

**Walsin Lihwa Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2021 and 2020 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
Walsin Lihwa Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of Walsin Lihwa Corporation and its subsidiaries (the "Group") as of March 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Statement of Auditing Standard No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews and the reviews of other auditors (refer to the Other Matter section), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matter

We did not review the financial statements of some subsidiaries included in the consolidated financial statements of the Group, but such statements were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included in these consolidated financial statements for such subsidiaries, is based solely on the reviews of other auditors. As of March 31, 2021 and 2020, the combined total assets of these subsidiaries were NT\$9,537,485 thousand and NT\$10,480,626 thousand, respectively, representing 5.90% and 7.13%, respectively, of the consolidated total assets; for the three months ended March 31, 2021 and 2020, the amounts of combined net operating revenue of these subsidiaries were NT\$3,337,285 thousand and NT\$3,871,168 thousand, respectively, representing 11.57% and 16.07%, respectively, of the consolidated net operating revenue.

The engagement partners on the reviews resulting in this independent auditors' review report are Wen-Yea Shyu and Kwan-Chung Lai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 7, 2021

### Notice to Readers

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

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

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 7,863,041	5	\$ 11,944,408	8	\$ 20,296,686	14
Financial assets at fair value through profit or loss - current (Note 7)	5,287,454	3	73,329	-	34,216	-
Financial assets at amortized cost - current (Note 9)	1,087,539	1	1,315,970	1	1,456,236	1
Derivative financial assets for hedging - current (Note 8)	-	-	8,282	-	-	-
Contract assets - current (Note 10)	4,354,452	3	4,460,992	3	3,196,585	2
Notes receivable (Note 11)	2,589,846	1	2,974,132	2	2,620,264	2
Trade receivables (Note 11)	7,786,799	5	7,543,131	5	7,187,289	5
Finance lease receivables (Notes 12 and 31)	56,601	-	56,128	-	54,735	-
Other receivables	1,132,759	1	887,091	1	8,538,257	6
Inventories (Note 13)	25,378,613	16	21,080,535	14	23,247,810	16
Other financial assets (Note 6)	815,996	-	705,277	-	735,408	-
Other current assets	<u>4,936,944</u>	<u>3</u>	<u>5,127,533</u>	<u>3</u>	<u>1,071,686</u>	<u>1</u>
Total current assets	<u>61,290,044</u>	<u>38</u>	<u>56,176,808</u>	<u>37</u>	<u>68,439,172</u>	<u>47</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	5,683,859	4	5,479,969	4
Financial assets at fair value through other comprehensive income - non-current (Note 14)	15,018,670	9	6,910,644	5	4,157,152	3
Investments accounted for using the equity method (Note 16)	34,482,256	21	32,767,091	22	25,960,828	17
Property, plant and equipment (Note 17)	35,074,730	22	34,294,221	23	27,627,041	19
Right-of-use assets (Note 18)	1,863,009	1	1,664,406	1	1,387,077	1
Investment properties (Note 19)	9,834,963	6	9,874,926	6	9,982,265	7
Other intangible assets	177,435	-	175,000	-	166,400	-
Deferred tax assets - non-current (Note 4)	2,263,571	1	2,428,545	2	2,181,273	-
Refundable deposits	202,117	-	221,314	-	312,453	-
Long-term finance lease receivables - non-current (Notes 12 and 31)	706,257	1	720,585	-	762,857	-
Other non-current assets	<u>669,666</u>	<u>1</u>	<u>646,607</u>	<u>-</u>	<u>523,739</u>	<u>-</u>
Total non-current assets	<u>100,292,674</u>	<u>62</u>	<u>95,387,198</u>	<u>63</u>	<u>78,541,054</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 161,582,718</u>	<u>100</u>	<u>\$ 151,564,006</u>	<u>100</u>	<u>\$ 146,980,226</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 20)	\$ 8,169,083	5	\$ 6,591,019	4	\$ 14,596,023	10
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	8,374	-	137,750	-
Derivative financial liabilities for hedging - current (Note 8)	32,377	-	-	-	41,277	-
Contract liabilities - current	1,802	-	1,499	-	1,285,659	1
Notes payable	226,802	-	235,258	-	243,917	-
Trade payables	9,472,250	6	7,494,471	5	7,099,274	5
Current tax liabilities (Note 4)	4,424,284	3	4,557,761	3	4,654,005	3
Other payables	3,371,937	2	5,143,921	4	3,514,069	3
Lease liabilities - current (Note 18)	67,850	-	75,261	-	69,341	-
Current portion of long-term borrowings (Note 20)	8,238,191	5	6,162,400	4	10,064,196	7
Other current liabilities	<u>1,486,165</u>	<u>1</u>	<u>1,188,193</u>	<u>1</u>	<u>4,946,596</u>	<u>3</u>
Total current liabilities	<u>35,490,741</u>	<u>22</u>	<u>31,458,157</u>	<u>21</u>	<u>46,652,107</u>	<u>32</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Note 20)	27,814,989	17	31,406,829	21	24,812,409	17
Deferred tax liabilities - non-current (Note 4)	210,868	-	214,457	-	176,775	-
Lease liabilities - non-current (Note 18)	259,828	-	274,442	-	267,451	-
Net defined benefit liabilities (Note 4)	396,000	-	384,299	-	523,649	-
Other non-current liabilities (Note 27)	<u>492,727</u>	<u>1</u>	<u>544,992</u>	<u>-</u>	<u>563,999</u>	<u>1</u>
Total non-current liabilities	<u>29,174,412</u>	<u>18</u>	<u>32,825,019</u>	<u>21</u>	<u>26,344,283</u>	<u>18</u>
Total liabilities	<u>64,665,153</u>	<u>40</u>	<u>64,283,176</u>	<u>42</u>	<u>72,996,390</u>	<u>50</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 22)</b>						
Share capital	<u>34,313,329</u>	<u>21</u>	<u>32,260,002</u>	<u>21</u>	<u>33,260,002</u>	<u>22</u>
Capital surplus	<u>18,519,942</u>	<u>11</u>	<u>15,690,406</u>	<u>11</u>	<u>16,076,240</u>	<u>11</u>
Retained earnings						
Legal reserve	5,428,200	3	5,428,200	4	5,113,232	3
Special reserve	3,110,410	2	3,110,410	2	4,043,138	3
Unappropriated earnings	<u>29,688,244</u>	<u>19</u>	<u>27,791,577</u>	<u>18</u>	<u>22,191,320</u>	<u>15</u>
Total retained earnings	<u>38,226,854</u>	<u>24</u>	<u>36,330,187</u>	<u>24</u>	<u>31,347,690</u>	<u>21</u>
Other equity						
Exchange differences on translating foreign operations	(6,117,852)	(4)	(5,905,135)	(4)	(5,877,702)	(4)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	9,199,618	6	6,092,775	4	(2,102,615)	(1)
Cash flow hedges	-	-	-	-	2,124	-
Total other equity	<u>3,081,766</u>	<u>2</u>	<u>187,640</u>	<u>-</u>	<u>(7,978,193)</u>	<u>(5)</u>
Total equity attributable to owners of WLC	94,141,891	58	84,468,235	56	72,705,739	49
<b>NON-CONTROLLING INTERESTS</b>	<u>2,775,674</u>	<u>2</u>	<u>2,812,595</u>	<u>2</u>	<u>1,278,097</u>	<u>1</u>
Total equity	<u>96,917,565</u>	<u>60</u>	<u>87,280,830</u>	<u>58</u>	<u>73,983,836</u>	<u>50</u>
<b>TOTAL</b>	<u>\$ 161,582,718</u>	<u>100</u>	<u>\$ 151,564,006</u>	<u>100</u>	<u>\$ 146,980,226</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 7, 2021)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 23)	\$ 28,837,914	100	\$ 24,084,482	100
OPERATING COSTS (Note 13)	<u>(26,425,468)</u>	<u>(92)</u>	<u>(22,575,002)</u>	<u>(94)</u>
GROSS PROFIT	<u>2,412,446</u>	<u>8</u>	<u>1,509,480</u>	<u>6</u>
OPERATING EXPENSES				
Selling and marketing expenses	527,126	2	464,701	2
General and administrative expenses	835,635	3	667,688	3
Research and development expenses	<u>50,129</u>	<u>-</u>	<u>28,693</u>	<u>-</u>
Total operating expenses	<u>1,412,890</u>	<u>5</u>	<u>1,161,082</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>999,556</u>	<u>3</u>	<u>348,398</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	32,048	-	75,462	-
Dividend income	2,131	-	-	-
Other income	68,837	-	66,992	-
(Loss) gain on disposal of property, plant and equipment	(3,261)	-	104	-
Gain (loss) on valuation of financial assets and liabilities at fair value through profit or loss	159,766	1	(83,865)	-
Other expenses	(114,529)	-	(19,609)	-
Foreign exchange gain , net	72,410	-	39,744	-
(Recognition) reversal of impairment loss (Note 24)	(1,830)	-	211	-
Gain (loss) on disposal of investments (Note 24)	206,374	1	(135,640)	-
Interest expense	(87,009)	-	(107,301)	-
Share of profit (loss) of associates accounted for using the equity method	<u>668,870</u>	<u>2</u>	<u>(142)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,003,807</u>	<u>4</u>	<u>(164,044)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,003,363	7	184,354	1
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(175,375)</u>	<u>(1)</u>	<u>(6,769)</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>1,827,988</u>	<u>6</u>	<u>177,585</u>	<u>1</u>

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# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 7,378	-	\$ 3,137	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2,113,801	7	(1,458,314)	(6)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>1,012,097</u>	<u>4</u>	<u>(3,010,649)</u>	<u>(13)</u>
	<u>3,133,276</u>	<u>11</u>	<u>(4,465,826)</u>	<u>(19)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(192,253)	(1)	(265,325)	(1)
Gain on cash flow hedges	-	-	2,124	-
Share of other comprehensive loss of associates accounted for using the equity method	<u>(19,981)</u>	<u>-</u>	<u>(53,925)</u>	<u>-</u>
	<u>(212,234)</u>	<u>(1)</u>	<u>(317,126)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>2,921,042</u>	<u>10</u>	<u>(4,782,952)</u>	<u>(20)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 4,749,030</u>	<u>16</u>	<u>\$ (4,605,367)</u>	<u>(19)</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 1,882,618	6	\$ 110,416	1
Non-controlling interests	<u>(54,630)</u>	<u>-</u>	<u>67,169</u>	<u>-</u>
	<u>\$ 1,827,988</u>	<u>6</u>	<u>\$ 177,585</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of WLC	\$ 4,799,948	16	\$ (4,685,749)	(19)
Non-controlling interests	<u>(50,918)</u>	<u>-</u>	<u>80,382</u>	<u>-</u>
	<u>\$ 4,749,030</u>	<u>16</u>	<u>\$ (4,605,367)</u>	<u>(19)</u>

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# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 26)				
Basic	\$ 0.55		\$ 0.03	
Diluted	\$ 0.55		\$ 0.03	

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

(With Deloitte & Touche review report dated May 7, 2021)

(Concluded)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of WLC										
						Other Equity			Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Cash Flow Hedges			
			Legal Reserve	Special Reserve							
BALANCE AT JANUARY 1, 2020	\$ 33,260,002	\$ 16,055,238	\$ 5,113,232	\$ 4,043,138	\$ 22,023,141	\$ (5,546,359)	\$ 2,435,949	\$ -	\$ 77,384,341	\$ 1,181,773	\$ 78,566,114
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	-	-	-	(13,855)	-	-	-	(13,855)	-	(13,855)
Change in capital surplus from investments in associates accounted for using the equity method	-	21,002	-	-	67,986	-	(67,986)	-	21,002	-	21,002
Net profit for the three months ended March 31, 2020	-	-	-	-	110,416	-	-	-	110,416	67,169	177,585
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	3,632	(331,343)	(4,470,578)	2,124	(4,796,165)	13,213	(4,782,952)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	114,048	(331,343)	(4,470,578)	2,124	(4,685,749)	80,382	(4,605,367)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	15,942	15,942
BALANCE AT MARCH 31, 2020	<u>\$ 33,260,002</u>	<u>\$ 16,076,240</u>	<u>\$ 5,113,232</u>	<u>\$ 4,043,138</u>	<u>\$ 22,191,320</u>	<u>\$ (5,877,702)</u>	<u>\$ (2,102,615)</u>	<u>\$ 2,124</u>	<u>\$ 72,705,739</u>	<u>\$ 1,278,097</u>	<u>\$ 73,983,836</u>
BALANCE AT JANUARY 1, 2021	\$ 32,260,002	\$ 15,690,406	\$ 5,428,200	\$ 3,110,410	\$ 27,791,577	\$ (5,905,135)	\$ 6,092,775	\$ -	\$ 84,468,235	\$ 2,812,595	\$ 87,280,830
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal	-	-	-	-	(9,155)	-	-	-	(9,155)	-	(9,155)
Change in capital surplus from investments in associates accounted for using the equity method	-	57,738	-	-	15,826	-	(15,826)	-	57,738	-	57,738
Issuance of new shares in exchange for the shares of another company	2,053,327	2,771,798	-	-	-	-	-	-	4,825,125	-	4,825,125
Net profit for the three months ended March 31, 2021	-	-	-	-	1,882,618	-	-	-	1,882,618	(54,630)	1,827,988
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	7,378	(212,717)	3,122,669	-	2,917,330	3,712	2,921,042
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	1,889,996	(212,717)	3,122,669	-	4,799,948	(50,918)	4,749,030
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	13,997	13,997
BALANCE AT MARCH 31, 2021	<u>\$ 34,313,329</u>	<u>\$ 18,519,942</u>	<u>\$ 5,428,200</u>	<u>\$ 3,110,410</u>	<u>\$ 29,688,244</u>	<u>\$ (6,117,852)</u>	<u>\$ 9,199,618</u>	<u>\$ -</u>	<u>\$ 94,141,891</u>	<u>\$ 2,775,674</u>	<u>\$ 96,917,565</u>

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

(With Deloitte & Touche review report dated May 7, 2021)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,003,363	\$ 184,354
Adjustments for:		
Depreciation expenses	601,027	588,544
Amortization expenses	8,955	7,822
Expected credit loss recognized (reversed) on trade receivables	(11,507)	16,506
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(159,766)	83,865
Interest expenses	87,009	107,301
Interest income	(32,048)	(75,462)
Dividend income	(2,131)	-
Compensation costs of employee share options	1,973	10,735
Share of (profit) loss of associates accounted for using the equity method	(668,870)	142
Loss (gain) on disposal of property, plant and equipment	3,261	(104)
(Gain) loss on disposal of investments	(206,374)	135,640
Impairment loss recognized (reversed) on non-financial assets	1,830	(211)
Unrealized loss (gain) on foreign currency exchange	173,584	(13,167)
Changes in operating assets and liabilities		
Decrease in contract assets	106,540	818,087
Decrease in notes receivable	384,286	956,069
(Increase) decrease in trade receivables	(210,752)	433,964
Increase in other receivables	(86,621)	(374,989)
Increase in inventories	(4,298,087)	(1,228,730)
Decrease in other current assets	105,108	719,704
Increase in other financial assets	(110,719)	(834,994)
(Increase) decrease in other operating assets	(165,560)	770
Increase (decrease) in financial liabilities held for trading	125,660	(94,730)
Decrease in notes payable	(8,456)	(98,492)
Increase in trade payables	1,977,779	131,457
Increase in contract liabilities	303	1,285,142
Decrease in other payables	(1,068,019)	(1,531,309)
Increase (decrease) in net defined benefit liabilities	11,701	(12,965)
Increase in other current liabilities	297,971	121,190
Decrease in other operating liabilities	(65,788)	(335,589)
Cash (used in) generated from operations	(1,204,348)	1,000,550
Dividends received	2,131	-
Interest paid	(65,949)	(76,990)
Interest received	19,221	77,782
Income tax paid	(925,775)	(84,317)
Net cash (used in) generated from operating activities	(2,174,720)	917,025

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# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (1,194,439)	\$ (291,464)
Capital reduction and refund from financial assets at fair value through other comprehensive income	3,615	-
Proceeds from sale of financial assets at amortized cost	226,178	14,542
Purchase of financial assets at fair value through profit or loss	-	(5,353,790)
Payments for property, plant and equipment	(1,341,934)	(369,584)
Proceeds from disposal of property, plant and equipment	3,036	10,282
Decrease (increase) in refundable deposits	18,726	(130,712)
Purchase of intangible assets	(4,904)	(264)
Acquisition of right-of-use assets	(230,274)	-
Other investing activities	<u>630,309</u>	<u>(4,166)</u>
Net cash used in investing activities	<u>(1,889,687)</u>	<u>(6,125,156)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,434,156	2,172,079
Proceeds from long-term borrowings	2,000,000	11,399,244
Decrease in long-term borrowings	(3,516,049)	(16,049)
Repayment of the principal portion of lease liabilities	(30,821)	(31,194)
Changes in non-controlling interests	220	2,984
Other financing activities	<u>-</u>	<u>1</u>
Net cash (used in) generated from financing activities	<u>(112,494)</u>	<u>13,527,065</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>95,534</u>	<u>224,746</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(4,081,367)</u>	<u>8,543,680</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>11,944,408</u>	<u>11,753,006</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 7,863,041</u>	<u>\$ 20,296,686</u>

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

(With Deloitte & Touche review report dated May 7, 2021)

(Concluded)

# **WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)**

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### **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 and stainless steel.

WLC's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1972. In October 1995 and November 2010, WLC increased its share capital and issued Global Depositary Receipts (GDR), which were listed on the Luxembourg Stock Exchange under stock number 168527.

The consolidated financial statements of WLC and its subsidiaries (collectively known as the "Group") are presented in the WLC's functional currency, the New Taiwan dollar.

### **2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were reported to the board of directors of WLC on May 7, 2021.

### **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 "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"

The Group elected to apply the practical expedient provided in the amendments to deal with the changes in the basis for determining contractual cash flows of financial assets, financial liabilities or lease liabilities resulting from the interest rate benchmark reform. The changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

- Amendment to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"

The Group elected to apply the amendment that extends the availability of the practical expedient to lease payments due on or before June 30, 2022.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
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 IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

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 1 “Classification of Liabilities as Current or Non-current”

The 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 are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify 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 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 could, at the option of the counterparty, result in its settlement by a transfer of the Group’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) Annual Improvements to IFRS Standards 2018-2020

Several standards, including IFRS 9 “Financial Instruments”, were amended in the annual improvements. IFRS 9 requires the comparison of the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10%. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

4) Amendments to IFRS 3 “Reference to the Conceptual Framework”

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

5) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The Group will restate its comparative information when it initially applies the aforementioned amendments.

6) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the amendments in the retained earnings at the date of the initial application.

7) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer 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. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as 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 amendments also illustrate that accounting policy information is likely to be considered as 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 judgements or assumptions in applying an accounting policy, and the Group discloses those judgements 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.
- 8) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are 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.

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 that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Statement of compliance**

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

##### **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. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The fair value measurements 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, which 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.

##### **c. Basis of consolidation**

See Note 15 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2020 for the critical accounting judgments and key sources of estimation uncertainty of these consolidated financial statements.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 3,180	\$ 3,216	\$ 3,613
Checking accounts and cash in banks	7,141,332	9,723,431	7,123,836
Cash equivalents			
Time deposits	608,788	2,108,064	13,059,741
Short-term bills	<u>109,741</u>	<u>109,697</u>	<u>109,496</u>
	<u>\$ 7,863,041</u>	<u>\$ 11,944,408</u>	<u>\$ 20,296,686</u>

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

	Purpose	March 31, 2021	December 31, 2020	March 31, 2020
Other financial assets - current				
Restricted time deposits	Negotiable certificate of deposits (not expired)	\$ -	\$ 2,300	\$ -
Restricted deposits	To secure short-term borrowings and letters of credit	606,839	523,952	612,558
	To meet contract requirements for completing constructions	43,700	14,516	27,247
	Repatriation of offshore funds and project grants	<u>93,664</u>	<u>85,160</u>	<u>-</u>
		<u>744,203</u>	<u>625,928</u>	<u>639,805</u>

(Continued)



Purpose		March 31, 2021	December 31, 2020	March 31, 2020
Non-current assets				
Refundable deposits	To meet contract requirements for completing constructions	\$ 51,528	\$ 51,528	\$ 85,358
Others - pledged time deposits	To meet required security deposits	600	878	2,900
	To secure long-term borrowings	<u>8,685</u>	<u>8,730</u>	<u>8,532</u>
		<u>60,813</u>	<u>61,136</u>	<u>96,790</u>
		<u>\$ 805,016</u>	<u>\$ 687,064</u>	<u>\$ 736,595</u>
				(Concluded)

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Commodity futures contracts	\$ 78,212	\$ 73,329	\$ -
Foreign exchange forward contracts	9,896	-	34,216
Exchange rate swap contracts	57	-	-
Options	-	-	858
Hybrid financial assets			
Corporate bonds	<u>5,199,289</u>	<u>5,683,859</u>	<u>5,479,111</u>
Financial assets at FVTPL	<u>\$ 5,287,454</u>	<u>\$ 5,757,188</u>	<u>\$ 5,514,185</u>
Current	\$ 5,287,454	\$ 73,329	\$ 34,216
Non-current	<u>-</u>	<u>5,683,859</u>	<u>5,479,969</u>
	<u>\$ 5,287,454</u>	<u>\$ 5,757,188</u>	<u>\$ 5,514,185</u>
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ 8,374	\$ -
Commodity futures contracts	<u>-</u>	<u>-</u>	<u>137,750</u>
Financial liabilities at FVTPL	<u>\$ -</u>	<u>\$ 8,374</u>	<u>\$ 137,750</u>
Current	\$ -	\$ 8,374	\$ 137,750
Non-current	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 8,374</u>	<u>\$ 137,750</u>

As of March 31, 2021, December 31, 2020 and March 31, 2020, outstanding commodity futures not under hedge accounting were as follows:

	Type of Transaction	Quantity (Tons)	Trade Date	Expiration Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>March 31, 2021</u>							
Commodity futures contracts							
Copper	Buy	7,075	2020.04.30-2021.03.31	2021.05.19-2021.12.15	US\$ 59,632	US\$ 62,207	US\$ 2,575
Copper	Sell	2,100	2021.03.15-2021.03.31	2021.05.19	US\$ 18,867	US\$ 18,519	US\$ 348
Nickel	Buy	738	2021.03.22-2021.03.31	2021.06.22-2021.06.30	US\$ 12,089	US\$ 11,882	US\$ (207)
Copper	Buy	2,240	2020.11.27-2021.03.29	2021.04.30-2021.12.31	RMB 146,938	RMB 147,103	RMB 165
<u>December 31, 2020</u>							
Commodity futures contracts							
Copper	Buy	10,250	2020.04.30-2020.12.31	2021.01.20-2021.10.20	US\$ 76,919	US\$ 79,276	US\$ 2,357
Nickel	Sell	882	2020.10.15-2020.12.17	2021.01.15-2021.03.17	US\$ 14,560	US\$ 14,597	US\$ (37)
Copper	Buy	1,125	2020.10.12-2020.12.30	2021.01.31-2021.07.31	RMB 63,272	RMB 65,034	RMB 1,762
Zinc	Buy	155	2020.12.09-2020.12.30	2021.01.31-2021.02.28	RMB 3,318	RMB 3,233	RMB (85)
Stainless steel	Buy	3,000	2020.12.31	2021.03.31	RMB 40,121	RMB 40,110	RMB (11)
<u>March 31, 2020</u>							
Commodity futures contracts							
Copper	Buy	13,050	2019.08.12-2020.03.31	2020.04.15-2020.11.18	US\$ 69,102	US\$ 64,080	US\$ (5,022)
Copper	Sell	3,729	2020.03.13-2020.03.31	2020.04.15-2020.06.19	US\$ 19,867	US\$ 18,368	US\$ 1,499
Nickel	Buy	1,902	2020.01.29-2020.03.23	2020.04.29-2020.06.16	US\$ 24,268	US\$ 21,735	US\$ (2,533)
Nickel	Sell	3,894	2020.02.03-2020.03.30	2020.05.01-2020.06.30	US\$ 47,389	US\$ 44,642	US\$ 2,747
Zinc	Buy	160	2020.03.11-2020.03.31	2020.04.01-2020.05.01	RMB 2,523	RMB 2,433	RMB (90)
Copper	Buy	1,860	2020.02.26-2020.03.23	2020.04.01-2020.10.01	RMB 80,863	RMB 72,910	RMB (7,953)
Nickel	Buy	78	2020.02.27-2020.03.31	2020.04.01	RMB 8,046	RMB 7,240	RMB (806)

As of March 31, 2021, December 31, 2020 and March 31, 2020, outstanding forward exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2021</u>			
Sell	EUR to MYR	2021.04.12-2021.11.05	EUR2,446/MYR12,503
	EUR to USD	2021.04.09-2021.04.22	EUR11,560/USD13,954
	USD to NTD	2021.04.06-2021.05.21	USD87,925/NTD2,491,528
	USD to RMB	2021.04.19-2021.05.06	USD120,000/RMB784,428
Buy	USD to NTD	2021.04.06-2021.06.28	USD240,000/NTD6,754,580
	USD to JPY	2021.04.28	USD3,995/JPY438,220
	USD to SGD	2021.04.19	USD33,337/SGD44,851
(Continued)			

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2020</u>			
Sell	EUR to MYR	2021.01.15-2021.06.28	EUR887/MYR4,378
	USD to MYR	2021.01.29	USD300/MYR1,210
	EUR to USD	2021.04.08	EUR8,180/USD10,065
	USD to NTD	2021.04.08	USD10,000/NTD280,870
	USD to RMB	2021.01.04-2021.01.28	USD115,000/RMB752,822
Buy	USD to NTD	2021.01.05	USD60,000/NTD1,699,190
	USD to JPY	2021.01.28	USD5,343/JPY553,220
	USD to SGD	2021.01.19	USD38,781/SGD51,851
<u>March 31, 2020</u>			
Sell	EUR to USD	2020.06.02	EUR5,000/USD5,485
	USD to NTD	2020.04.01-2020.04.16	USD201,000/NTD6,026,898
	USD to RMB	2020.04.14-2020.04.17	USD17,000/RMB119,354
	EUR to MYR	2020.04.24-2020.09.30	EUR437/MYR2,036
	USD to MYR	2020.04.30-2020.12.31	USD2,730/MYR11,463
Buy	USD to NTD	2020.04.01-2020.04.28	USD194,000/NTD5,839,267
	USD to JPY	2020.04.13-2020.04.30	USD7,177/JPY742,960
	USD to RMB	2020.04.09-2020.04.29	USD68,000/RMB477,089
	EUR to USD	2020.04.14	EUR5,690/USD6,398
	USD to SGD	2020.11.16	USD31,341/SGD42,457
(Concluded)			

As of March 31, 2021, outstanding commodity options not under hedge accounting were as follows:

March 31, 2021

Contract Amount	Type of Transaction	Buyer/Seller	Royalties Paid (In Thousands)	Valuation Gain (In Thousands)
RMB39,501	Put option	Buyer	RMB742	RMB13

For the three months ended March 31, 2021 and 2020, the Group's strategy for commodity futures contracts and foreign exchange forward contracts was to hedge exposures to fluctuations of essential materials' prices 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.

In January 2021, the Group bought 2-year corporate bonds of Golden Harbour International Pte. Ltd. in the amount of US\$178,500 thousand. The bonds are embedded derivative instruments that pay a fixed interest rate of 5% plus a floating spread per annum.

In January 2021, the Group bought an option contract for US\$50 thousand. Under the contract, the issuer of the option will make an unconditional payment to the Group for the principal and interest of the abovementioned bonds if Golden Harbour International Pte. Ltd fails to redeem the bonds at maturity.

## 8. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets - current</u>			
Fair value hedges - exchange rate swap contracts	\$ _____ -	\$ 8,282	\$ _____ -
<u>Financial liabilities - current</u>			
Fair value hedges - exchange rate swap contracts	\$ 32,377	\$ _____ -	\$ 41,277

The Group entered into exchange rate swap contracts to avoid exchange rate exposure of its foreign-currency trade receivables and trade payables. The exchange rate swaps and the corresponding financial assets have the same terms, and management believes that the exchange rate swaps are highly effective hedging instruments. The outstanding exchange rate swap contracts of the Group at the end of the reporting period were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2021</u>			
Exchange rate swap contracts	USD to NTD	2021.04.12	USD21,000/NTD594,048
	USD to NTD	2021.04.12	USD21,000/NTD594,069
	USD to NTD	2021.04.12	USD30,000/NTD848,640
	USD to NTD	2021.04.12	USD30,000/NTD848,670
	USD to NTD	2021.04.12	USD30,000/NTD848,670
	USD to NTD	2021.04.12	USD30,000/NTD848,610
	USD to NTD	2021.04.12	USD27,000/NTD763,749
	USD to NTD	2021.04.12	USD11,000/NTD311,179
	USD to NTD	2021.06.08	USD20,000/NTD565,750
	USD to RMB	2021.04.14	USD21,000/RMB136,051
	USD to RMB	2021.04.14	USD21,000/RMB136,042
	USD to RMB	2021.04.14	USD80,000/RMB518,288
	USD to RMB	2021.04.14	USD40,000/RMB259,128
	USD to RMB	2021.04.14	USD27,000/RMB174,906
	USD to RMB	2021.06.10	USD20,000/RMB130,472
	USD to RMB	2021.06.24	USD15,000/RMB98,337

### December 31, 2020

Exchange rate swap contracts	USD to NTD	2021.01.13	USD21,000/NTD607,457
	USD to NTD	2021.01.13	USD21,000/NTD607,467
	USD to NTD	2021.01.13	USD30,000/NTD867,795
	USD to NTD	2021.01.13	USD30,000/NTD867,810
	USD to NTD	2021.01.13	USD30,000/NTD867,810
	USD to NTD	2021.01.13	USD30,000/NTD867,810
	USD to NTD	2021.01.13	USD27,000/NTD781,029
	USD to NTD	2021.01.13	USD11,000/NTD318,197
	USD to RMB	2021.01.15	USD21,000/RMB141,259
	USD to RMB	2021.01.15	USD21,000/RMB141,246
	USD to RMB	2021.01.15	USD80,000/RMB538,128
	USD to RMB	2021.01.15	USD40,000/RMB269,040
	USD to RMB	2021.01.15	USD27,000/RMB181,607

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2020</u>			
Exchange rate swap contracts	USD to NTD	2020.04.14	USD28,000/NTD834,316
	USD to NTD	2020.04.14	USD28,000/NTD834,316
	USD to NTD	2020.05.06	USD17,000/NTD514,165
	USD to NTD	2020.05.06	USD17,000/NTD514,165
	USD to RMB	2020.04.16	USD28,000/RMB192,973
	USD to RMB	2020.04.16	USD28,000/RMB192,962
	USD to RMB	2020.05.08	USD17,000/RMB119,326
	USD to RMB	2020.05.08	USD17,000/RMB119,326

(Concluded)

	For the Three Months Ended March 31	
	2021	2020
Loss on the hedging instruments	<u>\$ (32,377)</u>	<u>\$ (41,277)</u>
Gains on the hedged items	<u>\$ (59,516)</u>	<u>\$ (47,957)</u>

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Foreign investments			
Interest rate linked structured investment deposits	<u>\$ 1,087,539</u>	<u>\$ 1,315,970</u>	<u>\$ 1,456,236</u>

The interest rates of interest rate linked structured investment deposits were 2.95%, 3.2% and 3.5% as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

## 10. CONTRACT ASSETS

As of March 31, 2021, December 31, 2020 and March 31, 2020, contract balances were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Contract assets			
Cable installation	\$ 704,496	\$ 781,196	\$ 375,684
Solar power systems installation	3,649,956	3,679,796	2,820,901
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Contract assets - current	<u>\$ 4,354,452</u>	<u>\$ 4,460,992</u>	<u>\$ 3,196,585</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable</u>			
Notes receivable	\$ 2,589,846	\$ 2,974,132	\$ 2,620,264
<u>Trade receivables</u>			
Trade receivables	\$ 7,878,210	\$ 7,637,153	\$ 7,272,208
Less: Allowance for impairment loss	(91,411)	(94,022)	(84,919)
	<u>\$ 7,786,799</u>	<u>\$ 7,543,131</u>	<u>\$ 7,187,289</u>

The average credit period on the sales of goods was 60 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 applies the simplified approach to allowances for expected credit losses prescribed by IFRS 9, which 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 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:

### March 31, 2021

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 5,884,819	\$ 1,599,384	\$ 104,798	\$ 183,782	\$ 105,427	\$ 7,878,210
Loss allowance (lifetime ECLs)	-	(3,093)	(3,409)	(11,323)	(73,586)	(91,411)
Amortized cost	<u>\$ 5,884,819</u>	<u>\$ 1,596,291</u>	<u>\$ 101,389</u>	<u>\$ 172,459</u>	<u>\$ 31,841</u>	<u>\$ 7,786,799</u>

## December 31, 2020

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 4,721,878	\$ 2,367,951	\$ 276,842	\$ 153,113	\$ 117,369	\$ 7,637,153
Loss allowance (lifetime ECLs)	-	(1,937)	(8,503)	(13,451)	(70,131)	(94,022)
Amortized cost	<u>\$ 4,721,878</u>	<u>\$ 2,365,914</u>	<u>\$ 268,339</u>	<u>\$ 139,662</u>	<u>\$ 47,238</u>	<u>\$ 7,543,131</u>

## March 31, 2020

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	15%-100%	
Gross carrying amount	\$ 5,832,903	\$ 853,555	\$ 357,487	\$ 106,374	\$ 121,889	\$ 7,272,208
Loss allowance (lifetime ECLs)	-	(4,909)	(12,878)	(17,929)	(49,203)	(84,919)
Amortized cost	<u>\$ 5,832,903</u>	<u>\$ 848,646</u>	<u>\$ 344,609</u>	<u>\$ 88,445</u>	<u>\$ 72,686</u>	<u>\$ 7,187,289</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 94,022	\$ 68,967
Add: Amount recovered	9,017	-
Add (less): Net remeasurement of loss allowance	(11,507)	16,506
Foreign exchange gains or losses	<u>(121)</u>	<u>(554)</u>
Balance at March 31	<u>\$ 91,411</u>	<u>\$ 84,919</u>

## **12. FINANCE LEASE RECEIVABLES**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
<u>Undiscounted lease payments</u>			
Year 1	\$ 81,359	\$ 81,359	\$ 81,359
Year 2	81,359	81,359	81,359
Year 3	81,359	81,359	81,359
Year 4	81,359	81,359	81,359
Year 5	81,359	81,359	81,359
Year 6 onwards	<u>511,395</u>	<u>531,735</u>	<u>592,754</u>
	918,190	938,530	999,549
Less: Unearned finance income	<u>(155,332)</u>	<u>(161,817)</u>	<u>(181,957)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 762,858</u>	<u>\$ 776,713</u>	<u>\$ 817,592</u>
Current	\$ 56,601	\$ 56,128	\$ 54,735
Non-current	<u>706,257</u>	<u>720,585</u>	<u>762,857</u>
	<u>\$ 762,858</u>	<u>\$ 776,713</u>	<u>\$ 817,592</u>

The power supply contracts of solar power equipment are processed according to the financial lease 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 March 31, 2021, December 31, 2020 and March 31, 2020.

The finance lease receivables as of March 31, 2021, December 31, 2020 and March 31, 2020 were neither past due nor impaired.

The amounts of finance lease receivables pledged as collateral or for security are set out in Note 31.

### 13. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Manufacturing and trading			
Raw materials	\$ 3,969,872	\$ 3,804,593	\$ 3,129,084
Raw materials in transit	2,958,589	1,426,333	2,002,312
Supplies	1,462,193	1,420,645	1,537,216
Work-in-process	2,476,895	2,495,808	2,199,617
Finished goods and merchandise	7,177,222	5,493,205	6,705,720
Contracts in progress	<u>357,955</u>	<u>317,612</u>	<u>-</u>
	<u>18,402,726</u>	<u>14,958,196</u>	<u>15,573,949</u>
Real estate development			
Undeveloped land	3,434	3,434	3,434
Buildings and land held for sale	216,610	218,402	2,015,878
Contracts in progress	<u>6,755,843</u>	<u>5,900,503</u>	<u>5,654,549</u>
	<u>6,975,887</u>	<u>6,122,339</u>	<u>7,673,861</u>
	<u>\$ 25,378,613</u>	<u>\$ 21,080,535</u>	<u>\$ 23,247,810</u>

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 were NT\$26,188,579 thousand and NT\$22,359,534 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 included reversals of inventory write-downs of NT\$16,659 thousand and NT\$1,313 thousand, respectively. Previous write-downs were reversed as a result of the inventory close-out.

The inventories for the real estate development business are primarily land use rights and construction costs for future construction and contracts in progress of WLC's subsidiary, Walsin (Nanjing) Construction Limited.

Walsin (Nanjing) Construction Limited entered into an agreement with third parties for the sale of real estate as of March 31, 2021; the selling prices for the related residential buildings and office buildings was RMB300 thousand. The sale of this real estate in the amounts of NT\$1,241 thousand was recognized as "operating revenue" for the three months ended March 31, 2021.



As of March 31, 2021, December 31, 2020 and March 31, 2020, the cash equivalents received from the advance sale of real estate by Walsin (Nanjing) Construction Limited were as follows:

	March 31, 2021		December 31, 2020		March 31, 2020	
	RMB	NTD	RMB	NTD	RMB	NTD
Residential buildings	\$ -	\$ -	\$ -	\$ -	\$ 301,222	\$ 1,285,003

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

	March 31, 2021	December 31, 2020	March 31, 2020
Domestic listed ordinary shares			
HannStar Display Corp.	\$ 4,614,336	\$ 3,685,476	\$ 1,552,095
HannStar Board Corp.	3,146,258	2,763,734	1,990,374
TECO Electric & Machinery Co., Ltd.	6,851,786	26,378	-
Domestic unlisted ordinary shares	337,762	339,955	294,288
Foreign unlisted ordinary shares	68,528	95,101	320,395
	<u>\$ 15,018,670</u>	<u>\$ 6,910,644</u>	<u>\$ 4,157,152</u>
Current	\$ -	\$ -	\$ -
Non-current	<u>15,018,670</u>	<u>6,910,644</u>	<u>4,157,152</u>
	<u>\$ 15,018,670</u>	<u>\$ 6,910,644</u>	<u>\$ 4,157,152</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 Group's strategy of holding these investments for long-term purposes.

On January 6, 2021, the group issued 205,333 thousand shares in exchange for 171,104 thousand shares of TECO Electric & Machinery Co., Ltd. WLC and TECO agreed to build a strategic alliance to enhance competitiveness and cooperation in next generation smart grid, smart manufacturing, and green energy industry. In addition, the Group also acquired the shares of TECO Electric & Machinery Co., Ltd. from the open market. As of December 31, 2020 and March 31, 2021, the Group held a total of 954 thousand and 211,802 thousand shares, respectively, of TECO Electric & Machinery Co., Ltd.

#### 15. SUBSIDIARIES

##### a. Subsidiaries included in the consolidated financial statements

The consolidated entities as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

Investor	Investee	Main Business	Percentage of Ownership (%)		
			March 31, 2021	December 31, 2020	March 31, 2020
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited (WLHL)	Investment holding	100.00	100.00	100.00
	Concord Industries Limited (CIL)	Investment holding	100.00	100.00	100.00
	Touch Micro-System Technology Corp. (TMTC)	OEM on MEMS foundry service	-	-	100.00
	Ace Result Global Limited	Investment holding	(Note 3) 100.00	(Note 3) 100.00	(Liquidating) 100.00

(Continued)

Investor	Investee	Main Business	Percentage of Ownership (%)		
			March 31, 2021	December 31, 2020	March 31, 2020
Min Maw	Energy Pilot Limited (Energy Pilot)	Investment holding	- (Note 4)	- (Note 4)	100.00
	Market Pilot Limited (Market Pilot)	Investment holding	- (Note 7)	- (Note 7)	100.00
	Min Maw Precision Industry Corp. (Min Maw)	Solar power systems management, design, and installation	100.00	100.00	100.00
	Walsin Info-Electric Corp. (Walsin Info-Electric)	Mechanical and electrical, communications, and power systems	99.51	99.51	98.87
	Jin-Cherng Construction Co. (Jin-Cherng)	Investment in the construction of residential and commercial buildings sold, rented design and interior decoration business contractors	99.22	99.22	99.22
	Joint Success Enterprises Limited	Investments	49.05	49.05	49.05
	P.T. Walsin Lippo Industries (P.T. Walsin)	Manufacture and sale of cables and wires	70.00	70.00	70.00
	PT. Walsin Lippo Kabel	Cables and wires	70.00	70.00	70.00
	Waltuo Green Resources Corp.	Waste disposal, resource recovery and cement products	100.00	100.00	100.00
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	50.00 (Note 2)	50.00 (Note 2)	50.00 (Note 2)
	Walsin Precision Technology Sdn, Bhd	Manufacture and sale of stainless steel	100.00 (Note 10)	-	-
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	- (Note 2)	- (Note 2)	1.00 (Note 2)
	WLHL	Walsin (China) Investment Co., Ltd.	100.00	100.00	100.00
		Jiangyin Walsin Steel Cable Co., Ltd. (JHS)	100.00	100.00	100.00
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	95.71	95.71	95.71
		Dongguan Walsin Wire & Cable Co., Ltd.	100.00	100.00	100.00
CIL	Renowned International Limited	Investments	- (Note 5)	- (Note 5)	83.97
	Walsin International Investments Limited	Investments	100.00	100.00	100.00
	Borrego Solar System, Inc.	Solar power system	73.36	73.66	74.69
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	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	18.37
	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment	100.00	100.00	100.00
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00	100.00
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	100.00	100.00	100.00
	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	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	81.63	81.63	81.63
Jin-Cherng	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	- (Note 10)	100.00	100.00
	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00	100.00
	Walsin Lihwa (Changzhou) Investment Co., Ltd.	Commerce and investments	- (Note 8)	- (Note 8)	100.00
	Joint Success Enterprises Limited	Investments	50.95	50.95	50.95
	Walsin (Nanjing) Development Limited	Construction, rental and sale of buildings and industrial factories	100.00	100.00	100.00
	Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	100.00	100.00	100.00
	Walsin Nanjing Culture and Arts Co., Ltd.	Organize culture and arts communication activity, cultural performance, culture and arts forwarding agency	100.00	100.00	100.00
	Walsin Nanjing Commercial Management Co., Ltd.	Business management, food marketing, catering services and sale of groceries	- (Note 6)	- (Note 6)	100.00
	Energy Pilot Limited	Green Lake Capital, LLC.	- (Note 1)	- (Note 1)	100.00 (Liquidating)
	Market Pilot Limited	XiAn Walsin United Technology Co., Ltd.	- (Note 9)	- (Note 9)	100.00

(Concluded)

Note 1: The liquidation of Green Lake Capital, LLC was completed on May 4, 2020.

Note 2: In January 2020, the Group invested capital to establish PT. Walsin Nickel Industrial Indonesia (“WNII”). New Hono Investment Pte. Ltd (“NHI”) held 42% equity of WNII. According to the joint venture agreement signed by WLH and NHI in January 2020, WLH had the right to purchase 100% of NHI’s shares on the terms agreed by all parties to acquire 42% equity of WNII indirectly.

Note 3: The liquidation of Touch Micro-system Technology Corp. was completed on June 5, 2020.

Note 4: The liquidation of Energy Pilot Limited was completed on September 3, 2020.

Note 5: The liquidation of Renowned International Limited was completed on August 24, 2020.

Note 6: The liquidation of Walsin Nanjing Commercial Management Co., Ltd. was completed on December 7, 2020.

Note 7: The liquidation of Market Pilot Limited was completed on December 9, 2020.

Note 8: The liquidation of Walsin Lihwa (Changzhou) Investment Co., Ltd. was completed on October 19, 2020.

Note 9: The liquidation of XiAn Walsin United Technology Co., Ltd. was completed on December 7, 2020.

Note 10: In order to adjust the investment structure of the Group, it was transferred from CIL to WLC.

- b. The following entity was excluded from consolidation as of March 31, 2021, December 31, 2020 and March 31, 2020:

Investor	Investee	Main Business	% of Ownership			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
WLHL	Walcom Chemical Industrial Limited	Commerce	65.00	65.00	65.00	Note

Note: The investee has a capital of HK\$500 thousand and total assets of HK\$1 thousand. As of March 31, 2021, December 31, 2020 and March 31, 2020, the investee had no sales and its total assets were less than 1% of consolidated assets.

The financial statements of certain subsidiaries included in the consolidated financial statements, namely P.T. Walsin Lippo Industries (P.T. Walsin), Borrego Solar System, Inc. and Walsin Precision Technology Sdn, Bhd. were not reviewed by the auditor of WLC but by other auditors. As of March 31, 2021 and 2020, the combined total assets of those subsidiaries were NT\$9,537,485 thousand and NT\$10,480,626 thousand, respectively; for the three months ended March 31, 2021 and 2020, the combined net operating revenues of these subsidiaries were NT\$3,337,285 thousand and NT\$3,871,168 thousand, respectively.

## 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

Name of Associate	March 31, 2021		December 31, 2020		March 31, 2020	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
<u>Material associates</u>						
Winbond Electronics Corp.	\$ 15,151,942	22.21	\$ 14,595,661	22.21	\$ 12,731,251	22.21
Walton Advanced Engineering, Inc.	2,720,061	21.65	2,601,028	21.65	2,278,760	21.65
Walsin Technology Corp.	7,577,185	18.30	7,068,731	18.30	6,190,208	18.30
<u>Associates that are not individually material</u>						
Others	9,033,068		8,501,671		4,760,609	
	<u>\$ 34,482,256</u>		<u>\$ 32,767,091</u>		<u>\$ 25,960,828</u>	

Refer to Table 7 “Information on Investees” and Table 8 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

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

Name of Associate	March 31, 2021	December 31, 2020	March 31, 2020
Winbond Electronics Corp.	<u>\$ 26,073,528</u>	<u>\$ 25,675,797</u>	<u>\$ 10,031,680</u>
Walton Advanced Engineering, Inc.	<u>\$ 1,540,279</u>	<u>\$ 1,512,812</u>	<u>\$ 864,968</u>
Walsin Technology Corp.	<u>\$ 22,181,130</u>	<u>\$ 20,491,986</u>	<u>\$ 14,313,274</u>

All the associates were accounted for using the equity method.

The Group’s share of profit and other comprehensive income of associates for the three months ended March 31, 2021 and 2020 was based on the associates’ financial statements reviewed by independent auditors for the same periods.

## 17. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021		December 31, 2020		March 31, 2020	
Assets used by the Group	<u>\$ 35,074,730</u>		<u>\$ 34,294,221</u>		<u>\$ 27,627,041</u>	
	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 3,483,995	\$ 16,545,654	\$ 25,806,284	\$ 7,133,130	\$ 8,576,988	\$ 61,546,051
Additions	143	169	74,665	53,531	1,223,622	1,352,130
Disposals	(1,164)	(169)	(33,948)	(21,404)	(547)	(57,232)
Reclassified	37,560	8,399	95,425	96,100	(237,484)	-
Effects of foreign currency exchange differences	-	(48,910)	(37,178)	(16,107)	15,205	(86,990)
Balance at March 31, 2021	<u>\$ 3,520,534</u>	<u>\$ 16,505,143</u>	<u>\$ 25,905,248</u>	<u>\$ 7,245,250</u>	<u>\$ 9,577,784</u>	<u>\$ 62,753,959</u>

(Continued)

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 8,067	\$ 6,265,972	\$ 15,948,131	\$ 5,029,660	\$ -	\$ 27,251,830
Disposals	-	(111)	(31,400)	(19,424)	-	(50,935)
Impairment losses reversed	-	-	-	(143)	-	(143)
Depreciation expenses	-	175,990	253,080	104,599	-	533,669
Reclassified	-	-	(3,771)	3,771	-	-
Effects of foreign currency exchange differences	-	(10,754)	(31,969)	(12,469)	-	(55,190)
Balance at March 31, 2021	<u>\$ 8,067</u>	<u>\$ 6,431,097</u>	<u>\$ 16,134,071</u>	<u>\$ 5,105,994</u>	<u>\$ -</u>	<u>\$ 27,679,229</u>
Carrying amounts at March 31, 2021	<u>\$ 3,512,467</u>	<u>\$ 10,074,046</u>	<u>\$ 9,771,177</u>	<u>\$ 2,139,256</u>	<u>\$ 9,577,784</u>	<u>\$ 35,074,730</u>
<u>Cost</u>						
Balance at January 1, 2020	\$ 3,453,378	\$ 16,144,426	\$ 25,268,998	\$ 6,375,790	\$ 2,001,693	\$ 53,244,285
Additions	12,221	1,614	12,557	61,683	282,020	370,095
Disposals	-	(465)	(71,441)	(43,544)	(9,481)	(124,931)
Reclassified	-	101,022	182,092	57,336	(340,450)	-
Effects of foreign currency exchange differences	-	(67,566)	(50,390)	(19,695)	(2,830)	(140,481)
Balance at March 31, 2020	<u>\$ 3,465,599</u>	<u>\$ 16,179,031</u>	<u>\$ 25,341,816</u>	<u>\$ 6,431,570</u>	<u>\$ 1,930,952</u>	<u>\$ 53,348,968</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 8,067	\$ 5,531,108	\$ 15,120,400	\$ 4,739,601	\$ -	\$ 25,399,176
Disposals	-	(465)	(71,547)	(42,741)	-	(114,753)
Impairment losses reversed	-	-	-	(199)	-	(199)
Depreciation expenses	-	173,312	253,390	83,441	-	510,143
Reclassified	-	-	(476)	476	-	-
Effects of foreign currency exchange differences	-	(12,054)	(43,782)	(16,604)	-	(72,440)
Balance at March 31, 2020	<u>\$ 8,067</u>	<u>\$ 5,691,901</u>	<u>\$ 15,257,985</u>	<u>\$ 4,763,974</u>	<u>\$ -</u>	<u>\$ 25,721,927</u>
Carrying amounts at March 31, 2020	<u>\$ 3,457,532</u>	<u>\$ 10,487,130</u>	<u>\$ 10,083,831</u>	<u>\$ 1,667,596</u>	<u>\$ 1,930,952</u>	<u>\$ 27,627,041</u>
						(Concluded)

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 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.

WLC 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 March 31, 2021, December 31, 2020 and March 31, 2020, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand.

## 18. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Land	\$ 1,690,114	\$ 1,480,251	\$ 1,166,005
Buildings	141,779	156,056	193,479
Transportation equipment	<u>31,116</u>	<u>28,099</u>	<u>27,593</u>
	<u>\$ 1,863,009</u>	<u>\$ 1,664,406</u>	<u>\$ 1,387,077</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2021</b>	<b>2020</b>
Additions to right-of-use assets		<u>\$ 237,629</u>	<u>\$ 64,936</u>
Depreciation charge for right-of-use assets			
Land		\$ 13,158	\$ 14,857
Buildings		14,444	15,969
Transportation equipment		<u>4,343</u>	<u>3,558</u>
		<u>\$ 31,945</u>	<u>\$ 34,384</u>

### b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Current	<u>\$ 67,850</u>	<u>\$ 73,261</u>	<u>\$ 69,341</u>
Non-current	<u>\$ 259,828</u>	<u>\$ 274,442</u>	<u>\$ 267,451</u>

Ranges of discount rate for lease liabilities were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Land	0.83%-6.123%	0.83%-6.123%	0.83%-6.123%
Buildings	1.409%-8%	1.409%-8%	1.409%-6.1%
Transportation equipment	3.038%-5.75%	3.038%-5.75%	3.038%-5.75%

c. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Expenses relating to short-term leases	<u>\$ 16,031</u>	<u>\$ 14,940</u>
Expenses relating to low-value asset leases	<u>\$ 157</u>	<u>\$ 129</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 2,359</u>	<u>\$ 1,337</u>
Total cash outflow for leases	<u>\$ (49,368)</u>	<u>\$ (47,600)</u>

## 19. INVESTMENT PROPERTIES

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Completed investment properties	<u>\$ 9,834,963</u>	<u>\$ 9,874,926</u>	<u>\$ 9,982,265</u>
			<b>Completed Investment Property</b>
<u>Cost</u>			
Balance at January 1, 2021			\$ 12,271,365
Effects of foreign currency exchange differences			<u>(8,034)</u>
Balance at March 31, 2021			<u>\$ 12,263,331</u>
Balance at January 1, 2020			\$ 12,248,696
Effects of foreign currency exchange differences			<u>(11,310)</u>
Balance at March 31, 2020			<u>\$ 12,237,386</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021			\$ 2,396,439
Depreciation expenses			35,413
Effects of foreign currency exchange differences			<u>(3,484)</u>
Balance at March 31, 2021			<u>\$ 2,428,368</u>
Balance at January 1, 2020			\$ 2,215,707
Depreciation expenses			44,017
Effects of foreign currency exchange differences			<u>(4,603)</u>
Balance at March 31, 2020			<u>\$ 2,255,121</u>

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

The main investment property of the Group is the Walsin Xin Yi Building and the completed investment properties of Walsin (Nanjing) Construction Limited. The building valuation was commissioned by independent appraisal agencies (third parties). As of December 31, 2020 and 2019, the completed investment properties' real estate values were NT\$33,971,481 thousand and NT\$33,762,178 thousand, respectively. Management of the Group had assessed and determined that there were no significant changes in the fair value as of March 31, 2021 and 2020, as compared to that as of December 31, 2020 and 2019.

## 20. BORROWINGS

	March 31, 2021	December 31, 2020	March 31, 2020
Short-term borrowings	<u>\$ 8,169,083</u>	<u>\$ 6,391,019</u>	<u>\$ 14,596,023</u>
Current portion of long-term borrowings	<u>\$ 8,238,191</u>	<u>\$ 6,162,400</u>	<u>\$ 10,064,196</u>
Long-term borrowings	<u>\$ 27,814,989</u>	<u>\$ 31,406,829</u>	<u>\$ 24,812,409</u>

a. Short-term borrowings as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

	March 31, 2021		December 31, 2020		March 31, 2020	
	Interest Rate %	Amount	Interest Rate %	Amount	Interest Rate %	Amount
Procurement loans	0.60-0.75	\$ 6,973,894	0.7-0.9	\$ 5,091,019	-	\$ -
Bank lines of credit	1.152-4.00	<u>1,195,189</u>	0.65	<u>1,500,000</u>	0.8-4.135	<u>14,596,023</u>
		<u>\$ 8,169,083</u>		<u>\$ 6,591,019</u>		<u>\$ 14,596,023</u>

Refer to Notes 6 and 31 for collateral pledged for short-term borrowings as of March 31, 2021, December 31, 2020 and March 31, 2020.

b. Long-term borrowings as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

		March 31, 2021		December 31, 2020	March 31, 2020
		Significant Covenant	Amount	Amount	Amount
Bank of Taiwan	Long-term credit loan, principal repayment at maturity, from August 7, 2017 to May 9, 2020		\$ -	\$ -	\$ 1,000,000
Taishin International Bank	Long-term credit loan; principal repayment at maturity, from September 22, 2017 to September 22, 2020		-	-	2,000,000
Taipei Fubon Commercial Bank	Long-term credit loan; principal repayment at maturity, from September 22, 2017 to September 22, 2020		-	-	1,000,000
Chang Hwa Commercial Bank	Long-term credit loan; principal repayment at maturity, from September 22, 2017 to September 22, 2020		-	-	1,500,000
First Commercial Bank	Long-term credit loan; principal repayment at maturity, from September 22, 2017 to September 22, 2020		-	-	1,000,000
First Commercial Bank	Long-term credit loan; principal repayment at maturity, from December 28, 2018 to December 28, 2021		1,000,000	1,000,000	1,000,000
Hua Nan Commercial Bank	Long-term credit loan; principal repayment at maturity, from March 5, 2018 to March 5, 2021		-	1,500,000	1,500,000
Hua Nan Commercial Bank	Long-term credit loan; principal repayment at maturity, from December 28, 2018 to December 28, 2021		1,500,000	1,500,000	1,500,000
Chinatrust Commercial Bank	Mid-term credit loan; principal repayment at maturity, from March 5, 2018 to March 5, 2021		-	1,000,000	1,000,000
Mega International Commercial Bank Co., Ltd.	Long-term credit loan; principal repayment at maturity, from March 5, 2018 to March 5, 2021		-	1,000,000	1,000,000

(Continued)



		March 31, 2021	December 31, 2020	March 31, 2020
Significant Covenant		Amount	Amount	Amount
Bank of Taiwan	Long-term credit loan; principal repayment at maturity, from March 4, 2019 to March 4, 2022	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Cathay United Bank	Long-term credit loan; principal repayment at maturity, from March 4, 2019 to March 4, 2022	1,500,000	1,500,000	1,500,000
Taiwan Cooperative Bank	Long-term credit loan; principal repayment at maturity, from March 4, 2019 to March 4, 2022	1,000,000	1,000,000	1,000,000
Taipei Fubon Commercial Bank	Long-term credit loan; principal repayment at maturity, from June 3, 2019 to June 3, 2022	1,000,000	1,000,000	1,000,000
Chang Hwa Commercial Bank	Long-term credit loan; principal repayment at maturity, from June 3, 2019 to June 3, 2022	1,000,000	1,000,000	1,000,000
KGI Bank	Long-term credit loan; principal repayment at maturity, from June 3, 2019 to June 3, 2022	1,500,000	1,500,000	1,500,000
Chinatrust Commercial Bank	Long-term credit loan; principal repayment at maturity, from September 3, 2019 to September 3, 2022	1,500,000	1,500,000	1,500,000
Standard Chartered Bank	Long-term credit loan; applied for the extension of the final maturity date to December 31, 2022 on December 18, 2020; principal repayment at maturity, from January 14, 2020 to December 31, 2022	5,352,144	5,352,144	5,352,144
DBS Bank	Long-term credit loan; extended the drawdown term to 3 years on September 30, 2020; principal repayment at maturity, from March 30, 2020 to March 30, 2023	3,028,500	3,028,500	3,028,500
DBS Bank	Long-term credit loan; extended the drawdown term to 3 years on September 30, 2020; principal repayment at maturity, from March 30, 2020 to March 30, 2023	3,018,600	3,018,600	3,018,600
DBS Bank	Long-term credit loan; extended the drawdown term to 3 years on October 15, 2020; principal repayment at maturity, from April 15, 2020 to April 15, 2023	3,010,000	3,010,000	-
Standard Chartered Bank	Long-term credit loan; applied for the extension of the final maturity date to December 31, 2022 on December 18, 2020; principal repayment at maturity, from December 3, 2020 to December 31, 2022	2,093,000	2,093,000	-
Bank of Taiwan	Long-term credit loan; principal repayments at maturity, from September 22, 2020 to September 22, 2025; 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.	3,000,000	3,000,000	-
The Export-Import Bank of the Republic of China	Long-term credit loan from September 22, 2020 to September 22, 2025; 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	-
Hua Nan Commercial Bank	Long-term credit loan; Principal repayments at maturity, from March 27, 2021 to March 27, 2026; principal to be repaid in two phases: From the 5th year, repayments are due once every six months	2,000,000	-	-
Cathay United Bank	Long-term secured loan; from December 15, 2011 to December 15, 2021; the grace period for principal is 6 months, after which repayments are due monthly	112,934	117,844	132,575
Cathay United Bank	Long-term secured loan; from September 27, 2012 to September 27, 2022; the grace period for principal is 6 months, after which repayments are due monthly	118,300	122,844	136,475
Cathay United Bank	Long-term secured loan; from February 21, 2012 to February 21, 2022; the grace period for principal is 6 months, after which repayments are due monthly	97,115	101,218	113,529
Taipei Fubon Bank	Long-term secured loan; from December 25, 2013 to October 11, 2023; the grace period for principal is 6 months, after which repayments are due monthly	30,250	31,167	33,916
Taipei Fubon Bank	Long-term secured loan; from February 14, 2014 to October 11, 2023; the grace period for principal is 6 months, after which repayments are due monthly	26,667	27,467	29,866
Taipei Fubon Bank	Long-term secured loan; from October 6, 2014 to October 11, 2023; the grace period for principal is 6 months, after which repayments are due monthly	<u>27,990</u>	<u>28,675</u>	<u>31,000</u>
		36,053,180	37,569,229	34,876,605
Less current portion of long-term borrowings		<u>(8,283,191)</u>	<u>(6,162,400)</u>	<u>(10,064,196)</u>
		<u>\$ 27,814,989</u>	<u>\$ 31,406,829</u>	<u>\$ 24,812,409</u> (Concluded)

- 1) Under the loan agreements with Taipei Fubon 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 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 March 31, 2021, December 31, 2020 and March 31, 2020, the effective interest rate range of the credit borrowings was 0.10%-1.50%, 0.10%-1.50% and 0.19%-1.50% per annum. As of March 31, 2021, December 31, 2020 and March 31, 2020, the effective interest rate range of the secured borrowings 1.66%-2.07%, 1.66%-2.07% and 1.94%-2.27% per annum.
- 3) As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's current portion of long-term borrowings was NT\$8,238,191 thousand, NT\$6,162,400 thousand and NT\$10,064,196 thousand under the loan agreements, respectively. The Group's consolidated financial reports for the years ended December 31, 2020 and 2019 showed that the Group was in compliance with the aforementioned financial ratio requirements.
- 4) Refer to Note 31 for collateral pledged on bank borrowings as of March 31, 2021, December 31, 2020 and March 31, 2020.

## 21. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2021 and 2020, the pension expenses of defined benefit plans were NT\$4,044 thousand and NT\$4,040 thousand, respectively, which were calculated based on the actuarially determined pension cost rates on December 31, 2020 and 2019, respectively.

## 22. EQUITY

	March 31, 2021	December 31, 2020	March 31, 2020
Share capital			
Ordinary shares	\$ 34,313,329	\$ 32,260,002	\$ 33,260,002
Capital surplus	18,519,942	15,690,406	16,076,240
Retained earnings	38,226,854	36,330,187	31,347,690
Others	3,081,766	187,640	(7,978,193)
Non-controlling interests	<u>2,775,674</u>	<u>2,812,595</u>	<u>1,278,097</u>
	<u>\$ 96,917,565</u>	<u>\$ 87,280,830</u>	<u>\$ 73,983,836</u>

a. Share capital

Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Number of authorized shares (in thousands)	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>
Amount of authorized shares	<u>\$ 65,000,000</u>	<u>\$ 65,000,000</u>	<u>\$ 65,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>3,431,333</u>	<u>3,326,000</u>	<u>3,326,000</u>
Amount of issued shares	<u>\$ 34,313,329</u>	<u>\$ 33,260,002</u>	<u>\$ 33,260,002</u>

As of March 31, 2020, the balances of WLC's capital account were all NT\$33,260,002 thousand, consisted of 3,326,000 thousand shares at par value of NT\$10.

In August 2020 and November 2020, WLC reduced capital and cancelled 100,000 thousand treasury shares. In addition, the Group issued 205,333 thousand shares in exchange for 171,104 thousand shares of TECO Electric & Machinery Co., Ltd. in January 2021. Hence, as of March 31, 2021, the paid-in capital was NT\$34,313,329 thousand, divided into 3,431,333 thousand ordinary shares at par value of NT\$10.

As of December 31, 2021, two thousand GDRs of WLC were traded on the Luxemburg Stock Exchange. The number of ordinary shares represented by the GDRs was 22 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
Issuance of ordinary shares	\$ 12,639,452	\$ 9,867,654	\$ 10,173,533
Share of changes in capital surplus of associates	524,808	467,070	352,768
Treasury share transactions	2,254,074	2,254,074	2,448,303
Gain on disposal of property plant and equipment	2,074,231	2,074,231	2,074,231
Others	<u>1,027,377</u>	<u>1,027,377</u>	<u>1,027,405</u>
	<u>\$ 18,519,942</u>	<u>\$ 15,690,406</u>	<u>\$ 16,076,240</u>

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 purpose.

c. Retained earnings and dividend policy

Based on WLC's articles of incorporation (the "Articles"), 10% of WLC's annual earnings, net of tax and any deficit, should be appropriated as legal reserve until this reserve equals WLC's paid-in capital. Also, WLC appropriated earnings to special reserve based on the applicable laws and regulations. Any remaining balance of distributable earnings resolved by the shareholders will be retained partially by WLC and will be distributed to shareholders. WLC shall reserve no lesser than 40% of the balance amount as shareholder's profit after offsetting its loss and tax payments in the previous year, capital reserve and special reserve. 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 24 for the policies on the distribution of employees' compensation and remuneration of directors and supervisors.

The appropriation of earnings for 2019 had been proposed by WLC's board of directors on May 29, 2020. The appropriation and dividends per share were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 314,968	\$ -
Special reserve	(932,728)	-
Cash dividends	<u>1,663,000</u>	0.50
	<u>\$ 1,045,240</u>	

The appropriation of earnings for 2020, which was proposed by WLC's board of directors on May 28, 2021, was as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 681,368	\$ -
Special reserve	(398,160)	-
Cash dividends	<u>3,088,200</u>	0.9
	<u>\$ 3,371,408</u>	

d. Special reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Special reserve	<u>\$ 3,110,410</u>	<u>\$ 4,043,138</u>

Information regarding the above special reserve did not change for the three months ended March 31, 2021 and 2020.

e. Other equity items

1) Foreign currency translation reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Beginning balance	\$ (5,905,135)	\$ (5,546,359)
Share of exchange difference of associates accounted for using the equity method	<u>(212,717)</u>	<u>(331,343)</u>
Ending balance	<u>\$ (6,117,852)</u>	<u>\$ (5,877,702)</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 foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

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

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 6,092,775	\$ 2,435,949
Unrealized gain (loss) - equity instruments	2,113,801	(1,458,314)
Share from associates accounted for using the equity method	<u>993,042</u>	<u>(3,080,250)</u>
Balance at March 31	<u>\$ 9,199,618</u>	<u>\$ (2,102,615)</u>

3) Cash flow hedging

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ -	\$ -
Transferred to initial carrying amount of hedged items	-	-
Others	<u>-</u>	<u>2,124</u>
Balance at March 31	<u>\$ -</u>	<u>\$ 2,124</u>

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising from changes in fair value of the hedging instruments that was recognized and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

**23. OPERATING REVENUE**

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Sales revenue	\$ 28,290,018	\$ 23,667,312
Sales of real estate	1,241	-
Revenue from the rendering of services	47,707	33,255
Construction contract revenue	6,367	18,654
Rental income	353,736	272,176
Other revenue	<u>138,845</u>	<u>93,085</u>
	<u>\$ 28,837,914</u>	<u>\$ 24,084,482</u>

**24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS****Non-operating Income and Expense - Gain (Loss) on Disposal of Investments**

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Gain (loss) on disposal of investments - commodity futures	\$ 155,128	\$ (7,865)
Gain (loss) on disposal of investments - foreign exchange forward contracts	62,471	(128,761)
Loss on disposal of investment - commodity options	(11,315)	-
Gain on disposal of investment - exchange rate swap contracts	<u>-</u>	<u>986</u>
	<u>\$ 206,374</u>	<u>\$ (135,640)</u>

**Non-operating Income and Expense - Impairment Loss Reversed (Recognized)**

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Property, plant and equipment	\$ 143	\$ 199
Others	<u>(1,973)</u>	<u>12</u>
	<u>\$ (1,830)</u>	<u>\$ 211</u>

## Employee Benefits Expense, Depreciation and Amortization

For the Three Months Ended March 31, 2021				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	\$ 833,735	\$ 594,938	\$ -	\$ 1,428,673
Post-employment benefits	\$ 44,107	\$ 28,098	\$ -	\$ 72,205
Other employee benefits	\$ 119,216	\$ 63,800	\$ -	\$ 183,016
Depreciation				
Property, plant and equipment	\$ 461,084	\$ 71,878	\$ 707	\$ 533,669
Right-of-use assets	7,837	24,108	-	31,945
Investment property	35,148	265	-	35,413
	\$ 504,069	\$ 96,251	\$ 707	\$ 601,027
Amortization	\$ 1,078	\$ 7,877	\$ -	\$ 8,955
For the Three Months Ended March 31, 2020				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	\$ 758,078	\$ 519,915	\$ -	\$ 1,277,993
Post-employment benefits	\$ 39,325	\$ 25,473	\$ -	\$ 64,798
Other employee benefits	\$ 108,285	\$ 55,044	\$ -	\$ 163,329
Depreciation				
Property, plant and equipment	\$ 457,440	\$ 51,879	\$ 824	\$ 510,143
Right-of-use assets	9,863	24,521	-	34,384
Investment property	42,051	1,966	-	44,017
	\$ 509,354	\$ 78,366	\$ 824	\$ 588,544
Amortization	\$ 1,203	\$ 6,619	\$ -	\$ 7,822

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors and supervisors 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 and supervisors. For the three months ended March 31, 2021 and 2020, the employees' compensation amounted to NT\$21,817 thousand and NT\$10,101 thousand, respectively, and the remuneration of directors and supervisors amounted to NT\$11,100 thousand and NT\$817 thousand, respectively.

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

The employees' compensation and the remuneration of directors and supervisors for 2020 and 2019 resolved by WLC's board of directors on February 26, 2021 and February 27, 2020, respectively, and the respective amounts recognized in the consolidated financial statements were equal.

	For the Year Ended December 31			
	2020		2019	
	Employees' Compensation	Remuneration of Directors and Supervisors	Employees' Compensation	Remuneration of Directors and Supervisors
Amounts approved in shareholders' meetings	\$ 68,500	\$ 34,050	\$ 48,500	\$ 21,000
Amounts recognized in respective financial statements	<u>68,500</u>	<u>34,050</u>	<u>48,500</u>	<u>21,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Information on the employees' compensation and remuneration of directors and supervisors resolved by WLC's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. The major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current period	\$ 13,901	\$ 147,024
Adjustments for prior year	-	18
Adjustments to changes in tax rates	7	(4,637)
Land value increment tax	<u>82</u>	<u>-</u>
	<u>13,990</u>	<u>142,405</u>
Deferred tax		
In respect of the current period	164,883	(135,636)
Adjustments for prior year	<u>(3,498)</u>	<u>-</u>
	<u>161,385</u>	<u>(135,636)</u>
Income tax expense recognized in profit or loss	<u>\$ 175,375</u>	<u>\$ 6,769</u>

- b. WLC's income tax returns through 2017 had been assessed and cleared by the tax authorities.



## 26. EARNINGS PER SHARE

	For the Three Months Ended March 31					
	2021			2020		
	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)	Deficit Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 1,882,618	3,419,926	<u>\$ 0.55</u>	\$ 110,416	3,326,000	<u>\$ 0.03</u>
Effect of dilutive potential ordinary shares						
Employee bonus	-	3,481		-	3,683	
	<u>\$ 1,882,618</u>	<u>3,423,407</u>	<u>\$ 0.55</u>	<u>\$ 110,416</u>	<u>3,329,683</u>	<u>\$ 0.03</u>

## 27. OPERATING LEASE ARRANGEMENTS

Operating leases are related to the investment property owned by the Group with lease terms between 5 and 10 years, with an option to extend for an additional 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

As of March 31, 2021, December 31, 2020 and March 31, 2020, deposits received under operating leases amounted to NT\$316,015 thousand and NT\$303,187 thousand and NT\$301,868 thousand, respectively (recorded under other liabilities - non-current).

As of March 31, 2020, the Group's future minimum lease receivables on non-cancelable operating lease commitments were as follows:

2021 (from April 1 to December 31)	\$ 1,129,470
2022-2026	2,329,614
After 2026	<u>188,752</u>
	<u>\$ 3,714,836</u>

## 28. 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.

## 29. FINANCIAL INSTRUMENTS

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

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements as approximates of the fair values.

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

#### 1) Fair value hierarchy

March 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 78,269	\$ 9,896	\$ -	\$ 88,165
Corporate bonds	<u>-</u>	<u>-</u>	<u>5,199,289</u>	<u>5,199,289</u>
	<u>\$ 78,269</u>	<u>\$ 9,896</u>	<u>\$ 5,199,289</u>	<u>\$ 5,287,454</u>

Financial assets at FVTOCI

Investments in equity instruments				
Listed securities in ROC	\$ 14,612,380	\$ -	\$ -	\$ 14,612,380
Unlisted securities	<u>-</u>	<u>-</u>	<u>406,290</u>	<u>406,290</u>
	<u>\$ 14,612,380</u>	<u>\$ -</u>	<u>\$ 406,290</u>	<u>\$ 15,018,670</u>

Financial liabilities at  
FVTPL

Derivative financial liabilities for hedging	<u>\$ -</u>	<u>\$ 32,377</u>	<u>\$ -</u>	<u>\$ 32,377</u>
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December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 73,329	\$ -	\$ -	\$ 73,329
Corporate bonds	-	-	5,683,859	5,683,859
Derivatives financial assets for hedging	<u>-</u>	<u>8,282</u>	<u>-</u>	<u>8,282</u>
	<u>\$ 73,329</u>	<u>\$ 8,282</u>	<u>\$ 5,683,859</u>	<u>\$ 5,765,470</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value FVOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 6,475,588	\$ -	\$ -	\$ 6,475,588
Unlisted securities	<u>-</u>	<u>-</u>	<u>435,056</u>	<u>435,056</u>
	<u>\$ 6,475,588</u>	<u>\$ -</u>	<u>\$ 435,056</u>	<u>\$ 6,910,644</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	<u>\$ -</u>	<u>\$ 8,374</u>	<u>\$ -</u>	<u>\$ 8,374</u> (Concluded)

March 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 34,216	\$ 858	\$ 35,074
Corporate bonds	<u>-</u>	<u>-</u>	<u>5,479,111</u>	<u>5,479,111</u>
	<u>\$ -</u>	<u>\$ 34,216</u>	<u>\$ 5,479,969</u>	<u>\$ 5,514,185</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 3,542,469	\$ -	\$ -	\$ 3,542,469
Unlisted securities	<u>-</u>	<u>-</u>	<u>614,683</u>	<u>614,683</u>
	<u>\$ 3,542,469</u>	<u>\$ -</u>	<u>\$ 614,683</u>	<u>\$ 4,157,152</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	<u>\$ 137,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,750</u>
Derivatives financial liabilities for hedging	<u>\$ -</u>	<u>\$ 41,277</u>	<u>\$ -</u>	<u>\$ 41,277</u>

- 2) There were no transfers between Levels 1 and 2 for the three months ended March 31, 2021 and 2020.
- 3) Financial assets which belong to Level 3 are recognized in other comprehensive income - change in fair value, and there are no other adjustment.

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

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
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 techniques and inputs applied for Level 3 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
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.
Derivatives - options	Option pricing models. Fair values are determined using option pricing models where significant unobservable input is historical volatility.
Hybrid instruments - corporate bonds	Discounted cash flow. Future cash flows are estimated based on contract rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
<b><u>Financial assets</u></b>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 7,863,041	\$ 11,944,408	\$ 20,296,686
Contract assets - current	4,354,452	4,460,992	3,196,585
Notes receivable and trade receivables (including related parties)	10,376,645	10,517,263	9,807,553
Finance lease receivables (current and non-current)	762,858	776,713	817,592
Other receivables	1,132,759	887,091	8,538,257
Other financial assets	815,996	705,277	735,408
Refundable deposits	202,117	221,314	312,453
Financial assets at amortized cost - current	1,087,539	1,315,970	1,456,236
Derivative financial assets for hedging (current and non-current)	-	8,282	-
Financial assets at FVTPL (current and non-current)	5,287,454	5,757,188	5,514,185
Financial assets at FVTOCI (current and non-current)	15,018,670	6,910,644	4,157,152
			(Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	\$ -	\$ 8,374	\$ 137,750
Derivative financial liabilities for hedging (current and non-current)	32,377	-	41,277
Financial liabilities at amortized cost			
Short-term borrowings	8,169,083	6,591,019	14,596,023
Notes payable and trade payables	9,699,052	7,729,729	7,343,191
Other payables	3,371,937	5,143,921	3,514,069
Long-term borrowings (including current portion)	36,053,180	37,569,229	34,876,605
Deposits received (accounted for as other current and non-current liabilities)	480,321	532,530	4,726,820
			(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 had 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 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 Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize 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 reporting period were as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
<u>Assets</u>			
U.S. dollar	\$ 14,941,556	\$ 7,361,149	\$ 13,764,299
Japanese yen	27,793	27,663	15,947
Euro	841,983	487,961	363,569
Singapore dollar	91,314	-	7,927
Hong Kong dollar	14,342	8,771	5,496
Australian dollar	8,672	12,493	3,553
Malaysia ringgit	-	713,350	18,766
Indonesian rupiah	150,887	111,268	21,896

Liabilities

U.S. dollar	21,615,280	14,723,112	13,138,662
Euro	347	159	-
Japanese yen	9,211	1,108	1,562
Malaysia ringgit	-	48,113	68,074
Swiss franc	515	549	533

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

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
<u>Assets</u>			
U.S. dollar	\$ 14,191,368	\$ 8,661,457	\$ 13,496,002
<u>Liabilities</u>			
U.S. dollar	12,324,986	8,951,264	7,699,214
Euro	468,906	317,514	369,861

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

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 reporting period for a 1% change in foreign currency rates.

	<b>U.S. Dollar Impact For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Profit or loss	\$ (48,073)	\$ 64,224

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 reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Cash flow interest rate risk			
Financial assets	\$ 1,087,539	\$ 1,315,970	\$ 1,456,236
Financial liabilities	44,222,263	44,160,248	49,472,628

Sensitivity analysis

The sensitivity analysis below shows the possible effect on profit and loss assuming a change in was determined based on the Group's exposure to interest rates for financial instruments at the end of the reporting period. For floating liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period 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 point for the three months ended March 31, 2021 and 2020 would decrease by NT\$107,837 thousand and NT\$120,041 thousand, respectively.

Hedge accounting

For the three months ended March 31, 2021

The Group's hedging strategy is to enter into foreign exchange forward contracts to avoid exchange rate exposure on 100% of the fair value of its foreign currency receipts and payments and to manage exchange rate exposure. Those transactions are designated as fair value hedges. Adjustments are recognized directly in profit or loss and are presented as hedged items on the consolidated statements of comprehensive income.

Hedging Instrument	Currency	Notional Amount	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Effectiveness
						Asset	Liability	
Fair value hedges								
Exchange rate swap contracts	USD to NTD	USD21,000/NTD594,048	2021.04.12	\$ 599,294	Financial liabilities for hedging	\$ 5,246	\$ -	\$ -
Exchange rate swap contracts	USD to NTD	USD21,000/NTD594,069	2021.04.12	599,294	Financial liabilities for hedging	5,225	-	-
Exchange rate swap contracts	USD to NTD	USD30,000/NTD848,640	2021.04.12	856,134	Financial liabilities for hedging	7,494	-	-
Exchange rate swap contracts	USD to NTD	USD30,000/NTD848,670	2021.04.12	856,134	Financial liabilities for hedging	7,464	-	-
Exchange rate swap contracts	USD to NTD	USD30,000/NTD848,670	2021.04.12	856,134	Financial liabilities for hedging	7,464	-	-
Exchange rate swap contracts	USD to NTD	USD30,000/NTD848,610	2021.04.12	856,134	Financial liabilities for hedging	7,524	-	-
Exchange rate swap contracts	USD to NTD	USD11,000/NTD311,179	2021.04.12	313,916	Financial liabilities for hedging	2,737	-	-
Exchange rate swap contracts	USD to NTD	USD27,000/NTD763,749	2021.04.12	770,521	Financial liabilities for hedging	6,772	-	-
Exchange rate swap contracts	USD to NTD	USD20,000/NTD565,750	2021.06.08	570,602	Financial liabilities for hedging	4,852	-	-
Exchange rate swap contracts	USD to RMB	USD21,000/RMB136,051	2021.04.14	RMB 134,084	Financial liabilities for hedging	-	RMB (1,967)	-
Exchange rate swap contracts	USD to RMB	USD21,000/RMB136,042	2021.04.14	RMB 134,067	Financial liabilities for hedging	-	RMB (1,975)	-
Exchange rate swap contracts	USD to RMB	USD80,000/RMB518,288	2021.04.14	RMB 510,796	Financial liabilities for hedging	-	RMB (7,492)	-
Exchange rate swap contracts	USD to RMB	USD40,000/RMB259,128	2021.04.14	RMB 255,366	Financial liabilities for hedging	-	RMB (3,762)	-
Exchange rate swap contracts	USD to RMB	USD27,000/RMB174,906	2021.04.14	RMB 172,361	Financial liabilities for hedging	-	RMB (2,545)	-
Exchange rate swap contracts	USD to RMB	USD20,000/RMB130,472	2021.06.10	RMB 128,923	Financial liabilities for hedging	-	RMB (1,549)	-
Exchange rate swap contracts	USD to RMB	USD15,000/RMB98,337	2021.06.24	RMB 97,556	Financial liabilities for hedging	-	RMB (781)	-

For the three months ended March 31, 2020

Hedging Instrument	Currency	Notional Amount	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Effectiveness
						Asset	Liability	
Fair value hedges								
Exchange rate swap contracts	USD to NTD	USD28,000/NTD834,316	2020.04.14	\$ 846,033	Deduction on financial liabilities for hedging	\$ 11,717	\$ -	\$ -
Exchange rate swap contracts	USD to NTD	USD28,000/NTD834,316	2020.04.14	846,370	Deduction on financial liabilities for hedging	12,054	-	-
Exchange rate swap contracts	USD to NTD	USD17,000/NTD514,165	2020.05.06	512,919	Financial liabilities for hedging	-	(1,246)	-
Exchange rate swap contracts	USD to NTD	USD17,000/NTD514,165	2020.05.06	512,567	Financial liabilities for hedging	-	(1,598)	-
Exchange rate swap contracts	USD to RMB	USD28,000/RMB192,973	2020.04.16	RMB 187,176	Financial liabilities for hedging	-	RMB (5,797)	-
Exchange rate swap contracts	USD to RMB	USD28,000/RMB192,962	2020.04.16	RMB 187,170	Financial liabilities for hedging	-	RMB (5,792)	-
Exchange rate swap contracts	USD to RMB	USD17,000/RMB119,326	2020.05.08	RMB 117,851	Financial liabilities for hedging	-	RMB (1,476)	-
Exchange rate swap contracts	USD to RMB	USD17,000/RMB119,326	2020.05.08	RMB 117,809	Financial liabilities for hedging	-	RMB (1,517)	-

## 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 at 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:

- The carrying amount of the respective recognized financial assets as stated in the condensed balance sheets; and
- 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 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 remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods:

March 31, 2021

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 16,407,274	\$ 18,602,335	\$ 8,074,883	\$ 1,137,771	\$ 44,222,263
Lease liabilities	107,060	68,258	120,956	150,896	447,170
Non-interest bearing	<u>13,402,904</u>	<u>31,437</u>	<u>116,969</u>	<u>-</u>	<u>13,551,310</u>
	<u>\$ 29,917,238</u>	<u>\$ 18,702,030</u>	<u>\$ 8,312,808</u>	<u>\$ 1,288,667</u>	<u>\$ 58,220,743</u>

December 31, 2020

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 12,753,419	\$ 18,144,584	\$ 12,124,475	\$ 1,137,770	\$ 44,160,248
Lease liabilities	110,061	69,523	129,031	153,615	462,230
Non-interest bearing	<u>13,262,780</u>	<u>28,216</u>	<u>115,184</u>	<u>-</u>	<u>13,406,180</u>
	<u>\$ 26,126,260</u>	<u>\$ 18,242,323</u>	<u>\$ 12,368,690</u>	<u>\$ 1,291,385</u>	<u>\$ 58,028,658</u>

March 31, 2020

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 24,660,220	\$ 8,238,191	\$ 16,574,218	\$ -	\$ 49,472,629
Lease liabilities	111,286	95,374	140,603	128,170	475,432
Non-interest bearing	<u>15,420,323</u>	<u>17,383</u>	<u>135,268</u>	<u>11,106</u>	<u>15,584,080</u>
	<u>\$ 40,191,829</u>	<u>\$ 8,350,948</u>	<u>\$ 16,850,089</u>	<u>\$ 139,276</u>	<u>\$ 65,532,141</u>

- b) The Group's derivative financial instruments with agreed settlement date were as follows:

March 31, 2021

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
<u>Net settled</u>					
Commodity futures contracts	\$ (3,118)	\$ 23,252	\$ 58,078	\$ -	\$ 78,212
Exchange rate swap contracts	5,685	4,024	187	-	9,896
Foreign exchange forward contracts	(27,110)	(5,267)	-	-	(32,377)
Options	<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>
	<u>\$ (24,486)</u>	<u>\$ (22,009)</u>	<u>\$ 58,262</u>	<u>\$ -</u>	<u>\$ 55,788</u>

December 31, 2020

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Total</b>
<u>Net settled</u>					
Commodity futures contracts	\$ (617)	\$ 62,663	\$ 11,283	\$ -	\$ 73,329
Exchange forward contracts	(8,020)	(44)	(310)	-	(8,374)
Exchange rate swap contracts	<u>8,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,282</u>
	<u>\$ (355)</u>	<u>\$ 62,619</u>	<u>\$ 10,973</u>	<u>\$ -</u>	<u>\$ 73,237</u>

March 31, 2020

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Total</b>
<u>Net settled</u>					
Commodity futures contracts	\$ (84,882)	\$ (50,965)	\$ (1,903)	\$ -	\$ (137,750)
Exchange rate swap contracts	(25,666)	(15,611)	-	-	(41,277)
Foreign exchange forward contracts	<u>(6,942)</u>	<u>(1,425)</u>	<u>42,583</u>	<u>-</u>	<u>34,216</u>
	<u>\$ (117,490)</u>	<u>\$ (68,001)</u>	<u>\$ 40,680</u>	<u>\$ -</u>	<u>\$ (144,811)</u>

e. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the period were as follows:

<b>Counterparty</b>	<b>Receivables Factoring Proceeds</b>	<b>Amount Reclassified to Other Receivables</b>	<b>Advances Received - Unused</b>	<b>Advances Received - Used</b>	<b>Annual Interest Rates on Advances Received (Used) (%)</b>
For the three months <u>ended March 31, 2021</u>					
CTBC bank	<u>\$ 43,707</u>	<u>\$ 17,279</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-
For the three months <u>ended March 31, 2020</u>					
CTBC bank	<u>\$ 65,151</u>	<u>\$ 25,538</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-

### 30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between WLC 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
Walsin Color Co., Ltd.	Associate
Prosperity Dielectrics Co., Ltd.	Associate
Nuvton Technology Corporation	Associate
HannStar Display Corp.	Substantive related party
Kuong Tai Metal Industrial Co., Ltd.	Substantive related party
HannStar Board Corp.	Substantive related party
Hannstar Board Tech. (Jiangyin) Corp.	Substantive related party
Global Brands Manufacture Ltd.	Substantive related party
Info-Tek Corp.	Substantive related party

b. Sales

	For the Three Months Ended March 31	
	2021	2020
Associates	\$ 2,118	\$ 1,810
Other related parties	<u>359,768</u>	<u>255,028</u>
	<u>\$ 361,886</u>	<u>\$ 256,838</u>

c. Rental income

	For the Three Months Ended March 31	
	2021	2020
Associates	\$ 11,468	\$ 8,193
Other related parties	<u>257</u>	<u>3,384</u>
	<u>\$ 11,725</u>	<u>\$ 11,577</u>

d. Purchases of goods

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Associates	\$ 5,744	\$ 4,020
Other related parties	<u>547</u>	<u>1,109</u>
	<u>\$ 6,291</u>	<u>\$ 5,129</u>

e. Administrative expenses

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Associates	\$ 2,078	\$ 1,564
Other related parties	<u>1,775</u>	<u>1,885</u>
	<u>\$ 3,853</u>	<u>\$ 3,449</u>

The stock 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. Notes receivable

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Associates	\$ 4,472	\$ 6,312	\$ 2,138
Other related parties	<u>-</u>	<u>-</u>	<u>123</u>
	<u>\$ 4,472</u>	<u>\$ 6,312</u>	<u>\$ 2,261</u>

g. Trade receivables

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Associates	\$ -	\$ -	\$ -
Other related parties	<u>72,547</u>	<u>39,054</u>	<u>25,598</u>
	<u>\$ 72,547</u>	<u>\$ 39,054</u>	<u>\$ 25,598</u>

h. Notes payable

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Associates	<u>\$ 10,876</u>	<u>\$ 16,857</u>	<u>\$ 2,679</u>

i. Trade payables

	March 31, 2021	December 31, 2020	March 31, 2020
Associates	\$ -	\$ -	\$ 1,199
Other related parties	<u>456</u>	<u>684</u>	<u>461</u>
	<u>\$ 456</u>	<u>\$ 684</u>	<u>\$ 1,660</u>

j. Other receivables (excluding financing provided)

	March 31, 2021	December 31, 2020	March 31, 2020
Associates	\$ 7,916	\$ 9,945	\$ 7,011
Other related parties	<u>1,772</u>	<u>2,598</u>	<u>1,755</u>
	<u>\$ 9,668</u>	<u>\$ 12,543</u>	<u>\$ 8,766</u>

k. Financing provided

For the Three Months Ended March 31, 2021				
Related Party	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	<u>\$ 350,991</u>	<u>\$ 347,397</u>	<u>\$ 3,778</u>	4.35%
For the Year Ended December 31, 2020				
Related Party	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	<u>\$ 350,663</u>	<u>\$ 349,187</u>	<u>\$ 16,159</u>	4.35%-4.79%
For the Three Months Ended March 31, 2020				
Related Party	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	<u>\$ 350,663</u>	<u>\$ 341,277</u>	<u>\$ 4,166</u>	4.79%

l. Guarantee deposits

	March 31, 2021	December 31, 2020	March 31, 2020
Associates	\$ 7,225	\$ 7,225	\$ 7,090
Other related parties	<u>282</u>	<u>282</u>	<u>417</u>
	<u>\$ 7,507</u>	<u>\$ 7,507</u>	<u>\$ 7,507</u>

m. Remuneration of key management personnel

The remuneration of directors and key executives was as follows:

	For the Three Months Ended March 31	
	2021	2020
Short-term benefits	\$ 34,180	\$ 27,773
Post-employment benefits	<u>346</u>	<u>451</u>
	<u>\$ 34,526</u>	<u>\$ 28,224</u>

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

### 31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and tariff guarantee for imported raw material:

	March 31, 2021	December 31, 2020	March 31, 2020
Refundable deposits (recorded under other financial assets - current)	\$ 71,793	\$ 79,977	\$ 95,603
Restricted deposits (recorded under other financial assets - current)	650,539	538,468	639,805
Pledged time deposits (recorded under other financial assets - non-current)	8,685	8,730	8,532
Finance lease receivables - current	56,601	56,128	54,735
Finance lease receivables - non-current	706,257	720,585	762,857
Other non-current assets	<u>52,128</u>	<u>52,406</u>	<u>88,258</u>
	<u>\$ 1,546,003</u>	<u>\$ 1,456,294</u>	<u>\$ 1,649,790</u>

### 32. SIGNIFICANT CONTINGENCIES LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

- a. Outstanding letters of credit not reflected in the accompanying financial statements as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows (in thousands):

	March 31, 2021	December 31, 2020	March 31, 2020
U.S. dollar	US\$ 11,717	US\$ 17,455	US\$ 20,483
Japanese yen	JPY 131,948	JPY 108,812	JPY 131,598
Euro	EUR 3,422	EUR 4,770	EUR 2,327
Renminbi	RMB 13,134	RMB 13,134	RMB -
New Taiwan dollar	NT\$ 10,815	NT\$ 82,347	NT\$ 13,134

- b. As of March 31, 2021, the outstanding standby letters of credit not reflected in the accompanying financial statements amounted to approximately NT\$357,314 thousand, US\$30 thousand and RMB10,343 thousand. As of December 31, 2020, the outstanding standby letters of credit not reflected in the accompanying financial statements amounted to approximately NT\$392,784 thousand, US\$30 thousand and RMB41,533. As of March 31, 2020, the outstanding standby letters of credit not reflected in the accompanying financial statements amounted to approximately NT\$241,893 thousand, US\$30 thousand and RMB38,425 thousand. As of March 31, 2021, December 31, 2020 and tariff letters of credit amounted to approximately NT\$202,000 thousand, NT\$434,000 thousand and NT\$232,000 thousand.
- c. Non-cancelable copper and nickel procurement contracts with total contract values of US\$67,958 thousand, US\$22,681 thousand and US\$26,616 thousand were in effect as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.
- d. The Group entered into a contract for the construction of new plant and purchases of machinery and equipment with PT. Plenty Bumi International and Eternal Tsingshan Group Limited. As of March 31, 2021, unrecognized commitments amounted to US\$63,075 thousand.

### 33. 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:

#### March 31, 2021

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 523,622	28.5350	\$ 14,941,556
Japanese yen	107,852	0.2577	27,793
Euro	25,149	33.4800	841,983
Singapore dollar	4,305	21.2100	91,314
Hong Kong dollar	3,908	3.6700	14,342
Australian dollar	399	21.7100	8,672
Indonesian rupiah	76,205,789	0.0020	150,887
Non-monetary items			
U.S. dollar	187,898	28.5350	5,361,680
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	757,501	28.5350	21,615,280
Japanese yen	35,742	0.2577	9,211
Euro	10	33.4800	347
Swiss Franc	17	30.2750	515

December 31, 2020

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 258,467	28.4800	\$ 7,361,149
Japanese yen	100,120	0.2763	27,663
Euro	13,934	35.0200	487,961
Hong Kong dollar	2,388	3.6730	8,771
Australian dollar	596	21.9500	12,493
Malaysian ringgit	105,067	6.7895	713,350
Indonesian rupiah	54,811,630	0.0020	111,268
Non-monetary items			
U.S. dollar	201,893	28.4800	5,749,918
Renminbi	43,268	4.3648	188,857

Financial liabilities

Monetary items			
U.S. dollar	516,963	28.4800	14,723,112
Japanese yen	4,011	0.2763	1,108
Malaysian ringgit	7,086	6.7895	48,113
Swiss franc	182,191	4.3648	795,234
Renminbi	17	32.3050	549
Non-monetary items			
U.S. dollar	6,377	28.4800	181,613

March 31, 2020

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 455,395	30.2250	\$ 13,764,299
Japanese yen	57,200	0.2788	15,947
Euro	10,938	33.2400	363,569
Singapore dollar	373	21.2300	7,927
Hong Kong dollar	1,410	3.8980	5,496
Australian dollar	191	18.6350	3,553
Malaysian ringgit	2,794	6.7175	18,766
Indonesian rupiah	11,646,597	0.0019	21,896
Non-monetary items			
U.S. dollar	182,015	30.2250	5,501,412

Financial liabilities

Monetary items			
U.S. dollar	434,695	30.2250	13,138,662
Japanese yen	5,604	0.2788	1,562

(Continued)



	Foreign Currency	Exchange Rate	Carrying Amount
Swiss franc	\$ 17	31.3750	\$ 533
Malaysian ringgit	10,134	6.7175	68,074
Non-monetary items			
U.S. dollar	4,266	30.2250	128,925
Malaysian ringgit	872	6.7175	5,860
			(Concluded)

For the three months ended March 31, 2021 and 2020, realized and unrealized net foreign exchange gains were NT\$72,410 thousand and NT\$39,744 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.

### 34. SEPARATELY DISCLOSED ITEMS

#### a. Information about significant transactions and 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 (None)
- 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 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (Notes 7 and 8)
- 10) Information on investees (Table 7)
- 11) Intercompany relationships and significant intercompany transactions (Table 9)

#### 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 period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)

- 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 8):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - 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 period 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.
  - 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 10)

## 35. 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.

#### 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 included 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) 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 construction of residences, offices, markets and hotels, and rental, operating management and after-sales services.

d) Administration and investing

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

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

Accounting policies of operating segments are the same with those summarized in Note 4 to the consolidated financial statements. Operating segment income and expenses are measured based on estimated future potential profit and pre-tax operating profit adjusted by hedge accounting. 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 operating decision-makers.

3) Identification of operating segments

The reported operating segments are classified according to the different products and services that are managed separately because they use different technology and selling strategies.

b. Financial information

1) Segment revenues and results:

	(NT\$ in Thousand)				
	Wires and Cables	Stainless Steel	Real Estate	Administration and Investing	Total
<u>For the three months ended March 31, 2021</u>					
External net sales and operating revenues	\$ 11,534,517	\$ 13,195,713	\$ 462,816	\$ 3,644,868	\$ 28,837,914
Operating profit (loss)	286,178	703,250	75,805	(72,431)	992,802
Net non-operating income (expenses)					
Net interest income (expenses)					(54,961)
Share of loss of associates accounted for using the equity method					668,870
Dividend income					2,131
Gain on disposal of property, plant and equipment					(3,261)
Gain on disposal of investments					213,128
Foreign exchange gain, net					72,410
Gain on financial assets and liabilities at fair value through profit or loss					159,766
Reversal of impairment loss					(1,830)
Net other income (expenses)					(45,692)
Consolidated income before income tax					<u>\$ 2,003,363</u>
<u>For the three months ended March 31, 2020</u>					
External net sales and operating revenues	9,252,901	10,695,641	355,234	3,780,706	\$ 24,084,482
Operating profit (loss)	203,582	118,740	(26,150)	400,042	696,214
Net non-operating income (expenses)					
Net interest income (expenses)					(31,839)
Share of loss of associates accounted for using the equity method					(142)
Gain on disposal of property, plant and equipment					104
Loss on disposal of investments					(483,456)
Foreign exchange gain, net					39,744
Loss on financial assets and liabilities at fair value through profit or loss					(83,865)
Reversal of impairment loss					211
Net other income (expenses)					<u>47,383</u>
Consolidated income before income tax					<u>\$ 184,354</u>

## 2) Segment assets and liabilities

	<b>Wires and Cables</b>	<b>Stainless Steel</b>	<b>Real Estate</b>	<b>Administration and Investing</b>	<b>Total</b>
<u>Segment assets</u>					
March 31, 2021	\$ 12,673,313	\$ 33,331,128	\$ 31,745,366	\$ 83,832,911	<u>\$ 161,582,718</u>
December 31, 2020	11,209,815	30,235,244	27,684,853	82,434,094	<u>\$ 151,564,006</u>
March 31, 2020	11,747,908	29,078,108	28,878,208	77,276,002	<u>\$ 146,980,226</u>
<u>Segment liabilities</u>					
March 31, 2021	10,020,680	17,353,741	11,388,730	25,902,002	<u>\$ 64,655,153</u>
December 31, 2020	3,902,905	14,463,048	12,371,783	33,545,440	<u>\$ 64,283,176</u>
March 31, 2020	4,110,532	13,567,013	15,575,529	39,743,316	<u>\$ 72,996,390</u>

TABLE 1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(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 Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Walsin Lihwa Corporation	PT. Walsin Nickel Industrial Indonesia	Other receivables	Yes	\$ 9,131,200 (US\$ 320,000)	\$ 9,131,200 (US\$ 320,000)	\$ 5,921,013 (US\$ 207,500)	3.50	Operating capital	\$ -	Operating capital and equipment purchase	\$ -	-	\$ -	\$ 37,656,756 (US\$ 1,319,669)	\$ 37,656,756 (US\$ 1,319,669)

Notes:

1. According to the financing 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. Walsin Nickel Industrial Indonesia = \$94,141,891× 40% = \$37,656,756 (US\$1,319,669).

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

The limit on the amount of financing provided = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669).
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 March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535

**TABLE 1-1**

**WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(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	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Walsin (China) Investment Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Other receivables	Yes	\$ 350,991 (RMB 80,000)	\$ 347,397 (RMB 80,000)	\$ 347,397 (RMB 80,000)	4.35	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,674,788 (US\$ 58,691)	\$ 1,674,788 (US\$ 58,691)
		Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	4,387,390 (RMB 1,000,000)	4,342,460 (RMB 1,000,000)	2,195,761 (RMB 505,649)	4.05	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
		Yantai Walsin Stainless Steel Co., Ltd.	Other receivables	Yes	6,612,155 (US\$ 100,000) (RMB 860,000)	6,588,016 (US\$ 100,000) (RMB 860,000)	3,760,911 (US\$ 49,689) (RMB 539,564)	1.65-3.00	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	Yes	1,805,170 (US\$ 45,000) (RMB 120,000)	1,805,170 (US\$ 45,000) (RMB 120,000)	1,275,086 (US\$ 44,685) (RMB -)	1.65	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
		Changshu Walsin Specialty Steel Co., Ltd.	Other receivables	Yes	2,393,248 (US\$ 58,000) (RMB 170,000)	2,393,248 (US\$ 58,000) (RMB 170,000)	1,335,010 (US\$ 46,785) (RMB -)	1.65	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
		Dongguan Walsin Wire & Cable Co., Ltd.	Other receivables	Yes	2,282,800 (US\$ 80,000)	2,282,800 (US\$ 80,000)	2,134,732 (US\$ 74,811)	1.65	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
		Jiangyin Walsin Steel Cable Co., Ltd.	Other receivables	Yes	2,038,856 (US\$ 10,000) (RMB 400,000)	2,022,334 (US\$ 10,000) (RMB 400,000)	990,651 (US\$ 9,849) (RMB 163,412)	1.65-3.00	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,667)	37,656,756 (US\$ 1,319,669)
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Other receivables	Yes	256,815 (US\$ 9,000)	256,815 (US\$ 9,000)	252,877 (US\$ 9,000)	1.65	Operating capital	-	Operating capital	-	-	-	418,697 (US\$ 14,673)	1,074,788 (US\$ 58,691)
2	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	2,851,804 (RMB 650,000)	2,822,599 (RMB 650,000)	2,222,862 (RMB 511,890)	2.70	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
3	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	15,794,322 (US\$ 382,000) (RMB 1,127,000)	15,794,322 (US\$ 382,000) (RMB 1,127,000)	9,748,553 (US\$ 231,000) (RMB 727,000)	1.48-2.60	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
		Walsin Lihwa Corporation	Other receivables	Yes	9,844,575 (US\$ 300,000)	9,844,575 (US\$ 300,000)	8,332,220 (US\$ 292,000)	0.18-0.23	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)

(Continued)

Notes:

1. According to the financing regulations provided by Walsin Lihwa Holdings Limited, Walsin (China) Investment Co., Ltd. and Dongguan Walsin Wire & Cable Co., Ltd., the total limit on the amount of the financing provided to a single enterprise that holds directly or indirectly 100% of the voting rights of a subsidiary whose equity is 100%-owned, directly or indirectly by the parent company 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 single enterprise that holds less than 100% of a subsidiary whose equity is less than 100%-owned, directly or indirectly by its parent company, cannot exceed 40% of the parent company’s equity as presented in its the consolidated financial statements of. a subsidiary. If the financing is an one-time funding, the amount for an individual loan shall not exceed 40 % of the financing company’s net worth as stated in the financing company’s most current consolidated financial statements. If it is a revolving funding, the amount for an individual loan shall not exceed 10 % of the financing company’s net worth in the financing company’s most current 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. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. = US\$146,728 × 10% = US\$14,673 (418,697)

Walsin (China) Investment Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Walsin Lihwa Corporation = \$94,141,891× 40% = \$37,656,756 (US\$1,319,669)

Walsin (Nanjing) Development Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Yantai Walsin Stainless Steel Co., Ltd. = \$94,141,891 × 40% = \$37,656,786 (US\$1,319,669)

Jiangyin Walsin Specialty Alloy Materials Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Changshu Walsin Specialty Steel Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Dongguan Walsin Wire & Cable Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Walsin Lihwa Holdings Limited = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Hangzhou Walsin Power Cable & Wire Co., Ltd. = US\$146,728 × 40% = US\$58,691 (1,674,788)

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

Walsin Lihwa Corporation = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)

Walsin (China) Investment Co., Ltd. = US\$146,728 × 40% = US\$58,691 (1,674,788)

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 March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535; RMB to NT\$ = 1:4.34246; US\$ to RMB = 1:6.5713
- (Concluded)
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**TABLE 1-2**

**CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES**

**FINANCING PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(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 Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
4	Yantai Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	\$ 4,387,390 (RMB 1,000,000)	\$ - (RMB -)	\$ - (RMB -)	0.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 37,656,756 (US\$ 1,319,669)	\$ 37,656,756 (US\$ 1,319,669)
5	Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	307,117 (RMB 70,000)	303,972 (RMB 70,000)	80,692 (RMB 18,582)	2.70	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)
6	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	877,478 (RMB 200,000)	868,492 (RMB 200,000)	566,014 (RMB 130,344)	2.70	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,659)

Notes:

- According to the financing regulation provided by Concord Industries Limited, 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 parent company’s equity presented in the consolidated financial statements of Walsin Lihwa Corporation.
  - The limit on the amount of financing provided to a single enterprise was as follows:  

$$\text{Walsin (China) Investment Co., Ltd.} = \$94,141,891 \times 40\% = \$37,656,756(\text{US\$}1,319,669)$$
  - The limit on the amount of financing provided was as follows:  

$$\text{The limit on the amount of financing provided} = \$94,141,891 \times 40\% = \$37,656,756(\text{US\$}1,319,669)$$
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- The currency exchange rates as of March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535; RMB to NT\$ = 1:4.34246; US\$ to RMB = 1:6.5713



**TABLE 1-3**

**JIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES**

**FINANCING PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(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	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
7	Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	\$ 755,607 (US\$ 26,480)	\$ 755,607 (US\$ 26,480)	\$ 755,607 (US\$ 26,480)	2.48	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 37,656,756 (US\$ 1,319,669)	\$ 37,656,756 (US\$ 1,319,669)
8	Walsin (Nanjing) Development Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	2,193,695 (RMB 500,000)	- (RMB -)	- (RMB -)	-	Operating capital	-	Operating capital	-	-	-	37,656,756 (US\$ 1,319,669)	37,656,756 (US\$ 1,319,669)

Notes:

- According to the financing regulation provided by Joint Success Enterprises Limited, the total limit on the amount of the financing provided to a subsidiary whose equity is 100%-owned, directly or indirectly by the parent company, 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 its parent company, cannot exceed 40% of the parent company's equity as presented in the parent company's most current 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 net worth in the parent company's most current consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10 % of the parent company's net worth in the parent company's most current consolidated financial statements.
  - The limit on the amount of financing provided to a single enterprise was as follows:  
  
 Walsin (Nanjing) Development Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)  
 Walsin (China) Investment Co., Ltd. = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)
  - The limit on the amount of financing provided was as follows:  
  
 The limit on the amount of financing provided = \$94,141,891 × 40% = \$37,656,756 (US\$1,319,669)
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
- The currency exchange rates as of March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535; RMB to NT\$ = 1:4.34246; US\$ to RMB = 1:6.5713

TABLE 1-4

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(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	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
9	Walsin Info-electric Corp. Corporation	Walsin Lihwa Holding Limited	Other receivables	Yes	\$ 130,000	\$ 130,000	\$ 72,000	0.70	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 136,639	\$ 136,639

Notes:

1. According to the financing regulation provided by Joint Success Enterprises Limited, the total limit on the amount of the financing provided to a subsidiary whose equity is 100% owned, directly or indirectly by the parent company, 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 its parent company, cannot exceed 40% of the parent company’s equity as presented in the parent company’s most current 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 net worth in the parent company’s most current consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10 % of the parent company’s net worth in the parent company’s most current consolidated financial statements.
- a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin Lihwa Corporation =  $\$341,597 \times 40\%$  = \$136,639
- b. The limit on the amount of financing provided was as follows:

The limit on the amount of financing provided =  $\$341,597 \times 40\%$  = \$136,639

TABLE 2

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		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
		Name	Nature of Relationship (Note 2)										
1	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	c	\$ 10,467,209 (US\$ 366,820)	\$ 1,362,631 (RMB 310,579)	\$ 1,348,677 (RMB 310,579)	\$ - (US\$ -)	\$ -	2	\$ 94,141,891	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 at 1.
2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into six 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 provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the net value of Walsin Lihwa Corporation’s current parent-company-only 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 net value of the guaranteed company. The limit on the amount of guarantees provided to an investee in which over 66.67% of the common shares are held cannot exceed the amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider; however, the limits mentioned above are not applicable to Walsin Lihwa Corporation’s wholly-owned holding companies incorporated in duty-free areas overseas.

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

NT\$94,141,891 × 100% = NT\$941,141,891

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

Walsin (China) Investment Co., Ltd.: US\$146,728 × 250% × 100% = US\$366,820
4. The currency exchange rates as of March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535; RMB to NT\$ = 1:4.34246.

TABLE 2-1

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		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
		Name	Nature of Relationship (Note 2)										
2	Jiangyin Walsin Steel Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	d	\$ 10,467,209 (US\$ 366,820)	\$ 1,362,631 (RMB 310,579)	\$ 1,348,677 (RMB 310,579)	\$ - (US\$ -)	\$ -	2	\$ 94,141,891	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 at 1.
2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into six 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 provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the net value of Walsin Lihwa Corporation’s current parent-company-only 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 net value of the guaranteed company. The limit on the amount of guarantees provided to an investee in which over 66.67% of the common shares are held cannot exceed the amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider; however, the limits mentioned above are not applicable to Walsin Lihwa Corporation’s wholly-owned holding companies incorporated in duty-free areas overseas.

a. The limit on the amount of endorsements/guarantees provided was as follows:  
  
NT\$94,141,891 × 100% = NT\$94,141,891  
  
b. The limit on the amount of endorsements/guarantees provided to a single entity was as follows:  
  
Walsin (China) Investment Co., Ltd.: US\$146,728 × 250% × 100% = US\$366,820
4. The currency exchange rates as of March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535; RMB to NT\$ = 1:4.34246

**TABLE 3****WALSIN LIHWA CORPORATION****MARKETABLE SECURITIES HELD****MARCH 31, 2021****(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Lihwa Corporation	<u>Share</u> 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	\$ 4,614,336	9.90	\$ 4,614,336	
	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	3,146,258	12.06	3,146,258	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	211,801,730	6,851,786	9.90	6,851,786	
	Kuong 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	205,327	9.39	205,327	
	Taiwan Submarine Cable Co., Ltd. (formerly known as One-Seven Trading Co., Ltd.)	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	30,000	176	6.67	176	
	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	58,665	2.97	58,665	
	WK Technology Fund	-	Financial assets at fair value through other comprehensive income - non-current	19,024	188	1.91	188	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	11,044	1.16	11,043	
	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	3,000,000	29,905	15.00	29,904	
	<u>Corporate bonds</u> Golden Harbour International Pte. Ltd.	-	Financial assets at fair value through profit and loss - current	1	5,199,289	-	5,199,289	

TABLE 3-1

CONCORD INDUSTRIES CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
MARCH 31, 2021  
(In Thousands of Renminbi)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
XiAn LV Jing Technology Co., Ltd.	<u>Certification of capital verification</u> 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.	<u>Certification of capital verification</u> Shaanxi Electronic Group Optoelectronics Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	N/A	15,781	6.02	15,781	

JIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Jin-Cherng Construction Co.	<u>Share</u> Chinshan Hotspring Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	8	\$ -	8.00	\$ -	
	Gsharp Corporation	-	Financial assets at fair value through other comprehensive income - non-current	270,000	-	2.73	-	

TABLE 3-3

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Info-Electric Corp.	<u>Share</u> W T International Inc.	-	Financial assets at fair value through other comprehensive income - non-current	228,000	\$ 2,757	5.43	\$ 2,757	
	Ufi Space Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	270,000	29,700	1.07	29,700	



TABLE 4

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 THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount (Note 2)	Shares/Units	Amount	Carrying Amount (Note 3)	Gain (Loss) on Disposal	Shares/Units	Amount (Note 3)
Walsin Lihwa Corporation	Share													
	Concord Industries Limited	Investments accounted for using the equity method	Capital investment/ capital reduction	Subsidiaries	285,903,187	\$ 4,631,181	30,000,000	\$ 769,285 (Note 1)	15,398,007	\$ 434,994	\$ 434,994	\$ -	300,505,180	\$ 4,965,472
	Walsin Precision Technology Corp.	Investments accounted for using equity method	Concord Industries Limited	Subsidiaries	-	-	32,178,385	432,931 (Note 2)	-	-	-	-	32,178,385	432,931
	TECO Electric & Machinery Corp.	Financial assets at fair value through other comprehensive income	Capital investment	-	954,000	26,378	210,847,730	6,825,312 (Note 3)	-	-	-	-	211,801,730	6,851,786

Note 1: The amount included subscription for shares, investment income or loss and changes in other equity.

Note 2: The amount included the purchased amount and changes in other equity.

Note 3: The amount included adjustments through fair value and issuance of new shares in exchange for the shares of another company.

TABLE 4-1

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 THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of Renminbi)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
Walsin Lihwa Holdings Limited	<u>Share</u> Walsin International Investments Limited	Investments accounted for using the equity method	Capital investment	Subsidiaries	4,303,960,202	\$ 3,874,450	349,411,500	\$ 315,618 (Note)	-	\$ -	\$ -	\$ -	4,653,371,702	\$ 4,190,068
Walsin (China) Investment Co., Ltd.	<u>Certificate of capital verification</u> Fubon Bank (China) RMB structured deposits	Financial assets at amortized cost	Fubon Bank	-	N/A	300,000	N/A	450,000	N/A	502,084	500,000	2,084	N/A	250,000

Note: The amount included investment income or loss.

TABLE 4-2

CONCORD INDUSTRIES 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 THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of Renminbi)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units	Amount
Concord Industries Limited	Share Walsin Precision Technology Corp.	Investments accounted for using the equity method	Walsin Lihwa Corporation	Subsidiaries	32,178,385	\$ 168,042	-	\$ -	32,178,385	\$ 99,848	\$ 123,750 (Note 1)	\$ (23,902) (Note 2)	-	\$ -

Note 1: The amount included investment income or loss, distribution of dividends from the capital surplus and cumulative translation adjustments.

Note 2: Loss on disposal is unrealized in the consolidated report.

**TABLE 5**

**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 THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Walsin Lihwa Corporation	Dongguan Walsin Wire & Cable Co., Ltd.	100% indirectly owned subsidiary	Sales	\$ (806,374)	(3)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	Similar	\$ 659,680	6	
	Koung Tai Metal Industrial Co., Ltd.	Director of the related party	Sales	(352,406)	(1)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	Similar	66,741	1	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	(113,061)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	Similar	118,339	1	

**TABLE 5-1**

**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 THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin Lihwa Corporation	Parent company	Purchases	\$ 806,374	25	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ (659,680)	(66)	

**TABLE 5-2**

**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 THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of Renminbi)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (53,695)	(11)	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 19,031	3	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (47,359)	(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	RMB 11,296	2	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin Lihwa Corporation	Parent company	Purchases	RMB 25,795	30	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 (27,252)	(42)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 47,359	56	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 (11,296)	(18)	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 53,695	60	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 (19,031)	(19)	

**TABLE 6**

**WALSIN LIHWA CORPORATION**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Corporation	Dongguan Walsin Wire & Cable Co., Ltd.	100% indirectly owned subsidiary	Trade receivables     \$    659,680	7.44	\$           -	-	\$   692,037	\$           -
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Trade receivables               118,339	4.15	-	-	26,589	-
	PT. Walsin Nickel Industrial Indonesia	50% directly owned subsidiary	Other receivables       5,978,897	-	-	-	-	-

**TABLE 6-1****WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****MARCH 31, 2021****(In Thousands of Renminbi and U.S. Dollars)**

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	100% owned subsidiary	Other receivables RMB 321,778	-	\$ -	-	\$ -	\$ -
Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Parent company	Other receivables US\$ 4,900	-	-	-	-	-
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 49,771	-	-	-	-	-
			RMB 540,804					
	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 46,851	-	-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	18.37% owned subsidiary	Other receivables US\$ 44,748	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% indirectly owned subsidiary	Other receivables US\$ 9,863	-	-	-	-	-
			RMB 163,952					
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	95.71% indirectly owned subsidiary	Other receivables US\$ 8,874	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate	Other receivables RMB 82,088	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 174,543	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 49,712	-	-	-	-	-
	Dongguan Walsin Wire & Cable Co., Ltd.	100% owned subsidiary	Other receivables US\$ 74,917	-	-	-	-	-
	Walsin (Nanjing) Development Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 507,304	-	-	-	-	-
Walsin International Investments Limited	Walsin Lihwa Corporation	Parent company	Other receivables RMB 1,919,526	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 2,264,435	-	-	-	-	-
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Parent company	Other receivables RMB 513,131	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Parent company	Other receivables RMB 144,248	-	-	-	-	-

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



**TABLE 6-2**

**CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2021  
(In Thousands of Renminbi)**

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both a subsidiaries of Walsin Lihwa Corporation	Other receivables     \$     130,692	-	\$           -	-	\$           -	\$           -
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both a subsidiaries of Walsin Lihwa Corporation	Other receivables               52,080	-	-	-	-	-

**TABLE 6-3**

**JIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2021  
(In Thousands of Renminbi)**

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Joint Success Enterprises	Walsin (Nanjing) Development Co., Ltd.	Subsidiary	Other receivables      \$ 179,558	-	\$ -	-	\$ -	\$ -

**TABLE 7**

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE  
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

1. Information of investees that Walsin Lihwa Corporation has controlling power or significant influence was as follows (in thousands of New Taiwan dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	Investments	\$ 14,760,298	\$ 14,760,298	483,230,393	100.00	\$ 26,032,216	\$ (6,968)	\$ (6,940)	
	Concord Industries Limited	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	Investments	13,137,345	12,724,589	300,505,180	100.00	4,965,472	(96,924)	6,870	
	Ace Result Global Limited	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	Investments	1,587,416	1,587,416	44,739,988	100.00	316,880	(20,729)	(20,729)	
	Min Maw Precision Industry Corp.	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.	Solar power systems management, design, and installation	180,368	180,368	26,565,000	100.00	342,543	7,898	7,898	
	Waltuo Green Resources Corporation	No. 47, Bade Rd., Yanshui District, Tainan City 73743, Taiwan, R.O.C.	Waste disposal, resource recovery and cement products	10,000	10,000	1,000,000	100.00	8,496	(340)	(340)	
	Walsin Precision Technology Corp.	2115-1,Kawasan Perindustrian air Keroh, Fasa IV, Air Keroh, 75450 Melaka, Malaysia	Production and sale of stainless steel plates	434,994	-	32,178,385	100.00	432,931	16,810	-	(Note 1)
	Jin-Cherng Construction Co.	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Investment in the construction of residential and commercial buildings sold, rented design and interior decoration business contractors.	611,688	611,688	515,699,455	99.22	6,415,330	(17,795)	(17,682)	
	Walsin Info-Electric Corp.	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	339,924	(1,160)	(1,154)	
	PT. Walsin Lippo Industries	Jl. MH. Thamrin Block A1-1, Delta Silicon Industrial Park, Lippo Cikarang, Bekasi 17550, Indonesia	Steel wires	481,663	481,663	10,500	70.00	784,545	7,794	5,456	
	PT. Walsin Lippo Kabel	Jl. Jati 3 Blok J7/5, Newton Techno Park, Serang, Cikarang Selatan, Bekasi, Jawa Barat	Production and sale of cables and wires	11,656	11,656	1,050,000	70.00	8,100	(865)	(605)	
	PT. Walsin Nickel Industrial Indonesia	Gedung Wisma Mulia LT. 41 JL Jend Gatot Subroto NO. 42 Kuningan Barat Mmpang Prapatan Kota ADM. Jakarta Selatan Dki Jakarta	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	1,239,841	43,108		
	Joint Success Enterprises Limited	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	Investments	1,164,273	1,164,273	36,058,184	49.05	5,281,848	(42,031)	(10,341)	
	Chin-Xin Investment Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.	Investments	2,237,969	2,237,969	179,468,270	37.00	6,478,246	(5,002)	(1,851)	

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Holding Limited	Walsin Color Co., Ltd.	24F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.	Management of investments and conglomerates	\$ 457,610	\$ 457,610	49,831,505	33.97	\$ 6,478,246	\$ (5,002)	\$ (1,851)	
	Concord II Venture Capital Co., Ltd.	4F., No. 76, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	180,576	(4,545)	(1,212)	
	Winbond Electronics Corp.	No. 8, Keya 1st Rd., Daya Township, Taichung County 428, Taiwan, R.O.C.	Research, development, production and sale of semiconductors and related components	7,429,920	7,429,920	883,848,423	22.21	15,151,942	1,586,163	317,220	
	Walton Advanced Engineering, Inc.	No. 18, Yugang N. 1st Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, R.O.C.	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.65	2,720,061	31,680	6,859	
	Walsin Technology Corp.	24F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	7,577,185	1,967,583	358,880	
	Powertec Electrochemical Corp.'s	13 F, No. 337, Fuxing N. Rd., Songshan Dist., Taipei City 105, Taiwan, R.O.C.	Basic industrial chemical manufacturing and energy technical services	2,945,925	2,945,925	318,522,792 (Note)	22.46	-	-	-	
	PT. Walsin Nickel Industrial Indonesia	Gedung Wisma Mulia LT. 41 JL Jend Gatot Subroto No. 42 Kuningan Barat Mmpang Prapatan Kota ADM. Jakarta Selatan Dki Jakarta	Manufacture and sale of nickel pig iron	1,509,171	1,509,571	500,000	50.00	1,239,841	(43,108)	(68,993)	
Walsin Lihwa Holding Limited	Walsin International Investments Limited	Unit 9-15, 22/F, Millennium City, 378 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong	Investments	HK\$ 4,653,372	HK\$ 4,303,960	4,653,371,702	100.00	18,195,203	107,717	107,717	
	Walcom Chemicals Industrial Limited	Unit 714,7/F, Miramat Tower, 1-23 Kimberley Road, Tsimshatsui, Kowloon, Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000	65.00	0.829	HK\$ -	HK\$ -	
	Borrego Solar Systems, Inc.	6210 Lake Shore Drive, San Diego, CA92119, USA	Grid-connected solar electric systems	US\$ 15,000	US\$ 15,000	1,460,458	73.36	2,769,261	(135,739)	(99,987)	
Concord Industries Limited	Walsin Specialty Steel Corp.	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110, BVI	Commerce and investments	US\$ 101,400 (Note 2)	US\$ 101,400 (Note 2)	101,400,000	100.00	950,986	(13,644)	(13,644)	(Note 3)
	Walsin Precision Technology Sdn. Bhd.	2115-1, Kawasan Perindustrian air Keroh, Fasaiv, Air Keroh, 75450 Melaka, Malaysia	Production and sale of stainless steel plates	US\$ -	US\$ 8,470	-	-	-	16,810	16,810	
Jin-Cherng Construction Co.	Joint Success Enterprises Limited	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110, BVI	Investments	1,202,993	1,202,993	37,461,816	50.95	5,374,489	(42,031)	(21,415)	
	Dinghsin Development Co., Ltd.	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Investment of real estate and related business	8,540	8,540	2,119,200	35.32	40,061	1,077	380	
	Concord II Venture Capital Co., Ltd.	4F., No.76, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Venture capital and consulting affairs	1,603	1,603	172,342	0.17	1,167	(4,545)	(31)	
	Chin-Xin Investment Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.	Investments	54,154	54,154	3,264,092	0.67	119,035	(5,002)	(34)	

Note 1: Due to adjustments in the investment structure of the Group, it was transferred from Concord Industries Limited to 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 Concord Industries Limited to Walsin Lihwa Corporation.

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

(Concluded)

TABLE 8

## WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

## A. Walsin Lihwa Corporation

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:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	Percentage of Ownership in Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of March 31, 2021	Accumulated Inward Remittance of Earnings as of March 31, 2021
					Outflow	Inflow						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ 570,700 (US\$ 20,000)	b	\$ 743,080 (US\$ 26,041) (Note 2)	\$ - -	\$ - -	\$ 743,080 (US\$ 26,041) (Note 2)	\$ 29,521	100.00	\$ 29,521	\$ 817,433	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	445,916 (US\$ 15,627)	b	426,729 (US\$ 14,956) (Note 3)	- -	- -	426,729 (US\$ 14,956) (Note 3)	17,318	95.71	16,575	1,051,205	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	4,624,953 (US\$ 162,080)	b	2,597,598 (US\$ 91,032) (Note 4)	- -	- -	2,597,598 (US\$ 91,032) (Note 4)	(84,601)	38.93	(32,938)	499,439	-
Walsin (China) Investment Co., Ltd.	Investments	2,242,851 (US\$ 78,600)	b	2,242,851 (US\$ 78,600) (Note 5)	- -	- -	2,242,851 (US\$ 78,600) (Note 5)	(4,251)	100.00	(4,251)	(4,186,970)	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	2,767,895 (US\$ 97,000)	b	2,767,895 (US\$ 97,000) (Note 6)	- -	- -	2,767,895 (US\$ 97,000) (Note 6)	(13,666)	100.00	(13,666)	647,335	-
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	485,095 (US\$ 17,000) (Note 7)	b	1,112,865 (US\$ 39,000) (Note 8)	- -	- -	1,112,865 (US\$ 39,000) (Note 8)	(295)	100.00	(295)	219,624	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	741,910 (US\$ 26,000)	b	741,910 (US\$ 26,000) (Note 9)	- -	- -	741,910 (US\$ 26,000) (Note 9)	(30,137)	100.00	(30,137)	1,614,375	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	1,579,215 (US\$ 49,000)	b	1,398,215 (US\$ 49,000) (Note 10)	- -	- -	1,398,215 (US\$ 49,000) (Note 10)	11,508	100.00	11,508	1,833,339	-
XiAn Walsin Metal Product Co., Ltd. (Note 13)	Manufacture and sale of specialized stainless steel plates	1,579,412 (US\$ 55,350)	b	860,330 (US\$ 10,150)	- -	- -	860,330 (US\$ 30,150)	(2,983)	100.00	(2,983)	(755,840)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	8,705,030 (US\$ 305,065) (Note 11)	b	3,793,072 (US\$ 132,927)	1,426,750 (US\$ 50,000)	- -	5,219,822 (US\$ 182,927)	(59,098)	100.00	(59,098)	4,074,517	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	Percentage of Ownership in Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of March 31, 2021	Accumulated Inward Remittance of Earnings as of March 31, 2021
					Outflow	Inflow						
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	\$ 1,244,126 (US\$ 43,600)	b	\$ 373,238 (US\$ 13,080)	\$ - -	\$ - -	\$ 373,238 (US\$ 13,080)	\$ 36,199	30.00	\$ 10,861	\$ 388,759	\$ 870,888 (US\$ 30,520)
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	28,535 (US\$ 1,000)	b	28,535 (US\$ 1,000)	- -	- -	28,535 (US\$ 1,000)	(873)	100.00	(873)	(431,745)	-
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	5,210,952 (RMB 1,200,000)	b	- (US\$ -)	- -	- -	- (US\$ -)	(386)	19.00	-	- (Note 12)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	43,425 (RMB 10,000)	b	8,675 (US\$ 304)	- -	- -	8,675 (US\$ 304)	-	20.00	-	9,232	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 14)	Communications equipment and electronic components	675,674 (RMB 155,597)	b	- (RMB -)	- -	- -	- (RMB -)	(25,156)	6.02	-	68,528	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	1,426,750 (US\$ 50,000)	b	1,421,043 (US\$ 49,800) (Note 15)	- -	- -	1,421,043 (US\$ 49,800) (Note 15)	(41,862)	99.60	(41,515)	9,801,610	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	4,342 (RMB 1,000)	b	- (RMB -)	- -	- -	- (RMB -)	(614)	99.60	(612)	234	-
Walsin Nanjing Culture and Arts Co., Ltd.	Organize culture and arts communication activity, cultural performance, culture and arts forwarding agency	6,514 (RMB 1,500)	b	- (RMB -)	- -	- -	- (RMB -)	(598)	99.60	(595)	(9,223)	-

(Continued)

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

Accumulated Investment in Mainland China as of March 31, 2020 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on Investment (NT\$ in Thousands)
\$ 17,699,975 (US\$ 620,290)	\$ 18,448,191 (US\$ 646,511)	N/A (Note 19)

Notes

- Investments can be classified into three categories as follows:
  - Direct investment in mainland China.
  - Reinvestment in mainland China through third country companies.
  - Others.
- Including US\$7,563 thousand investment through Walsin (China) Investment Co., Ltd.
- Including US\$7,929 thousand investment through Walsin (China) Investment Co., Ltd.
- Including US\$2,800 thousand investment through Walsin (China) Investment Co., 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.
- Capital investment of US\$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.
- Including US\$8,000 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.
- Inclusive of capital reduction to cover accumulated deficits US\$22,000 thousand.
- Including US\$4,800 thousand investment through Walsin (China) Investment.
- Investment through Walsin (China) Investment Co., Ltd.
- 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.
- 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.
- The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and by the fair value.
- XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
- Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
- The amount included investment through Joint Success Enterprise Limited approved in the previous years.
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
- The currency exchange rates as of March 31, 2021 were as follows: US\$ to NT\$ = 1:28.535, RMB to NT\$ = 1:4.34246. The average exchange rates of March 31, 2021 were as follows: US\$ to NT\$ = 1:28.246, RMB to NT\$ = 1:4.34254.
- Amount was recognized based on reviewed financial statements.
- Upper limit on investment:

WLC 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)

B. Jin-Cherng Construction Co.

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. dollars and Renminbi)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	Percentage of Ownership in Investment (%)	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2021	Accumulated Inward Remittance of Earnings as of March 31, 2021
					Outflow	Inflow						
Walsin (Nanjing) Construction Limited	Construction, rental and sale of buildings and industrial factories	US\$ 50,000	Note 1	US\$ 25,475	\$ -	\$ -	US\$ 25,475	\$ (9,599)	50.95	\$ (4,891)	\$ 1,154,610	\$ -
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	1,000	Note 1	-	-	-	-	(141)	50.95	(72)	28	-
Walsin Nanjing Culture and Arts Co., Ltd.	Organize culture and arts communication activity, cultural performance, culture and arts forwarding agency	1,500	Note 1	-	-	-	-	(138)	50.95	(70)	(1,087)	-

2. The upper limit on investment in mainland China

Accumulated Investment in Mainland China as of March 31, 2020 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment (NT\$ in Thousands)
US\$25,475	US\$25,475	NT\$3,879,380 (Note 3)

Note 1: Investing in companies in China through the companies already established and existing in the areas other than Taiwan and China.

Note 2: Amount was recognized based on reviewed financial statements.

Note 3: The upper limit on investment in mainland China was as follows:

NT\$6,465,635 thousand × 60% = NT\$3,879,380 thousand.

(Concluded)



**TABLE 9**

**WALSIN LIHWA CORPORATION AND INVESTEES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)**

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	Walsin Lihwa Corporation	<u>2021</u> Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	\$ 659,680	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	Trade receivables	118,339	The terms are set by quotations on the local market and are similar to those of general customers	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	1,228	The terms are set by quotations on the local market and are similar to those of general customers	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Sales	806,374	The terms are set by quotations on the local market and are similar to those of general customers	3
		Jianyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	113,061	The terms are set by quotations on the local market and are similar to those of general customers	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Sales	1,216	The terms are set by quotations on the local market and are similar to those of general customers	-
		PT. Walsin Nickel Industrial Indonesia	Transactions between parent company and subsidiaries	Other receivables	5,978,897	Based on capital demand	4
		Waltuo Green Resources Corporation	Transactions between parent company and subsidiaries	Other receivables	95	The terms are set by quotations on the local market and are similar to those of general customers	-
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 321,778	Based on capital demand	1
		Walsin Lihwa Corporation	Transactions between parent company and subsidiaries	Trade receivables	RMB 10,573	The terms are set by quotations on the local market and are similar to those of general customers	-
2	Joint Success Enterprise Limited	Walsin (Nanjing) Development Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 179,558	Based on capital demand	-

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
3	Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Transactions between subsidiaries and parent company	Other receivables	US\$ 4,900	Based on capital demand	-
		Yantai Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	US\$ 49,771	Based on capital demand	2
		Jiangyin Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 540,804 US\$ 44,778	Based on capital demand	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 9,863 RMB 163,952	Based on capital demand	1
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 8,874	Based on capital demand	-
		Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	US\$ 46,851	Based on capital demand	1
		Walsin (Nanjing) Development Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 507,304	Based on capital demand	1
		Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associates	Other receivables	RMB 82,088	Based on capital demand	-
		XiAn Walsin Metal Product Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 174,543	Based on capital demand	-
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 49,712	Based on capital demand	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 74,917	Based on capital demand	1
4	Walsin International Investments Limited	Walsin Lihwa Corporation	Transactions between parent company and subsidiaries	Other receivables	RMB 1,919,526	Based on capital demand	5
		Walsin (China) Investment Co., Ltd	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 2,264,435	Based on capital demand	6
5	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 19,031	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jiangyin Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 11,296	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 53,695	The terms are set by quotations on the local market and are similar to those of general customers	1
		Jiangyin Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 47,359	The terms are set by quotations on the local market and are similar to those of general customers	1
6	Jiangyin Walsin Stainless Steel Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 5,969	Based on capital demand	-
			Transactions between subsidiaries	Trade receivables	RMB 5,914	The terms are set by quotations on the local market and are similar to those of general customers	-
			Transactions between subsidiaries	Sales	RMB 8,483	The terms are set by quotations on the local market and are similar to those of general customers	-
			Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 130,692	The terms are set by quotations on the local market and are similar to those of general customers	-

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
7	Walsin Specialty Steel Corp.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 8,453	Based on capital demand	-
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 553	Based on capital demand	-
8	Changshu Walsin Specialty Steel Co., Ltd.	Jiangyin Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 236	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 6,854	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 10,351	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 18,633	The terms are set by quotations on the local market and are similar to those of general customers	-
		Changzhou China Steel Precision Materials Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Trade receivables	RMB 847	The terms are set by quotations on the local market and are similar to those of general customers	-
		Changzhou China Steel Precision Materials Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Sales	RMB 108	The terms are set by quotations on the local market and are similar to those of general customers	-
9	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 52,080	Based on capital demand	-
10	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 144,248	Based on capital demand	-
11	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 513,131	Based on capital demand	1
12	Nanjing Walsin Property Management Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	RMB 8,707	Based on capital demand	-

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	Walsin Lihwa Corporation	<u>2020</u> Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	\$ 144,511	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 parent company and subsidiaries	Trade receivables	32,967	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	Trade receivables	11,381	The terms are set by quotations on the local market and are similar to those of general customers	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Sales	371,039	The terms are set by quotations on the local market and are similar to those of general customers	2
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	32,756	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	11,297	The terms are set by quotations on the local market and are similar to those of general customers	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Sales	629	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Lihwa Holdings Limited	Transactions between parent company and subsidiaries	Other receivables	2,143,480	Based on capital demand	1
		Concord Industries Limited	Transactions between parent company and subsidiaries	Other receivables	2,750,475	Based on capital demand	2
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 329,017	Based on capital demand	1
		Walsin Lihwa Corporation	Transactions between parent company and subsidiaries	Other receivables	RMB 1,203,649	Based on capital demand	3
		Renowned International Limited	Transactions between parent company and subsidiaries	Other receivables	RMB 1,042,347	Based on capital demand	3
2	Concord Industries Limited	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 658,914	Based on capital demand	2
3	Joint Success Enterprise Limited	Walsin (Nanjing) Development Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 188,880	Based on capital demand	1

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
4	Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Transactions between subsidiaries and parent company	Other receivables	US\$ 4,900	Based on capital demand	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 64,168	Based on capital demand	2
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 280,287	Based on capital demand	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 44,513	Based on capital demand	1
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 9,828	Based on capital demand	1
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 229,240	Based on capital demand	-
		Walsin (Nanjing) Development Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 51,311	Based on capital demand	1
		Hangzhou Walsin Power Cable & Wire Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 885,180	Based on capital demand	3
		Shanghai Baihe Walsin Lihwa Specialty Sttel Co., Ltd.	Associates	Other receivables	RMB 82,286	Based on capital demand	-
		XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 75,484	Based on capital demand	-
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 172,257	Based on capital demand	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 65,599	Based on capital demand	-
							1
5	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 56,224	Based on capital demand	1
6	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 358,544	Based on capital demand	1
7	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 1,817,768	Based on capital demand	5
7	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 29,548	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 9,828	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 44,148	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 22,862	The terms are set by quotations on the local market and are similar to those of general customers	-
8	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 1,445	The terms are set by quotations on the local market and are similar to those of general customers	-
			Transactions between subsidiaries	Sales	RMB 2,005	The terms are set by quotations on the local market and are similar to those of general customers	-

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
9	Walsin Specialty Steel Corp.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 8,453	Based on capital demand	-
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 553	Based on capital demand	-
10	Changshu Walsin Specialty Steel Co., Ltd.	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 82	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 4,198	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Lihwa Corporation	Transactions between parent company and subsidiaries	Sales	RMB 50	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Sales	RMB 114	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 1,044	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 154,158	Based on capital demand	-

(Concluded)

**TABLE 10****WALSIN LIHWA CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
LGT Bank (Singapore) Investment Fund under the custody of Standard Chartered	247,025,000	7.19
Winbond Electronics Corp.	222,000,000	6.46
Chin-Xin Investment Co., Ltd.	210,011,000	6.41
TECO Electric & Machinery Co., Ltd.	205,332,690	5.98

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.