2,839 \$ -	\$ 65,655	

e. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the years ended December 31, 2023 and 2022, the employees' compensation amounted to NT\$70,700 thousand and NT\$252,000 thousand, respectively, and the remuneration of directors amounted to NT\$30,000 thousand and NT\$100,050 thousand, respectively. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022 were approved by the Group's board of directors on February 23, 2023 and February 24, 2023, respectively.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the issuance date of the annual consolidated financial statements are adjusted in the year the compensation and remuneration were recognized. If there is a change in the amounts after the issuance date of the annual consolidated financial statements, the differences will be recorded as a change in the accounting estimate in the next year.

The employees' compensation and the remuneration of directors for the years ended December 31, 2022 and 2021 resolved by WLC's board of directors on February 24, 2023 and February 22, 2022, respectively are the same as the amounts recognized in the 2022 and 2021 consolidated financial statements.

Information on the employees' compensation and remuneration of directors resolved by WLC's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.



a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31		
	2023	2022	
Current tax In respect of the current year Unappropriated earnings Adjustments for prior year Land value-added tax	\$ 1,207,290 306,498 (37,860) 2,978 1,478,906	\$ 792,895 321,642 17,976 <u>175,864</u> 1,308,377	
Deferred tax In respect of the current year Adjustments for prior year	24,987 (6,745) 18,242	2,916,207 37,353 2,953,560	
Income tax expense recognized in profit or loss	<u>\$ 1,497,148</u>	\$ 4,261,937	

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31		
	·	2023	2022
Profit before tax from continuing operations	<u>\$</u>	7,438,398	\$ 23,402,013
Income tax expense calculated at the statutory rate	\$	672,957	\$ 4,097,945
Investment income accounted for using equity method		670,843	262,151
Tax-exempt dividend income		(102,248)	(183,234)
Loss on investments		-	(2,630)
Others		(41,708)	(58,684)
Unrecognized loss carryforwards/deductible temporary			
differences		32,433	(406,446)
Adjustments for prior years' tax		(44,605)	55,329
Income tax on unappropriated earnings		306,498	321,642
Land value-added tax		2,978	175,864
Income tax expense recognized in profit or loss	<u>\$</u>	1,497,148	\$ 4,261,937

b. Current tax assets and liabilities

	December 31		
	2023	2022	
Current tax assets			
Tax refund receivable (recorded under other current			
and other non-current assets - others)	<u>\$ 304,113</u>	<u>\$ 397,168</u>	
Current tax liabilities			
Income tax payable	\$ 5,861,143	<u>\$ 6,103,462</u>	



c. Deferred tax assets and liabilities

	December 31		
	2023	2022	
Deferred tax assets			
Loss carryforwards	\$ 1,863,709	\$ 1,001,877	
Pension expense overlimit	14,337	23,000	
Unrealized loss on inventories write-down	124,673	140,047	
Loss on idle capacity	21,234	-	
Impairment loss on idle assets	-	15,000	
Unrealized deferred gross profit	3,290	-	
Unrealized impairment loss on long-term investments	7,000	7,000	
Difference between financial and tax accounting of the			
depreciation of property, plant and equipment	3,539	22,149	
Prepaid expense	1,170,448	1,165,401	
Loss on liquidation of investments	439,000	591,000	
Other	<u>587,622</u>	482,803	
	\$ 4,234,852	\$ 3,448,277	
Deferred tax liabilities			
Difference between financial and tax accounting of the	¢ (66.227)	¢ (01.02 <i>(</i>)	
depreciation of property, plant and equipment Provision for land value-added tax	\$ (66,337)	\$ (81,836)	
	(141,238)	(147,215)	
Unrealized gain on investments Others	(6,049,964)	(5,364,542)	
Others	(330,193)	(189,322)	
	<u>\$ (6,587,732</u>)	<u>\$ (5,782,915)</u>	

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets were as follows:

	December 31			
Loss Carryforwards	2023	2022		
Expiry in 2023	\$ -	98		
Expiry in 2024	3,832	3,898		
Expiry in 2025	3,187	3,439		
Expiry in 2026	5,931	6,032		
Expiry in 2027	24,479	24,897		
Expiry in 2028	6,560	-		
	<u>\$ 43,989</u>	<u>\$ 38,364</u>		



e. As of December 31, 2023, the Group's tax loss carryforwards were as follows:

Expiry Year	Tax Loss Carryforwards
2024	\$ 108,466
2025	16,265
2026	196,360
2027	512,688
2028	708,774
2029	-
2030	-
2031	3,342
2032	11,324
2033	12,234
Indefinite	338,245
	<u>\$ 1,907,698</u>

- f. WLC's income tax returns through 2020, have been assessed by the tax authorities.
- g. Pillar Two income tax legislation

In July and December 2023, the governments of the United Kingdom, Luxembourg, Germany, France, Italy, South Korea and Malaysia, where part of WLC's subsidiaries are registered, enacted the Pillar Two income tax legislation effective on January 1, 2024. Since the Pillar Two income tax legislation was not effective at the reporting date, the Group has no related current tax exposure.

Under the legislation, part of WLC's subsidiaries will be required to pay, in the United Kingdom, Luxembourg, Germany, France, Italy, South Korea and Malaysia, a top-up tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. As of December 31, 2023, no country has yet implemented the Pillar Two income tax legislation, so there may not be a primary jurisdiction for the potential exposure to such income tax. The Group will continue to assess the impact of the Pillar Two income tax legislation on its future financial performance.

31. EARNINGS PER SHARE

		For the Year Ended December 31					
		2023			2022		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	
Basic earnings per share Net income	\$ 5,134,316	3,883,388	<u>\$ 1.32</u>	\$ 19,352,097	3,549,689	\$ 5.45 (Continued)	



		For the Year Ended December 31					
		2023			2022		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	
Effect of potentially dilutive ordinary shares Employees compensation	=	2,500			5,690		
	\$ 5,134,316	3,885,888	<u>\$ 1.32</u>	<u>\$ 19,352,097</u>	3,555,379	<u>\$ 5.44</u> (Concluded)	

32. SHARE-BASED PAYMENT AGREEMENTS

Employee Share Option Plan for Cash Capital Increase

WLC was approved by the Securities and Futures Bureau (FSC) on March 11, 2022 to issue 300,000 thousand shares for cash capital increase. The board of directors resolved to retain 10% of the issued shares for employees' subscription. The number of shares retained for employees' subscription and the subscription price were confirmed on June 27, 2022. WLC recognized the capital surplus of NT\$157,800 thousand on the grant date at the fair value computed based on the Black-Scholes option evaluation model.

a. WLC used the Black-Scholes option evaluation model to calculate the fair value of employee subscriptions for cash capital increase on June 27, 2022. Relevant information is as follows:

Share Price on the Grant Date (In Dollars)	Exercise Price (In Dollars)	Expected Ratio of Stock Price Fluctuation	Expected Duration	Expected Dividend Rate	Risk - Free Interest Rate	Fair Value Per Share (In Dollars)
\$37.45	\$33	52.95%	38 days	0.00%	0.52%	\$5.26

b. In view of the dramatic changes in the capital market environment, in order to maintain the shareholders' rights and ensure the completion of the fundraising, the chairman of the Company, authorized by the board of directors, adjusted the new share issuing price from NT\$33 to NT\$30 on July 21, 2022. In addition, due to the price adjustment, the remuneration cost of the relevant share-based payment agreement increased by NT\$67,200 thousand.

WLC used the Black-Scholes option evaluation model to calculate the fair value of employee as remeasurement cash capital increase subscriptions on July 21, 2022. Relevant information is as follows:

	Expected					
Share Price on	Exercise	Ratio of		Expected	Risk - Free	Fair Value
the Grant Date	Price	Stock Price	Expected	Dividend	Interest	Per Share
(In Dollars)	(In Dollars)	Fluctuation	Duration	Rate	Rate	(In Dollars)
\$34.05	\$30	54.13%	14 days	0.00%	0.72%	\$2.24
\$54.05	\$3U	J 4 .1370	14 days	0.0070	0.7270	φ2.2 4

33. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Degerfors Long Products AB	Manufacture and sale of stainless steel	August 1, 2023	100.00	<u>\$ 182,129</u>
Special Melted Products Ltd.	Manufacture and sale of stainless steel	September 19, 2023	100.00	\$ 5,668,618
PT. Sunny Metal Industry	Manufacture and sale of nickel matte	September 23, 2022	50.10	<u>\$ 6,057,005</u>
MEG S.A.	Manufacture and sale of stainless steel	November 30, 2022	85.03	\$ 6,715,504

To create synergy from the acquired company's products, technologies, market advantages and also for the purpose of expanding the stainless steel and nickel alloy business. Cogne Acciai Speciali S.p.A. acquired 100% of the shares of Degerfors Long Products AB and Special Melted Products Ltd. at a consideration of NT\$182,129 thousand and NT\$5,668,618 thousand on August 1, 2023, and September 19, 2023, respectively.

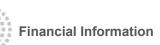
To deploy new energy industry, the Group acquired PT. Sunny Metal Industry and increased its investment in Matte and Nickel Pig Iron to increase production capacity.

To combine the acquired company's products, technologies and market advantages and expand its stainless steel business, the Group acquired 85.03% of the shares of MEG S.A. at a consideration of \$6,497,972 thousand on November 30, 2022 and held 82.32% of the shares of Cogne Acciai Speciali S.p.A. through MEG S.A. The Group finally held 70% of the shares of Cogne Acciai Speciali S.p.A.

b. Consideration transferred

	U	erfors Long oducts AB	_	ecial Melted oducts Ltd.	T. Sunny al Industry	N	TEG S.A.
Cash Contingent consideration arrangement	\$	182,129	\$	5,668,618	\$ 6,057,005	\$	6,497,972
(Note 1) Issue option		-		-	-		355,089
(Note 2)		<u>-</u>		<u>-</u>	 <u>-</u>		(137,557)
	\$	182,129	\$	5,668,618	\$ 6,057,005	\$	6,715,504

1) According to the agreement of acquisition, the Group is required to pay additional EUR15,000 thousand if MEG S.A.'s earnings before interest, tax, depreciation and amortization from the settlement date to 2025 exceed EUR180,000 thousand. Based on the results of the financial forecast, the management of the Group believes that it is probable to make this payment. The fair value of this obligation at the date of acquisition was



estimated at \$355,089 thousand.

- 2) According to the agreement of acquisition, the Group has the right to acquire the remaining equity interest from the minority shareholders for a period of 6.5 to 7 years from the settlement date. The fair value of this option at the acquisition date was estimated to be \$137,557 thousand.
- c. Assets acquired and liabilities assumed at the date of acquisition

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Current assets				
Cash and cash				
equivalents	\$ -	\$ 34,513	\$ 103,771	\$ 1,373,797
Financial asset at fair				
value through profit -				
current	-	-	-	10,456
Hedging derivative				
financial assets -				
current			-	175,136
Financial assets at				
amortised cost -				
current	-	-	-	2,153
Net trade receivables	810,467	1,020,964	-	6,455,973
Other receivables	56,466	104,651	4,904	-
Inventories	837,726	644,700	29,021	9,550,240
Other current assets	106,641	72,961	1,603,712	648,923
Non-current assets				
Financial asset at fair				
value through profit -				51.2 00
non-current	-	-	-	71,200
Property, plant and	545 210	1 250 005	7.052.727	4 6 40 070
equipment	545,318	1,358,095	7,853,727	4,640,072
Right-of-use assets	4,254	49,568	0.126.125	933,182
Other intangible assets	-	18,820	9,126,125	85,076
Deferred tax assets Other non-current assets	58	290.560	-	137,536
Current liabilities	38	380,560	-	15,494
		(1,003,296)	(587,375)	(1,420,750)
Short-term borrowings Financial liabilities at	-	(1,003,290)	(367,373)	(1,420,730)
fair value through				
profit - current	_	_	_	(4,909)
Hedging derivative	_	_	_	(4,707)
financial liabilities -				
current	_	_	_	(42,710)
Trade payables	(442,193)	(565,658)	(232,779)	(5,244,797)
Other payables	(39,918)	-	(5,610,735)	(3,885)
Current tax liabilities	-	_	-	(617,198)
Lease liabilities -				()
current	(2,586)	(49,493)	-	(137,417)
Other current liabilities	(458,751)	(298,338)	(2,480)	(1,761,848)
				(Continued)

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Non-current liabilities				
Bonds payable	-	_	-	(285,159)
Long-term payable	-	-	-	(3,347,986)
Deferred tax liabilities	(57,607)	-	(118,866)	(112,229)
Lease liabilities -				
non-current	(1,681)	-	-	(710,774)
Defined benefit				
liabilities	-	-	-	(118,977)
Other non-current				
liabilities	-			<u>(14,515</u>)
	<u>\$ 1,358,194</u>	\$ 1,768,047	\$ 12,169,025	\$10,276,084 (Concluded)

The initial accounting for the acquisition of Degerfors Long Products AB and Special Melted Products Ltd. as of the balance sheet date was only provisionally determined. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized. The amounts may change when the purchase price allocation report is issued.

The purchase price allocation reports of PT. Sunny Metal Industry and MEG S.A. have been finalized before the date of issuance of these consolidated financial statements and therefore adjusted to the fair value as the tax value of the Company.

(Gain on bargain purchase) goodwill recognized on acquisitions.

	Degerfors L Products A		ecial Melted roducts Ltd.	PT. Sunny Metal Industry	MEG S.A.
Consideration transferred Plus:	\$ 182,1	129 \$	5,668,618	\$ 6,057,005	\$ 6,715,504
Non-controllin g interests Less: Carrying		-	-	6,072,344	3,082,995
value of identifiable net assets acquired Effects foreign currency	(1,358,1	194)	(1,768,047)	(12,169,025)	(10,276,084)
exchange difference	7,3	<u> </u>	1	334,854	138,059
(Gain from bargain purchase) goodwill recognized on acquisitions	<u>\$ (1,168,6</u>	586) <u>\$</u>	3,900,572	\$ 295,178	\$ (339,52 <u>6</u>)



The total amount of acquired goodwill is not tax-deductible, and the acquired gain from bargain purchases is recognized as other income.

The non-controlling interests of PT. Sunny Metal Industry, NT\$6,072,344 thousand, are measured by reference to the fair value of the non-controlling interest. The fair value is based on the proportion of the assets acquired and liabilities assumed at the date of acquisition.

The non-controlling interests of MEG S.A., NT\$3,082,995 thousand, are measured by reference to the fair value of the non-controlling interest. The fair value is based on the proportion of the assets acquired and liabilities assumed at the date of acquisition.

e. Net cash outflow on the acquisition of subsidiaries

	U	erfors Long oducts AB	•	ecial Melted oducts Ltd.		T. Sunny tal Industry	N	MEG S.A.
Consideration paid in cash Less: Cash and cash equivalent balance	\$	182,129	\$	5,668,618	\$	6,057,005	\$	6,497,972
acquired		<u> </u>		(34,513)	_	(103,771)		(1,373,797)
	<u>\$</u>	182,129	\$	5,634,105	\$	5,953,234	\$	5,124,175

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, were as follows:

	Products AB 2023.08.01- 2023.12.31	Products Ltd. 2023.09.19- 2023.12.31	PT. Sunny Metal Industry 2022.09.23- 2022.12.31	MEG S.A. 2022.11.30- 2022.12.31
Operating				
revenue	<u>\$ 1,647,068</u>	<u>\$ 1,147,085</u>	<u>\$</u>	\$ 1,626,172
Net profit (loss)	<u>\$ 194,352</u>	<u>\$ 327,113</u>	<u>\$ (14,280)</u>	<u>\$ (273,406)</u>

Had Degerfors Long Products AB and Special Melted Products Ltd. concluded the acquisitions at the beginning of 2023, the Group's revenue and profit for the years ended December 31, 2023 would have been NT\$196,466,052 thousand and NT\$6,059,573 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2023, nor is it intended to be a projection of future results.

Had PT. Sunny Metal Industry and MEG S.A. concluded the acquisition at the beginning of 2022, the Group's revenue and profit for the years ended December 31, 2022 would have been NT\$210,605,160 thousand and NT\$20,786,576 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the



acquisition been completed at the beginning of the acquisition year 2022, nor is it intended to be a projection of future results.

34. DISPOSAL OF SUBSIDIARIES

The Group entered into a sale agreement with ECP (third party) to dispose of its subsidiary New Leaf Energy, Inc. (original name of the announcement: 2022 Solar Development, Inc.) and completed the transaction on July 28, 2022. (United States local time July 27, 2022)

a. Consideration received from disposals

	Amount
Consideration received in cash and cash equivalents Contingent consideration (Note)	\$ 10,029,371 2,195,677
Total consideration received	\$ 12,225,048

Note: In accordance with the agreement of contingent consideration, the acquirer shall respectively pay additional payments when the gross profit of Target Company during the period starting from the settlement date to December 31, 2023 and the gross profit in the year of 2024 meet the amount agreed upon by Target Company. The fair value of this obligation on acquisition date is estimated to be NT\$2,195,677 thousand.

b. Analysis of assets and liabilities on the date control was lost:

Analysis of assets and habilities of the date control was lost.	
	Amount
Current assets	
Cash and cash equivalents	\$ 22,836
Contract assets	3,356,257
Other current assets	59,784
Tax assets	48,384
Non-current assets	
Deferred tax assets	274,265
Goodwill	157,359
Total assets	\$ 3,918,885
Current liabilities	
Notes payable and trade payables	\$ (150,190)
Other payables	(313,081)
Total current liabilities	(463,271)
Net assets disposed of	\$ 3,455,614
Gain on disposal of subsidiaries	

c.

	Amount
Consideration received	\$ 10,029,371
Contingent consideration	2,195,677
Net assets disposed of	(3,455,614)
•	(Continued)

A mount



Costs of disposal	(217,679)
Non-controlling interests	905,234
Exchange difference	35,417
Employee compensation costs - disposal related	(1,039,328)
Gain on disposals	\$ 8,453,078 (Concluded)

The above gain on disposal of equity, which is NT\$8,453,078 thousand, deduced the loss due to the reduction of operation after disposal, which is NT\$553,702 thousand and the remaining amount of NT\$7,899,376 thousand was recognized under "gain on disposal of investments" in 2022.

d. Net cash inflow on disposals of subsidiaries

	Amount
Consideration received in cash and cash equivalents	\$ 10,029,371
Less: Cash and cash equivalent balances disposed of	(22,519)
Net cash inflow on disposals of subsidiaries	10,006,852
Less: Employee compensation costs and costs of disposal	(764,276)
Net cash inflow on disposals of subsidiaries	<u>\$ 9,242,576</u>

The above share transaction was completed on July 28, 2022. (United States local time July 27, 2022)

35. OPERATING LEASE ARRANGEMENTS

Operating leases are related to the investment properties owned by the Group with lease terms between 5 and 10 years, with an option to extend for another 10 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to renew. The lessees do not have bargain purchase options to acquire the properties at the expiry of the lease periods.

As of December 31, 2023 and 2022, deposits received under operating leases amounted to NT\$361,813 thousand and NT\$339,128 thousand, respectively (recorded under other non-current liabilities).

As of December 31, 2023, the Group's future minimum lease receivables on non-cancelable operating lease commitments are as follows:

	Amount
2024 2025-2028	\$ 1,321,205 2,494,094
After 2029	247,232 \$ 4,062,531
	<u>\$ 4,002,331</u>



36. CAPITAL MANAGEMENT

The Group's capital management objective is to ensure that it has the necessary financial resources and operational plan so that it can cope with the next 12 months working capital requirements, capital expenditures, debt repayments and dividends spending.

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

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel, consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

37. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except the following assets and liabilities, the management considers that the carrying amounts of financial assets and financial liabilities not recognized at fair value approximate to their fair values.

December 31, 2023

	Carrying	Fair Value						
	Amount	Level 1	Level 2	Level 3	Total			
Financial assets								
Financial assets at amortized cost Corporate bonds Mutual funds Government bonds	\$ 15 712 	\$ - - -	\$ - 	\$ 15 712 	\$ 15 712 184,046			
Financial liabilities	<u>\$ 185,340</u>	<u>s -</u>	<u>\$ 184,046</u>	<u>\$ 727</u>	<u>\$ 184,773</u>			
Financial liabilities at amortized cost Bonds payable	<u>\$ 13,053,345</u>	<u>\$</u>	<u>\$ 12,656,839</u>	<u>\$ -</u>	<u>\$ 12,656,839</u>			



December 31, 2022

	Carrying				
	Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost Corporate bonds Mutual funds Government bonds	\$ 588 1,614 189,242	\$ - - -	\$ - - 179,709	\$ 588 1,614 	\$ 588 1,614 179,709
	<u>\$ 191,444</u>	\$ -	<u>\$ 179,709</u>	\$ 2,202	<u>\$ 181,911</u>
Financial liabilities					
Financial liabilities at amortized cost Bonds payable	<u>\$ 7,841,115</u>	<u>\$</u>	<u>\$ 7,484,393</u>	<u>\$</u>	<u>\$ 7,484,393</u>

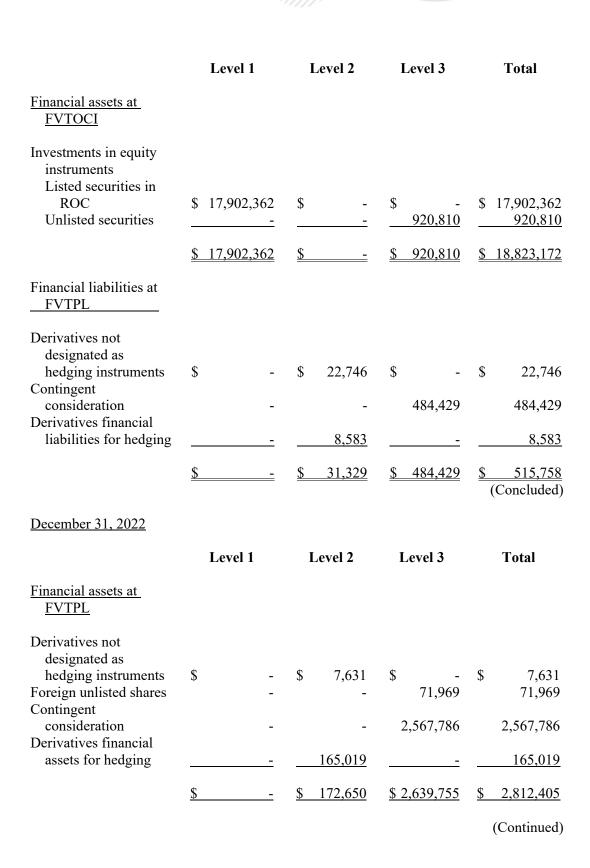
The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis. The observable inputs included bond duration, bond interest rates and credit rating. The significant unobservable input used in Level 3 is the discount rate that reflects the credit risk of counterparties.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

]	Level 1		Level 2		Level 3		Total	
Financial assets at FVTPL									
Derivatives not designated as hedging instruments Foreign unlisted shares	\$	68,624 -	\$	10,142	\$	- 79,541	\$	78,766 79,541	
Contingent consideration		-		_	2	,614,285		2,614,285	
Derivatives financial assets for hedging		_		53,439		<u>-</u>		53,439	
	<u>\$</u>	68,624	<u>\$</u>	63,581	<u>\$ 2</u>	,693,826	\$	2,826,031	
							((Continued)	



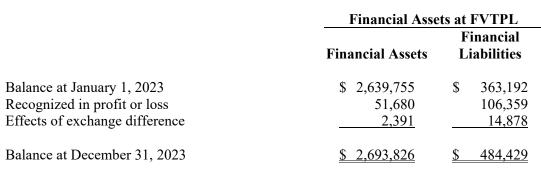


	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments Listed securities in				
ROC Unlisted securities	\$ 11,717,477 	\$ - -	\$ - 624,755	\$ 11,717,477 624,755
	<u>\$ 11,717,477</u>	<u>\$</u>	<u>\$ 624,755</u>	<u>\$ 12,342,232</u>
Financial liabilities at FVTPL				
Derivatives not designated as				
hedging instruments Contingent	\$ 21,189	\$ 43,583	\$ -	\$ 64,772
consideration Derivatives financial	-	-	363,192	363,192
liabilities for hedging		222,272		222,272
	<u>\$ 21,189</u>	<u>\$ 265,855</u>	\$ 363,192	\$ 650,236 (Concluded)

- 2) There were no transfers between Levels 1, 2 and 3 for the years ended December 31, 2023 and 2022.
- 3) Reconciliation of Level 3 fair value measurements of financial instruments.

For the year ended December 31, 2023

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2023 Additions Recognized in other comprehensive income	\$ 624,755 150,000 147,006
Effects of exchange rate changes	<u>(951)</u>
Balance at December 31, 2023	\$ 920,810



For the year ended December 31, 2022

	Financial Assets at FVTOCI
Financial Assets	Equity Instruments
Balance at January 1, 2022 Additions Capital reduction and refund Recognized in other comprehensive loss	\$ 663,502 120,000 (335) (159,580)
Effects of exchange difference Balance at December 31, 2022	1,168 \$ 624,755

	Financial Assets at FVTPL					
	Financial Assets	Financial Liabilities				
Balance at January 1, 2022 Additions Recognized in profit or loss Effects of exchange difference	\$ - 2,267,373 372,109 273	\$ - 355,089 - 8,103				
Balance at December 31, 2022	\$ 2,639,755	\$ 363,192				

4) Valuation technique and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates and discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - exchange rate swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates and discounted at a rate that reflects the credit risk of various counterparties.

(Continued)



Financial Instruments	Valuation Technique and Inputs
Derivatives - interest rate contracts	Discounted cash flow. Future cash flows are estimated based on observable floating rates at the end of the reporting period and fixed interest rates under contracts.
Derivatives - option	Black-Scholes Model. The significant unobservable input value is the market price volatility of the commodity.
Derivatives - gas swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward gas prices at the end of the reporting period and fixed gas prices under contract.
Derivatives - electricity swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward electricity prices at the end of the reporting period and fixed power prices under contract. (Concluded)

5) Valuation technique and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Technique and Inputs
Unlisted equity securities	Market approach. Fair values are determined based on observable and comparable companies' fair values at the end of the reporting period, adjusted by price earnings ratio and price-to-book ratio of the investees.
	Net asset method. Fair values are determined based on the book value of companies.
	Discounted cash flow. Present values are determined based on future cash flows discounted at market yield.
Contingent consideration	The estimated fair value is discounted according to the probability of reaching the agreed conditions and based on the credit risk discount rate and other information.

c. Categories of financial instruments

	December 31			31
		2023	2022	
Financial assets				
Financial assets at amortized cost Cash and cash equivalents Contract assets - current	\$	16,347,012 996,025	\$	19,438,759 3,022,237
Notes receivable and trade receivables (including related parties)	-	15,912,283		21,832,312 (Continued)

	December 31		
	2023	2022	
Finance lease receivables (current and non-current)	602,523	662,543	
Other receivables	3,707,450	3,857,091	
Other financial assets	788,894	505,340	
Refundable deposits	158,940	288,948	
Financial assets at amortized cost - (current and			
non-current)	185,340	191,444	
Derivative financial assets for hedging (current and			
non-current)	399,880	165,019	
Financial assets at FVTPL (current and non-current)	2,772,592	2,647,386	
Financial assets at FVTOCI (current and non-current)	18,823,172	12,342,232	
<u>Financial liabilities</u> Financial liabilities at FVTPL (current and non-current)	\$ 507,175	\$ 427,964	
Derivative financial liabilities for hedging (current and	\$ 307,173	\$ 427,904	
non-current)	8,583	222,272	
Financial liabilities at amortized cost			
Short-term borrowings	11,508,074	17,120,571	
Contract liabilities	13,828	6,014	
Notes payable and trade payables	16,708,534	18,088,851	
Other payables	12,069,796	15,315,705	
Bonds payable	13,053,345	7,841,115	
Long-term borrowings (including current portion)	33,463,012	41,929,909	
Long-term notes and bills payable	2,998,822	1,497,914	
Deposits received (recorded under other current and			
non-current liabilities)	421,207	385,210	
		(Concluded)	

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and investments, borrowings, trade receivables, and trade payables. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provides written principles on foreign exchange risk, interest rate risk and credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments for speculative purposes.

1) Market risk

The Group's activities exposed is primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into foreign exchange



forward contracts and interest rate swaps contracts to hedge foreign currency risk and interest rate risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

It is the Group's policy to make the terms of the derivatives instruments match the terms of the hedged items and to maximize the hedge effectiveness.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 42.

The carrying amounts of the Group's derivatives exposed to foreign currency risk at the end of the reporting period were as follows:

	December 31			
	2023	2022		
Assets				
U.S. dollar Euro	\$ 4,421,152 359,254	\$ 3,798,744 1,432,653		
Liabilities				
U.S. dollar Euro	7,384,553 1,384,234	2,381,338 310,405		

Sensitivity analysis

The Group is mainly exposed to the U.S. dollars.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e. functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates.

	U.S. Dolla	r Impact	
	For the Year End	led December 31	
	2023	2022	
Profit or loss	\$ (7,987)	\$ (7,848)	



Profit or loss \$ (4,896) \$ 23,330

Hedge accounting

The Group's hedging strategy is to enter into foreign exchange forward contracts and foreign-currency deposits to avoid the exposure of its foreign currency receipts and payments and to the exchange rate and the procurement of significant capital expenditures in foreign currency. Those transactions are designated as cash flow hedges. When forecast purchases actually take place, basis adjustments are made to the initial carrying amounts of non-financial hedged items when the anticipated purchases take place.

December 31, 2023

Hedging Instrument/	Notional	Line Item in	Carrying Amount				
Hedged Items	Amount	Balance Sheet	Asset	Liability			
Cash flow hedges							
Foreign exchange forward contracts/Forecast purchases	NT\$727,420/ EUR21,666	Financial liability for hedging	\$ -	\$ 4,966			
Hedging foreign-currency deposits/Forecast purchases	EUR10,195	Financial assets for hedging	346,441	-			
	Change in Fair Value of Hedging Instruments Used for Calculating	Change in Fair Value of Hedged Items Used for Calculating	Ralance in	Other Equity			
Hedging Instrument/ Hedge Hedged Items Ineffectiveness		Hedge Ineffectiveness	Continuing Hedges	Hedge Accounting No Longer Applied			
Cash flow hedges							
Foreign exchange forward contracts/Anticipated equipment purchase payment	\$ (4,966)	\$ 4,966	\$ (4,966)	\$ -			
Hedging foreign-currency deposits/Anticipated equipment purchase payment	3,655	(3,655)	3,655	-			

For the year ended December 31, 2023

						Amount Reclassified to P/L and Adjusted Line Item				
Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amou Hed Ineffect Recogn Profit o	lge iveness ized in	Line Item in Which Hedge Ineffectiveness is Included		Due to l Item At P/	ffecting	Due to I Future Flow Lon Expec	e Cash s No ger ted to	
Cash flow hedges Anticipated equipment purchase payment	\$ (1,311)	\$	-	\$	-	\$	-	\$	-	



The key terms of forward foreign exchange contracts outstanding as of the balance sheet date, which have not yet matured, are as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2023</u>			
Foreign exchange forward contracts	EUR/NTD	2024.07.31-202 6.02.26	EUR21,666/NTD727,420

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31		
	2023	2022	
Fair value interest rate risk			
Financial assets	\$ 184,613	\$ 189,242	
Financial liabilities	13,053,345	7,841,115	
Cash flow interest rate risk			
Financial assets	727	2,202	
Financial liabilities	50,598,580	65,924,130	

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for financial instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year.

If interest rates had been 1% basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by NT\$506,015 thousand and NT\$660,201 thousand, respectively.

Hedge accounting

The Group entered into interest rate swap contracts to mitigate the risk of changes in interest rates on cash flow exposure related to its outstanding variable rate debt. Interest rate swaps are settled on a contract basis. The floating rate on interest rate swaps is Euro Interbank Offered Rate (Euribor). The Group will settle the difference between the fixed and floating interest rates on a net basis.

The following tables summarize the information relating to the hedges for interest rate risk.



Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	A	Carrying sset	Amount Liabil	ity	Chan Value U Calcu Hec Ineffect	sed for lating lge
Cash flow hedges												
Interest rate swap	EUR	\$ 104,643	2024.12.30- 2030.12.18	-0.255%-3.803%	Note	Financial assets	\$	1,573	\$	-	\$	-

For the year ended December 31, 2022

Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	A	Carrying sset	Amount Liabili	ity	Chan Value U Calcul Hec Ineffect	lating Ige
Cash flow hedges												
Interest rate swap contracts	EUR	\$ 95,177	2023.05.31- 2030.12.18	-0.255%-3.120%	Note	Financial assets for hedging	\$	5,043	s	-	\$	-

Note: It is the three months interest rate of Euro Interbank Offered Rate (Euribor) on the second business day before the issuance date.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the condensed balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst the approved counterparties. Credit exposure is controlled by setting credit limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk was significantly reduced.



3) Liquidity risk

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

a) The following table details the Group's expected maturities for its non-derivative financial liabilities with agreed upon repayment periods.

<u>December 31, 2023</u>

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative <u>financial liabilities</u>					
Variable interest rate liabilities Lease liabilities Fixed interest rate	\$ 15,675,226 303,890	\$ 4,932,019 317,576	\$ 27,212,466 552,859	\$ 2,778,869 2,334,493	\$ 50,598,580 3,508,818
liabilities	101,940	101,940	10,549,465	2,300,000	13,053,345
Non-interest bearing liabilities	26,378,229	61,207	2,744,790	26,885	29,211,111
	\$ 42,459,285	\$ 5,412,742	\$ 41,059,580	<u>\$ 7,440,247</u>	<u>\$ 96,371,854</u>
December 31, 20	22				
	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Variable interest rate liabilities Lease liabilities	\$ 23,605,356 254,655	\$ 13,379,779 454,115	\$ 28,258,134 617,027	\$ 680,861 1,939,529	\$ 65,924,130 3,265,326
Fixed interest rate liabilities	98,160	98,160	7,644,795	-	7,841,115
Non-interest bearing liabilities	28,275,365	75,051	59,111	2,546,847	30,956,374
	\$ 52,233,536	<u>\$ 14,007,105</u>	<u>\$ 36,579,067</u>	<u>\$ 5,167,237</u>	<u>\$ 107,986,945</u>

b) The Group's expected maturities for its derivative financial instruments with agreed upon settlement dates were as follows:

December 31, 2023

	On Demand or Less Than		3 Months to			
	1 Month	1-3 Months	1 Year	1-5 Years	5+ Years	Total
Net settled						
Commodity futures contracts	\$ 27,368	\$ 34,910	\$ 6,346	\$ -	\$ -	\$ 68,624
Foreign exchange forward contracts	(13,465)	(2,631)	(2,207)	(2,705)	-	(21,008)
Exchange rate swap contracts	4,468	(11,173)	-	-	-	(6,705)
Interest rate swap contracts	-	-	-	48,415	5,024	53,439
Gas swap contracts	(1,100)	(1,171)	-	-	-	(2,271)
Electricity swap contracts	(216)	(378)	(751)	_	-	(1,345)
Futures options	_	10,142				10,142
	<u>\$ 17,055</u>	\$ 29,699	\$ 3,388	\$ 45,710	\$ 5,024	\$ 100,876



December 31, 2022

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Net settled						
Commodity futures contracts Foreign exchange forward contracts Exchange rate swap contracts Interest rate swap contracts Gas swap contracts Futures options	\$ (44,810) (26,741) (22,113) - (74,893)	\$ 15,096 6,844 2 (122,352) 7,629	\$ 8,525 (1,573) - 20,615 (25,027)	\$ - - 116,738 - -	\$ - - 27,666 -	\$ (21,189) (21,470) (22,113) 165,021 (222,272) 7,629
	<u>\$ (168,557)</u>	<u>\$ (92,781</u>)	\$ 2,540	\$ 116,738	\$ 27,666	<u>\$ (114,394</u>)

e. Transfers of financial assets

1) Transfers of financial assets with recourse

The Group discounted trade receivables with an aggregate carrying amount of \$364,741 thousand, to banks during 2023. According to the contract, if the trade receivables are not recoverable at maturity, the banks have the right to require that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the trade receivables, the Group continues to recognize the full carrying amounts of the trade receivables and treats the trade receivables that have been transferred to banks as collateral for borrowings. Refer to Note 23.

As of December 31, 2023, the carrying amount of these trade receivables that have been transferred but not derecognized was 67,382 thousand, and the carrying amount of the related liabilities was \$17,408 thousand.

2) Transfers of financial assets without recourse

The relevant information of the Group's sales of trade receivables were as follows:

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
<u>December 31, 2023</u>					
CTBC bank	<u>\$ 144,250</u>	<u>\$ 20,318</u>	<u>US\$ 2,700</u>	<u>\$</u> -	-
<u>December 31, 2022</u>					
CTBC bank	<u>\$ 151,902</u>	<u>\$ 18,449</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-

38. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of WLC, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as below:



a. Related party name and category

Related Party Name	Related Party Category
Winbond Electronics Corp.	Associate
Walsin Technology Corp.	Associate
Walton Advanced Engineering, Inc.	Associate
Chin-Xin Investment Co., Ltd.	Associate
Changzhou China Steel Precision Materials Co., Ltd.	Associate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate
Tsai Yi Corporation	Associate
Nuvoton Technology Corporation	Associate
Prosperity Dielectrics Co., Ltd.	Associate
PT. Westrong Metal Industry	Associate
Innovation West Mantewe Pte. Ltd.	Associate
HannStar Display Corp.	Substantive related party
Kuang Tai Metal Industrial Co., Ltd.	Substantive related party
HannStar Board Tech. (Jiangyin) Corp	Substantive related party
HannStar Board Corp.	Substantive related party
Global Brands Manufacture Ltd.	Substantive related party
Info-Tek Corp.	Substantive related party
Hwa Bao Botanic Conservation Corp.	Substantive related party
HannsTouch Holdings Company	Substantive related party
TCC Energy Storage Technology Corporation	Substantive related party
Trefilados Inoxidables de Mexico, S.A. De C.V.	Substantive related party
Ferriere di Stabio SA	Substantive related party
Novametal SA	Substantive related party
Novametal do Brasil LTDA	Substantive related party
Wire Products Stainless Steel PTY Ltd	Substantive related party
T.D.V. Trefileries des Vosges SA	Substantive related party
Novametal Europe Srl	Substantive related party
Novametal USA	Substantive related party
Dongguan Novametal Wire Co., LTD	Substantive related party

b. Sales

	For the Year I	Ended December 31
	2023	2022
Associates	\$ 635,432	\$ 22,653
Other related parties	4,997,847	1,452,637
	\$ 5,633,279	\$ 1,475,290





c. Rental income

	For t	For the Year Ended December 31				
		2023		2022		
Associates Other related parties	\$	48,748 1,135	\$	48,329 1,135		
	<u>\$</u>	49,883	<u>\$</u>	49,464		

d. Purchases of goods

	For t	For the Year Ended December 31			
		2023		2022	
Associates Other related parties	\$	8,479 338,496	\$	58,289 4,308	
	\$	346,975	\$	62,597	

e. Administrative expenses

	For t	For the Year Ended December 31				
		2023		2022		
Associates Other related parties	\$	15,511 15,756	\$	15,053 13,630		
	<u>\$</u>	31,267	\$	28,683		

The share registration matters of WLC and related parties were handled together. The related fees allocated to the related parties were charged against general and administrative expenses.

f. Dividend income

g.

	For the Year Ended December		
	2023	2022	
HannStar Board Corp.	\$ 153,009	\$ 140,259	
HannStar Display Corp.	· -	298,293	
Other related parties	5,779	7,705	
	<u>\$ 158,788</u>	<u>\$ 446,257</u>	
. Notes receivable			
	Dece	mber 31	
	2023	2022	
Associates	<u>\$ 2,892</u>	<u>\$ 9,332</u>	



h. Trade receivables

		December 31		
		2023	2022	
	Associates Other related parties	\$ 111,941 <u>497,188</u>	\$ 2,481 42,651	
		\$ 609,129	\$ 45,132	
i.	Notes payable			
		December 31		
		2023	2022	
	Associates	<u>\$</u>	<u>\$ 16,553</u>	
j.	Trade payables			
			iber 31	
		2023	2022	
	Associates Other related parties	\$ - 1,161	\$ 225 504	
		<u>\$ 1,161</u>	<u>\$ 729</u>	

k. Other receivables (excluding financing provided)

	December 31			
		2023		2022
Associates Other related parties	\$	16,089 3,698	\$	13,056 3,062
	<u>\$</u>	19,787	<u>\$</u>	16,118

1. Financing provided

Financing provided for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31, 2023			
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power				
Cable & Wire Co., Ltd.	\$ 361,396	\$ 346,819	\$ 15,579	4.35%
PT. Westrong Metal Industry	\$ 6,458,450	\$ -	\$ 168,250	7.75%-7.99%
Innovation West Mantewe				
Pte. Ltd.	\$ 664,713	\$ 147,384	\$ 1,992	7.99%



	For the Year Ended December 31, 2022			
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd. PT. Westrong Metal Industry	\$ 360,721 \$ 2,780,100	\$ 352,747 \$ 1,228,400	\$ 15,563 \$ 463	4.35% 6.79%

m. Guarantee deposits

	December 31			
		2023	2	2022
Associates Other related parties	\$	7,362 282	\$	7,362 282
	<u>\$</u>	7,644	<u>\$</u>	7,644

n. Disposal of property, plant and equipment

	For the Year Ended December 31			
		2023		022
	Price	Gain on Disposals	Price	Gain on Disposals
Hwa Bao Botanic Conservation Corp.	<u>\$</u>	<u>\$</u>	<u>\$ 128,800</u>	<u>\$ 78,443</u>

The above transaction prices were determined with reference to the transaction prices of similar real estate in the vicinity and professional valuation reports.

o. Remuneration of key management personnel

The remunerations of directors and key executives were as follows:

	December 31			
	202	3		2022
Short-term employee benefits Post-employment benefits		7,274 1,301	\$	265,970 1,299
	<u>\$ 138</u>	3 <u>,575</u>	\$	267,269

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.



39. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for bank borrowings, tariff guarantee for imported raw material and the deposits for completing constructions and futures:

	December 31			1
		2023		2022
Refundable deposits (recorded under other financial assets				
- current)	\$	2,348	\$	303,146
Restricted deposits (recorded under other financial assets -				
current)		106,946		202,194
Pledged time deposits (recorded under other financial				
assets - other)		1,427		1,439
Restricted deposits (recorded under other financial assets -				
other)		10,838		11,023
Finance lease receivables		62,067		60,020
Long-term finance lease receivables		540,456		602,523
Refundable deposits		62,080		51,986
Discounted notes receivable		-		1,554,013
Trade receivables		67,382		-
Property, plant and equipment		77,290		79,052
	\$	930,834	<u>\$</u>	<u>2,865,396</u>

40. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at December 31, 2023 and 2022 were as follows:

Outstanding letters of credit not reflected in the consolidated financial statements as of December 31, 2023 and 2022 were as follows (in thousands):

	December 31			
	2023	2022		
U.S. dollar	US\$ 9,130	US\$ 3,186		
Japanese yen	JPY 107,111	JPY 54,144		
Euro	EUR 12,626	EUR 34,490		
Renminbi	RMB 2,189	RMB 2,189		
New Taiwan dollar	NT\$ 43,944	NT\$ 20,939		

b. Outstanding standby letters of credit and bid bonds of contingent liabilities not reflected in the consolidated financial statements were as follows (in thousands):

	December 31			
	2023	2022		
New Taiwan dollar	NT\$ 846,165	NT\$ 841,035		
U.S. dollar	US\$ 30	US\$ 30		
Renminbi	RMB 47,586	RMB 16,884		



c. Based on tariff and relevant regulations, the Group issue tariff letters of credit to import goods and to meet the needs of post-release duty payment. The amount of tariff letters of credit were as follows:

	Decem	December 31		
	2023	2022		
New Taiwan dollar	NT\$ 458,000	NT\$ 496,000		

d. Non-cancelable raw material procurement contracts were as follows:

	December 31			
	2023	2022		
U.S. dollar Renminbi	US\$ 27,839 RMB 133,299	US\$ 43,926 RMB 85,530		

e. The Group entered into a contract for the construction of new plants on the Group's own land, the purchase of machinery and equipment, and technique licensing and authorization agreements. The amount of the unrecognized commitments was as follows:

	Decem	iber 31
	2023	2022
New Taiwan dollar	NT\$ 5,844,284	NT\$ 2,237,159
U.S. dollar	US\$ 33,842	US\$ 72,295
Renminbi	RMB 780,991	RMB 780,815
Euro	EUR 171,579	EUR 70,927
Japanese yen	JPY -	JPY 11,680
Indonesian rupiah	IDR 87,029,254	IDR 89,743,621

41. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In August 2023, the board of directors of WLC resolved to acquire 75% of the shares of Berg Holding Limited at a consideration of US\$118,500 thousand. This transaction caused the Group to increase its shareholding percentage in the subsidiary PT. Sunny Metal Industry from 50.10% to 79.61%. The Group completed the transaction in January 2024. According to IFRS 3 "Business Combination", it was determined not a business and should be accounted for as an acquisition of assets.

In August 2023, the board of directors of WLC resolved to dispose of the entire 29.5% shares of the associate PT. Westrong Metal Industry for a consideration of US\$146,000 thousand, and the transaction was completed in January 2024.

On January and February 2024, the board of directors of WLC resolved to acquire 65% shares of Com.Steel Inox S.p.A. and 100% shares of Mannesmann Stainless Tubes GmbH for a consideration of no more than 28,000 thousand Euros and no more than 135,000 thousand Euros, respectively. As of the issuance date of the consolidated financial report, the transactions have not been completed.



42. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN **CURRENCIES**

The Group's significant financial assets and liabilities dominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
U.S. dollar	\$ 226,235	30.7050	\$ 6,946,546
Japanese yen	635,549		138,041
Euro	16,337		555,131
Singapore dollar	2,675		62,301
Renminbi	2,773	4.33524	12,022
Indonesian rupiah	1,439,843,510		2,850,890
Korean won	983,701	0.02391	23,520
Non-monetary items	20.447	20.705	1 211 220
U.S. dollar	39,447		1,211,220
Renminbi	6,461	4.33524	28,010
Financial liabilities			
Monetary items			
U.S. dollar	155,735	30.705	4,781,843
Renminbi	334,843	4.33524	1,451,625
Indonesian rupiah	257,409,522	0.00198	509,671
Non-monetary items		*********	2 4 2 , 4
U.S. dollar	1,450	30.705	44,522
December 31, 2022	,		
	Foreign		Carrying
	Currency	Exchange Rate	Amount
Financial assets			
Monetary items			
U.S. dollar	\$ 575,500	30.7100	\$ 17,673,605
Japanese yen	236,526		54,969
Euro	37,125		1,214,730
Hong Kong dollar	2,505		9,865
Australian dollar	1,298	20.8300	27,037
Singapore dollar	5,432	22.8800	124,284
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Indonesian rupiah	\$ 2,267,040,632	0.00198	\$ 4,488,740
Renminbi	21,137	4.40934	93,200
Korean won	394,230	0.02457	9,686
Turkish lira	6,605	1.643167	10,854
Financial liabilities			
Monetary items			
U.S. dollar	645,822	30.7100	19,833,194
Euro	121	32.7200	3,959
Renminbi	406,181	4.40934	1,790,990
Swiss franc	17	33.2050	564
Indonesian rupiah	300,118,783	0.00198	594,235
Non-monetary items			,
U.S. dollar	1,677	30.7100	51,501
Renminbi	233	4.40934	1,027
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were NT\$(240,593) thousand and NT\$1,748,708 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies in the Group.

43. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and information on investees:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (Table 3)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)

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- 9) Trading in derivative instrument (Notes 7 and 8)
- 10) Information on investees (Table 8)
- 11) Intercompany relationships and significant intercompany transactions (Table 10)
- b. Information on investments in mainland China:
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year;
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year;
 - c) The amount of property transactions and the amount of the resultant gains or losses;
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes;
 - e) The highest balance, the ending period balance, the interest rate range, and total current period interest with respect to the financing of funds; and
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

44. SEGMENT INFORMATION

- a. Basic information
 - 1) Classification

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:



a) Wires and cables

The segment's main products include copper rods, wires, connector and components which are sold to industries involving cables and wires, communications cable, heavy electronics, home electrical appliances and construction.

b) Stainless steel

The segment's main products include smelting, rolled stainless steel, carbon steel and precision alloy wire which are sold to industries involving construction components, crankshaft, machine tools, plumbing, heat exchanger, drainage, petrochemical and construction.

c) Resource

The segment's main business include nickel pig iron, sales of stainless steel products as an agent in Taiwan and important metal procurement and hedging.

d) Real estate

Real estate is responsible for the development of commercial and real estate complex and real estate management. Furthermore, the modes of operation are the construction of residences, offices, markets and hotels, and the offering of rental space, operating management and after-sales services.

e) Administration and investing

The segment of administration and investing refers to other investment in mainland

2) Estimates of operating segment income and expenses, assets and liabilities

Accounting policies of operating segments are the same as those summarized in Note 4. Sales and transfers between segments are treated as transactions with third parties and evaluated at fair value.

The Group does not allocate income tax expense (benefit), investment income (loss) recognized under equity method, foreign exchange gain (loss), net investment income (loss), gain (loss) on disposal of investments, gain (loss) on valuation of financial assets and liabilities and extraordinary items to reportable segments. The amounts reported are consistent with the report used by chief operating decision makers.

3) Identification of operating segment

The reported segments of the Group are strategic business units, providing different products and services. They are managed separately because they use different technologies and sales strategies.

b. Financial information

1) Segment revenues and results:

						(NT\$ in Thousand)
	Wires and Cable	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
For the year ended December 31, 2023						
Revenue from external customers Segment profit (loss) Net non-operating income (expenses)	\$ 45,292,955 3,207,499	\$ 94,542,646 622,917	\$ 41,555,782 4,413,465	\$ 2,129,913 (54,498)	\$ 6,318,330 (1,948,617)	\$ 189,839,626 6,240,766
Net interest (expenses) income Share of profit of associates accounted						(1,594,224)
for using the equity method Dividend income						528,869 513,679
Loss on disposal of property, plant and equipment Gain on disposal of investments Foreign exchange (loss) gain						(11,472) 965,914 (240,593)
Gain on financial assets and liabilities at fair value through profit or loss Reversal of impairment loss Net other income						169,525 12,427 853,507
Consolidated income before income tax For the year ended December 31, 2022						\$ 7,438,398
Revenue from external customers Segment profit (loss) Net non-operating income (expenses)	\$ 58,861,592 2,983,318	\$ 79,025,174 4,463,460	\$ 23,469,051 7,011,709	\$ 1,972,699 94,428	\$ 17,072,203 (5,054,201)	\$ 180,400,719 9,498,714
Net interest (expenses) income						(586,922)
Share of profit of associates accounted for using the equity method Dividend income Gain on disposal of property, plant and						3,607,040 766,857
equipment Gain on disposal of investments						68,051 7,210,043
Foreign exchange gain Gain on financial assets and liabilities						1,748,708
at fair value through profit or loss Impairment loss Net other income						265,134 (87) 824,475
Consolidated income before income tax						\$ 23,402,013

2) Segment assets and liabilities

	Wire	es and Cables	St	ainless Steel	Resource	1	Real Estate	Administration and Investing	Total
Segment assets									
December 31, 2023 December 31, 2022	\$	9,198,949 9,871,071	\$	81,818,015 45,004,557	\$ 49,013,066 43,443,642	\$	29,197,011 30,296,978	\$ 97,142,990 128,291,493	\$ 266,370,031 \$ 256,897,741
Segment liabilities									
December 31, 2023 December 31, 2022		4,722,379 5,690,853		47,929,981 26,924,149	11,434,154 27,486,296		14,924,345 15,638,505	32,909,859 46,948,815	\$ 111,920,718 \$ 122,688,618



3) Geographical information

The Group's non-current assets (exclude financial instruments, deferred tax assets and post-employment benefit assets) and revenue from single geographical location are detailed below.

	Revenue fro	om External	Non-curr	ent Assets
	Custome	rs (Note)	Decem	iber 31
	2023	2022	2023	2022
Asia United States of	\$ 154,395,268	\$ 155,926,113	\$ 97,553,322	\$ 89,595,772
America	9,663,309	18,346,783	50,225	240,378
Europe	23,592,668	4,040,919	13,476,703	5,880,861
Others	2,188,381	2,086,904		
	\$ 189,839,626	\$ 180,400,719	\$ 111,080,250	\$ 95,717,011

Note: Revenue from external customers is classified by geographical location.

4) Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2023 and 2022.

TABLE 1

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In thousands of New Taiwan Dollars and U.S. Dollars)

			Financial				Actual			Business	Reasons for	Allowance	Colla	teral	Financing Limit	Aggregate
No.	Lender	Borrower	Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Amount	Interest Rate (%)	Nature of Financing	Transaction Amount		for Impairme nt Loss	Item	Value	for Each Borrower (Note 1)	Financing Limit (Note 1)
0	Corporation	Industry PT. Westrong Metal Industry	Other receivables Other receivables Other receivables	Yes	1,562,750	(US\$ -)	\$ - (US\$ -) - (US\$ -) 875,093 (US\$ 28,500)	6.20	Operating capital Operating capital Operating capital	-	Equipment purchase Equipment purchase Operating capital	\$ - - -	- Promissory note and property	\$ - 1,349,627	\$ 56,324,126 56,324,126 56,324,126	\$ 56,324,126 56,324,126 56,324,126

Notes:

- 1. According to the financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of financing provided to a subsidiary whose equity is 100% owned, directly or indirectly by WLC cannot exceed 40% of the equity presented in the consolidated financial statements of Walsin Lihwa Corporation.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:
 - PT. Sunny Metal Industry, PT. Westrong Metal Industry and Borrego Energy Holdings, LLC & Borrego Energy, LLC = \$140,810,315 × 40% = \$56,324,126.
 - b. The limit on the amount of financing provided was as follows:
 - The limit on the amount of financing provided = $$140,810,315 \times 40\% = $56,324,126$.
- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- 3. The currency exchange rate as of December 31, 2023 was as follows: US\$ to NT\$ = 1:30.705.

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No. Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss		lateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
1 Walsin (China) Investment Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Other receivables	Yes	\$ 361,396 (RMB 80,000)	\$ 346,819 (RMB 80,000)	\$ 346,819 (RMB 80,000	4.35	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 402,718 (RMB 92,894)	\$ 402,718 (RMB 92,894)
Co., Ltd.	Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	8,583,155 (RMB 1,900,000)	8,236,956 (RMB 1,900,000)	4,365,140 (RMB 1,006,897	3.50	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
	Yantai Walsin Stainless Steel	Other receivables	Yes	16,700,430 (US\$ 320,000))	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
	Co., Ltd. Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	Yes	1,910,870		1,363,670 (US\$ 44,412	3.20-4.82	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Other receivables	Yes	2,524,740 (US\$ 50,000) (RMB 200,000)				Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Other receivables	Yes	810,625 (US\$ 25,000)	767,625	607,683		Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
	· ·	Other receivables	Yes	1,453,613 (US\$ 10,000) (RMB 250,000))	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
	XiAn Walsin Metal Product Co., Ltd.	Other receivables	Yes	836,194 (US\$ 190,000)	823,696	790,917	1.35	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
2 Dongguan Walsin Wire & Cable Co., Ltd	Investment Co.,	Other receivables	Yes	(RMB 3,388,088 (750,000)	(RMB 3,251,430 (750,000)	1,195,408 (RMB 275,742		Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
3 Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	19,655,826 (US\$ 400,000) (RMB 1,480,000)	18,698,155 (US\$ 400,000) (RMB 1,480,000)	(US\$ 274,070)	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
	Walsin Lihwa Corporation	Other receivables	Yes	19,455,000 (US\$ 600,000)	18,423,000 (US\$ 600,000)	3,193,320 (US\$ 104,000	5.36	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
	1	Other receivables	Yes	3,048,000 (US\$ 100,000)		(US\$ -	-	Operating capital	-	Operating capital	-	-	-	6,599,800 (RMB 1,522,361)	6,599,800 (RMB 1,522,361)
	PT. Sunny Metal Industry	Other receivables	Yes	(US\$ 2,431,875 75,000)	(US\$ 1,228,200 (US\$ 40,000)	(US\$ 1,227,832 (US\$ 39,988		Operating capital	-	Operating capital	-	-	-	6,599,800 (RMB 1,522,361)	6,599,800 (RMB 1,522,361)

(Continued)





Financial Information

Notes:

- 1. According to the financing regulations provided by Walsin (China) Investment Co., Ltd., Dongguan Walsin Wire & Cable Co., Ltd. and Walsin International Investments Ltd., the total limit on the amount of the financing provided to WLC or a overseas subsidiary whose equity is 100%-owned, directly or indirectly by WLC cannot exceed 40% of the equity of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100%-owned, directly or indirectly by WLC, cannot exceed 40% of the parent company's equity as presented in its the consolidated financial statements of a subsidiary. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40 % of the financing company's latest consolidated financial statements. If it is a revolving funding, the amount for an individual loan shall not exceed 10 % of the financing company's equity in the financing company's latest consolidated financial statements.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:

Jiangyin Walsin Steel Cable Co., Ltd., Walsin (China) Investment Co., Ltd., Walsin Lihwa Corporation, Walsin (Nanjing) Development Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd., Changshu Walsin Specialty Steel Co., Ltd., Dongguan Walsin Wire & Cable Co., Ltd. = \$140,810,315 × 40% = \$56,324,126.

Hangzhou Walsin Power Cable & Wire Co., Ltd. = RMB928,944 × 10% = RMB92,894 (\$402,718).

PT. Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry = RMB3,805,902 × 40% = RMB1,522,361 (\$6,599,800).

b. The limit on the amount of financing provided was as follows:

Walsin (China) Investment Co., Ltd and Dongguan Walsin Wire & Cable Co., Ltd. = \$140,810,315 × 40% = \$56,324,126. Walsin (China) Investment Co., Ltd. = RMB928,944 × 10% = RMB92,894 (\$402,718). Walsin International Investments Limited = RMB3,805,902 × 40% = RMB1,522,361 (\$6,599,800))

- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
- 3. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705; RMB to NT\$ = 1:4.33524; US\$ to RMB = 1:7.0827.

(Concluded)

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CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars and Renminbi)

No). Lender	Borrower	Financial Statement Account	Related Party	Highest Bala for the Peri	Ending Bal	llance		l Amount rowed	Interest Rate (%)	Nature of Financing	Business Transactio n Amount	Reasons for Short-term Financing	Allowance for Impairment Loss		ateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
4	Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	\$ 451,7 (RMB 100,0		3,524 (0,000)	\$ (RMB	186,875 43,106)	2.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$56,324,126	\$56,324,126
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	677, (RMB 150,0		0,286 0,000)	(RMB	550,424 126,965)		Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126

Notes:

- 1. According to the financing regulations of Changshu Walsin Specialty Steel Co., Ltd. and Jiangyin Walsin Specialty Alloy Materials Co., Ltd., the limit on the amount of financing provided to WLC or an overseas subsidiary whose equity is 100% owned, directly or indirectly by WLC cannot exceed 40% of the parent company's equity presented in the consolidated financial statements of Walsin Lihwa Corporation.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin (China) Investment Co., Ltd. = $$140,810,315 \times 40\% = $56,324,126$

b. The limit on the amount of financing provided was as follows:

Changshu Walsin Specialty Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd. = \$140,810,315 × 40% = \$56,324,126.

- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of Renminbi.
- 3. The currency exchange rates as of December 31, 2023 were as follows: RMB to NT\$ = 1:4.33524.









TABLE 1-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars and U.S. Dollars)

No. Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transacti on Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Coll Item	ateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
6 Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Other receivables		\$ 858,614 (US\$ 26,480)	· ·	\$ - (US\$ -)	-	Operating capital	\$ -	Operating capital	\$ -	1	\$ -	\$ 56,324,126	\$ 56,324,126

Notes:

- 1. According to the financing regulations provided by Joint Success Enterprises Limited, the total limit on the amount of the financing provided to WCL or a oversea subsidiary whose equity is 100%-owned, directly or indirectly by WLC, cannot exceed 40% of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100%-owned, directly or indirectly by WLC, cannot exceed 40% of the parent company's equity as presented in the parent company's latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40% of the parent company's latest consolidated financial statements.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin (Nanjing) Development Co., Ltd. = $140,810,315 \times 40\% = 56,324,126$

b. The limit on the amount of financing provided was as follows:

Joint Success Enterprises Limited = $$140,810,315 \times 40\% = $56,324,126$

- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- 3. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705.

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WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars)

ľ	No. Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Col Item	lateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
	7 Walsin Info-Electric Corporation	Walsin Lihwa Corporation	Other receivables	Yes	\$ 130,000	\$ 100,000	\$ 100,000	1.60	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 139,983	\$ 139,983

Notes:

- 1. According to the financing regulations provided by Walsin Info-Electric Corporation, the total limit on the amount of the financing provided to WLC or a oversea subsidiary whose equity is 100% owned, directly or indirectly by WLC, cannot exceed 40% of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100% owned, directly or indirectly by WLC, cannot exceed 40% of the parent company's equity as presented in the parent company's latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40% of the parent company's latest consolidated financial statements.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin Lihwa Corporation = $$349,957 \times 40\% = $139,983$

b. The limit on the amount of financing provided was as follows:

Walsin Info-Electric Corp. = \$349,957 × 40% = \$139,983





WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars and U.S. Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transactio n Amount	Reasons for Short-term Financing	Allowance for Impairment Loss		ollateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
8	Walsin Singapore Pte. Ltd.	PT. Sunny Metal Industry	Other receivables		\$ 10,025,041 (US\$ 320,750)	\$ 9,848,629 (US\$ 320,750)	\$ 8,503,750 (US\$ 276,950)		Operating capital	\$ -	Equipment purchase	\$ -	-	\$ -	\$ 11,224,765 (US\$ 365,568)	\$ 11,224,765 (US\$ 365,568)
		PT. Westrong Metal Industry PT. Walhsu Metal Industry Innovation West Mantewe Pte. Ltd.	Other receivables Other receivables Other receivables	Yes Yes	3,691,850 (US\$ 117,500) 942,600 (US\$ 30,000) (US\$ 664,713 (US\$ 20,500)	(US\$ -)	(US\$ -) (US\$ -) (US\$ -) (US\$ 4,800)	7.99	Operating capital Operating capital Operating capital	-	Equipment purchase Construction of new plants and equipment purchase Construction of new plants and equipment purchase	-	-	- - -	11,224,765 (US\$ 365,568) 11,224,765 (US\$ 365,568) 11,224,765 (US\$ 365,568)	11,224,765 (US\$ 365,568) 11,224,765
9	PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Other receivables		1,459,125 (US\$ 45,000)	1,381,725 (US\$ 45,000)	1,166,790 (US\$ 38,000)		Operating capital	-	Construction of new plants and equipment purchase	-	-	-	1,924,405 (US\$ 62,674)	1,924,405 (US\$ 62,674)

Notes:

- 1. According to the financing regulations provided by Walsin Singapore Pte. Ltd. and PT. Sunny Metal Industry, the total limit on the amount of the financing provided to WLC or a oversea subsidiary whose equity is 100% owned, directly or indirectly by WLC, cannot exceed 40% of the equity of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100% owned, directly or indirectly by WLC, cannot exceed 40% of the parent company's equity as presented in the parent company's latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40% of the parent company's latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10% of the parent company's latest consolidated financial statements.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:
 - PT. Sunny Metal Industry, PT. Westrong Metal Industry, PT. Walhsu Metal Industry, Innovation West Mantewe Pte. Ltd., = US\$913,921 \times 40% = US\$365,568 (\$11,224,765). PT. Walhsu Metal Industry = US\$156,685 \times 40% = US\$62,674 (\$1,924,405).
 - b. The limit on the amount of financing provided was as follows:

Walsin Singapore Pte. Ltd. = US\$913,921 \times 40% = US\$365,568 (\$11,224,765). PT. Sunny Metal Industry = US\$156,685 \times 40% = US\$62,674 (\$1,924,405).

- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- 3. The currency exchange rates as of December 31, 2023 was as follows: US\$ to NT\$ = 1:30.705.

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COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, Euro and Pound)

No.	Lender	Borrower	Financial Statement Account	Related Party	0	st Balance e Period	Ending	g Balance		l Amount rrowed	Interest Rate (%)	Nature of Financing	Business Transactio n Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Col Item	lateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
10	Speciali S.p.A.	Products AB	Other receivables Other receivables	Yes	\$ (EUR (GBP	347,100 10,000) 552,485 13,920)	(EUR	-) 290,493 7,420)	\$ (EUR (GBP	-) 240,851 6,152)		Operating capital Operating capital		Operating capital Operating capital	\$ -		\$ -	\$ 3,676,568 (EUR 108,198) 3,676,568 (EUR 108,198)	3,676,568

Notes:

- 1. According to the financing regulations provided by Cogne Acciai Speciali S.p.A., the total limit on the amount of the financing provided to subsidiary whose equity is 50% owned, directly or indirectly by its parent company, cannot exceed 20% of the parent company's equity as presented in the latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 5% of the parent company's equity as presented in the latest consolidated financial statements. The total limit on the amount of the financing provided to a oversea subsidiary whose equity is 100%-owned, directly or indirectly by its parent company, cannot exceed 20% of the parent company's equity as presented in the latest consolidated financial statements.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:
 - Degerfors Long Products AB, Special Melted Products Limited = EUR540,989 × 20% = EUR108,198 (\$3,676,568).
 - b. The limit on the amount of financing provided was as follows:
 - Cogne Acciai Speciali S.p.A. = EUR540,989 × 20% = EUR108,198 (\$3,676,568).
- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of EUR and GBP.
- 3. The currency exchange rates as of December 31, 2023 were as follows: EUR to NT\$ = 1:33.98; GBP to NT\$ = 1:39.15; GBP to EUR = 1:1.1521.









TABLE 2

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No.	Endorsement/	Guaranteed	V	Limits on Each Guaranteed Party's Endorsement/	Highest	Ending Balance	Actual Amount	Amount of Endorsement/	Ratio of Accumulated Endorsement/	Maximum Collateral/	Guaranteed Provided by	Guarantee	Guarantee Provided to
(Note 1)	Guarantee Provider	Name	Relationship (Note 2)		Balance for the Period	(Note 4)	Borrowed	Guarantee Collateralized by Properties	Guarantee to Net Equity Per Latest Financial Statement (%)	Guarantee Amounts Allowable (Note 3)	Parent	Provided by A Subsidiary	Subsidiaries in Mainland China
0	Corporation	Borrego Energy, LLC Yantai Walsin Stainless Steel Co., Ltd.	b b	\$ - (US\$ -) 6,512,311 (RMB 1,502,180)	\$ 365,760 (US\$ 12,000) 4,065,705 (RMB 900,000)	\$ - (US\$ -) 3,901,716 (RMB 900,000)	\$ - (US\$ -) - (RMB -)	\$ -	2.77	\$ 140,810,315 140,810,315	Yes Yes	No No	No Yes

Notes:

- 1. The information on Walsin Lihwa Corporation and its subsidiaries is listed and labeled on the entitled "No." column.
 - a. "0" represents Walsin Lihwa Corporation.
 - b. Subsidiaries are numbered consecutively starting from 1.
- 2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories
 - a. A company with which Walsin Lihwa Corporation does business.
 - b. A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.
 - c. A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.
 - d. A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.
 - e. A company that fulfills Walsin Lihwa Corporation's contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 - f. A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation's joint-investment company in proportion to their shareholding percentages.
 - g. A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- 3. According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation's current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider.
 - a. The limit on the amount of endorsements/guarantees provided was as follows:

 NT140,810,315 \times 100\% = $140,810,315$

b. The limit on the amount of endorsements/guarantees provided to a single entity was as follows:

Borrego Energy, LLC: US\$0 × 250% × 72.55% = US\$0 Yantai Walsin Stainless Steel Co., Ltd.: RMB600,872 × 250% × 100.00% = RMB1,502,180 (\$6,512,311)

4. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705; RMB to NT\$ = 1:4.33524.

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COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, Euro and SEK)

No. (Note 1	Endorsement/ Guarantee Provider	Guaranto Name	Nature of Relationship (Note 2)	Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
1	Cogne Acciai Speciali Dege S.p.A. Pro	erfors Long oducts AB	Ь	\$ 1,773,416 (EUR 52,190)	\$ 616,000 (SEK 200,000)	\$ 616,000 (SEK 200,000)	\$ - (SEK -	- \$ -	16.75	\$ 3,676,568 (EUR 108,198)	Yes	No	No

Notes:

- 1. The information on Cogne Acciai Speciali S.p.A. and its subsidiaries is listed and labeled on the entitled "No." column.
 - a. "0" represents Cogne Acciai Speciali S.p.A.
 - b. Subsidiaries are numbered consecutively starting at 1.
- 2. The relationship between Cogne Acciai Speciali S.p.A. and the endorsed/guaranteed entities can be classified into six categories.
 - a. A company with which Cogne Acciai Speciali S.p.A. does business.
 - b. A company in which Cogne Acciai Speciali S.p.A. directly and indirectly holds more than 50% of the voting shares.
 - c. A company that directly and indirectly holds more than 50% of the voting shares in Cogne Acciai Speciali S.p.A.
 - d. A company in which Cogne Acciai Speciali S.p.A. directly or indirectly holds 90% or more of the voting shares.
 - e. A company that fulfills Cogne Acciai Speciali S.p.A.'s contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 - f. A company in which all capital contributing shareholders make endorsements/guarantees for it and Cogne Acciai Speciali S.p.A.'s joint-investment company in proportion to their shareholding percentages.
 - g. A company in the same industry as Cogne Acciai Speciali S.p.A. whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for
- 3. According to the endorsements/guarantees provided and financing regulations provided by Cogne Acciai Speciali S.p.A., the total limit on the amount of endorsements/guarantees cannot exceed 20% of the equity of Cogne Acciai Speciali S.p.A.'s current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 125% of the net value multiplied by the equity percentage of the guarantee provider.
 - a. The limit on the amount of endorsements/guarantees provided was as follows:

 $EUR540,989 \times 20\% = EUR108,198 (\$3,676,568).$

b. The limit on the amount of endorsements/guarantees provided to a single entity was as follows:

Degerfors Long Products AB: EUR41,752 × 125% × 100% = EUR52,190 (\$1,773,416).

4. The currency exchange rates as of December 31, 2023 was as follows: EUR to NT\$ = 1:33.98; SEK to NT\$ = 1:3.08.







TABLE 3

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars)

Holding Company	Type and Name of Igguer of	Deletionship with the Helding			Decembe	er 31, 2023		
Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
Walsin Lihwa Corporation	Share							
	HannStar Display Corp.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	299,632,180	\$ 3,550,641	10.19	\$ 3,550,641	
	HannStar Board Corp.	The chairman of the holding company and the chairman of the company are second-class relatives	Financial assets at fair value through other comprehensive income - non-current	63,753,952	3,525,594	12.06	3,525,594	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	231,104,730	10,815,701	10.81	10,815,701	
		The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	9,631,802	295,107	9.39	295,107	
	Global Investment Holdings	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	5,221,228	64,327	2.97	64,327	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	14,954	1.16	14,954	
	Hwa Bao Botanic Conservation Corp.	The holding company is a supervisor of the issuer company	Financial assets at fair value through other	27,000,000	284,474	15.00	284,474	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	84,381	3.43	84,381	

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CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD DECEMBER 31, 2023 (In Thousands of Renminbi)

	Type and Name of Issuer of	Relationship of Issuer	•		Decembe	r 31, 2023		
Holding Company Name	Marketable Securities	to the Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
XiAn Walsin Metal Product Co., Ltd.	Certification of capital verification Shaanxi Tianhong Silicon Industrial Corporation	-	Financial assets at fair value through other comprehensive income - non-current	N/A	\$ -	19.00	\$ -	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Certification of capital verification Shaanxi Electronic Group Optoelectronics Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	N/A	18,155	6.02	18,155	







TABLE 3-2

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars)

	Type and Name of Issuer of	Relationship of Issuer to the			Decemb	er 31, 2023		
Holding Company Name	Marketable Securities	Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
Chin-Cherng Construction Co.	Share Gsharp Corporation	-	Financial assets at fair value through other comprehensive income - non-current	270,000	\$ -	2.73	\$ -	

WALSIN INFO-ELECTRIC CORP.

	Type and Name of Issuer of	Relationship of Issuer			Decembe	er 31, 2023		
Holding Company Name	Marketable Securities	to the Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
Walsin Info-Electric Corp.	<u>Share</u>							
	W T International Inc.	-	Financial assets at fair value through other comprehensive income - non-current	228,000	\$ 2,308	5.43	\$ 2,308	
	Ufi Space Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	359,549	30,541	1.03	30,541	
	InSynerger Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	750,000	36,240	6.60	36,240	
	K.S. Terminals Inc.	-	Financial assets at fair value through other comprehensive income - non-current	145,000	10,426	0.09	10,426	
	Landing AI	-	Financial assets at fair value through other comprehensive income - non-current	265,583	29,774	0.54	29,774	







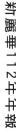


TABLE 3-4

PT. WALSIN LIPPO INDUSTRIES

MARKETABLE SECURITIES HELD DECEMBER 31, 2023 (In Thousands of U.S. Dollars)

Holding Company	Type and Name of Issuer of	Relationship of Issuer to			Decembe	er 31, 2023		
Holding Company Name	Type and Name of Issuer of Marketable Securities	the Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
PT. Walsin Lippo Industries	Government bonds Indonesia Government Bonds	-	Financial assets at amortized cost - non-current	-	\$ 6,012	N/A	\$ 5,994	

COGNE ACCIAI SPECIALI S.P.A.

MARKETABLE SECURITIES HELD DECEMBER 31, 2023 (In Thousands of Euro)

	Type and Name of Issuer	Relationship of Issuer to the			Decembe	er 31, 2023		
Holding Company Name	of Marketable Securities	Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
Cogne Acciai Speciali S.p.A.	<u>Share</u>							
	Geo Storage	-	Financial assets at fair value through profit or loss - non-current	N/A	\$ 2	-	\$ 2	
	Metal Interconnector	-	Financial assets at fair value through profit or loss - non-current	2,114,787	2,339	1.64	2,339	







Financial Information

TABLE 4

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

C	Type and Name of	Financial Statement	Purpose of		Beginnir	ng Balance	Acq	uisition		Dispo	sal		Ending	Balance
Company Name	Marketable Securities	Account	Transaction/Count erparty	Relationship	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
	<u>Share</u>													
Corporation	337 1 ' T 'I	T	0 1 1 1	0 1 11 1	100 720 202	A 24 072 010		Ф	106,000,000	Ф 2.214.520	Ф 2.400.565	ф	2 720 202	A 20 502 252
	Walsin Lihwa	Investments accounted for	Capital reduction	Subsidiaries	108,730,393	\$ 24,073,818	-	\$ -	106,000,000	\$ 3,214,530	\$ 3,490,565	\$ -	2,730,393	\$ 20,583,253
	Holdings Limited	using the equity method									(Note 1)			
	Concord Industries	Investments accounted for	Capital reduction	Subsidiaries	308,498,375	5,210,454	-	-	11,000,000	336,700	1,525,182	-	297,498,375	3,685,272
	Limited	using the equity method									(Note 1)			
		Investments accounted for	Capital investment	Subsidiaries	12,000	4,146,986	-	5,519,286	-	-	-	-	12,000	9,666,272
	S.a r.l.	using the equity method						(Note 2)						
	Walsin Singapore	Investments accounted for	Capital investment	Subsidiaries	422,000,000	19,603,265	311,000,000	11,206,684	-	-	-	-	733,000,000	30,809,949
	Pte. Ltd.	using the equity method						(Note 2)						
	PT. Westrong Metal	Investments accounted for	Walsin Singapore	Subsidiaries	590,000	4,590,864	-	-	590,000	4,680,030	4,680,030	89,166	-	-
	Industry	using the equity method	Pte. Ltd.									(Note 3)		
	Walsin Energy Cable	Investments accounted for	Capital investment	Subsidiaries	-	-	270,000,000	2,657,462	-	-	-	-	270,000,000	2,657,462
	System Co., Ltd.	using the equity method						(Note 2)						
	Innovation West	Investments accounted for	Glory Merry	-	-	-	40	2,444,727	-	-	-	-	40	2,444,727
	Mantewe Pte. Ltd.	using the equity method	Limited and											
			non-related											
			individual											
	Winbond Electronics	Investments accounted for	Capital investment	Associates	883,848,423	20,953,105	35,531,593	(617,532)	-	-	-	-	919,380,016	20,335,573
	Corporation	using the equity method						(Note 2)						
	Chin-Cherng	Investments accounted for	Capital reduction	Subsidiaries	577,583,403	6,182,490	-	· -	47,627,598	476,276	720,191	-	529,955,805	5,462,298
	Construction Co.	using the equity method	_								(Note 1)			
	Joint Success	Investments accounted for	Capital reduction	Subsidiaries	36,058,184	5,084,267	-	-	14,713,622	474,294	846,712	-	21,344,562	4,237,555
	Enterprises Limited	using the equity method								ĺ	(Note 1)		, ,	, ,
	-													

Note 1: The amount included a capital decrease in cash, recognition of investment gains and losses, and changes in other equity.

Note 2: The amount included a capital increase in cash, recognition of investment gains and losses, and changes in other equity.

Note 3: The amount included exchange differences on the translation of the financial statements of foreign operations.

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of Renminbi)

	Type and Name	Financial Statement	Purpose of Transaction/		Beginning	Balance	Acqui	isition		Dis	sposal		Ending	Balance
Company Name	of Marketable Securities	Account	Counterparty	Relationship	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Holdings Limited	Share Walsin International Co., Ltd.	Investments accounted for using the equity method	Capital reduction	Subsidiary	4,653,371,702	\$4,441,707	-	\$ -	851,207,000	\$ 750,438	\$ 635,805 (Note)	\$ -	3,802,164,702	\$ 3,805,902

Note: The amount included a capital decrease in cash and recognition of investment gains or losses.





TABLE 4-2

WALSIN SINGAPORE PTE. LTD.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of U.S. Dollars)

	Type and Name of	Financial Statement	Purpose of		Beginning I	Balance	Acqui	sition		Disp	osal		Ending	Balance
Company Name	Marketable Securities	Account	Transaction/ Counterparty	Relationship	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Singapore Pte. Ltd.	Share													
	PT. Westrong Metal Industry	Investments accounted for using the equity method	Walsin Lihwa Corporation	Parent company	-	\$ -	59,000	\$ 145,850 (Note)	-	\$ -	\$	\$ -	590,000	\$ 145,85 (Note

Note: The amount included the purchase amount, recognition of investment gains or losses and changes in other equity.

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WALSIN LIHWA EUROPE S.A R.L. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of Euro)

	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/ Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
Company Name					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount		Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Europe S.a r.l.	Share													
	MEG S.A	Investments accounted for using the equity method	Capital investment	Subsidiaries	5,102	\$ 177,148	3,175	\$ 161,606 (Note)	-	\$ -	\$ -	\$ -	8,277	\$338,754 (Note)
Cogne Acciai Speciali S.p.A.	Special Melted Products Limited	Investments accounted for using the equity method	MUTARES HOLDING-33 GMBH	-	-	-	4,199,156	173,702 (Note)	-	-	-	-	4,199,156	173,702 (Note)

Note: The amount included a capital increase in cash, recognition of investment gains and losses and changes in other equity.





TABLE 5

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Company Name	Property	Transaction Date	Transaction	Payment Term	Counterparty	Nature of Relationships	Pr	ior Transaction	of Related Cour	iterparty	Price Reference	Purpose of Acquisition	Other Terms
			Amount (Foreign Currencies in Thousands)				Owner	Relationships	Transfer Date	Amount			
Walsin Lihwa Corporation	Plant	2023/02/04- 2023/12/26	\$ 1,130,651	Based on the terms in the contract	Chung-Lu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Yantai Walsin Stainless Steel Co., Ltd.	Plant	2023/01/01- 2023/12/28	RMB 182,764	Based on the terms in the contract	China Construction Eighth Engineering Division. Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Yantai Walsin Stainless Steel Co., Ltd.	Dormitory	2023/04/27- 2023/12/27	RMB 131,248	Based on the terms in the contract	China Merchants Property Development (Yantai) Co., Limited	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
PT. Sunny Metal Industry	Plant	2023/03/27- 2023/09/30	US\$ 59,368	Based on the terms in the contract	PT. Perintis Makmur Indonesia etc.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
PT. Walhsu Metal Industry	Plant	2023/07/07- 2023/12/29	US\$ 23,095	Based on the terms in the contract	PT. Perintis Makmur Indonesia etc.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Walsin Energy Cable System Co., Ltd.	Plant	2023/07/17- 2023/11/23	872,500	Based on the terms in the contract	Chung-Lu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Delationship			Transa	ction Details	Abnormal	Transaction	Notes/Accounts or Receiva		Note
Company Name	Related Farty	Nature of Relationship	Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Note
Walsin Lihwa Corporation	Kuang Tai Metal Industria Co., Ltd.	Director of the related party	Sales	\$ (1,515,412)	(2)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 51,392	2	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	(369,262)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	99,469	4	
	Changshu Walsin Specialty Steel Co., Ltd.	J	Sales	(491,550)	(1)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	94,733	4	
	Novametal SA	Substantive related party	Sales	(174,367)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	77,568	3	
	Trefilados Inoxidables de Mexico, S.A. De C.V.	Substantive related party	Sales	(101,453)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	22,675	1	
	Ferriere di Stabio SA	Substantive related party	Sales	(131,839)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	31,914	1	
	Walsin Singapore Pte. Ltd.	100% directly owned subsidiary	Purchase	8,154,060	10	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(126,177)	(3)	

TABLE 6-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of Renminbi)

Company Nama	Related Party	Nature of			Transac	tion Details	Abnormal 7	Transaction	Notes/Accounts or Receiva	•	Note
Company Name	Related Farty	Relationship	Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Note
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.		Both are associates of Walsin Lihwa Corporation		RMB (139,259)	(22)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 25,398	30	

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Renminbi and Euro)

Commonw Norma	Dalatad Dante	Notarra of Dolotionakin				Transac	ction Details	Abnorma	al Transaction		Accounts r Receival		Nata
Company Name	Related Party	Nature of Relationship	Purchase/ Sale	Amoun	nt	% of Total	Payment Terms	Unit Price	Payment Terms	Ending	Balance	% of Total	Note
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (234	1,587)	(6)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	28,350	5	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (266	5,611)	(7)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	26,154	5	
	Cogne Acciai Speciali S.p.a.	Both are subsidiaries of Walsin Lihwa Corporation	Purchases	EUR 9	9,462	2	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	EUR	(9,462)	(16)	
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 57	7,808	2	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	(4,813)	(1)	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Concord Industries Limited	Purchases		1,229	1	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	(534)	-	
	Walsin Singapore Pte. Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Purchases	US\$ 19	9,973	4	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	US\$	(15,730)	(24)	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (34,	1,229)	(8)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	534	(-)	
	Walsin Lihwa Corporation	Parent company	Purchases	369	9,262	21	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal		(99,469)	(18)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 266	5,611	67	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	(26,154)	(21)	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (57	7,808)	(6)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	4,813	5	
	Walsin Lihwa Corporation		Purchases		1,550	17	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal		(94,733)	(11)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 234	1,587	34	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB	(28,350)	(14)	

TABLE 6-3

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of Euro)

Company Nama	Related Party	Nature of Polationship			Transac	ction Details	Abnormal 7	Transaction	Notes/Accor Receivable (Pa		Note
Company Name	Related Farty	Nature of Relationship	Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Note
Cogne Acciai Speciali S.p.a.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Sales	EUR (9,462)	(2)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 9,462	5	

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars and U.S. Dollars)

Company Name	Deleted Deuts	Nature of			Transac	ction Details	Abnormal T	ransaction	Notes/Accou Receivable (Pa		Note
Company Name	Related Party	Relationship	Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Note
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Parent company	Sales	\$ (8,154,060)	(93)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 126,177	21	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Sales	US\$ (19,973)	(7)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	US\$ 15,730	79	









TABLE 7

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

						O	erdue	Amounts	
Company Name	Related Party	Nature of Relationship	Financial Stateme Ending		Turnover Rate	Amount	Action Taken	Received in Subsequent Period	Allowance for Bad Debts
	Walsin Singapore Pte. Ltd. Borrego Energy Holdings, LLC. Borrego Energy, LLC.	72.55% indirectly owned subsidiary	Other receivables Other receivables Other receivables	\$ 290,281 230,405 648,967		\$ - -	- - -	\$ - -	\$ - - -

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL **DECEMBER 31, 2023**

(In Thousands of Renminbi and U.S. Dollars)

					Overd	lue	Amounts	Allowance
Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Amount	Action Taken	Received in Subsequen t Period	for Bad Debts
Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd. Walsin International Investments Limited	100% directly owned subsidiary 100% directly owned subsidiary	Other receivables RMB 230,703 Other receivables US\$ 4,500		\$ -	-	\$ -	\$ -
Walsin (China) Investment Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 174,630 RMB 181,078		-	-	-	-
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 22,880		-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 44,596	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% directly owned subsidiary	RMB 70,686		-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate of Walsin Lihwa Corporation	Other receivables RMB 81,068	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 182,651	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 100,866	-	-	-	-	-
	Dongguan Walsin Wire & Cable Co., Ltd. Walsin (Nanjing) Development Co., Ltd.	100% directly owned subsidiary Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 19,881 Other receivables RMB 1,009,637	-	-	-	-	-
Walsin International Investments Limited	Walsin Lihwa Corporation PT. Sunny Metal Industry	Parent company Both are subsidiaries of Walsin	Other receivables US\$ 104,077 Other receivables US\$ 41,721	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Lihwa Corporation Both are subsidiaries of Walsin	Other receivables US\$ 257,578	_	_	_	_	_
	waisii (Ciina) iiivestiicii Co., Etd.	Lihwa Corporation	RMB 916,113					
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 276,306	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd. Hangzhou Walsin Power Cable & Wire Co., Ltd.	Parent company Both are associates of Walsin Lihwa Corporation	Other receivables RMB 201,248 Trade receivables RMB 25,398			-		

Note: Amounts are stated in thousands of Renminbi, except those stated in thousands of U.S. dollars.



TABLE 7-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL DECEMBER 31, 2023

(In Thousands of Renminbi)

						Overdu	ıe	Amounts	
Company Name	Related Party	Nature of Relationship	Financial Statemen Ending B		Turnover Rate	Amount	Action Taken	Received in Subsequent Period	Allowance for Bad Debts
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables	\$ 28,350	8.64	\$ -	-	\$ 19,804	\$ -
,	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables	26,154	11.63	-	-	23,105	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables	139,045	-	-	-	-	-
Changshu Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables	43,198	-	-	-	-	-
Jiangyin Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables	127,136	-	-	-	-	-

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL **DECEMBER 31, 2023**

(In Thousands of U.S. Dollars)

						Overdi	ie	Amounts	
Company Name	Related Party	Nature of Relationship	Financial Statement Ending Ba		Turnover Rate	Amount	Action Taken	Received in Subsequent Period	Allowance for Bad Debts
	Walsin Lihwa Corporation Yantai Walsin Stainless Steel Co., Ltd. PT. Sunny Metal Industry Innovation West Mantewe Pte. Ltd.	,	Trade receivables Trade receivables Other receivables Other receivables	\$ 4,109 15,730 288,902 4,864	126.31 2.54	\$ - - -	- - -	\$ 4,109 15,730	\$ - - -
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	99.9% owned subsidiary	Other receivables	39,382	-	-	-	-	-









TABLE 7-4

WALSIN INFO-ELECTRIC CORP.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

						Ove	erdue	Amounts	
	Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Amount	Action Taken	Received in Subsequent Period	Allowance for Bad Debts
V	Walsin Info-Electric Corp.	Walsin Lihwa Corporation	Parent company	Other receivables \$ 100,083	-	\$ -	-	\$ -	\$ -

(In Thousands of Euro and GBP)

							Ove	rdue	Amo	unts	
Company Name	Related Party	Nature of Relationship	Financial Statement Ending Ba		Turnover Rate	Amou	ınt	Action Taken	Receiv Subsec Per	quent	nce for Debts
Cogne Acciai Speciali S.p.a.	Yantai Walsin Stainless Steel Co., Ltd. Special Melted Products Limited	Lihwa Corporation	Trade receivables Other receivables	EUR 9,462 GBP 6,152	2.00	\$	-	-	\$	-	\$ -

Note: Amounts are stated in thousands of Euro, except those stated in thousands of GBP.

Financial Information

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, U.S. Dollars and Hong Kong Dollars)

Information of investees that Walsin Lihwa Corporation has controlling power or significant influence over was as follows:

				Original Invest	ment Amount	Balance a	s of December	31, 2023			
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount	Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
Walsin Lihwa	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments holding	\$ 103,022	\$ 3,317,552	2,730,393	100.00	\$20,583,253	\$ 281,244	\$ 74,675	
Corporation	Concord Industries Limited	British Virgin Islands British Virgin Islands		13,274,435	13,611,135	297,498,375		3,685,272	(1,147,157)	(1,147,157)	
Corporation	Ace Result Global Limited	British Virgin Islands		1,587,416	1,587,416	44,739,988		382,041	33,896	33,896	'
	Min Maw Precision Industry Corp.		Solar power systems management,	180,368	180,368	34,837,100		409,853	24,677	21,417	
	with waw recession muustry corp.	Taiwaii	design, and installation	180,508	100,300	34,637,100	100.00	407,633	24,077	21,417	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	9,251	(8,409)	(8,409)	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	135,412	611,688	529,955,805	99.22	5,462,298	(179,331)	(177,932))
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical,	270,034	270,034	29,854,246	99.51	348,242	4,640	4,618	
	•		communications, and power systems		·						
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	980,706	96,593	67,615	
	PT. Walsin Lippo Kabel	Indonesia	Production and sale of cables and wires	12,004	11,656	2,999,500		11,773	(823)	(576))
	Joint Success Enterprises Limited	British Virgin Islands		689,979	1,164,273	21,344,562		4,237,555	(388,158)	(308,977)	
	Chin-Xin Investment Co., Ltd.		Investments	2,237,969	2,237,969	179,468,270		8,575,298		288,162	
	Tsai Yi Corporation	Taiwan	Management and investments holding	457,610	457,610	49,831,505		1,026,607	23,695	8,049	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699		169,753		(4,420)	,
	Winbond Electronics Corp.	Taiwan	Research, development, production and sale of semiconductors and related components	8,211,615	7,429,920	919,380,016	21.99	20,335,573	(1,146,522)	(253,924)	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.17	2,230,609	(29,495)	(6,244)	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,631,671	2,325,394	427,443	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	7,269,121	2,855,853	1,458,312	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385		551,918		13,214	
	Walsin Singapore Pte. Ltd.	Singapore	Investments holding	26,357,910	16,790,710	733,000,000	100.00	30,809,949	1,828,395	1,417,688	
	Walsin Energy Cable System Co., Ltd.	Taiwan	Submarine communication cable	2,700,000	_	270,000,000		2,657,462	(45,479)	(41,660)	,
	Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	11,560,560	6,692,862	12,000		9,666,272		639,873	
		Indonesia	Consulting and management	43,669	22,223	13,930		36,315		(5,625)	,
	Walsin America, LLC	USA	Investments	196,654	185,752	N/A	100.00	(374,028		(372,662)	
	PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	300,000	140,651	29.17	280,654	(7,744)	(2,259)	
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	4,680,030	-	_	-	(12,635)	(504)	(Note 3)
	Innovation West Mantewe Pte. Ltd.	Singapore	Investments holding	2,452,575	-	40	40.00	2,444,727	(15,981)	(6,392)	
	PT CNGR Walsin New Mining Industry Investment Indonesia	Indonesia	Investments holding	46,929	-	22,257	29.17	45,131	(2,832)	(860)	
Walsin Lihwa	Walsin International Investments Limited	Hong Kong	Investments	HK\$ 3,802,165	HK\$4,653,372	3,802,164,702	100.00	16,499,499	506,162	506,162	
Holding Limited	Walcom Chemicals Industrial Limited	Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000		0.828		-	
Walsin America, LLC	Borrego Energy Holdings, LLC	USA	Investments	US\$ 38,147	US\$ 38,147	N/A	72.55	(379,651	(507,325)	(368,064)	

(Continued)

				Or	iginal Inves	tment A	mount	Balance	as of Decembe	r 31, 2023	Net Income		
Investor Company	Investee Company	Location	Main Businesses and Products		mber 31, 2023		ember 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount	(Loss) of the Investee	Investment Gain (Loss)	Note
Borrego Energy Holdings, LLC	Borrego Energy, LLC	USA	Grid-connected solar electric systems	US\$	52,576 (Note 1)	US\$	52,576	N/A	100.00	\$ (524,112)	\$ (507,325)	\$ (507,325)	
	Cleanleaf Energy Holdings, Inc	USA	Investments	US\$	(Note 5)	US\$	-	100	100.00	-	-	-	
Concord Industries Limited	Walsin Specialty Steel Corp.	British Virgin Islands	Commerce and investments	US\$	82,893 (Note 2)	US\$	92,393 (Note 2)	82,893,195	100.00	1,344,952	272,968	272,968	
Chin-Cherng Construction Co.	Joint Success Enterprises Limited	British Virgin Islands	Investments		725,493		1,202,993	22,175,438	50.95	4,341,711	(388,158)	(197,766)	
construction co.	Dinghsin Development Co., Ltd.	Taiwan	Investment of real estate and related business		8,540		8,540	2,119,200	35.32	37,561	4,158	1,469	
	Concord II Venture Capital Co., Ltd. Chin-Xin Investment Co., Ltd.	Taiwan Taiwan	Venture capital and consulting affairs Investments		1,603 54,154		1,603 54,154	172,342 3,264,092	0.17 0.67	1,107 157,192	(16,574) 778,816	(24) 5,235	
Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	US\$	42,000	US\$	42,000	420,000	42.00	6,278,036	2,855,853	1,199,458	
T.C. Ed.	PT. Sunny Metal Industry PT. Westrong Metal Industry	Indonesia Indonesia	Manufacture and sale of nickel matte Manufacture and sale of nickel matte	US\$ US\$	200,000 146,000	US\$ US\$	200,000	50,100 590,000	50.10 29.50	6,405,094 4,478,309	1,792,965 (12,635)		(Note 3) (Note 3)
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Luxembourg	Investments holding	EUR	347,216	EUR	207,216	8,277	90.21	11,510,849	906,305	770,559	
MEG S.A.	Cogne Acciai Speciali S.p.A.	Italy	Production and sale of stainless steel	EUR	155,988	EUR	15,988	314,705,934	77.60	14,215,240	1,105,020	909,541	
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$	9,491	US\$	-	9,490,500	99.90	249,671	724	723	
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$	9	US\$	-	9,500	0.10	292	724	1	
Min Maw Precision Industry Corp.	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management		224		224	70	0.50	187	(5,663)	-	

- Note 1: The amount of the payment of US\$10,372 thousand was deducted for Borrego Energy, LLC employees' compensation, which was paid by Walsin Lihwa Corporation.
- Note 2: The amount included capitalization of retained earnings of US\$4,500 thousand.
- Note 3: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Corporation to Walsin Singapore Pte. Ltd.
- Note 4: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Holding Limited to Walsin Lihwa Corporation.
- Note 5: As of December 31, 2023, the capital injection had not been completed.
- Note 6: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars, Euro and Hong Kong dollars.

(Concluded)



Financial Information

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

1. The names of investee companies in mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying amount, accumulated inward remittance of earnings and upper limit on investment in mainland China were as follows:

remittance of earnings and u	pper limit on investment in mainland (omna were as follows	s: T	Acc	umulated	Remittance	e of Funds	Acc	umulated					
Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	O Rem Invest Tai	utward ittance for tment from wan as of ary 1, 2023	Outward	Inward	Outward Remittance for Investment from Taiwan as of December 31, 2023		Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ 614,100 (US\$ 20,000)	b	\$ (US\$	799,589 26,041) (Note 2)	\$	\$ - -	\$ (US\$	799,589 26,041) (Note 2)	\$ (101,194)	100.00	\$ (101,194)	\$ 728,251	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	479,827 (US\$ 15,627)	b	(US\$	459,224 14,956) (Note 3)	-	-	(US\$	459,224 14,956) (Note 3)	36,375	95.71	34,816	1,187,786	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	5,467,946 (US\$ 178,080)	b	(US\$	2,590,888 84,380) (Note 4)	-	-	(US\$	2,590,888 84,380) (Note 4)	183,365	40.00	66,364	724,089	-
Walsin (China) Investment Co., Ltd.	Investments	(US\$ 2,413,413 78,600)	b	(US\$	2,413,413 78,600) (Note 5)	-	-	(US\$	2,413,413 78,600) (Note 5)	(208,895)	100.00	(208,895)	4,027,195	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	(US\$ 2,978,385 (97,000)	b	(US\$	2,978,385 97,000) (Note 6)	-	- -	(US\$	2,978,385 97,000) (Note 6)	273,984	100.00	273,984	1,300,217	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	798,330 (US\$ 26,000)	b	(US\$	798,330 26,000) (Note 7)		-	(US\$	798,330 26,000) (Note 7)	(34,993)	100.00	(34,993)	1,426,606	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	1,504,545 (US\$ 49,000)	b	(US\$	1,504,545 49,000) (Note 8)	-	-	(US\$	1,504,545 49,000) (Note 8)	(588,772)	100.00	(588,722)	1,178,882	-
XiAn Walsin Metal Product Co., Ltd. (Note 11)	Manufacture and sale of specialized stainless steel plates	(US\$ 1,699,522 (55,350)	b	(US\$	925,756 30,150)	-	-	(US\$	925,756 30,150)	(11,931)	100.00	(11,931)	(791,207)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	10,288,171 (US\$ 335,065) (Note 9)	b	(US\$	6,537,924 212,927)	-	-	(US\$	6,537,924 212,927)	(1,452,987)	100.00	(1,452,987)	2,604,924	-
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	(US\$ 1,338,738 (US\$ 43,600) (Note 13)	b	(US\$	401,621 13,080)		-	(US\$	401,621 13,080)	69,464	30.00	20,841	492,115	971,967 (US\$ 31,655)
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	30,705 (US\$ 1,000)	b	(US\$	30,705 1,000)	-	-	(US\$	30,705 1,000)	(8,336)	100.00	(8,336)	(518,360)	-
Dong Guan Cogne Steel Products Co., Ltd.	Stainless Steel Products	784,564 (EUR 23,089)	ь	(US\$	- -)	- -	-	(US\$	- -)	(32,133)	70.00	(22,493)	564,831	-

(Continued)

				Accui	mulated	Remittanc	e of Funds	Acci	umulated		Ownership		Carrying	Accumulated
Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1) Outward Remittance for Investment from Taiwan as of January 1, 2023		Outward	Inward Remittance for Investment from Taiwan as of		Investment from (Loss) of Investe		of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Amount as of December 31, 2023	Repatriation of Investment Income as of December 31, 2023	
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	\$ 5,202,288 (RMB 1,200,000)	ь	\$ (US\$	- -)	\$ - -	\$ -	\$ (US\$	- -)	\$ -	19.00	\$ -	\$ - (Note 10)	\$ -
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	(RMB 43,352 10,000)	ь	(US\$	9,334 304)	-	- -	(US\$	9,334 304)	1,038	20.00	208	9,776	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 12)	Communications equipment and electronic components	674,550 (RMB 155,597)	ь	(RMB	- -)	-		(RMB	- -)	22,638	6.02	-	78,706	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	(US\$ 1,535,500 (US\$ 50,000)	ь	(US\$	1,529,109 49,800) (Note 14)	- -	-	(US\$	1,529,109 49,800) (Note 14)	(547,393)	99.60	(545,217)	8,542,838	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	(RMB 4,335 (1,000)	ь	(RMB	- -)	<u>-</u> -		(RMB	- -)	(3,962)	99.60	(3,947)	(21,672)	-

2. The upper limit on investment of WLC in mainland China was as follows:

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
\$ 18,566,945 (US\$ 604,688)	\$ 18,876,175 (US\$ 614,759)	N/A (Note 18)

Notes:

- 1. Investments can be classified into three categories as follows:
 - a. Direct investment in mainland China.
 - b. Reinvestment in mainland China through companies in a third country companies.
 - c. Others.
- 2. Including US\$15,000 thousand investment through Walsin (China) Investment Co., Ltd.
- 3. Including US\$14,950 thousand investment through Walsin (China) Investment Co., Ltd.
- 4. Including US\$13,300 thousand investment through Walsin (China) Investment Co., Ltd., US\$53,000 thousand investment through Ace Result Global Ltd. and US\$22,730 thousand dividends appropriated from Dongguan Walsin Wire & Cable Co., Ltd., Jiangying Walsin Steel Cable Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd.
- 5. Capital investment of US\$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.
- 6. Including US\$20,000 thousand investment through Walsin Specialty Steel Corp. and US\$42,000 thousand dividends appropriated from Changshu Walsin Specialty Steel Co., Ltd. and Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.
- 7. Investment through Walsin (China) Investment Co., Ltd.

(Continued)







- 8. Including investments through Walsin (China) Investment Co., Ltd. of US\$4,500 thousand and US\$4,500 thousand of the own capital of Walsin (China) Investment Co., Ltd.
- 9. Including investments of its own capital of RMB578,796 thousand from Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand investments through Changzhou Wujin NSL Co., Ltd. Including US\$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. which were merged.
- 10. The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and the fair value.
- 11. XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
- 12. Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
- 13. The amount included capitalization of retained earnings of US\$7,280 thousand.
- 14. The amount included investment through Joint Success Enterprise Limited approved in the previous years.
- 15. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars, Renminbi and Euro.
- 16. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705, RMB to NT\$ = 1:4.33524, Euro to NT\$ = 1:33.98. The average exchange rates of December 31, 2023 were as follows: US\$ to NT\$ = 1:31.154, RMB to NT\$ = 1:4.41546, Euro to NT\$ = 1:33.69722.
- 17. The basis for recognizing investment gains and losses in the current period is the financial report reviewed by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.
- 18. Upper limit on investment:
 - WLC was approved as the operation headquarter by the Industrial Development Bureau, Ministry of Economic Affairs and is thus exempted from the related regulations of "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China".

(Concluded)

CHIN-CHERNG CONSTRUCTION CO.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

1. The names of investee companies in mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying amount, accumulated inward remittance of earnings and upper limit on investment in mainland China were as follows:

(In Thousands of U.S. and Renminbi)

Investee Company	Main Businesses and Products	Paid-in	ı Capital	Method of Investment (Note 1)	Out Remit Investn Taiw	nulated tward tance for nent from an as of ty 1, 2023	Remit Outwa		e of Funds Inward	Ou Remit Investi Taiw	mulated atward ttance for ment from yan as of per 31, 2023		Ownership of Direct or Indirect Investment (%)	Inve	estment Gain (Loss) (Note 2)	mber 31, 2023	Repatr Investme	nulated riation of ent Income s of er 31, 2023
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	US\$	50,000	Note 1	US\$	25,475	\$	-	\$ -	US\$	25,475	\$ (123,972)	50.95	\$	(63,164)	\$ 1,008,005	\$	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing		1,000	Note 1		-		-	-		-	(897)	50.95		(457)	(2,557)		-

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
US\$25,475	US\$25,475	NT\$3,294,097 (Note 3)

- Note 1: Investing in companies in mainland China through the companies already established and existing in the areas other than Taiwan and mainland China.
- Note 2: The basis for recognizing investment gains and losses in the current period is the financial statements audited by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.
- Note 3: The upper limit on investment in mainland China was as follows:

 NT5,490,161 \times 60\% = NT$3,294,097$ thousand.

Note 4: Amounts are stated in thousands of Renminbi, except those stated in thousands of U.S. dollars.





Financial Information

WALSIN LIHWA CORPORATION AND INVESTEES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, U.S. Dollars, Renminbi, Euro and GBP)

						Transaction Details	
No.	Company Name	Counterparty	Relationship	Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	Walsin Lihwa Corporation	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	\$ 491,550	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jianyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	369,262	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Singapore Pte. Ltd.	Transactions between parent company and subsidiaries	Other receivables	290,281	Based on capital demand	-
		Borrego Energy Holdings, LLC	Transactions between parent company and subsidiaries	Other receivables	230,405	Based on capital demand	-
		Borrego Energy, LLC	Transactions between parent company and subsidiaries	Other receivables	648,967	Based on capital demand	-
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 230,703	Based on capital demand	-
	Emiliou	Walsin International Investment Limited	Transactions between parent company and subsidiaries	Other receivables	US\$ 4,500	Based on capital demand	-
2	Walsin (China) Investment Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 174,630 RMB 181,078	Based on capital demand	2
	,	Jiangyin Walsin Specialty Alloy Materials Co., Ltd. Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between subsidiaries Transactions between parent company and subsidiaries	Other receivables Other receivables	US\$ 44,596	Based on capital demand Based on capital demand	1 -
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries		US\$ 22,880	Based on capital demand	- 2
		Walsin (Nanjing) Development Co., Ltd. XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries Transactions between subsidiaries			Based on capital demand Based on capital demand	2 -
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries		RMB 100,866	Based on capital demand	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 19,881	Based on capital demand	-
3	Walsin International Investments Limited	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	US\$ 104,077	Based on capital demand	1
		PT. Sunny Metal Industry	Transactions between subsidiaries	Other receivables	US\$ 41,721	Based on capital demand	-
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 257,578 RMB 916,113	Based on capital demand	4
4	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 28,350	The terms are set by quotations on the local market and are similar to those of general customers	-
	<u>. </u>	<u> </u>	1	·		<u> </u>	(Continued)

(Continued)

No.	Company Name	Counterparty	Relationship	Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 26,154	The terms are set by quotations on the local market and are similar to those of general customers	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 234,587	The terms are set by quotations on the local market and are similar to those of general customers	1
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Sales	RMB 266,611	The terms are set by quotations on the local market and are similar to those of general customers	1
		Walsin (China) Investment Co., Ltd	Transactions between subsidiaries	Other receivables	RMB 139,045	Based on capital demand	-
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 34,229	The terms are set by quotations on the local market and are similar to those of general customers	-
	Tilloy Materials Co., Etc.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 127,136	Based on capital demand	-
6	Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 57,808	The terms are set by quotations on the local market and are similar to those of general customers	-
	Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 43,198	Based on capital demand	-
7	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 201,248	Based on capital demand	-
8	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries and parent company	Other receivables	RMB 276,306	Based on capital demand	1
9	Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Trade receivables	US\$ 4,109	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	US\$ 15,730	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Sales	US\$ 259,494	The terms are set by quotations on the local market and are similar to those of general customers	4
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	US\$ 19,973	The terms are set by quotations on the local market and are similar to those of general customers	-
		PT. Sunny Metal Industry	Transactions between parent company and subsidiaries	Other receivables	US\$ 288,902	Based on capital demand	3
10	PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Transactions between parent company and subsidiaries	Other receivables	US\$ 39,382	Based on capital demand	-
11	Walsin Info-Electric Corp.	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	100,083	Based on capital demand	-
12	Cogne Acciai Speciali S.p.A.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	EUR 9,462	The terms are set by quotations on the local market and are similar to those of general customers	-
	~.p.r.v.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	EUR 9,462	The terms are set by quotations on the local market and are similar to those of general customers	-
		Special Melted Products Limited	Transactions between parent company and subsidiaries	Other receivables	GBP 6,152	Based on capital demand	-
			company and subsidiaries				

(Concluded)



TABLE 11

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS **DECEMBER 31, 2023**

	Shares					
Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)				
Chin-Xin Investment Co., Ltd. Winbond Electronics Corp. TECO Electric & Machinery Co., Ltd.	248,002,375 247,527,493 210,332,690	6.14				

- Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.
- Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

5. Financial report of the parent company of the most recent year audited and certified by Supervisors

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Walsin Lihwa Corporation

Opinion

We have audited the accompanying parent company only financial statements of Walsin Lihwa Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



The following are key audit matters of the Company's parent company only financial statements as of and for the year ended December 31, 2023:

Sales Revenue Recognition

In 2023, the main products of the Company's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Company prepares reports on point-of-sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually, and their amounts are significant to the parent company only financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 22 to the parent company only financial statements for related accounting policies and disclosure of information relating to revenue recognition.

Our audit procedures performed in respect of the above key audit matter were as follows:

- 1. We obtained an understanding and tested the reasonableness of revenue recognition policy and internal control procedures over the sales of bare copper wires and evaluated the effectiveness of relevant internal controls.
- 2. We performed sampling and reconciliation of sales prices and quantities with their respective amounts in the contracts and verified the accuracy of market price adjustments.
- 3. We verified the accuracy of monthly reports by recalculating the sales revenue and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

Other Matter

The parent company only financial statements of certain equity-method investees included in the parent company only financial statements as of and for the years ended December 31, 2023 and 2022 were audited by other auditors. Our opinion, insofar as it relates to such investments, is based solely on the reports of other auditors. The investments in such investees amounted to NT\$14,356,192 thousand and NT\$14,685,608 thousand, which constituted 7.08% and 7.30% of the total assets as of December 31, 2023 and 2022, respectively. The aforementioned investment classified as other non-current liabilities was NT\$374,028 thousand, which constituted 0.18% of the total assets as of December 31, 2023. The investment gains (loss) amounted to NT\$486,243 thousand and NT\$(118,414) thousand for the years ended December 31, 2023 and 2022, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company **Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

Financial Information

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wen-Yea Shyu and Ker-Chang Wu.

Deloitte & Touche Taipei, Taiwan Republic of China

February 23, 2024

Notice to Readers

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

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



PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023 2022 (Restate			ed)
ASSETS	Amount	%	Amount	%
CURRENT ASSETS Cash and cash equivalents (Notes 3, 4 and 6)	\$ 3,530,594	2	\$ 10,997,025	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7) Contract assets - current (Notes 4 and 8)	1,499,047 175,083	2 1	267,147	6 -
Notes receivable (Notes 4, 9 and 32) Trade receivables (Notes 4 and 9)	15,863	-	25,058	-
Trade receivables from related parties (Notes 4, 9 and 32)	2,119,899 438,177	1 -	3,652,066 296,053	2
Finance lease receivables (Notes 4, 10 and 32) Other receivables (Note 32)	9,068 1,720,601	- 1	8,272,172	4
Inventories (Notes 4 and 11) Other current assets (Notes 3, 6, 17 and 33)	11,120,657 314,635	5 	11,819,088 2,019,441	6 1
Total current assets	20,943,624	10	37,348,050	19
NON-CURRENT ASSETS Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,184,108	1	2,567,786	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	18,635,179	9	12,206,200	6
Investments accounted for using equity method (Notes 4 and 13) Property, plant and equipment (Notes 4 and 14)	130,841,304 20,828,266	65 10	117,556,202 18,760,190	59 9
Right-of-use assets (Notes 4 and 15)	75,711	-	1,459,994	1
Investment properties (Notes 4 and 16) Deferred tax assets - non-current (Notes 4 and 24)	8,099,078 680,501	4	8,170,554 700,710	4
Refundable deposits	25,700	-	31,197	-
Finance lease receivables - non-current (Notes 4, 10 and 32) Other non-current assets (Notes 6, 17 and 33)	1,517,217 34,394	1 	2,281,237	- 1
Total non-current assets	181,921,458	90	163,734,070	81
TOTAL	\$ 202,865,082	100	\$ 201,082,120	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 504,234	_	\$ 6,600,565	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	44,519	-	51,505 3,226,544	-
Trade payables (Note 32) Other payables	3,648,025 2,163,348	2 1	2,884,659	2 1
Other payables to related parties (Note 32)	3,308,150	2	9,273,554	5
Current tax liabilities (Notes 4 and 24) Lease liabilities - current (Notes 4 and 15)	1,361,449 37,025	I -	1,420,015 38,519	I -
Other current liabilities	407,295		227,916	
Total current liabilities	11,474,045	6	23,723,277	12
NON-CURRENT LIABILITIES	12 000 000	-	7.500.000	4
Bonds Payable (Note 19) Long-term borrowings (Note 18)	12,800,000 26,446,398	6 13	7,500,000 37,445,270	4 18
Long-term notes and bills payable (Note 18)	2,998,822	2	1,497,914	1
Deferred tax liabilities (Notes 4 and 24) Lease liabilities - non-current (Notes 4 and 15)	5,974,347 1,675,034	3 1	5,495,675 1,498,347	3 1
Net defined benefit liabilities - non-current (Notes 4 and 20)	137,005	-	147,420	-
Other non-current liabilities (Notes 29 and 32)	549,116	<u> </u>	193,341	_
Total non-current liabilities	50,580,722	<u>25</u>	53,777,967	<u>27</u>
Total liabilities	62,054,767	31	77,501,244	39
EQUITY (Note 21) Share capital	40,313,329	20	37,313,329	18
Capital surplus	33,624,917	<u>20</u> <u>16</u>	24,672,454	$\frac{18}{12}$
Retained earnings Legal reserve	9,538,222	5	7,564,090	4
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings Total retained earnings	48,340,145 60,590,617	$\frac{24}{30}$	51,762,058 62,038,398	$\frac{26}{31}$
Other equity		<u></u>		
Exchange differences on translation of the financial statements of foreign operations Unrealized gain on financial assets at fair value through other comprehensive income	(4,947,475) 14,068,677	(3) 7	(4,256,774) 6,693,877	(2)
Loss on hedging instruments	(65,100)	-	(105,801)	-
Other equity - other Total other equity	(2,774,650) 6,281,452	$\frac{(1)}{3}$	(2,774,607) (443,305)	<u>(1)</u>
Total equity	140,810,315	69	123,580,876	61
TOTAL	<u>\$ 202,865,082</u>	<u>100</u>	<u>\$ 201,082,120</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated February 23, 2024)



PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)	\$ 83,321,352	100	\$ 98,420,045	100
OPERATING COSTS (Note 11)	(76,550,777)	(92)	(87,224,447)	(89)
(UNREALIZED) REALIZED GAIN	(11,785)		11,802	
GROSS PROFIT	6,758,790	8	11,207,400	11
OPERATING EXPENSES				
Selling and marketing expenses	845,777	1	1,431,892	1
General and administrative expenses	1,659,411	2	1,833,812	2
Research and development expenses	211,655		200,649	
Total operating expenses	2,716,843	3	3,466,353	3
PROFIT FROM OPERATIONS	4,041,947	5	7,741,047	8
NON-OPERATING INCOME AND EXPENSES				
Interest income	254,125	_	119,155	_
Dividend income	510,707	1	764,885	1
Other income - other	58,360	1	405,699	1
Gain on disposal of property, plant and	36,300	-	403,099	-
equipment	430		78,846	
		-		2
Foreign exchange gain, net	102,135	-	1,732,956	2
Gain (loss) on valuation of financial assets and	100.054		(1.65.005)	
liabilities at fair value through profit or loss	122,354	-	(165,235)	-
Other expenses Gain (loss) on disposal of investments (Note	(76,810)	-	(124,715)	-
23)	1,085,948	1	(597,501)	(1)
Interest expense	(806,443)	(1)	(727,747)	(1)
Share of profit of subsidiaries and associates	(000,113)	(1)	(121,111)	(1)
accounted for using the equity method	1,659,130	2	15,429,151	<u>16</u>
Total non-operating income and expenses	2,909,936	3	16,915,494	<u>17</u>
PROFIT BEFORE INCOME TAX FROM				
	(051 000	0	04.656.541	25
CONTINUING OPERATIONS	6,951,883	8	24,656,541	25
INCOME TAX EXPENSE (Notes 4 and 24)	(1,817,567)	<u>(2</u>)	(5,304,444)	<u>(5</u>)
NET PROFIT FOR THE YEAR	5,134,316	6	19,352,097	<u>20</u>
			(Co	ntinued)



PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

		2023			2022	
		Amount	%		Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss: Remeasurement of defined benefit plans						
(Notes 4 and 20) Unrealized gain (loss) on investments in equity instruments at fair value through	\$	(34,728)	-	\$	260,538	-
other comprehensive income Share of the other comprehensive income (loss) of associates accounted for using the		6,254,992	7		(4,022,988)	(4)
equity method Items that may be reclassified subsequently to	_	1,288,838 7,509,102	<u>2</u> 9	_	(688,713) (4,451,163)	<u>(1)</u> <u>(5)</u>
profit or loss: Exchange differences on translating the financial statements of foreign operations Share of other comprehensive (loss) income of associates accounted for using the		(642,710)	(1)		1,663,884	2
equity method		(7,290) (650,000)	<u></u>	_	74,228 1,738,112	
Other comprehensive income (loss) for the year, net of income tax		6,859,102	8		(2,713,051)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$</u>	11,993,418	<u>14</u>	<u>\$</u>	16,639,046	<u> 17</u>
EARNINGS PER SHARE (Note 25) Basic Diluted		\$ 1.32 \$ 1.32			\$ 5.45 \$ 5.44	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

							Other Equity			
				Retained Earning	s	Exchange Differences on Translating the	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Financial Statements of Foreign Operations	Other Comprehensive	Loss on Hedging Instrument	Others	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 34,313,329	\$ 18,440,875	\$ 6,109,568	\$ 2,712,250	\$ 38,965,389	\$ (6,100,687)	\$ 11,534,267	\$ -	\$ (91,467)	\$ 105,883,524
Appropriation of 2021 earnings (Note 21) Legal reserve Cash dividends distributed by WLC	-	<u>-</u>	1,454,522	<u>-</u>	(1,454,522) (5,490,133)	- -	- - -	-	- -	(5,490,133)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(994)	-	-	-	-	-	-	-	(994)
Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	887	-	-	79,546	-	(79,546)	-	-	887
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	_	313,270	1,843,913	(4,764,433)	(105,801)	_	(2,713,051)
Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	_	19,665,367	1,843,913	(4,764,433)	(105,801)	_	16,639,046
Share-based payment transaction (Note 26)	-	225,000	-	-	-	-	-	-	-	225,000
Others		6,686		-		<u>=</u>	<u> </u>			6,686
BALANCE AT DECEMBER 31, 2022	37,313,329	24,672,454	7,564,090	2,712,250	51,762,058	(4,256,774)	6,693,877	(105,801)	(2,774,607)	123,580,876
Appropriation of 2022 earnings (Note 21) Legal reserve Cash dividends distributed by WLC		- -	1,974,132		(1,974,132) (6,716,399)	- -	- -	- -	- -	(6,716,399)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(6,932)	-	-	204,652	-	(204,652)	-	-	(6,932)
Change in ownership interests in subsidiaries	-	26,730	-	-	-	-	-	-	-	26,730
Issuance of ordinary shares for cash	3,000,000	8,923,497	-	-	-	-	-	-	-	11,923,497
Net profit for the year ended December 31, 2023	-	-	-	-	5,134,316	-	-	-	-	5,134,316
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>			(70,350)	(690,701)	7,579,452	40,701		6,859,102
Total comprehensive income (loss) for the year ended December 31, 2023		<u>-</u>	<u>-</u>		5,063,966	(690,701)	7,579,452	40,701		11,993,418
Others		9,168		_		_	_		(43)	9,125
BALANCE AT DECEMBER 31, 2023 The accompanying notes are an integral part of the parent company only	\$ 40,313,329 by financial statemen	\$ 33,624,917 ats.	\$ 9,538,222	\$ 2,712,250	<u>\$ 48,340,145</u>	<u>\$ (4,947,475)</u>	\$ 14,068,677	<u>\$ (65,100)</u>	<u>\$ (2,774,650)</u>	<u>\$ 140,810,315</u>

The accompanying notes are an integral part of the parent company only financial statements. (With Deloitte & Touche auditors' report dated February 23, 2024)



PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

		2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$	6,951,883	\$ 24,656,541
Adjustments for:	4	0,501,000	\$ 2.,000,011
Depreciation expenses		1,408,723	1,422,173
Amortization expenses		28,191	11,750
Net (gain) loss on fair value changes of financial assets and		-, -	,
liabilities at fair value through profit or loss		(122,354)	165,235
Interest expenses		806,443	727,747
Interest income		(254,125)	(119,155)
Dividend income		(510,707)	(764,885)
Compensation costs of employee share options		_	225,000
Share of profit of subsidiaries and associates accounted for			,
using the equity method		(1,659,130)	(15,429,151)
Gain on disposal of property, plant and equipment		(430)	(78,846)
(Gain) loss on disposal of investments		(1,085,948)	597,501
Unrealized (realized) gain on the transaction with associates		11,785	(11,802)
Unrealized loss on foreign currency exchange		424	7,352
Loss on lease modification		8	6
Changes in operating assets and liabilities			
Decrease (increase) in financial assets mandatorily classified			
as at fair value through profit or loss		1,084,190	(555,033)
Decrease (increase) in contract assets		92,064	(116,082)
Decrease in notes receivable		9,195	11,935
Decrease in trade receivables		1,390,043	1,170,524
Decrease (increase) in other receivables		694,938	(625,476)
Decrease in inventories		698,431	3,748,184
Decrease in other current assets		1,427,973	232,752
Decrease (increase) in other financial assets		280,997	(280,997)
(Increase) decrease in other operating assets		(2)	93,091
Increase in trade payables		421,481	186,320
(Decrease) increase in other payables		(866,064)	146,827
Increase (decrease) in other current liabilities		167,594	(133,155)
Decrease in net defined benefit liabilities		(45,143)	(43,738)
Decrease in other operating liabilities		(766)	(50,009)
Cash generated from operations		10,929,694	15,194,609
Interest received		232,104	118,408
Dividends received		1,874,051	2,161,080
Interest paid		(706,048)	(649,093)
Income tax paid		(1,349,412)	(1,989,646)
Net cash generated from operating activities		10,980,389	14,835,358
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PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	202	3	2022	(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other				
comprehensive income	\$ (17	73,987)	\$	(90,000)
Disposal of financial assets at fair value through other	,	, ,	,	())
comprehensive income		-		335
Purchase of financial assets at fair value through profit or loss		-		(2,686,100)
Acquisition of investments accounted for using the equity method	(19,52	29,179)		7,718,066)
Increase in prepaid long-term investments	(1	17,423)		(2,204,073)
Repatriation through capital reduction of investee companies				
accounted for using the equity method	4,50	01,800	1	11,178,225
Purchase of property, plant and equipment	(3,50	07,223)		(2,467,304)
Proceeds from disposal of property, plant and equipment		430		129,210
Decrease (increase) in refundable deposits		5,497		(3,650)
Decrease (increase) in other receivables	5,83	31,227		(6,710,599)
Purchase of investment properties		-		(183)
Decrease in finance lease receivables		7,475		-
Other investing activities	(45	<u>58,231</u>)		<u>(524,195</u>)
Net cash used in investing activities	(13,33	39,614)	(2	21,096,400)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease) increase in short-term borrowings	(6,09	96,337)		1,518,581
Proceeds from bonds payable	5,30	00,000		-
Proceeds from long-term borrowings	13,24	46,152	2	21,755,400
Repayment of long-term borrowings	(24,24	45,024)	(1	19,450,144)
Increase in long-term notes and bills payable	1,50	00,908		1,497,914
Increase in other payables to related parties	1	13,634		3,345,925
Repayment of the principal portion of lease liabilities	(4	43,182)		(30,665)
Cash dividends paid	(6,71	16,022)		(5,489,781)
Proceeds from issuance of ordinary shares	11,92	23,497		9,000,000
Other financing activities		9,168		6,685
Net cash (used in) generated from financing activities	(5,10	07,206)	1	12,153,915
NET (DECREASE) INCREASE IN CASH AND CASH				
EQUIVALENTS	(7,46	66,431)		5,892,873
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,99	97 <u>,025</u>		5,104,152
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 3.53	30,594	\$ 1	10,997,025
The accompanying notes are an integral part of the parent company only				<u> </u>
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(Concluded)

(With Deloitte & Touche auditors' report dated February 23, 2024)



NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

Walsin Lihwa Corporation ("the Company") was incorporated in December 1966 and commenced operations in December 1966. To diversify its operations, the Company made various investments in construction, electronics, material science, real estate, etc. The Company's main products are wires, cables, stainless steel, resource business and real estate.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1972. In October 1995, November 2010 and June 2023, the Company increased its share capital and issued Global Depositary Receipts (GDRs), which were listed on the Luxembourg Stock Exchange under stock number 168527.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on February 23, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS, AMENDED AND **INTERPRETATIONS**

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

When applying the amendments, the Company refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

Financial Information

- The Company may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the parent company only financial statements if that information relates to material transactions, other events or conditions and:

- a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the parent company only financial statements:
- b) The Company chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Company is required to make significant judgments or assumptions in applying an accounting policy, and the Company discloses those judgments or assumptions; or
- e) The accounting is complex, and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The Company has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in parent company only financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Company shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Company recognized the cumulative effect of retrospective application on January 1, 2022, and restated comparative information.

4) Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Company to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Company should disclose qualitative and quantitative information that helps users of financial statements understand the Company's exposure to Pillar Two income taxes. The requirement that the Company apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IFRS Accounting Standards			
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)			
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024			
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024			
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)			

- Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.
- The seller concurrently the lessee shall retrospectively apply the amendment to IFRS 16 to the sale and leaseback transactions entered after the initial application date of IFRS 16.
- Note 3: The amendments provide some transition relief regarding disclosure requirements.
- 1) Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"

The amendments clarify that for a sale and leaseback transaction, if the transfer of an asset meets the requirements of "Revenue from Contracts with Customers" in IFRS 15 and it is classified as a sale, the liabilities that arise from the leaseback by the seller and lessee, shall be treated according to the lease liability of IFRS 16. However, if it involves variable lease payments that are not dependent on the index or rate, the seller and lessee shall measure the liability in a manner that does not recognize the gain or loss related to the retained right of use. Subsequently, the difference between the current lease payment

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amount and the actual payment amount included in the calculation of lease liabilities is recognized as profit or loss.

The 2020 amendments stipulate that, for the purpose of classification of liabilities, the aforementioned settlement refers to the elimination of liabilities due to the transfer of cash, other economic resources, or the Company's equity instruments to the counterparty. However, if the terms of a liability may, at the option of the counterparty, result in its settlement by the transfer of the Company's equity instruments, and if the option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation," the aforementioned clauses do not affect the classification of liabilities.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

3) IAS 7 and IFRS 7 Amendments "Supplier Financing Arrangements"

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Company shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Company's liabilities and cash flows and on the Company's exposure to liquidity risk.

In addition to the above effects, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the amendments of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)			
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB			
IFRS 17 "Insurance Contracts"	January 1, 2023			
Amendments to IFRS 17	January 1, 2023			
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023			
Amendments to IAS 21 "Lack of Convertibility.".	January 1, 2025 (Note 2)			

- Note 1: Unless otherwise. above standards noted the said recently released/amended/amended standards or interpretations take effects from the year of reporting period after the dates of release or amendment.
- Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.
- 1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint venture, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share



of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the aforesaid amendments to standards and interpretations will not have any material impact on the Company's financial position and financial performance; provided, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. Presentation of Items Reclassified Subsequently

The management of the Company considers that the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the parent company only balance sheets and parent company only statements of cash flows in 2023. The other current assets - other were reclassified to cash and cash equivalents with a carrying amount of \$23,380 thousand and \$40,786 thousand, on December 31, 2023 and 2022. The impact on cash flows for the year ended December 31, 2022 was as follows:

Adjustments

Net cash used in operating activities Net decrease in cash and cash equivalents \$ (39,707) \$ (39,707)

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis

except for financial instruments, which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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



d. Foreign currencies

In preparing the Company's parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the parent company only balance sheets date.

f. Investments accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investments and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value on that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line

method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis within useful lives. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment loss.

Intangible assets are derecognized when they are disposed or are not expected to generate future economic benefits through usage or through disposal.

On derecognition of an intangible asset, the differences between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial asset are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest earned upon early withdrawal exceeds that of regular saving accounts, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or

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loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), operating lease receivables, finance lease receivables, as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables, operating lease receivables, finance lease receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive



income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial guarantee contracts

Financial guarantee contracts issued by the Company, if not designated as at FVTPL, are subsequently measured at the higher of:

- i) The amount of the loss allowance reflecting expected credit losses; and
- ii) The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of

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each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

1. Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

1) Fair value hedges

Gain or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk and are recognized in the parent company only statement of profit or loss under the line item that relates to the hedged item.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs.



When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

m. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

n. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and the amount of the obligation can be measured reliably.

o. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of wires, cables and stainless steel. Sales of wires, cables and stainless steel are recognized as revenue when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the others

a) Revenue from the reading of services

Revenue from the reading of services is recognized when services are rendered. Revenue generated from services provided under the contract is recognized according to the completion of the contract.

b) Construction contract revenue

A contract asset is recognized during the construction and is reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payment exceeds the revenue recognized to date, then the Company recognizes a contract liability for the difference. Certain payments retained by the customer as specified in the contract are intended to ensure that the Company adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfies its performance obligation.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in



satisfying the performance obligation for which recovery is expected.

p. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase

option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as, in the period in which the events or conditions that trigger the concession occur and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related

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service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and return on plan assets (excluding interest), are recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Share-based payment transaction agreements

Employee share options granted to employees and others providing similar services.

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary

differences arising from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except the current and deferred taxes that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes will be recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION **UNCERTAINTY**

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



When developing material accounting estimates, the Company reviews the estimates and underlying on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31					
	<u></u>	2023	2022			
Cash on hand Checking accounts and cash in banks Cash equivalents	\$	1,000 3,506,214	\$	1,050 7,423,539		
Time deposits Repatriation of offshore fund and projects grants		23,380		3,531,650 40,786		
	<u>\$</u>	3,530,594	\$	10,997,025		

The market rate intervals of cash in the bank at the end of the year were as follows (except for checking accounts' interest rate of 0.00%):

	Decem	ber 31
	2023	2022
Bank balance	0.001%-2.60%	0.001%-3.80%
Time deposits	-	1.035%

Other bank deposits have been reclassified to other accounts for the following purposes:

			Decem	ber 31
	Purpose	20)23	2022
Other current assets - current Refundable deposits Non-current assets - other	Futures deposits	\$	-	\$ 280,997
Pledged time deposits	To meet required security deposits		600	600
		\$	600	<u>\$ 281,597</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31				
	2023	2022			
Financial assets mandatorily classified as at FVTPL					
Derivative financial assets (not under hedge accounting) Commodity futures contracts Non-derivative financial assets Contingent consideration	\$ 68,870 <u>2,614,285</u>	\$ - <u>2,567,786</u>			
Financial assets at FVTPL	\$ 2,683,155	\$ 2,567,786			
Current Non-current	\$ 1,499,047 	\$ - <u>2,567,786</u>			
	<u>\$ 2,683,155</u>	\$ 2,567,786			
Financial liabilities held for trading					
Derivative financial liabilities (not under hedge accounting) Commodity futures contracts Foreign exchange forward contracts Exchange rate swap contracts	\$ 9,807 34,712	\$ 21,017 30,488			
Financial liabilities at FVTPL	\$ 44,519	<u>\$ 51,505</u>			
Current Non-current	\$ 44,519	\$ 51,505 			
	<u>\$ 44,519</u>	<u>\$ 51,505</u>			

a. As of December 31, 2023 and 2022, outstanding commodity futures not under hedge accounting were as follows:

	Type of Transaction	Quantity (Tons)	Trade Date	•				ket Price nousands)	(Los	uation s) Gain ousands)
<u>December 31, 2023</u>										
Commodity futures										
Copper	Buy	13,300	2023.08.31- 2023.12.29	2024.01.17- 2024.06.19	US\$	110,946	US\$	113,261	US\$	2,315
Nickel	Buy	150	2023.11.01- 2023.11.24	2024.02.01- 2024.02.23	US\$	2,550	US\$	2,478	US\$	(72)
<u>December 31, 2022</u>										
Commodity futures										
Copper	Buy	5,900	2022.08.15- 2022.12.30	2023.01.18- 2023.06.21	US\$	48,178	US\$	49,332	US\$	1,154
Copper	Sell	25	2022.12.02	2023.03.02	US\$	210	US\$	209	US\$	1
Nickel	Sell	4,188	2022.11.15- 2022.12.30	2023.01.18- 2023.03.20	US\$	122,940	US\$	124,780	US\$	(1,840)



b. As of December 31, 2023 and 2022, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Buy	USD to IDR	2024.01.02-2024.02.01	USD78,000/IDR1,205,962,000
Sell	USD to JPY EUR to USD	2024.01.29 2024.01.16-2024.01.22	USD3,500/JPY495,565 EUR4,000/USD4,342
December 31, 2022			
Buy	USD to IDR USD to JPY	2023.01.31 2023.01.05	USD91,000/IDR1,429,633,100 USD3,000/JPY412,605

c. As of the December 31, 2023, outstanding exchange rate swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023	USD to NTD	2024.01.02-2024.02.29	USD118,000/NTD3,649,647

- d. For the years ended December 31, 2023 and 2022, the Company's strategies for commodity futures contracts, forward exchange contracts and foreign exchange swap contracts were to hedge exposures to fluctuations in the prices of raw material and foreign exchange rates. However, those derivative financial instruments did not meet the criteria of hedge effectiveness; therefore, they were not accounted for by hedge accounting.
- e. Financial assets contingent consideration is the amount of consideration to be received by the Company from the acquirer in the disposal of the subsidiary on July 27, 2022. In accordance with the agreement of contingent consideration, the acquirer shall respectively pay additional payments when the gross profit of the target company during the period starting from the settlement date to December 31, 2023 and the gross profit in the year of 2024 meet the amount agreed upon by Target Company.

8. CONTRACT ASSETS

At the end of the year, contract balances were as follows:

	December 31				
	2023	2022			
Contract assets					
Cable installation	\$ 175,083	\$ 267,147			
Less: Allowance for impairment loss		_			
Contract assets - current	<u>\$ 175,083</u>	<u>\$ 267,147</u>			

The changes in the balance of contract assets primarily resulted from the timing differences between the Company's satisfaction of performance obligations and the respective customer's payment.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	Decem	iber 31
	2023	2022
Notes receivable		
Notes receivable	\$ 12,877	\$ 24,016
Notes receivable - non-operating		
Notes receivable	1,940	-
Notes receivable from related parties	1,046	1,042
	\$ 15,863	<u>\$ 25,058</u>
<u>Trade receivables</u>		
Trade receivables	\$ 2,119,899	\$ 3,652,066
Less: Allowance for impairment loss	2 110 000	2 (52 0(6
Trade receivables from related parties	2,119,899 438,177	3,652,066 296,053
Trade receivables from related parties		290,033
	<u>\$ 2,558,076</u>	\$ 3,948,119

The average credit period on the sales of goods is 60 days. In determining the collectability of a trade receivable, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. When the Company dealt with new entities, the Company reviewed the credit ratings of the entities and obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. In this regard, the management believes the Company's credit risk is significantly reduced.

The Company permits the use of a lifetime expected credit loss allowance for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience with the respective debtors and an analysis of the debtors' current financial positions. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on the past due status of receivables is not further distinguished according to different segments of the Company's customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For trade receivables that have been written off, the Company continues to engage in

Financial Information

enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2023

Not Past Due Up to 9		Up to 90 Days 91 to 180 Days		181 to 365 Days		Over 365 Days		Total		
0%	0%-2%		0%-50%		0%-100%		50%-100%			
\$ 2,499,599	\$	58,477	\$	-	\$	-	\$	-	\$ 2,588,076	
\$ 2,499,599	\$	58,477	\$	-	\$	-	\$	<u>-</u>	\$ 2,558,076	
	0% \$ 2,499,599	0% (\$ 2,499,599 \$	0% 0%-2% \$ 2,499,599 \$ 58,477	Not Past Due Up to 90 Days 180 0% 0%-2% 0%- \$ 2,499,599 \$ 58,477 \$	Not Past Due Up to 90 Days 180 Days 0% 0%-2% 0%-50% \$ 2,499,599 \$ 58,477 \$ -	Not Past Due Up to 90 Days 180 Days 365 0% 0%-2% 0%-50% 0%-50% \$ 2,499,599 \$ 58,477 \$ - \$	Not Past Due Up to 90 Days 180 Days 365 Days 0% 0%-2% 0%-50% 0%-100% \$ 2,499,599 \$ 58,477 \$ - \$ -	Not Past Due Up to 90 Days 180 Days 365 Days 365 0% 0%-2% 0%-50% 0%-100% 50%- \$ 2,499,599 \$ 58,477 \$ - \$ - \$	Not Past Due Up to 90 Days 180 Days 365 Days 365 Days 0% 0%-2% 0%-50% 0%-100% 50%-100% \$ 2,499,599 \$ 58,477 \$ - \$ - \$ -	

December 31, 2022

	Not Past Due	Up t	to 90 Days	1	91 to 80 Days		181 to 55 Days	Ov 365 l		Total	
Expected credit loss rate	0%	(0%-2%	0%-50%		0%-100%		50%-100%			
Gross carrying amount Loss allowance (lifetime ECLs)	\$ 3,763,039	\$	24,816	\$	126,508	\$	33,756	\$	- -	\$ 3,948,119	
Amortized cost	\$ 3,763,039	\$	24,816	\$	126,508	\$	33,756	\$		\$ 3,948,119	

10. FINANCE LEASE RECEIVABLE

	December 31				
	20	023	2022		
Undiscounted lease payments					
Year 1	\$	17,793	\$	-	
Year 2		17,793		-	
Year 3	1	07,457		-	
Year 4	1	07,457		-	
Year 5	1	07,457		-	
Year 6 onwards	1,8	329,733			
	2,1	87,690		-	
Less: Unearned finance income		661,045)		<u> </u>	
Net investment in leases presented as finance lease receivables	<u>\$ 1,5</u>	5 <u>26,285</u>	\$	<u> </u>	
			(((antinyad)	

(Continued)

	Decemb	er 31
	2023	2022
Current Non-current	\$ 9,068 	\$ - -
	<u>\$ 1,526,285</u>	(Concluded)

- a. In July and October 2023, the Company subleased the land leased at the Kaohsiung Port Intercontinental Container Center to related parties and receives lease payments and management fees annually. The average term of the finance lease is 22 years, which is categorized as a finance lease because the remaining lease term of the main lease is fully subleased; please refer to Note 32.
- b. The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The average effective interest rate contracted was 2.83% to 3.20% per annum as of December 31, 2023.
- c. The finance lease receivables as of December 31, 2023, neither past due nor impaired.

11. INVENTORIES

	December 31			
		2023		2022
Raw materials	\$	2,138,339	\$	1,905,546
Raw materials in transit		1,935,674		1,488,842
Supplies		1,015,358		1,208,541
Work-in-process		1,679,293		1,746,284
Finished goods and merchandise		4,245,700		5,251,659
Construction in progress		106,293	_	218,216
	<u>\$</u>	11,120,657	\$	11,819,088

- a. The cost of goods sold related to inventories for the years ended December 31, 2023 and 2022 were NT\$75,130,774 thousand and NT\$86,967,000 thousand, respectively.
- b. The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of NT\$89,173 thousand and NT\$74,230 thousand, respectively.



12. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER **COMPREHENSIVE INCOME**

	December 31		
	2023	2022	
Domestic listed ordinary shares HannStar Display Corp. HannStar Board Corp. Teco Electric & Machinery Corp.	\$ 3,550,641 3,525,594 10,815,701	\$ 3,340,899 2,017,812 6,348,587	
Domestic unlisted ordinary shares	743,243	498,902	
	<u>\$ 18,635,179</u>	\$ 12,206,200	
Current Non-current	\$ - 18,635,179	\$ - 12,206,200	
	\$ 18,635,179	<u>\$ 12,206,200</u>	

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes. For the years ended December 31, 2023 and 2022, the unrealized valuation gains (losses) resulting from these investments in equity instruments were NT\$6,254,992 thousand and NT\$(4,022,988) thousand, respectively, recognized in other comprehensive income (loss).

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31		
	2023	2022	
Investments in subsidiaries Investments in associates	\$ 87,101,281 43,740,023	\$ 72,758,665 44,797,537	
	<u>\$ 130,841,304</u>	<u>\$ 117,556,202</u>	

a. Investments in subsidiaries

		Decem	iber 31	
	2023		2022	?
Name of Subsidiary	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Unlisted companies:				
Walsin Lihwa Holdings Ltd.	\$ 20,583,253	100.00	\$ 24,073,818	100.00
Concord Industries Ltd.	3,685,272	100.00	5,210,454	100.00
Walsin Precision Technology Sdn. Bhd.	551,918	100.00	563,204	100.00
				(Continued)

	December 31				
	2023		2022		
		Ownership		Ownership	
Name of Subsidiary	Carrying Value	Percentage	Carrying Value	Percentage	
Min Maw Precision Industry Corp.	409,853	100.00	388,436	100.00	
Ace Result Limited	382,041	100.00	354,722	100.00	
Walsin Info-Electric Inc.	348,242	99.51	314,008	99.51	
Chin-Cherng Construction Co., Ltd.	5,462,298	99.22	6,182,490	99.22	
P.T. Walsin Lippo Industries	980,706	70.00	953,239	70.00	
Joint Success Enterprises Limited	4,237,555	49.05	5,084,267	49.05	
PT. Walsin Nickel Industrial Indonesia	7,269,121	50.00	5,832,774	50.00	
Walsin Singapore Pte. Ltd.	30,809,949	100.00	19,603,265	100.00	
Walsin Lihwa Europe S.a r.l.	9,666,272	100.00 (Note 3)	4,146,986	100.00 (Note 3)	
Walsin America, LLC	-	100.00	-	100.00 (Note 1)	
PT. Sunny Metal Industry	-	-	-	-	
Walsin Energy Cable System Co., Ltd.	2,657,462	90.00 (Note 4)	-	(Note 2) -	
Others	57,339	(11016 4)	51,002		
	<u>\$ 87,101,281</u>		\$ 72,758,665	(Concluded)	

- Note 1: Due to the adjustment of the investment structure of the Group, it was transferred from WLHL to Walsin Lihwa Corporation in December 2022.
- Note 2: On September 23, 2022, the Company acquired 50.10% shares of PT. Sunny Metal Industry from Ever Rising Limited and Berg Holding Limited at the price of US\$200,000 thousand. On November 4, 2022, the board of directors of the Company resolved to transfer PT. Sunny Metal Industry to Walsin Singapore Pte. Ltd.
- Note 3: On May 31, 2022, the Company's board of directors resolved to establish Walsin Lihwa Europe S.a r.l. and Walsin Lihwa Europe S.a r.l. acquired 85.03% shares of Luxembourg MEG S.A. On May 5, 2023, the Company's board of directors approved to increase capital in cash of MEG S.A., and the capital increase base date was August 30, 2023. Walsin Lihwa Europe S.a r.l. subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in an increase in the continuing interest rate from 85.03% to 90.21%.
- The Company established Walsin Energy Cable System Co., Ltd. with 100% shares, on February 13, 2023. On February 24, 2023, the Company's board of directors approved to increase capital in cash of Walsin Energy Cable System Co., Ltd., and the capital increase base date was on May 23, 2023. The Company did not subscribe



according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100.00% to 90.00%

As of December 31, 2023 and 2022, the carrying amount of Company's long-term investment to Walsin America, LLC was negative, so the difference of NT\$374,028 thousand and NT\$17,487 thousand were reclassified to other non-current liabilities, respectively.

b. Investments in associates

	December 31			
	2023	}	2022	
Name of Associate	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Material associates				
Winbond Electronics Corp. Walton Advanced	\$ 20,335,573	21.99	\$ 20,953,105	22.21
Engineering, Inc.	2,230,609	21.17	2,109,400	21.01
Walsin Technology Corp.	8,631,671	18.30	8,147,080	18.30
Associates that are not individually material				
Others	12,542,170		13,587,952	
	\$ 43,740,023		\$ 44,797,537	

Refer to Table 8 "Information on Investees" and Table 9 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

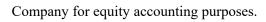
The Company is the single largest shareholder of the abovementioned material associates in which the Company has an ownership percentage of less than 50%. Considering the relative size and wide dispersion of the voting rights owned by other shareholders, the Company has no ability to direct the relevant activities of the associates and therefore has no control over these associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	Decem	
Name of Associate	2023	2022
Winbond Electronics Corp.	<u>\$ 27,995,121</u>	\$ 17,323,429
Walton Advanced Engineering, Inc.	\$ 1,671,833	<u>\$ 1,244,282</u>
Walsin Technology Corp.	<u>\$ 10,934,986</u>	\$ 7,023,284

All the associates were accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the



1) Material associates

<u>December 31, 2023</u>

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Current assets Non-current assets Current liabilities Non-current liabilities Equity Non-controlling interests	\$ 66,505,389 124,282,555 (36,032,759) (54,295,007) 100,460,178 (8,163,361) \$ 92,296,817	\$ 5,910,245 11,394,115 (3,608,250) (3,069,785) 10,626,325 (92,257) \$ 10,534,068	\$ 38,015,600 56,427,628 (25,474,021) (12,353,431) 56,615,776 (10,036,131) \$ 46,579,645
Proportion of the Company's ownership	21.99%	21.17%	18.30%
Equity attributable to the Company Other adjustments	\$ 20,296,070 39,503	\$ 2,230,062 547	\$ 8,524,075 107,596
Carrying amount	\$ 20,335,573	\$ 2,230,609	\$ 8,631,671
Operating revenue	\$ 75,006,078	\$ 7,276,069	\$ 32,797,671
Net profit (loss) for the year Other comprehensive (loss) income	\$ 34,449 (1,304,665)	\$ (112,652) <u>601,516</u>	\$ 2,657,922 1,555,362
Total comprehensive (loss) income for the year	\$ (1,270,216)	<u>\$ 488,864</u>	\$ 4,213,284
<u>December 31, 2022</u>			
	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Current assets Non-current assets Current liabilities Non-current liabilities	\$ 68,537,523 115,627,470 (27,776,754) (53,654,523)	\$ 8,080,399 11,240,954 (5,110,938) (3,970,323)	\$ 42,078,074 49,653,421 (19,230,081) (18,917,380) (Continued)



	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	(8,570,720)	(200,109)	(9,303,110)
	<u>\$ 94,162,996</u>	<u>\$ 10,039,983</u>	<u>\$ 44,280,924</u>
Proportion of the Company's ownership	22.21%	21.01%	18.30%
Equity attributable to the Company Other adjustments	\$ 20,913,601 <u>39,504</u>	\$ 2,109,400	\$ 8,103,409 43,671
Carrying amount	\$ 20,953,105	\$ 2,109,400	\$ 8,147,080
Operating revenue	\$ 94,529,790	\$ 9,506,348	\$ 35,297,163
Net profit for the year	\$ 14,986,552	\$ 156,098	\$ 2,295,275
Other comprehensive income (loss)	2,717,903	(1,186,315)	218,387
Total comprehensive income (loss) for the year	<u>\$ 17,704,455</u>	<u>\$ (1,030,217)</u>	\$ 2,513,662 (Concluded)

2) Associates that are not individually material

	For the Year Ended December 31		
	2023	2022	
The Company's share of:			
Net profit from continuing operations	\$ 281,776	\$ 366,767	
Other comprehensive (loss) income	1,066,695	(901,548)	
Total comprehensive income (loss) for the year	<u>\$ 1,348,471</u>	<u>\$ (534,781)</u>	

The Company's share of profit and other comprehensive income of associates for the years ended December 31, 2023 and 2022 were based on the associates' financial statements audited by independent auditors for the same period. The financial statements of certain equity-method investees included in the financial statements were not audited by the auditors of the Company but were audited by other independent auditors. The investment in such investee amounted to NT\$14,356,192 thousand and NT\$14,685,608 thousand as of December 31, 2023 and 2022, respectively. The equity-method investee classified as other non-current liabilities amounted to NT\$374,028 thousand as of December 31, 2023. Investment gain (loss) amounted to NT\$486,243 thousand and NT\$(118,414) thousand for the years ended December 31, 2023 and 2022, respectively.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2023 Additions Disposals Reclassified	\$ 3,748,745 207,703 - 12,652	\$ 7,348,401 67,000 (4,385) 12,448	\$ 21,165,234 80,539 (56,376) 177,078	\$ 4,475,494 154,557 (59,206) 39,670	\$ 3,105,197 2,842,575 (241,848)	\$ 39,843,071 3,352,374 (119,967)
Balance at December 31, 2023	<u>\$ 3,969,100</u>	<u>\$ 7,423,464</u>	<u>\$ 21,366,475</u>	<u>\$ 4,610,515</u>	<u>\$ 5,705,924</u>	<u>\$ 43,075,478</u>
Accumulated depreciation and impairment						
Balance at January 1, 2023 Disposals Depreciation expenses	\$ 8,067 - -	\$ 4,545,423 (4,385) 183,088	\$ 13,470,602 (56,376) 798,711	\$ 3,058,789 (59,206) 302,499	\$ - - -	\$ 21,082,881 (119,967) 1,284,298
Balance at December 31, 2023	<u>\$ 8,067</u>	<u>\$ 4,724,126</u>	<u>\$ 14,212,937</u>	<u>\$ 3,302,082</u>	<u>\$</u>	<u>\$ 22,247,212</u>
Carrying amount at December 31, 2023	<u>\$ 3,961,033</u>	\$ 2,699,338	<u>\$ 7,153,538</u>	<u>\$ 1,308,433</u>	<u>\$ 5,705,924</u>	\$ 20,828,266
Cost						
Balance at January 1, 2022 Additions Disposals Reclassified	\$ 3,611,025 80,867 (50,356) 107,209	\$ 7,219,012 29,938 (4,979) 104,430	\$ 20,438,380 258,714 (78,137) 546,277	\$ 4,282,943 126,330 (30,930) 97,151	\$ 1,779,489 2,180,778 (3) (855,067)	\$ 37,330,849 2,676,627 (164,405)
Balance at December 31, 2022	<u>\$ 3,748,745</u>	\$ 7,348,401	<u>\$ 21,165,234</u>	<u>\$ 4,475,494</u>	<u>\$ 3,105,197</u>	<u>\$ 39,843,071</u>
Accumulated depreciation and impairment						
Balance at January 1, 2022 Disposals Depreciation expenses	\$ 8,067 - -	\$ 4,365,668 (4,980) 184,735	\$ 12,751,878 (78,137) 	\$ 2,793,963 (30,924) 295,750	\$ - - -	\$ 19,919,576 (114,041)
Balance at December 31, 2022	<u>\$ 8,067</u>	<u>\$ 4,545,423</u>	<u>\$ 13,470,602</u>	<u>\$ 3,058,789</u>	<u>\$</u>	<u>\$ 21,082,881</u>
Carrying amount at December 31, 2022	<u>\$ 3,740,678</u>	<u>\$ 2,802,978</u>	\$ 7,694,632	<u>\$ 1,416,705</u>	<u>\$ 3,105,197</u>	<u>\$ 18,760,190</u>

a. Apart from stated above, the above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	3-50 years
Machinery and equipment	3-20 years
Other equipment	3-15 years

The Company's main buildings, office buildings and electrical and mechanical power equipment are depreciated over their estimated useful lives of 50 years and 20 years, respectively.

b. The Company owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, the



Company keeps in its possession the land titles with the annotation of the land being pledged to the Company. As of December 31, 2023 and 2022, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

December 31		
2023	2022	
\$ 41,463	\$ 1,423,924	
33,969	2,666 33,404	
<u>\$ 75,711</u>	<u>\$ 1,459,994</u>	
	ded December 31	
2023	2022	
\$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	\$ 1,450,985 \$ (511) \$ -	
\$ 35,957	\$ 56,047	
1,647 15,345	1,714 13,769	
\$ 52,949	<u>\$ 71,530</u>	
Decem	iber 31	
2023	2022	
\$ 37,025 \$ 1,675,034	\$ 38,519 \$ 1,498,347	
	\$ 41,463 279 33,969 \$ 75,711 For the Year End 2023 \$ 15,910 \$ (1,267) \$ (1,345,977) \$ 35,957 1,647 15,345 \$ 52,949 Decem 2023	

Range of discount rates for lease liabilities was as follows:

	December 31		
	2023 2022		
Land	2.05%-3.759%	2.05%-3.759%	
Buildings	1.198%	1.198%	
Transportation equipment	1.964%-3.44%	1.964%-3.038%	

b.



c. Other lease information

	For the Year Ended December 31		
	2023	2022	
Expenses relating to short-term leases Expenses relating to low-value asset leases Total cash outflow for leases	\$\ \frac{16,436}{\\$} \\ \frac{243}{\\$} \(\frac{59,861}{\} \)	\$ 19,512 \$ 108 \$ (50,285)	

16. INVESTMENT PROPERTIES

	Decem	ber 31
	2023	2022
Completed investment properties	\$ 8,099,078	\$ 8,170,554
		Completed Investment Properties
Cost		
Balance at January 1, 2023 Additions		\$ 9,977,685
Balance at December 31, 2023		\$ 9,977,685
Balance at January 1, 2022 Additions		\$ 9,977,502 183
Balance at December 31, 2022		\$ 9,977,685
Accumulated depreciation and impairment		
Balance at January 1, 2023 Depreciation expenses		\$ 1,807,131 <u>71,476</u>
Balance at December 31, 2023		\$ 1,878,607
Balance at January 1, 2022 Depreciation expenses		\$ 1,733,834 <u>73,297</u>
Balance at December 31, 2022		<u>\$ 1,807,131</u>

- The completed investment properties are depreciated on a straight-line method over their estimated useful lives of 20 to 50 years.
- b. The investment property of the Company is the Walsin Xin Yi Building and other completed investment properties. The building valuation was commissioned by independent appraisal agencies (third parties). As of December 31, 2023 and 2022, the fair values of the investment properties were NT\$32,102,265 thousand and NT\$30,844,090 thousand, respectively.



17. OTHER ASSETS

	December 31		
	2023	2022	
Prepayment for purchases Prepaid expense Overpaid sales taxes Refundable deposits Prepayment for investments Others	\$ 74,732 198,207 37,717 - 17,423 	\$ 1,390,831 348,419 - 280,997 2,204,073 	
	<u>\$ 349,029</u>	<u>\$ 4,300,678</u>	
Current Non-current	\$ 314,635 34,394	\$ 2,019,441 2,281,237	
	<u>\$ 349,029</u>	\$ 4,300,678	

18. BORROWINGS

	December 31		
	2023 20		
Short-term borrowings Long-term borrowings Long-term notes and bills payable	\$ 504,234 \$ 26,446,398 \$ 2,998,822	\$ 6,600,565 \$ 37,445,270 \$ 1,497,914	

a. Short-term borrowings as of December 31, 2023 and 2022 were as follows:

	December 31			
	2023		2022	
	Interest Rate %	Amount	Interest Rate %	Amount
Procurement loans Bank lines of credit	0.86%-1.00% 1.60%	\$ 4,234 500,000	- 0.95%-1.62%	\$ - <u>6,600,565</u>
		\$ 504,234		\$ 6,600,565

b. Long-term borrowings as of December 31, 2023 and 2022 were as follows:

	December 31		
	2023		2022
	Significant Covenant	Amount	Amount
Long-term credit loan			
The Export-Import Bank of the Republic of China	Long-term credit loan from December 04, 2020 to December 04, 2027; principal to be repaid evenly in seven phases; 1st repayment due 48 months after the drawdown date, after which repayments are due once every six months	\$ 1,137,770	\$ 1,137,770
	·		(Continued)

	December 31		
	2023	_	2022
	Significant Covenant	Amount	Amount
Bank of Taiwan	Principal repayments at maturity, from September 22, 2020 to October 4, 2027; principal to be repaid in two phases: From the 5th year, repayments are due once every six months; at rates of 20% and 80%, respectively	9,000,000	9,000,000
Taiwan Cooperative Bank	Principal repayment at maturity, from June 28, 2021 to June 28, 2026; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date.	\$ 2,000,000	\$ 2,000,000
DBS Bank	Principal repayments at maturity, from March 30, 2020 to April 15, 2025	-	7,552,100
Hua Nan Commercial Bank	Principal repayment at maturity, from March 29, 2021 to March 29, 2026; principal to be repaid in two phases: From the 5th year, repayments are due once every six months	2,000,000	2,000,000
Chinatrust Commercial Bank	Principal repayments at maturity, from October 4, 2022 to October 3, 2025	-	1,500,000
Taiwan Cooperative Bank	Principal repayments at maturity, from October 4, 2022 to October 4, 2027; principal to be repaid in two phases: From the 4th year, repayments are due once every six months; at rates of 20% and 80%, respectively	3,000,000	3,000,000
Far Eastern International Bank	Principal repayments at maturity, from October 21, 2022 to October 14, 2027; principal to be repaid evenly in three phases; 1st repayment due 48 months after the drawdown date, after which repayments are due once every six months	2,000,000	500,000
KGI Bank	Principal repayments at maturity, from October 24, 2022 to April 24, 2027	-	1,500,000
Standard Chartered Bank	Principal repayments at maturity, from November 16, 2022 to December 31, 2024	-	1,555,400
Hua Nan Commercial Bank	Principal repayments at maturity, from March 8, 2022 to March 8, 2027	2,500,000	2,500,000
Agricultural Bank of Taiwan	Principal repayments at maturity, from October 31, 2022 to October 31, 2025	-	1,000,000
Chang Hwa Commercial Bank	Principal repayments at maturity, from March 8, 2022 to March 8, 2027	2,000,000	3,000,000
Bank of Taiwan	Loan from June 13, 2023 to June 13, 2030; principal to be repaid evenly in forty eight phases; 1st repayment is due 36 months after the drawdown date	1,799,194	-
Others bank long-term credit loan	Principal repayments at maturity, from September 22, 2022 to November 15, 2033	1,009,434	1,200,000
Less current portion of long-term borrowings		26,446,398	37,445,270
		\$ 26,446,398	\$ 37,445,270

- 1) As mentioned above, long-term borrowings are assigned to credit loans.
- 2) Under the loan agreements with DBS Bank, the Company should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual financial statements audited by the independent auditors. The financial ratios are as follows:
 - a) Ratio of current assets to current liabilities not less than 100%;
 - b) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;

(Concluded)



- c) Ratio of Interest Coverage Ratio which included net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%; and
- d) Tangible net worth (net worth less intangible assets) not less than NT\$55,000,000 thousand.
- 3) As of December 31, 2022, Company was in compliance with the aforementioned financial ratio requirements.

c. Long-term notes and bills payables

December 31, 2023

Acceptance Agency	Character	Interest Rate (%)	Amount
China Bills, Mega Bills and International Bills Less: Discount on short-term bills payable	Unsecured	1.521-1.58	\$ 3,000,000 (1,178)
			\$ 2,998,822

December 31, 2022

Acceptance Agency	Character	Interest rate (%)	Amount
China Bills and International Bills Less: Discount on short-term bills payable	Unsecured	1.395-1.50	\$ 1,500,000 (2,086)
			<u>\$ 1,497,914</u>

19. BONDS PAYABLE

	December 31		
	2023	2022	
Domestic unsecured bonds	\$ 12,800,000	\$ 7,500,000	

On October 8, 2021, the Company issued the first unsecured bonds for \$7.5 billion, each with a face value of \$10 million. The issuance period is 5 years, and the maturity date is on October 8, 2026. The annual percentage rate is 0.7%. Since the issuance date, the interest will be paid once a year, and the principal will be repaid once due.

On April 11, 2023, the Company issued the first unsecured bond of 2023 at amount of NT\$5.3 billion and were divided into A and B bonds according to different issuance conditions. The issuance amount of Bond A is NT\$3 billion, and the issuance period is 5 years. The annual rate is 1.7%, and the maturity date is on April 11, 2028. The issuance amount of Bond B is NT\$2.3 billion, and the issuance period is 10 years. The annual rate is 2.1%, and the maturity date is on April 11, 2033. The interest of the two bonds will be paid once a year, and the principal will be



repaid at maturity.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The total expenses recognized in profit or loss for the years ended December 31, 2023 and 2022 were NT\$114,765 thousand and NT\$109,019 thousand, respectively, which is based on the specified ratio in defined contributions plan.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation Fair value of plan assets	\$ 1,175,002 (1,036,090)	\$ 1,209,509 (1,060,075)
Net defined benefit liabilities	<u>\$ 138,912</u>	<u>\$ 149,434</u>



As of December 31, 2023 and 2022, net defined benefit liabilities of NT\$1,907 thousand and NT\$2,014 thousand, respectively, were recorded under "other payables - accrued expense."

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	\$ 1,482,158	\$ (1,028,335)	\$ 453,823
Service cost			
Current service cost	10,007	-	10,007
Net interest expense (income)	9,244	(6,442)	2,802
Recognized in profit or loss	19,251	(6,442)	12,809
Remeasurement			
Return on plan assets (excluding			
amounts included in net			
interest)	-	(82,973)	(82,973)
Actuarial loss			
Changes in financial			
assumptions	(63,850)	-	(63,850)
Experience adjustments	(113,715)		(113,715)
Recognized in other comprehensive			
income	(177,565)	(82,973)	(260,538)
Contributions from the employer	-	(56,660)	(56,660)
Benefits paid	(114,335)	114,335	
Balance at December 31, 2022	1,209,509	(1,060,075)	149,434
Service cost			
Current service cost	6,128	-	6,128
Net interest expense (income)	15,119	(13,317)	1,802
Recognized in profit or loss	21,247	(13,317)	7,930
Remeasurement			
Return on plan assets (excluding			
amounts included in net			
interest)	\$ -	\$ (9,604)	\$ (9,604)
Actuarial loss			
Experience adjustments	44,332		44,332
Recognized in other comprehensive			
income	44,332	(9,604)	34,728
Contributions from the employer	-	(53,180)	(53,180)
Benefits paid	(100,086)	100,086	-
Balance at December 31, 2023	\$ 1,175,002	<u>\$ (1,036,090</u>)	<u>\$ 138,912</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans are as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 4,178	\$ 6,638
Selling and marketing expenses	791	894
General and administrative expenses	2,846	5,077
Research and development expenses	115	200
	\$ 7,930	\$ 12,809

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	2022
Discount rate(s) Expected rate(s) of salary increase	1.25% 2.25%	1.25% 2.25%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rate(s)		
0.5% increase	\$ (43,458)	\$ (47,681)
0.5% decrease	\$ 46,068	\$ 50,683
		(Continued)



	December 31	
	2023	2022
Expected rate(s) of salary increase		
0.5% increase	<u>\$ 44,682</u>	\$ 49,149
0.5% decrease	\$ (42,588)	\$ (46,718)
		(Concluded)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

21. EQUITY

	December 31			
		2023	2022	
Share capital				
Ordinary shares	\$	40,313,329	\$ 37,313,32	29
Capital surplus		33,624,917	24,672,45	54
Retained earnings		60,590,617	62,038,39	98
Others		6,281,452	(443,30	<u>05</u>)
	<u>\$</u>	140,810,315	\$ 123,580,87	<u>76</u>

Share capital

Ordinary shares

	December 31		
	2023	2022	
Number of authorized shares (in thousands) Amount of authorized shares Number of issued and fully paid shares (in thousands) Amount of issued shares	6,500,000 \$ 65,000,000 4,031,333 \$ 40,313,329	6,500,000 \$ 65,000,000 3,731,333 \$ 37,313,329	

As of January 1, 2022, the balances of the Company's capital account were all NT\$34,313,329 thousand, which consisted of NT\$3,431,333 thousand shares at par value of NT\$10.

On June 6, 2022, the Company's board of directors resolved to issue 300,000 thousand ordinary shares at a price of NT\$33 per share with August 10, 2022 as the base date for capital increase. On July 21, 2022, the Company's chairman adjusted the new share issuing price from NT\$33 to NT\$30.

On May 29, 2023, the Company's board of directors resolved to issue ordinary shares for cash to participate in the issuance of GDRs. On June 30, 2023, the Group issued 30,000 thousand units of GDRs on the Luxembourg Stock Exchange, with each unit representing 10 ordinary shares of the Company. This amounted to a total of 300,000 thousand shares with a unit price of US\$12.97, raising a total of US\$389,100 thousand. As of December 31, 2023, the paid-in capital was NT\$40,313,329 thousand, divided into 4,031,333 thousand ordinary shares at par value of NT\$10.

As of December 31, 2023, 30,002 thousand GDRs of the Company were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 300,022 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 27,787,949	\$ 18,864,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net		
assets during actual disposal or acquisition	2,130	2,130
Share of changes in capital surplus of associates	434,243	441,175
Treasury share transactions	2,254,074	2,254,074
Gain on disposal of property, plant and equipment	2,074,231	2,074,231
Others	1,045,560	1,036,392
May only be used to offset a deficit		
The change of interest in subsidiaries	26,730	_
	\$ 33,624,917	\$ 24,672,454

Note: The premium from shares issued in excess of par (share premium from issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year). The capital surplus arises from changes in capital surplus of associates accounted for using the equity method, employee share options and share warrants may not be used for any purposes.

c. Retained earnings and dividend policy

Under the dividends policy, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit this requirement is not applicable when the legal reserve has reached the total capital, and then any remaining profit together with prior unappropriated earnings shall be appropriated for special reserve or appropriate reversal of special reserve in accordance with the laws and regulations, and then the balance shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. If appropriated earnings are distributed in cash, the cash distribution shall be resolved by the Company's board of directors and reported in the shareholders' meeting. Other than the aforementioned regulations, the distribution shall be after deducting the share of profit of

Financial Information

associates accounted for using the equity method and adding cash dividends of associates accounted for using the equity method. The Company shall reserve no lesser than 40% of the balance amount as shareholders' profit after offsetting its loss and tax payments in the previous year, capital reserve, and special reserve adjusted by the accumulated net deduction of other equity. The profits shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

Refer to Note 23 for the policies on the distribution of employees' compensation and remuneration of directors.

The appropriation of earnings for 2021 which was approved in the shareholders' meeting on May 13, 2022, respectively, was as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve Cash dividends	\$ 1,454,522 	\$ - 1.6
	<u>\$ 6,944,655</u>	

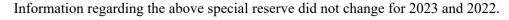
The appropriations of earnings and dividends per share for 2023 and 2022 were as follows:

	Appropriatio	Appropriation of Earnings		r Share (NT\$)
	2023	2022	2023	2022
Legal reserve Cash dividends	\$ 526,862 4,434,466	\$ 1,454,522 5,490,133	\$ - 1.1	\$ - 1.8
	<u>\$ 4,961,328</u>	<u>\$ 6,944,655</u>		

The above appropriations for cash dividends were approved by the Company's board of directors on February 23, 2024 and February 24, 2023, respectively. The other appropriations for 2022 were approved by the shareholders in the meeting on May 19, 2023. The other appropriations for 2023 are pending resolution at the shareholder's meeting scheduled for May 17, 2024.

d. Special reserve

	December 31		
	2023	2022	
rve	<u>\$ 2,712,250</u>	\$ 2,712,250	



e. Other equity items

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

	For the Year Ended December 31		
	2023	2022	
Balance at January 1 Share from subsidiaries and associates accounted for using the equity method	\$ (4,256,774)	\$ (6,100,687)	
	(690,701)	1,843,913	
Balance at December 31	<u>\$ (4,947,475)</u>	<u>\$ (4,256,774)</u>	

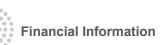
Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (the New Taiwan dollar) were recognized directly in other comprehensive income and accumulated in the exchange differences on the translation of the financial statements of foreign operations. Exchange differences previously accumulated in the exchange differences on the translation of the financial statements of foreign operations were reclassified to profit or loss when disposing foreign operation.

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31			
		2023		2022
Balance at January 1	\$	6,693,877	\$ 1	1,534,267
Unrealized gain (loss) - equity instruments		6,254,992	(4,022,988)
Share from associates accounted for using the equity method		1,324,460		(741,445)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal		(204,652)		(75,957)
Balance at December 31	<u>\$</u>	14,068,677	<u>\$</u>	6,693,877

3) (Loss) gain on the hedging instruments

	For the Year Ended December 31		
	2023	2022	
Cash flow hedges			
Balance at January 1 Share from associates accounted for using the	\$ (105,801)	\$ -	
equity method	40,701	<u>(105,801</u>)	
Balance at December 31	<u>\$ (65,100)</u>	<u>\$ (105,801)</u>	



4) Other equity - others

	For the Year Ended December 31		
	2023	2022	
Balance at January 1	\$ (2,774,607)	\$ (91,467)	
Originally recognized equity items arising from the acquisition of subsidiary equity instrument's put			
and call options	-	(2,683,140)	
Other comprehensive loss from associates			
accounted for using the equity method	(43)		
Balance at December 31	\$ (2,774,650)	\$ (2,774,607)	

22. OPERATING REVENUE

	For the Year Ended December 31		
	2023	2022	
Sales revenue Other revenue	\$ 80,859,850 2,461,502	\$ 95,624,880 2,795,165	
	<u>\$ 83,321,352</u>	\$ 98,420,045	

23. NET PROFIT FROM CONTINUING OPERATIONS

Non-operating Income and Expenses - Gain (Loss) on Disposal of Investments

	For the Year Ended December 31			
		2023		2022
Gain (loss) on disposal of investments - commodity futures (Loss) gain on disposal of investments - forward exchange	\$	787,980	\$	(640,987)
contracts Gain (loss) on disposal of investments - exchange rate		(56,354)		259,332
swap contracts		354,322		(215,846)
	<u>\$</u>	1,085,948	<u>\$</u>	(597,501)

Employee Benefits Expense, Depreciation and Amortization

	For the Year Ended December 31, 2023			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits Post-employment benefits Other employee benefits	\$ 1,733,457 \$ 70,182 \$ 167,052	\$\frac{1,526,618}{\\$\frac{52,513}{100,329}}	<u>\$</u>	\$ 3,260,075 \$ 122,695 \$ 267,381



	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Depreciation Property, plant and equipments Right-of-use assets Investment properties	\$ 1,096,208 7,123 69,296	\$ 188,090 45,826 2,180	\$ - - -	\$ 1,284,298 52,949 71,476
	<u>\$ 1,172,627</u>	\$ 236,096	<u>\$</u>	\$ 1,408,723
Amortization	<u>\$</u>	\$ 28,191	<u>\$</u>	\$ 28,191 (Concluded)

For the Year Ended December 31, 2022

	101	the real Bhace	. December 01, 20	
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits Post-employment benefits Other employee benefits	\$ 1,960,313 \$ 70,683 \$ 169,398	\$ 1,745,879 \$ 51,145 \$ 100,287	\$ - \$ - \$ -	\$ 3,706,192 \$ 121,828 \$ 269,685
Depreciation Property, plant and				
equipments Right-of-use assets Investment properties	\$ 1,103,944 5,508 71,118	\$ 173,402 66,022 2,179	\$ - - -	\$ 1,277,346 71,530 73,297
	\$ 1,180,570	<u>\$ 241,603</u>	<u>\$</u>	<u>\$ 1,422,173</u>
Amortization	\$ -	<u>\$ 11,750</u>	<u>\$</u>	<u>\$ 11,750</u>

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the years ended December 31, 2023 and 2022, the compensation of employees' amounted to NT\$70,700 thousand and NT\$252,000 thousand, respectively, and the remuneration of directors amounted to NT\$30,000 thousand and NT\$100,050 thousand, respectively. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022 were approved by the Company's board of directors on February 23, 2024 and February 24, 2023, respectively.

If there is a change in the amounts before the annual financial statements are authorized for issue, the differences are recorded in the expenses as an adjustment.

The employees' compensation and the remuneration of directors for the years ended December 31, 2022 and 2021 resolved by the Company's board of directors on February 24, 2023 and February 22, 2022, respectively, are the same as the amounts recognized in the 2022 and 2021 financial statements.



Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31			
	2023	2022		
Current tax				
In respect of the current year	\$ 1,030,748	\$ 1,059,128		
Income tax on unappropriated earnings	306,493	321,642		
Adjustments for prior year	(18,555)	(11,548)		
Land value-added tax		248		
	1,318,686	1,369,470		
Deferred tax				
In respect of the current year	513,036	3,898,110		
Adjustments for prior year	(14,155)	36,864		
	498,881	3,934,974		
Income tax expense recognized in profit or loss	<u>\$ 1,817,567</u>	\$ 5,304,444		

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31		
	2023	2022	
Profit before tax from continuing operations	\$ 6,951,883	\$ 24,656,541	
Income tax expense calculated at the statutory rate	\$ 1,390,377	\$ 4,931,308	
Investment income accounted for using the equity method	313,200	153,441	
Tax-exempt dividend income	(102,141)	(152,977)	
Loss on investments	-	(2,630)	
Others	(57,652)	28,096	
Land value-added tax	-	248	
Income tax on unappropriated earnings	306,493	321,642	
Adjustments for prior years' tax	(32,710)	25,316	
Income tax expense recognized in profit or loss	\$ 1,817,567	\$ 5,304,444	



b. Current tax assets and liabilities

	December 31		
	2023	2022	
Current tax assets			
Tax refund receivable (recorded under other non-current assets - others)	<u>\$ 4,166</u>	\$ 32,006	
Current tax liabilities Income tax payable	<u>\$ 1,361,449</u>	<u>\$ 1,420,015</u>	
c. Deferred tax assets and liabilities			
	Decen	ıber 31	
	2023	2022	
Deferred tax assets			

2020	2022
\$ 14,337	\$ 23,000
7,000	7,000
57,183	39,000
21,234	5,000
-	15,000
439,000	591,000
110,982	16,000
30,765	4,710
<u>\$ 680,501</u>	\$ 700,710
\$ (131,132)	\$ (131,132)
(5,843,215)	(5,364,543)
<u>\$ (5,974,347)</u>	<u>\$ (5,495,675)</u>
	7,000 57,183 21,234 439,000 110,982 30,765 \$ 680,501 \$ (131,132) _(5,843,215)

d. The Company's income tax returns through 2020 have been assessed by the tax authorities.



25. EARNINGS PER SHARE

		For the Year En			ded December 31		
			2023		2022		
	(A to	Amounts Numerator) Iter Income Tax ttributable Owners of Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Owners of the Company)	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Owners of the Company)
Basic earnings per share Net income Effect of potentially dilutive ordinary	\$	5,134,316	3,883,388	<u>\$1.32</u>	\$ 19,352,097	3,549,689	<u>\$ 5.45</u>
shares Employee bonus			2,500			5,690	
	\$	5,134,136	3,885,888	\$ 1.32	\$ 19,352,097	3,555,379	\$ 5.44

26. SHARE-BASED PAYMENT AGREEMENTS

Employee Share Option Plan for Cash Capital Increase

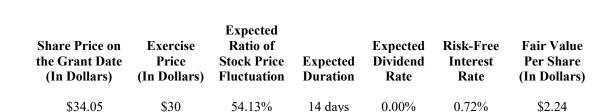
The Company was approved by the Securities and Futures Bureau (FSC) on March 11, 2022 to issue 300,000 thousand shares for cash capital increase. The board of directors resolved to retain 10% of the issued shares for employees' subscription. The number of shares retained for employees' subscription and the subscription price were confirmed on June 27, 2022. The Company recognized the capital surplus of NT\$157,800 thousand on the grant date at the fair value computed based on the Black-Scholes option evaluation model.

a. The Company used the Black-Scholes option evaluation model to calculate the fair value of employee subscriptions for cash capital increase on June 27, 2022. Relevant information is as follows:

Share Price on		Expected				
the Grant	Exercise	Ratio of		Expected	Risk-Free	Fair Value
Date (In Dollars)	Price (In Dollars)	Stock Price Fluctuation	Expected Duration	Dividend Rate	Interest Rate	Per Share (In Dollars)
(III Donai's)	(III Donars)	Fluctuation	Duration	Nate	Nate	(III Donais)
\$37.45	\$33	52.95%	38 days	0.00%	0.52%	\$5.26

b. Because of the dramatic changes in the capital market environment, to maintain the shareholders' rights and ensure the completion of fundraising, the chairman of the Company, authorized by the board of directors, adjusted the new share issuing price from NT\$33 to NT\$30 on July 21, 2022. In addition, due to the price adjustment, the remuneration cost of the relevant share-based payment agreement increased by NT\$67,200 thousand.

The Company used the Black-Scholes option evaluation model to calculate the fair value of employee subscriptions for cash capital increase as remeasurement on July 21, 2022. Relevant information is as follows:



27. ACQUISITION OF A SUBSIDIARY THAT DOES NOT CONSTITUTE A BUSINESS

To develop a new energy industry and increase investment in Matte and Nickel pig iron production capacity, the Company acquired 50.10% shares of PT. Sunny Metal Industry for \$6,057,005 thousand on September 23, 2022.

In addition, to combine the acquired company's products, technologies and market advantages to expand the stainless steel and nickel alloy business, the Company acquired 85.032% of the shares of MEG S.A. for \$6,497,972 thousand on November 30, 2022. On August 1, 2023 and September 19, 2023, the Company acquired 100% equity interests in Degerfors Long Products AB and Special Melted Products Ltd. for \$182,129 thousand and \$5,668,618 thousand, respectively.

In accordance with IFRS 3 "Business Combinations", the aforementioned acquisition of equity does not constitute a business; therefore, the share purchase transaction is accounted for as the acquisition of assets. For the description of the acquisition of the investment in subsidiaries, refer to Note 33 to the Company's consolidated financial statements for the year ended December 31, 2023.

28. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

The Company entered into an agreement with ECP (third party) to dispose of its subsidiary New Leaf Energy, Inc. (original name of the announcement: 2022 Solar Development, Inc.) and completed the transaction on July 28, 2022 (United States local time July 27, 2022). For the description of the disposal of the investment, refer to Note 34 to the Company's consolidated financial statements for the year ended December 31, 2023.

29. OPERATING LEASE ARRANGEMENTS

Operating leases relating to the investment properties owned by the Company with lease terms between 5 and 10 years, with an option to extend for another 10 years. All operating lease contracts contain market review clauses in the event that the lessees exercise its option to renew. The lessees do not have a bargain purchase options to acquire the properties at the expiry of the lease periods.

As of December 31, 2023 and 2022, deposits received under operating leases amounted to NT\$171,003 thousand and NT\$159,118 thousand, respectively (recorded under other non-current liabilities).

As of December 31, 2023, the Company's future minimum lease receivables on non-cancelable operating lease commitments are as follows:



2024	\$ 655,201
2025-2028	1,062,343
After 2029	21,156
	\$ 1,738,700

30. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure that it has the necessary financial resources and operational plan so that it can cope with the next 12 months working capital requirements, capital expenditures, debt repayments and dividends spending.

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

Key management personnel of the Company review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except the following assets and liabilities, the management considers the carrying amounts of financial assets and financial liabilities not recognized at fair value approximate to their fair values.

December 31, 2023

	Carrying	Fair Value				
	Amount	Level 1	Level 2	Level 3	Total	
Financial liabilities						
Financial liabilities at amortized cost Bonds payable	<u>\$ 12,800,000</u>	<u>\$</u>	<u>\$ 12,403,494</u>	<u>\$</u>	<u>\$ 12,403,494</u>	
<u>December 31, 2022</u>						
	Carrying		Fair '	Value		
	Amount	Level 1	Level 2	Level 3	Total	
Financial liabilities						
Financial liabilities at amortized cost Bonds payable	<u>\$ 7,500,000</u>	<u>\$</u>	<u>\$ 7,143,278</u>	<u>\$</u>	<u>\$ 7,143,278</u>	

The fair values of the financial assets and financial liabilities included in the Level 2 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis. The observable inputs included bond duration, bond interest rates and credit rating.

- b. Fair value of financial instruments that are measured at fair value on a recurring basis
 - 1) Fair value hierarchy

December 31, 2023

Financial assets at FVTPL	Level 1	Level 2	Level 3	Total
Contingent consideration	\$ -	\$ -	\$ 2,614,285	\$ 2,614,285
Derivatives not designated as hedging instruments	68,870		-	68,870
	\$ 68,870	<u>\$</u>	<u>\$ 2,614,285</u>	\$ 2,683,155
Financial assets at FVTOCI				
Investments in equity instruments Listed securities in ROC Unlisted securities	\$ 17,891,936 	\$ - -	\$ - 743,243	\$ 17,891,936 <u>743,243</u>
	<u>\$ 17,891,936</u>	<u>\$</u>	<u>\$ 743,243</u>	\$ 18,635,179
Financial liabilities at FVTPL				
Derivatives not designated as hedging instruments	<u>\$</u>	<u>\$ 44,519</u>	<u>\$</u> _	<u>\$ 44,519</u>
<u>December 31, 2022</u>				
Financial assets at FVTPL	Level 1	Level 2	Level 3	Total
Contingent consideration	<u>\$</u>	<u>\$</u>	<u>\$ 2,567,786</u>	\$ 2,567,786
Financial assets at FVTOCI				
Investments in equity instruments Listed securities in ROC Unlisted securities	\$ 11,707,298 	\$ - -	\$ - 498,902	\$ 11,707,298 498,902
	<u>\$ 11,707,298</u>	<u>\$</u>	\$ 498,902	<u>\$ 12,206,200</u>
Financial liabilities at FVTPL				
Derivatives not designated as hedging instruments	\$ 21,017	<u>\$ 30,488</u>	<u>\$</u>	<u>\$ 51,505</u>

2) There were no transfers between Levels 1, 2 and 3 in 2023 and 2022.



3) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
Financial Assets	Financial Instruments	Equity Instruments	
Balance at January 1, 2023 Additions Recognized in other comprehensive income Recognized in profit or loss	\$ 2,567,786 - - 46,499	\$ 498,902 150,000 94,341	
Balance at December 31, 2023	<u>\$ 2,614,285</u>	\$ 743,243	

For the year ended December 31, 2022

	Financial Assets at FVTPL	Financial Assets at FVTOCI Equity Instruments	
Financial Assets	Financial Instruments		
Balance at January 1, 2022 Additions Disposals Recognized in other comprehensive loss Recognized in profit or loss	\$ - 2,686,100 - (118,314)	\$ 528,367 90,000 (335) (119,130)	
Balance at December 31, 2022	\$ 2,567,786	<u>\$ 498,902</u>	

4) Valuation technique and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - exchange rate swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

5) Valuation technique and inputs applied for Level 3 fair value measurement

Financial Instruments Valuation Technique and Inputs Unlisted equity securities Market approach. Fair values are determined based on observable and comparable companies' fair values at the end of the reporting period, adjusted by price earnings ratio and price-to-book ratio of the investees. Net asset method. Fair values are determined based on the book value of companies. Discounted cash flow. Present values are determined based on future cash flows discounted at market yield. Contingent consideration The estimated fair value is discounted according to the probability of reaching the agreed conditions and based on credit risk discount rate and other information.

c. Categories of financial instruments

	December 31		
	2023	2022	
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 3,530,594	\$ 10,997,025	
Contract assets - current	175,083	267,147	
Notes receivable and trade receivables (including			
related parties)	2,573,939	3,973,177	
Finance lease receivables (current and non-current)	1,526,285	-	
Other receivables	1,720,601	8,272,172	
Refundable deposits	25,700	31,197	
Financial assets at FVTPL (current and non-current)	2,683,155	2,567,786	
Financial assets at FVTOCI (current and non-current)	18,635,179	12,206,200	
Financial liabilities			
Financial liabilities at FVTPL (current and non-current)	44,519	51,505	
Financial liabilities at amortized cost			
Short-term borrowings	504,234	6,600,565	
Notes payables and trade payables	3,648,025	3,226,544	
Other payables	5,471,498	12,158,213	
Bonds payable	12,800,000	7,500,000	
Long-term borrowings	26,446,398	37,445,270	
Long-term notes and bills payable	2,998,822	1,497,914	
Deposits received (recorded under other non-current			
liabilities)	175,088	175,854	

Financial Information

d. Financial risk management objectives and policies

The Company's major financial instruments included equity and investments, borrowings, trade receivables, trade payables and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on foreign exchange risk, interest rate risk and credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments for speculative purposes.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company entered into foreign exchange forward contracts and interest rate swaps contracts to hedge foreign currency risk and interest rate risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

It is the Company's policy to negotiate the terms of the derivatives to match the terms of the hedged item to maximize hedge effectiveness.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 36.

The carrying amounts of the Company's derivatives exposed to foreign currency risk at the end of the reporting period were as follows:

	December 31			
	2023	202	22	
<u>Assets</u>				
U.S. dollar	\$ -	\$	-	
		(Co	ntinued)	



	Decemb	oer 31
	2023	2022
<u>Liabilities</u>		
U.S. dollar Euro	6,125,648 135,920	2,886,740 - (Concluded)

Sensitivity analysis

The Company is mainly exposed to the U.S. dollars.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., functional currency) against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates.

	U.S. Dollar Impact		
	For the Year Ended December 31		
	2023	2022	
Profit or loss	\$ (81,249)	\$ (7,084)	

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrow funds at both fixed and floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31			
	2023	2022		
Fair value interest rate risk Financial liabilities	\$ 12,800,000	\$ 7,500,000		
Cash flow interest rate risk Financial liabilities	<u>\$ 29,949,454</u>	\$ 45,543,749		

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for financial instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year.

If interest rates had been 1% basis points higher and all other variables were held constant, the Company's pre-tax net profit for the years ended December 31, 2023 and 2022 would decrease by NT\$299,495 thousand and NT\$455,437 thousand,



respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to financial guarantees provided by the Company, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst the approved counterparties. Credit exposure is controlled by setting credit limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of each individual trade receivables at the end of the year to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

3) Liquidity risk

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

a) The following table details the Company's expected maturities for its non-derivative financial liabilities with agreed upon repayment periods.

December 31, 2023

	1 Year	1	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative <u>financial liabilities</u>						
Variable interest rate liabilities Lease liabilities	\$ 3,800,013 36,274	\$	3,000,000 32,125	\$ 25,644,81 313,98	800,410 1,656,268	\$ 33,245,233 2,038,653 (Continued)

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Fixed interest rate liabilities Non-interest bearing	-	-	10,500,000	2,300,000	12,800,000
liabilities	5,894,405	20,654	69,121	14,652	5,998,832
	<u>\$ 9,730,692</u>	\$ 3,052,779	<u>\$ 36,527,917</u>	<u>\$ 4,771,330</u>	\$ 54,082,718 (Concluded)
<u>December 31, 2022</u>					
	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative <u>financial liabilities</u>					
Variable interest rate liabilities Lease liabilities Fixed interest rate	\$ 10,076,552 33,771	\$ 12,307,500 31,007	\$ 26,135,684 234,683	\$ 500,000 1,752,617	\$ 49,019,736 2,052,078
liabilities	-	-	7,500,000	-	7,500,000
Non-interest bearing liabilities	11,945,959	75,051	59,111	4,503	12,084,624
	\$ 22,056,282	<u>\$ 12,413,558</u>	<u>\$ 33,929,478</u>	<u>\$ 2,257,120</u>	<u>\$ 70,656,438</u>

b) The Company's expected maturities for its derivative financial instruments with agreed upon settlement date were as follows:

December 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts Foreign exchange forward	\$ 27,614	\$ 34,910	\$ 6,346	\$ -	\$ 68,780
contracts	(9,371)	(436)	-	-	(9,807)
Exchange rate swap contracts	4,467	(39,179)			(34,712)
	<u>\$ 22,710</u>	<u>\$ (4,705)</u>	<u>\$ 6,346</u>	<u>\$ -</u>	<u>\$ 24,351</u>



December 31, 2022

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts Foreign exchange	\$(44,748)	\$ 15,206	\$ 8,525	\$ -	\$(21,017)
forward contracts	(30,488)	_			(30,488)
	<u>\$(75,236)</u>	<u>\$ 15,206</u>	<u>\$ 8,525</u>	<u>\$</u>	<u>\$(51,505</u>)

e. Transfers of financial assets

Factored trade receivables that are not overdue at the end of the year were as follows:

Counterparty	Proceeds from Receivables Factoring	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
<u>2023</u>					
CTBC bank	<u>\$ 144,250</u>	\$ 20,318	<u>US\$ 2,700</u>	<u>\$</u>	-
2022					
CTBC bank	<u>\$ 151,902</u>	<u>\$ 18,449</u>	<u>US\$ 2,700</u>	<u>\$</u>	-

32. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Walsin Lihwa Holdings Ltd.	Subsidiary
Walsin Info-Electric Corp.	Subsidiary
Chin-Cherng Construction Co.	Subsidiary
Min Maw Precision Industry Corp.	Subsidiary
Dongguan Walsin Wire & Cable Co., Ltd.	Subsidiary
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Subsidiary
Changshu Walsin Specialty Steel Co., Ltd.	Subsidiary
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Subsidiary
,	(Continued)



Related Party Name

Related Party Category

Yantai Walsin Stainless Steel Co., Ltd.	Subsidiary
PT. Walsin Nickel Industrial Indonesia	Subsidiary
Walsin Internation Investments Limited	Subsidiary
Borrego Energy Holdings, LLC	Subsidiary
Borrego Energy, LLC	Subsidiary
Waltuo Green Resources Corporation	Subsidiary
PT. Sunny Metal Industry	Subsidiary
Walsin Singapore Pte. Ltd.	Subsidiary
Walsin Energy Cable System Co., Ltd.	Subsidiary
PT. Walsin Lippo Industries	Subsidiary
Metalinox Cogne Acos Inoxidaveis Especiais Ltda	Subsidiary
Dongguan Cogne Steel Products Co., Ltd.	Subsidiary
Cogne Celik Sanayi ve Ticaret Limited Şirketi	Subsidiary
Cogne Edelstahl Gmbh	Subsidiary
Cogne Acciai Speciali S.p.A.	Subsidiary
Cogne U.K. Limited	Subsidiary
Cogne France Société par Actions Simplifiée	Subsidiary
Walsin Technology Corp.	Associate
Walton Advanced Engineering, Inc.	Associate
Chin-Xin Investment Co., Ltd.	Associate
Tsai Yi Corporation	Associate
Winbond Electronics Corp.	Associate
Prosperity Dielectrics Co., Ltd.	Associate
PT. Westrong Metal Industry	Associate
HannStar Display Corp.	Substantive related party
Kuang Tai Metal Industrial Co., Ltd.	Substantive related party
HannStar Board Corp.	Substantive related party
Global Brands Manufacture Ltd.	Substantive related party
Info-Tek Corp.	Substantive related party
Hwa Bao Botanic Conservation Corp.	Substantive related party
Hanns Touch Holdings Company	Substantive related party
TCC Energy Storage Technology Corporation	Substantive related party
T.D.V. Trefileries des Vosges SA	Substantive related party
Novametal SA	Substantive related party
Trefilados Inoxidables de Mexico, S.A. DE C.V.	Substantive related party
Novametal do Brasil LTDA	Substantive related party
Ferriere di Stabio SA	Substantive related party
Wire Products Stainless Steel PTY Ltd	Substantive related party
Ilo Troducto Stallifeso Steel I I I Eta	(Concluded)
	(Concluded)

b. Sales

	For the Year Ended December 31		
	2023	2022	
Subsidiaries Other related parties	\$ 1,002,325 2,032,889	\$ 835,245 1,447,563	
	<u>\$ 3,035,214</u>	\$ 2,282,808	



c. Rental income

	For the Year Ended December 31			
		2023		2022
Subsidiaries Associates Other related parties	\$	7,501 37,349 1,135	\$	6,480 36,930 1,135
	<u>\$</u>	45,985	\$	44,545

d. Purchases of goods

	For the Year Ended December 31			
	2023	2022		
Subsidiaries				
Walsin Singapore Pte. Ltd.	\$ 8,154,060	\$ -		
Others	38,796	5,898		
Other related parties	3,239	4,308		
	<u>\$ 8,196,095</u>	<u>\$ 10,206</u>		

e. Administrative expenses

	For the Year Ended December 31				
		2023		2022	
Subsidiaries Associates Other related parties	\$	390 15,511 15,756	\$	391 15,053 13,630	
	<u>\$</u>	31,657	<u>\$</u>	29,074	

The stock registration matters of the Company and related parties were handled together. The related fees allocated to the related parties were charged against general and administrative expenses.

f. Dividend income

	For the Year Ended December 31		
	2023	2022	
HannStar Display Corp. HannStar Board Corp. Other related parties	\$ - 153,009 5,779	\$ 298,293 140,259 7,705	
	<u>\$ 158,788</u>	<u>\$ 446,257</u>	





g. Notes receivable

Other related parties

Not arising from operating activities

Not arising from operating activities		
	Dec	ember 31
	2023	2022
Associates	<u>\$ 1,046</u>	\$ 1,042
h. Trade receivables		
	Dec	ember 31
	2023	2022
Subsidiaries Other related parties	\$ 223,026 215,151	\$ 253,402 42,651
	<u>\$ 438,177</u>	<u>\$ 296,053</u>
i. Trade payables		
	Dec	ember 31
	2023	2022
Subsidiaries Other related parties	\$ 137,857 	\$ 11,605 504
	<u>\$ 137,857</u>	<u>\$ 12,109</u>
j. Other receivables (excluding financing provided)		
	Dec	ember 31
	2023	2022
Subsidiaries Walsin Singapore Pte. Ltd. Others Associates Other related parties	\$ 290,281 6,968 16,090 3,698	\$ - 36,471 13,056 3,062
	<u>\$ 317,037</u>	<u>\$ 52,589</u>
k. Other payables (excluding loans from related parties)		
		ember 31
Related Party	2023	2022
Subsidiaries Other related parties	\$ 12,371	\$ 5,521,658

275,909

\$ 5,797,567

<u>\$ 12,371</u>



1. Acquisitions of property, plant and equipment

	For the Year Ended December		
Related Party	2023	2022	
Min Maw Precision Industry Corp.	<u>\$ 2,676</u>	<u>\$</u>	

m. Disposals of property, plant and equipment

	Proc	ceeds	Gain o	n Disposals
		ear Ended iber 31		Year Ended ember 31
Related Party	2023	2022	2023	2022
Hwa Bao Botanic Conservation Corp.	<u>\$</u>	<u>\$ 128,800</u>	<u>\$</u>	<u>\$ 78,443</u>

The above transaction prices were determined with reference to the transaction prices of similar real estate in the vicinity and professional valuation reports.

n. Lease arrangements - Company is lessee

		For the Year En	ded December 31
Line Item	Related Party Category	2023	2022
Interest expense	Subsidiaries	<u>\$</u>	<u>\$</u> 1
Lease liabilities	Subsidiaries	<u>\$</u>	<u>\$ 4,169</u>

o. Sublease arrangements

Sublease of finance lease

		December 31	
Line Item	Related Party Category	2023	2022
Finance lease receivables	Subsidiaries/Walsin Energy Cable System Co., Ltd.	<u>\$ 1,526,285</u>	<u>\$</u>
		For the Year End	led December 31
Line Item	Related Party Category	2023	2022
Interest revenue	Subsidiaries/Walsin Energy Cable System Co., Ltd.	\$ 22,839	<u>\$</u>





p. Guarantee deposits

	December 31			
		2023		2022
Associates Other related parties	\$	7,362 282	\$	7,362 282
	<u>\$</u>	7,644	<u>\$</u>	7,644

q. Loan to related parties (including interest receivable)

	December 31			
Related Party Category/Name	2023	2022		
Subsidiaries Borrego Energy, LLC Borrego Energy Holdings, LLC PT. Sunny Metal Industry	\$ 648,967 230,405 ————————————————————————————————————	\$ - 		
Associates PT. Westrong Metal Industry	<u>\$ 879,372</u> <u>\$</u>	\$ 5,481,736 \$ 1,228,863		

Interest revenue

	For the Year End	ded December 31
Related Party Category/Name	2023	2022
Subsidiaries PT. Sunny Metal Industry Others	\$ 75,231 4,279 \$ 79,510	\$ 84,453
Associates PT. Westrong Metal Industry	\$ 73,636	\$ 463

The interest rate of the Company's loan to the above-mentioned related parties is equivalent to the market interest rate.

r. Loan from related parties (including interest payable)

	Decem	iber 31
Related Party	2023	2022
Walsin Internation Investments Limited Walsin Info-Electric Corp.	\$ 3,195,696 100,383	\$ 3,475,987
	<u>\$ 3,295,779</u>	\$ 3,475,987



s.

	For the Year En	For the Year Ended December 31		
	2023	2022		
<u>Interest expenses</u>				
Subsidiaries	<u>\$ 73,603</u>	<u>\$ 6,535</u>		
Endorsements and guarantees				
	Decem	iber 31		
	2023	2022		
Subsidiaries Amount endorsed	<u>\$ 3,901,716</u>	<u>\$ 368,520</u>		
Amount utilized	\$ -	\$ -		

t. Remuneration of key management personnel

The remunerations of directors and key executives in 2023 and 2022 were as follows:

	For the Year Ended December 31			ecember 31
		2023		2022
Short-term employee benefits Post-employment benefits	\$	137,226 1,301	\$	265,922 1,299
	<u>\$</u>	138,527	\$	267,221

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for future deposits:

	Decem	ber 31
	2023	2022
Refundable deposits (recorded under other financial assets - current) Pledged time deposits (recorded under other non-current	\$ -	\$ 280,997
financial assets - other)	600	600
	<u>\$ 600</u>	<u>\$ 281,597</u>



34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company on December 31, 2023 and 2022 were as follows:

a. Outstanding letters of credit not reflected in the parent company only financial statements as of December 31, 2023 and 2022 were as follows (in thousands):

	December 31		
	2023	2022	
New Taiwan dollar	NT\$ 43,944	NT\$ 20,939	
U.S. dollar	US\$ 9,130	US\$ 3,186	
Renminbi	RMB 2,189	RMB 2,189	
Japanese yen	JPY 107,111	JPY 54,144	
Euro	EUR 12,626	EUR 34,490	

b. Outstanding standby letters of credit and bid bonds of contingent liabilities not reflected in the accompanying parent company only financial statements were as follows (in thousands):

	December 31			
	2	2023	2	2022
New Taiwan dollar	NT\$	864,165	NT\$	841,035
U.S. dollar	US\$	30	US\$	30

c. Based on the tariff and relevant regulations, the Company issue tariff letters of credit to import goods and to meet the needs of post-release duty payment. The amount of tariff letters of credit were as follows:

	Decem	ber 31
	2023	2022
New Taiwan dollar	NT\$ 458,000	NT\$ 496,000

d. Non-cancelable raw material procurement contracts were as follows:

		December 31		
	2	023	2	022
U.S. dollar	US\$	27,839	US\$	43,926

e. The Company entered into a contract for the construction of new plants on the Company's own land. The amount of the unrecognized commitments was as follow:

	December 31			
	20	023	2	022
U.S. dollar	US\$	238	US\$	18
Japanese yen	JPY	-	JPY	11,680
Euro	EUR	35,830	EUR	39,064
New Taiwan dollar	NT\$2,	,193,920	NT\$2	,237,157



35. SIGNIFICANT SUBSEQUENT EVENTS

For the subsequent significant events description in the acquisition of subsidiaries and disposal of associates by the Company, refer to Note 41 in the consolidated financial statements.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN **CURRENCIES**

The Company's significant financial assets and liabilities dominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

Unit: Foreign Currency/In Thousands of Taiwan Dollars

Foreign Currency Exchange Rate		Carrying Amount
\$ 67,802	30.7050	\$ 2,081,860
635,549	0.2172	138,041
15,846	33.9800	538,447
1,005	3.9290	3,949
306	20.9800	6,420
154	23.2900	3,587
1,259,917	30.7050	38,685,751
6,663,558	4.33524	28,888,123
1,423,535,240	0.00198	2,818,600
284,469	33.9800	9,666,272
86,089	6.4110	551,917
132,912	30.7050	4,081,063
581	33.9800	19,742
17	36.4850	620
31,554	0.2172	6,854
	\$ 67,802 635,549 15,846 1,005 306 154 1,259,917 6,663,558 1,423,535,240 284,469 86,089	\$ 67,802 30.7050 635,549 0.2172 15,846 33.9800 1,005 3.9290 306 20.9800 154 23.2900 1,259,917 30.7050 6,663,558 4.33524 1,423,535,240 0.00198 284,469 33.9800 86,089 6.4110



December 31, 2022

Unit: Foreign Currency/In Thousands of Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
U.S. dollar	\$ 382,488	30.7100	\$ 11,746,208
Japanese yen	236,526	0.2324	54,969
Euro	35,095	32.7200	1,148,296
Hong Kong dollar	1,027	3.9380	4,043
Australian dollar	1,298	20.8300	27,031
Investments accounted for using the equity method			
U.S. dollar	884,702	30.7100	27,169,195
Renminbi	7,874,934	4.40934	34,723,262
Indonesia rupiah	2,475,983,068	0.0020	4,902,446
Euro	131,042	32.7200	4,287,682
Malaysian ringgit	84,073	6.6990	563,204
Financial liabilities			
Monetary items			
U.S. dollar	311,554	30.7100	9,567,835
Euro	121	32.7200	3,973
Swiss franc	17	33.2050	564

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange were gain NT\$102,135 thousand and loss NT\$1,732,956 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

37. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and b. information on investees:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (Table 3)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)

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- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (Note 7)
- 10) Information on investees (Table 8)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds; and
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10).

38. SEGMENT INFORMATION

The Company has provided the financial information of the operating segments in the consolidated financial statements. These parent company only financial statements do not provide such information.

WALSIN LIHWA CORPORATION

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars and U.S. Dollars)

			Financial					Interest		Business	Reasons for	Allowance	Collat	eral	Financing Limit	Aggregate
N	o. Lender	Borrower	Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Rate (%)	Nature of Financing	Transactio n Amount		for Impairme nt Loss	Item	Value	for Each Borrower (Note 1)	Financing Limit (Note 1)
(,	Other receivables	Yes	\$ 7,642,860	\$ -	\$ -	-	Operating	\$ -	Equipment	\$ -	-	\$ -	\$ 56,324,126	\$ 56,324,126
	Corporation	Industry PT. Westrong Metal Industry	Other receivables	Yes	(US\$ 250,750) 2,766,600 (US\$ 90,000)		(US\$ -) - (US\$ -)	-	capital Operating capital	-	purchase Equipment purchase	-	-	-	56,324,126	56,324,126
		,	Other receivables	Yes	1,562,750	1,535,250 (US\$ 50,000)	875,093 (US\$ 28,500)	6.20	Operating capital	-	Operating capital	-	Promissory note and property	1,349,627	56,324,126	56,324,126
		LLC														

Notes:

- 1. According to the financing regulations provided by Walsin Lihwa Corporation, the limit on the amount of financing provided to a single enterprise that holds directly or indirectly 100% of the voting rights of a subsidiary cannot exceed 40% of the equity presented in the consolidated financial statements of Walsin Lihwa Corporation.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:
 - PT. Sunny Metal Industry, PT. Westrong Metal Industry and Borrego Energy Holdings, LLC & Borrego Energy, LLC = \$140,810,315 × 40% = \$56,324,126
 - b. The limit on the amount of financing provided was as follows:
 - The limit on the amount of financing provided = $$140,810,315 \times 40\% = $56,324,126$
- 2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- 3. The currency exchange rate as of December 31, 2023 was as follows: US\$ to NT\$ = 1:30.705.

TABLE 2

WALSIN LIHWA CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars and U.S. Dollars)

No. (Note 1)	Endorsement/ Guarantor	Endorsee/G Name	Relationship (Note 2)	Guarantee Given	Maximum Amount Endorsed/ Guarantee During the Period	Endorsement/	Actual Amount Borrowed	Amount of Endorsement/ Guarantee by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Provided to Subsidiaries Mainland China
0	Walsin Lihwa Corporation	Borrego Energy, LLC Yantai Walsin Stainless Steel Co., Ltd.	b	\$ - (US\$ -) 6,512,311 (RMB 1,502,180)	\$ 365,760 (US\$ 12,000) 4,065,705 (RMB 900,000)	\$ - (US\$ -) 3,901,716 (RMB 900,000)	\$ - (US\$ -) - (RMB -)	\$ -	2.77	\$ 140,810,315 140,810,315	Yes Yes	No No	No Yes

Notes:

- 1. The information on Walsin Lihwa Corporation and its subsidiaries is listed and labeled on the entitled "No." column.
 - a. "0" represents Walsin Lihwa Corporation.
 - b. Subsidiaries are numbered consecutively starting from 1.
- 2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories:
 - a. A company with which Walsin Lihwa Corporation does business.
 - b. A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.
 - c. A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.
 - d. A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.
 - e. A company that fulfills Walsin Lihwa Corporation's contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 - f. A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation's joint-investment company in proportion to their shareholding percentages.
 - g. A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- 3. According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation's current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider.
 - a. The limit on the amount of endorsements/guarantees provided was as follows:

 NT140,810,315 \times 100\% = $140,810,315$

b. The limit on the amount of endorsements/guarantees provided to a single entity was as follows:

Borrego Energy, LLC: US\$0 × 250% × 72.55% = US\$0

Yantai Walsin Stainless Steel Co., Ltd.: RMB600,872 × 250% × 100.00% = RMB1,502,180

4. The currency exchange rates as of December 31, 2022 were as follows: US\$ to NT\$ = 1:30.705. RMB to NT\$ = 1:4.33524

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WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES HELD DECEMBER 31, 2023

Holding	Type and Name of Issues of	Dolotionship with the Holding			Decembe	er 31, 2023		
Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
Walsin Lihwa Corporation	Share							
Corporation	HannStar Display Corp.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	299,632,180	\$ 3,550,641	10.19	\$ 3,550,641	
	HannStar Board Corp.	The chairman of the holding company and the chairman of the company are second-class relatives	Financial assets at fair value through other comprehensive income - non-current	63,753,952	3,525,594	12.06	3,525,594	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	231,104,730	10,815,701	10.81	10,815,701	
	Kuang Tai Metal Industrial Co., Ltd.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	9,631,802	295,107	9.39	295,107	
	Global Investment Holdings	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	5,221,228	64,327	2.97	64,327	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	14,954	1.16	14,954	
	Hwa Bao Botanic Conservation Corp.	The holding company is a supervisor of the issuer company	Financial assets at fair value through other comprehensive income - non-current	27,000,000	284,474	15.00	284,474	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	84,381	3.43	84,381	



WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

Commons	Tune and Name of	Financial Statement	Purpose of		Beginnir	ng Balance	Acq	uisition		Disp	osal		Ending 1	Balance
Company Name	Type and Name of Marketable Securities	Account	Transaction Counterparty	Relationship	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa														
Corporation	Walsin Lihwa Holdings Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	108,730,393	\$ 24,073,818	-	\$ -	106,000,000	\$ 3,214,530	\$ 3,490,565 (Note1)	\$ -	2,730,393	\$20,583,253
	Concord Industries	Investments accounted for	Capital reduction	Subsidiaries	308,498,375	5,210,454	-	-	11,000,000	336,700	1,525,182	-	297,498,375	3,685,272
	Limited	using the equity method	_								(Note1)			
	Walsin Lihwa Europe	Investments accounted for	Capital investment	Subsidiaries	12,000	4,146,986	-	5,519,286	-	-	-	-	12,000	9,666,272
	S.a r.l.	using the equity method						(Note2)						
	Walsin Singapore Pte. Ltd.	Investments accounted for using the equity method	Capital investment	Subsidiaries	422,000,000	19,603,265	311,000,000	11,206,684 (Note2)	-	-	-	-	733,000,000	30,809,949
	PT. Westrong Metal	Investments accounted for	Walsin Singapore	Subsidiaries	590,000	4,590,864	_	-	590,000	4,680,030	4,680,030	89,166	_	_
	Industry	using the equity method				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,	(Note3)		
	Walsin Energy Cable	Investments accounted for		Subsidiaries	-	-	270,000,000	2,657,462	_	-	-	_	270,000,000	2,657,462
	System Co., Ltd.	using the equity method	•					(Note2)						
	Innovation West Mantewe	Investments accounted for	Glory Merry	-	-	-	40	2,444,727	-	-	-	-	40	2,444,727
	Pte. Ltd.	using the equity method	Limited and											
			non-related											
			individual											
	Winbond Electronics	Investments accounted for	Capital investment	Associates	883,848,423	20,953,105	35,531,593	(617,532)	-	-	-	-	919,380,016	20,335,573
	Corporation	using the equity method	•					(Note2)						
	Chin-Cherng Construction	Investments accounted for	Capital reduction	Subsidiaries	577,583,403	6,182,490	-	-	47,627,598	476,276	720,192	-	529,955,805	5,462,298
	Co.	using the equity method									(Note1)			
	Joint Success Enterprises	Investments accounted for	Capital reduction	Subsidiaries	36,058,184	5,084,267	-	-	14,713,622	474,294	846,712	-	21,344,562	4,237,555
	Limited	using the equity method									(Note1)			

Note 1: The amount included a capital decrease in cash, recognition of investment gains and losses, and changes in other equity.

Note 2: The amount included a capital increase in cash, recognition of investment gains and losses, and changes in other equity.

Note 3: The amount included exchange differences on the translation of the financial statements of foreign operations.

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WALSIN LIHWA CORPORATION

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

			Transaction				Information on Pre	evious Title Trans	fer If Counterparty I	s A Related Party			
Company Name	Property	Transaction Date	Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Relationships	Property Owner	Relationships	Transaction Date	Amount	Price Reference	Purpose of Acquisition	Other Terms
Walsin Lihwa Corporation	Plant	2024/02/04- 2024/12/26	\$ 1,130,651	Based on the terms in the contract	Chung-Lu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-







TABLE 6

WALSIN LIHWA CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

Common Name	Doloted Pouts	Nature of		Т	ransacti	on Details	Abnormal 7	Transaction	Notes/Accounts or Receiva		
Company Name	Related Party	Relationship	Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Note
Walsin Lihwa Corporation	Kuang Tai Metal Industrial Co., Ltd.	Director of the related party	Sales	\$ (1,515,412)	(2)	The payment terms are set by quotations on the local market, and the transaction terms are similar to	Normal	Normal	\$ 51,392	2	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	(369,262)	-	those of general customers. The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	99,469	4	
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(491,550)	(1)	The payment terms are set by quotations on the local market, and the transaction terms are similar to	Normal	Normal	94,733	4	
	Novametal SA	Substantive related party	Sales	(174,367)	-	those of general customers. The payment terms are set by quotations on the local market, and the transaction terms are similar to	Normal	Normal	77,568	3	
	Trefilados Inoxidables de Mexico, S.A. De C.V.	Substantive related party	Sales	(101,453)	-	those of general customers. The payment terms are set by quotations on the local market, and the transaction terms are similar to	Normal	Normal	22,675	1	
	Ferriere di Stabio SA	Substantive related party	Sales	(131,839)	-	those of general customers. The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	31,914	1	
	Walsin Singapore Pte. Ltd.	100% directly owned subsidiary	Purchases	8,154,060	10	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(126,177)	(3)	

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL DECEMBER 31, 2023

							Overd	lue	Amo	unts		
Company Name	Related Party	Relationship	Financial Statement Ending Ba		Turnover Rate	Amo	unt	Action Taken	Receiv Subsec Per	quent	Allowar Bad D	
Walsin Lihwa Corporation	Walsin Singapore Pte. Ltd. Borrego Energy Holdings, LLC. Borrego Energy, LLC.	100% directly owned subsidiary 72.55% indirectly owned subsidiary 72.55% indirectly owned subsidiary	Other receivables Other receivables Other receivables	\$ 290,281 230,405 648,967	- - -	\$	- -		\$	- -	\$	

Financial Information

WALSIN LIHWA CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars)

Information of investees that Walsin Lihwa Corporation has controlling power or significant influence over was as follows:

				Original Inve	stment Amount	Balance	as of December	31, 2023	Net Income		
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount	(Loss) of the Investee	Investment Gain (Loss)	Note
Walsin Lihwa	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments helding	\$ 103,022	\$ 3,317,552	2,730,393	100.00	\$ 20,583,253	\$ 281,244	\$ 74,675	
		British Virgin Islands		13,274,435	13,611,135	2,730,393	100.00	3,685,272	(1,147,157)	(1,147,157)	
Corporation		British Virgin Islands		1,587,416	1,587,416	44,739,988	100.00	382,041	33,896	33,896	
	Min Maw Precision Industry Corp.	Taiwan	Solar power systems management, design, and installation	180,368	180,368	34,837,100	100.00	409,853	24,677	21,417	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	9,251	(8,409)	(8,409)	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	135,412	611,688	529,955,805	99.22	5,462,298	(179,331)	(177,932)	
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	348,242	4,640	4,618	
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	980,706	96,593	67,615	
		Indonesia	Production and sale of cables and wires	12,004	11,656	2,999,500	70.00	11,773	(823)	(576)	
	Joint Success Enterprises Limited	British Virgin Islands	Investments holding	689,979	1,164,273	21,344,562	49.05	4,237,555	(388,158)	(308,977)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	8,575,298	778,816	288,162	
	Tsai Yi Corporation	Taiwan	Management and investments holding	457,610	457,610	49,831,505	33.97	1,026,607	23,695	8,049	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	169,753	(16,574)	(4,420)	
	Winbond Electronics Corp.	Taiwan	Research, development, production and sale of semiconductors and related components	8,211,615	7,429,920	919,380,016	21.99	20,335,573	(1,146,522)	(253,924)	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.17	2,230,609	(29,495)	(6,244)	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,631,671	2,325,394	427,443	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	7,269,121	2,855,853	1,458,312	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385	100.00	551,918	13,214	13,214	
	Walsin Singapore Pte. Ltd.	Singapore	Investments holding	26,357,910	16,790,710	733,000,000	100.00	30,809,949	1,828,395	1,417,688	
	Walsin Energy Cable System Co., Ltd.	Taiwan	Submarine communication cables	2,700,000	-	270,000,000	90.00	2,657,462	(45,479)	(41,660)	
	Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	11,560,560	6,692,862	12,000	100.00	9,666,272	639,873	639,873	
	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	43,669	22,223	13,930	99.50	36,315	(5,663)	(5,625)	
	Walsin America, LLC	USA	Investments	196,654	185,752	N A	100.00	(374,028)	(372,662)	(372,662)	(Note 2)
	PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	300,000	140,651	29.17	280,654	(7,744)	(2,259)	
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	4,680,030	-	-	-	(12,635)		(Note 1)
	Innovation West Mantewe Pte. Ltd.	Singapore	Investments holding	2,452,575	-	40	40.00	2,444,727	(15,981)	(6,392)	
	PT CNGR Walsin New Mining Industry Investment Indonesia	Indonesia	Investments holding	46,929	-	22,257	29.17	45,131	(2,832)	(860)	

Note 1: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Corporation to Walsin Singapore Pte. Ltd.

Note 2: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Holdings Limited to Walsin Lihwa Corporation.

WALSIN LIHWA CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

Walsin Lihwa Corporation

A. The names of investee companies in mainland China, their main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying amount, accumulated inward remittance of earnings and upper limit on investment in mainland China were as follows:

						ımulated	Remittanc	e of Funds	_	umulated		Ownership		Carrying	Accumulated
Investee Company	Main Businesses and Products	Paid-i	n Capital	Method of Investment (Note 1)	Remi Invest Taiv	ntward ttance for ment from van as of ary 1, 2023	Outward	Inward	Rem Inves Tai	outward littance for tment from wan as of liber 31, 2023	Net Income (Loss) of the Investee	of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Amount as of December 31, 2023	Repatriation of Investment Income as of December 31, 2023
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ (US\$	614,000 20,000)	ь	\$ (US\$	799,589 26,041) (Note 2)	\$ -	\$ -	\$ (US\$	799,589 26,041) (Note 2)	\$ (101,194)	100.00	\$ (101,194)	\$ 728,251	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	(US\$	479,827 15,627)	ь	(US\$	459,224 14,956) (Note 3)		- -	(US\$	459,224 14,956) (Note 3)	36,375	95.71	34,816	1,187,786	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	(US\$	5,467,946 178,080)	ь	(US\$	2,590,888 84,380) (Note 4)		-	(US\$	2,590,888 84,380) (Note 4)	183,365	40.00	66,364	724,089	-
Walsin (China) Investment Co., Ltd.	Investments	(US\$	2,413,413 78,600)	ь	(US\$	2,413,413 78,600) (Note 5)		-	(US\$	2,413,413 78,600) (Note 5)	(208,895)	100.00	(208,895)	4,027,195	
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	(US\$	2,978,385 97,000)	ь	(US\$	2,978,385 97,000) (Note 6)		-	(US\$	2,978,385 97,000) (Note 6)	273,984	100.00	273,984	1,300,217	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	(US\$	798,330 26,000)	ь	(US\$	798,330 26,000) (Note 7)		-	(US\$	798,330 26,000) (Note 7)	(34,993)	100.00	(34,993)	1,426,606	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	(US\$	1,504,545 49,000)	ь	(US\$	1,504,545 49,000) (Note 8)		-	(US\$	1,504,545 49,000) (Note 8)	(588,722)	100.00	(588,722)	1,178,882	-
XiAn Walsin Metal Product Co., Ltd. (Note 11)	Manufacture and sale of specialized stainless steel plates	(US\$	1,699,522 55,350)	ь	(US\$	925,756 30,150)		-	(US\$	925,756 30,150)	(11,931)	100.00	(11,931)	(791,207)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials		10,288,171 335,065) (Note 9)	ь	(US\$	6,537,924 212,927)	-	-	(US\$	6,537,924 212,927)	(1,452,987)	100.00	(1,452,987)	2,604,924	-

(Continued)





Financial Information

				Accumulated	Remittan	e of Funds	Accumulated		Ownership		Carrying	Accumulated
Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Outward Remittance for Investment from Taiwan as of January 1, 2023	Outward	Inward	Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Amount as of December 31, 2023	Repatriation of Investment Income as of December 31, 2023
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	\$ 1,338,738 (US\$ 43,600) (Note 13)	b	\$ 401,621 (US\$ 13,080)	\$ -	\$ -	\$ 401,621 (US\$ 13,080)	\$ 69,464	30.00	\$ 20,841	\$ 492,115	\$ 971,967 (US\$ 31,655)
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	(US\$ 30,705 1,000)	b	(US\$ 30,705 1,000)			(US\$ 30,705 1,000)	(8,336)	100.00	(8,336)	(518,360)	-
Dong Guan Cogne Steel Products Co., Ltd.	Stainless Steel Products	784,564 (EUR 23,089)	b	(US\$ -)	-	-	(US\$ -)	(32,113)	70.00	(22,493)	564,831	-
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	5,202,288 (RMB 1,200,000)	b	(US\$ -)			(US\$ -)	-	19.00	-	(Note 10)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	(RMB 43,352 (RMB 10,000)	ь	9,334 (US\$ 304)	-	-	9,334 (US\$ 304)	1,038	20.00	208	9,776	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 12)	Communications equipment and electronic components	674,550 (RMB 155,597)	ь	(RMB -)	-	-	(RMB -)	22,638	6.02	-	78,706	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	(US\$ 1,535,500 (US\$ 50,000)	b	1,529,109 (US\$ 49,800) (Note 14)			(US\$ 1,529,109 (US\$ 49,800) (Note 14)	(547,393)	99.60	(545,217)	8,542,838	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	(RMB 4,335 (RMB 1,000)	ь	(RMB -)		-	(RMB -)	(3,962)	99.60	(3,947)	(21,672)	-

B. The upper limit on investment of WLC in mainland China was as follows:

Accumulated Outward Remittance for Investment in	Investment Amounts Authorized by the	Upper Limit on the Amount of Investments Stipulated by
Mainland China as of December 31, 2023	Investment Commission, MOEA	the Investment Commission, MOEA
(NT\$ and US\$ in Thousands)	(NT\$ and US\$ in Thousands)	(NT\$ in Thousands)
\$ 18,566,945 (US\$ 604,688)	\$ 18,876,175 (US\$ 614,759)	N/A (Note 18)

(Continued)

Notes:

- 1. Investments can be classified into three categories as follows:
 - a. Direct investment in mainland China.
- b. Reinvestment in mainland China through companies in a third country companies.
- Others.
- 2. Including US\$15,000 thousand investment through Walsin (China) Investment Co., Ltd.
- 3. Including US\$14,950 thousand investment through Walsin (China) Investment Co., Ltd.
- 4. Including US\$13,300 thousand investment through Walsin (China) Investment Co., Ltd., US\$53,000 thousand investment through Ace Result Global Ltd. and US\$22,730 thousand dividends appropriated from Dongguan Walsin Wire & Cable Co., Ltd., Jiangying Walsin Steel Cable Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd.
- 5. Capital investment of US\$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.
- 6. Including US\$20,000 thousand investment through Walsin Specialty Steel Corp. and US\$42,000 thousand dividends appropriated from Changshu Walsin Specialty Steel Co., Ltd. and Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.
- 7. Investment through Walsin (China) Investment Co., Ltd.
- 8. Including investments through Walsin (China) Investment Co., Ltd. of US\$4,500 thousand and US\$4,500 thousand of the own capital of Walsin (China) Investment Co., Ltd.
- 9. Including investments of its own capital of RMB578,796 thousand from Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand made through Changzhou Wujin NSL Co., Ltd. Including US\$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. which were merged.
- 10. The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and by the fair value.
- 11. XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
- 12. Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
- 13. The amount included capitalization of retained earnings of US\$7,280 thousand.
- 14. The amount included investment through Joint Success Enterprise Limited approved in the previous years.
- 15. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
- 16. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705, RMB to NT\$ = 1:30.705
- 17. The basis for recognizing investment gains and losses in the current period is the financial report audited by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.
- 18. Upper limit on investment:
 - The Company was approved as the operation headquarters by the Industrial Development Bureau, Ministry of Economic Affairs and is thus exempted from the related regulations of "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China".

 (Continued)



Financial Information

C. Significant direct or indirect transactions between the Company and investees in mainland China

(In Thousands of New Taiwan Dollars)

Related Party	Relationship	Transaction Type	Amount	% of Total	Transaction Terms			Notes/Accounts Payable or Receivable		
					Unit Price	Payment Terms	Compare to General Transactions	Ending Balance	% of Total	Unrealized Loss
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	\$ (369,262)	-	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	\$ (99,469)	4	\$ (402)
Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(491,550)	1	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	94,733	4	(16,407)

(Concluded)





TABLE 10

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS **DECEMBER 31, 2023**

	Shares			
Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)		
Winbond Electronics Corp. Chin-Xin Investment Co., Ltd. TECO Electric & Machinery Co., Ltd.	247,527,493 248,002,375 210,332,690	6.15		

- Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.
- Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.