

**Walsin Lihwa Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2022 and 2021 and  
Independent Auditors' Report**

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Walsin Lihwa Corporation

#### Opinion

We have audited the accompanying consolidated financial statements of Walsin Lihwa Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters of the consolidated financial statements of the Group as of and for the year ended December 31, 2022:

### Sales Revenue Recognition

In 2022, the main products of the Group's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Group prepares reports on point of sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually in which their amounts are significant to the consolidated financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 26 to the consolidated financial statements for related accounting policies and disclosure of information relating to revenue recognition.

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

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

### **Other Matter**

The financial statements of certain subsidiaries included in the consolidated financial statements as of and for the years ended December 31, 2022 and 2021 were audited by other auditors. Our opinion, insofar as it relates to such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT\$27,113,218 thousand and NT\$10,292,042 thousand, which constituted 10.74% and 5.62% of the Group's consolidated total assets, as of December 31, 2022 and 2021, respectively, and the total net operating revenue of such subsidiaries amounted to NT\$3,409,851 thousand and NT\$17,799,306 thousand, which constituted 1.89% and 11.36% of the Group's consolidated total net operating revenue, for the years ended December 31, 2022 and 2021, respectively.

We did not audit the financial statements of some associates accounted for using the equity method included in the consolidated financial statements of the Group, but such statements were audited by other auditors. As of December 31, 2022 and 2021, the carrying amount of investments accounted for using the equity method were NT\$4,869,105 thousand and NT\$1,053,790 thousand, representing 1.93% and 0.58% of the consolidated total assets, respectively, and the share of losses of these associates were NT\$313 thousand and NT\$5,936 thousand, representing (0.00%) and (0.03%) of the consolidated income before income tax, respectively.

We have also audited the parent company only financial statements of Walsin Lihwa Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2023

Notice to Readers

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

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

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 19,397,973	8	\$ 10,387,581	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	7,631	-	16,147	-
Financial assets at amortized cost - current (Notes 4 and 9)	2,202	-	-	-
Financial assets for hedging - current (Notes 4 and 8)	20,615	-	89,232	-
Contract assets - current (Notes 4 and 10)	3,022,237	1	5,750,344	3
Notes receivable (Notes 4, 11 and 36)	4,537,322	2	2,627,411	2
Trade receivables (Notes 4, 11 and 36)	17,294,990	7	11,045,689	6
Finance lease receivables - current (Notes 4, 12 and 37)	60,020	-	58,042	-
Other receivables (Note 31)	3,857,091	2	1,620,595	1
Inventories (Notes 4 and 13)	36,080,291	14	31,659,723	17
Other financial assets - current (Notes 6 and 37)	546,126	-	530,650	-
Other current assets (Note 21)	<u>7,880,887</u>	<u>3</u>	<u>5,535,226</u>	<u>3</u>
Total current assets	<u>92,707,385</u>	<u>37</u>	<u>69,320,640</u>	<u>38</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	2,639,755	1	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 14)	12,342,232	5	16,290,587	9
Financial assets at amortized cost - non-current (Notes 4 and 9)	189,242	-	-	-
Financial assets for hedging - non-current (Notes 4 and 8)	144,404	-	-	-
Investments accounted for using the equity method (Notes 4 and 16)	46,189,399	18	39,451,117	22
Property, plant and equipment (Notes 4 and 17)	65,656,466	26	41,474,488	23
Right-of-use assets (Notes 4 and 18)	4,309,355	2	1,803,510	1
Investment properties (Notes 4 and 19)	16,123,806	7	10,431,063	6
Goodwill (Notes 4 and 20)	83,393	-	152,771	-
Other intangible assets (Notes 4 and 31)	4,883,141	2	20,659	-
Deferred tax assets (Notes 4 and 28)	3,448,277	1	2,818,549	1
Refundable deposits (Note 6)	288,948	-	207,622	-
Finance lease receivables - non-current (Notes 4, 12 and 37)	602,523	-	662,543	-
Other non-current assets (Notes 6, 21, 28 and 37)	<u>2,916,527</u>	<u>1</u>	<u>401,349</u>	<u>-</u>
Total non-current assets	<u>159,817,468</u>	<u>63</u>	<u>113,714,258</u>	<u>62</u>
TOTAL	<u>\$ 252,524,853</u>	<u>100</u>	<u>\$ 183,034,898</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 22)	\$ 22,496,307	9	\$ 7,108,766	4
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	64,772	-	37,439	-
Financial liabilities for hedging - current (Notes 4 and 8)	222,272	-	-	-
Contract liabilities - current	6,014	-	3,426	-
Notes payable (Note 36)	591,536	-	346,947	-
Trade payables (Note 36)	17,497,315	7	8,493,921	5
Other payables	9,939,969	4	4,861,341	3
Current tax liabilities (Notes 4 and 28)	6,103,462	2	6,082,152	3
Lease liabilities - current (Notes 4 and 18)	245,223	-	71,470	-
Current portion of long-term borrowings (Notes 22 and 23)	1,207,209	1	10,719,081	6
Other current liabilities	<u>2,495,289</u>	<u>1</u>	<u>1,127,970</u>	<u>-</u>
Total current liabilities	<u>60,869,368</u>	<u>24</u>	<u>38,852,513</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	363,192	-	-	-
Bonds payable (Note 23)	7,742,955	3	7,500,000	4
Long-term borrowings (Note 22)	40,820,860	16	24,785,952	14
Long-term notes and bills payable (Note 22)	1,497,914	1	-	-
Deferred tax liabilities (Notes 4 and 28)	5,797,938	3	2,214,650	1
Lease liabilities - non-current (Notes 4 and 18)	2,309,732	1	243,676	-
Net defined benefit liabilities - non-current (Notes 4 and 24)	348,779	-	560,362	-
Other non-current liabilities (Note 33)	<u>2,952,903</u>	<u>1</u>	<u>931,477</u>	<u>1</u>
Total non-current liabilities	<u>61,834,273</u>	<u>25</u>	<u>36,236,117</u>	<u>20</u>
Total liabilities	<u>122,703,641</u>	<u>49</u>	<u>75,088,630</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 25)				
Share capital	<u>37,313,329</u>	<u>15</u>	<u>34,313,329</u>	<u>19</u>
Capital surplus	<u>24,672,454</u>	<u>10</u>	<u>18,440,875</u>	<u>10</u>
Retained earnings				
Legal reserve	7,564,090	3	6,109,568	3
Special reserve	2,712,250	1	2,712,250	2
Unappropriated earnings	<u>51,762,058</u>	<u>20</u>	<u>38,965,389</u>	<u>21</u>
Total retained earnings	<u>62,038,398</u>	<u>24</u>	<u>47,787,207</u>	<u>26</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(4,256,774)	(2)	(6,100,687)	(3)
Unrealized gain on financial assets at fair value through other comprehensive income	6,693,877	3	11,534,267	6
Loss on hedging instruments	(105,801)	-	-	-
Other equity - other	<u>(2,774,607)</u>	<u>(1)</u>	<u>(91,467)</u>	<u>-</u>
Total other equity	<u>(443,305)</u>	<u>-</u>	<u>5,342,113</u>	<u>3</u>
Total equity attributable to owners of WLC	123,580,876	49	105,883,524	58
NON-CONTROLLING INTERESTS	<u>6,240,336</u>	<u>2</u>	<u>2,062,744</u>	<u>1</u>
Total equity	<u>129,821,212</u>	<u>51</u>	<u>107,946,268</u>	<u>59</u>
TOTAL	<u>\$ 252,524,853</u>	<u>100</u>	<u>\$ 183,034,898</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2023)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of U.S. Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 631,650	8	\$ 338,248	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	248	-	526	-
Financial assets at amortized cost - current (Notes 4 and 9)	72	-	-	-
Financial assets for hedging - current (Notes 4 and 8)	671	-	2,906	-
Contract assets - current (Notes 4 and 10)	98,412	1	187,247	3
Notes receivable (Notes 4, 11 and 36)	147,747	2	85,556	2
Trade receivables (Notes 4, 11 and 36)	563,171	7	359,677	6
Finance lease receivables - current (Notes 4, 12 and 37)	1,954	-	1,890	-
Other receivables (Note 31)	125,597	2	52,771	1
Inventories (Notes 4 and 13)	1,174,871	14	1,030,926	17
Other financial assets - current (Notes 6 and 37)	17,783	-	17,279	-
Other current assets (Note 21)	<u>256,622</u>	<u>3</u>	<u>180,242</u>	<u>3</u>
Total current assets	<u>3,018,798</u>	<u>37</u>	<u>2,257,268</u>	<u>38</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	85,958	1	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 14)	401,896	5	530,465	9
Financial assets at amortized cost - non-current (Notes 4 and 9)	6,162	-	-	-
Financial assets for hedging - non-current (Notes 4 and 8)	4,702	-	-	-
Investments accounted for using the equity method (Notes 4 and 16)	1,504,051	18	1,284,634	22
Property, plant and equipment (Notes 4 and 17)	2,137,951	26	1,350,521	23
Right-of-use assets (Notes 4 and 18)	140,324	2	58,727	1
Investment properties (Notes 4 and 19)	525,034	7	339,663	6
Goodwill (Notes 4 and 20)	2,715	-	-	-
Other intangible assets (Notes 4 and 31)	159,008	2	5,647	-
Deferred tax assets (Notes 4 and 28)	112,285	1	91,780	1
Refundable deposits (Note 6)	9,409	-	6,761	-
Finance lease receivables - non-current (Notes 4, 12 and 37)	19,620	-	21,574	-
Other non-current assets (Notes 6, 21, 28 and 37)	<u>94,974</u>	<u>1</u>	<u>13,067</u>	<u>-</u>
Total non-current assets	<u>5,204,089</u>	<u>63</u>	<u>3,702,839</u>	<u>62</u>
TOTAL	<u>\$ 8,222,887</u>	<u>100</u>	<u>\$ 5,960,107</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 22)	\$ 732,540	9	\$ 231,480	4
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	2,109	-	1,219	-
Financial liabilities for hedging - current (Notes 4 and 8)	7,238	-	-	-
Contract liabilities - current	196	-	112	-
Notes payable (Note 36)	19,262	-	11,298	-
Trade payables (Note 36)	569,760	7	276,585	5
Other payables	323,672	4	158,298	3
Current tax liabilities (Notes 4 and 28)	198,745	2	198,051	3
Lease liabilities - current (Notes 4 and 18)	7,985	-	2,327	-
Current portion of long-term borrowings (Notes 22 and 23)	39,310	1	349,042	6
Other current liabilities	<u>81,253</u>	<u>1</u>	<u>36,730</u>	<u>-</u>
Total current liabilities	<u>1,982,070</u>	<u>24</u>	<u>1,265,142</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	11,827	-	-	-
Bonds payable (Note 23)	252,131	3	244,220	4
Long-term borrowings (Note 22)	1,329,237	16	807,097	14
Long-term notes and bills payable (Note 22)	48,776	1	-	-
Deferred tax liabilities (Notes 4 and 28)	188,796	3	72,115	1
Lease liabilities - non-current (Notes 4 and 18)	75,211	1	7,935	-
Net defined benefit liabilities - non-current (Notes 4 and 24)	11,357	-	18,247	-
Other non-current liabilities (Note 33)	<u>96,154</u>	<u>1</u>	<u>30,331</u>	<u>1</u>
Total non-current liabilities	<u>2,013,489</u>	<u>25</u>	<u>1,179,945</u>	<u>20</u>
Total liabilities	<u>3,995,559</u>	<u>49</u>	<u>2,445,087</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 25)				
Share capital	<u>1,215,022</u>	<u>15</u>	<u>1,117,334</u>	<u>19</u>
Capital surplus	<u>803,401</u>	<u>10</u>	<u>600,484</u>	<u>10</u>
Retained earnings				
Legal reserve	246,307	3	198,944	3
Special reserve	88,318	1	88,318	2
Unappropriated earnings	<u>1,685,511</u>	<u>20</u>	<u>1,268,818</u>	<u>21</u>
Total retained earnings	<u>2,020,136</u>	<u>24</u>	<u>1,556,080</u>	<u>26</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(138,611)	(2)	(198,655)	(3)
Unrealized gain on financial assets at fair value through other comprehensive income	217,971	3	375,587	6
Loss on hedging instruments	(3,445)	-	-	-
Other equity - other	<u>(90,348)</u>	<u>(1)</u>	<u>(2,978)</u>	<u>-</u>
Total other equity	<u>(14,433)</u>	<u>-</u>	<u>173,954</u>	<u>3</u>
Total equity attributable to owners of WLC	4,024,126	49	3,447,852	58
NON-CONTROLLING INTERESTS	<u>203,202</u>	<u>2</u>	<u>67,168</u>	<u>1</u>
Total equity	<u>4,227,328</u>	<u>51</u>	<u>3,515,020</u>	<u>59</u>
TOTAL	<u>\$ 8,222,887</u>	<u>100</u>	<u>\$ 5,960,107</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)	\$ 180,400,719	100	\$ 156,664,766	100
OPERATING COSTS (Note 13)	<u>(163,054,414)</u>	<u>(91)</u>	<u>(136,855,301)</u>	<u>(88)</u>
GROSS PROFIT	<u>17,346,305</u>	<u>9</u>	<u>19,809,465</u>	<u>12</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,880,008	1	2,487,342	2
General and administrative expenses	4,748,280	3	3,784,683	2
Research and development expenses	<u>219,303</u>	<u>-</u>	<u>191,888</u>	<u>-</u>
Total operating expenses	<u>7,847,591</u>	<u>4</u>	<u>6,463,913</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>9,498,714</u>	<u>5</u>	<u>13,345,552</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	240,793	-	91,952	-
Dividend income	766,857	-	561,499	-
Other income	1,130,256	1	549,102	-
Gain on disposal of property, plant and equipment	68,051	-	20,468	-
Gain on disposal of investments (Note 27)	7,210,043	4	679,207	1
Foreign exchange gains (loss), net	1,748,708	1	(237,222)	-
Gain on valuation of financial assets and liabilities at fair value through profit or loss	265,134	-	647,228	-
Other expenses	(305,781)	-	(231,656)	-
Recognition of impairment loss (Note 27)	(87)	-	(693,892)	-
Interest expense	(827,715)	-	(417,951)	-
Share of profit of associates accounted for using the equity method	<u>3,607,040</u>	<u>2</u>	<u>4,808,211</u>	<u>3</u>
Total non-operating income and expenses	<u>13,903,299</u>	<u>8</u>	<u>5,776,946</u>	<u>4</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	23,402,013	13	19,122,498	12
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(4,261,937)</u>	<u>(2)</u>	<u>(3,865,184)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>19,140,076</u>	<u>11</u>	<u>15,257,314</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	260,538	-	(153,272)	-

(Continued)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (4,067,542)	(2)	\$ 2,594,208	1
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(644,358)	(1)	2,906,573	2
	<u>(4,451,362)</u>	<u>(3)</u>	<u>5,347,509</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	1,757,704	1	(105,982)	-
Loss on hedging instruments	(105,801)	-	-	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	180,029	-	(127,834)	-
	<u>1,831,932</u>	<u>1</u>	<u>(233,816)</u>	<u>-</u>
Other comprehensive (loss) income for the year	<u>(2,619,430)</u>	<u>(2)</u>	<u>5,113,693</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 16,520,646</u>	<u>9</u>	<u>\$ 20,371,007</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 19,352,097	11	\$ 14,642,629	9
Non-controlling interests	<u>(212,021)</u>	<u>-</u>	<u>614,685</u>	<u>1</u>
	<u>\$ 19,140,076</u>	<u>11</u>	<u>\$ 15,257,314</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 16,639,046	9	\$ 19,791,160	13
Non-controlling interests	<u>(118,400)</u>	<u>-</u>	<u>579,847</u>	<u>-</u>
	<u>\$ 16,520,646</u>	<u>9</u>	<u>\$ 20,371,007</u>	<u>13</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 5.45</u>		<u>\$ 4.27</u>	
Diluted	<u>\$ 5.44</u>		<u>\$ 4.26</u>	

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

(Concluded)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)	\$ 5,874,331	100	\$ 5,101,425	100
OPERATING COSTS (Note 13)	<u>(5,309,489)</u>	<u>(91)</u>	<u>(4,456,376)</u>	<u>(88)</u>
GROSS PROFIT	<u>564,842</u>	<u>9</u>	<u>645,049</u>	<u>12</u>
OPERATING EXPENSES				
Selling and marketing expenses	93,781	1	80,995	2
General and administrative expenses	154,617	3	123,239	2
Research and development expenses	<u>7,141</u>	<u>-</u>	<u>6,248</u>	<u>-</u>
Total operating expenses	<u>255,539</u>	<u>4</u>	<u>210,482</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>309,303</u>	<u>5</u>	<u>434,567</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	7,841	-	2,994	-
Dividend income	24,971	-	18,284	-
Other income	36,804	1	17,880	-
Gain on disposal of property, plant and equipment	2,216	-	666	-
Gain on disposal of investments (Note 27)	234,778	4	22,117	1
Foreign exchange gain (loss), net	56,945	1	(7,723)	-
Gain on valuation of financial assets and liabilities at fair value through profit or loss	8,633	-	21,075	-
Other expenses	(9,957)	-	(7,543)	-
Recognition of impairment loss (Note 27)	(3)	-	(22,595)	-
Interest expense	(26,953)	-	(13,610)	-
Share of profit of associates accounted for using the equity method	<u>117,455</u>	<u>2</u>	<u>156,568</u>	<u>3</u>
Total non-operating income and expenses	<u>452,730</u>	<u>8</u>	<u>188,113</u>	<u>4</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	762,033	13	622,680	12
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(138,781)</u>	<u>(2)</u>	<u>(125,861)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>623,252</u>	<u>11</u>	<u>496,819</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	8,484	-	(4,991)	-

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (132,450)	(2)	\$ 84,474	1
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(20,982)	(1)	94,646	2
	<u>(144,948)</u>	<u>(3)</u>	<u>174,129</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	57,236	1	(3,451)	-
Loss on hedging instruments	(3,445)	-	-	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	5,862	-	(4,163)	-
	<u>59,653</u>	<u>1</u>	<u>(7,614)</u>	<u>-</u>
Other comprehensive (loss) income for the year	<u>(85,295)</u>	<u>(2)</u>	<u>166,515</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 537,957</u>	<u>9</u>	<u>\$ 663,334</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 630,156	11	\$ 476,803	9
Non-controlling interests	<u>(6,904)</u>	<u>-</u>	<u>20,016</u>	<u>1</u>
	<u>\$ 623,252</u>	<u>11</u>	<u>\$ 496,819</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 541,812	9	\$ 644,453	13
Non-controlling interests	<u>(3,855)</u>	<u>-</u>	<u>18,881</u>	<u>-</u>
	<u>\$ 537,957</u>	<u>9</u>	<u>\$ 663,334</u>	<u>13</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 0.18</u>		<u>\$ 0.14</u>	
Diluted	<u>\$ 0.18</u>		<u>\$ 0.14</u>	

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of WLC												
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation the Financial Statement of Foreign Operations	Other Equity		Loss on Hedging Instrument	Others	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income						
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	
Appropriation of 2020 earnings (Note 25)													
Legal reserve	-	-	681,368	-	(681,368)	-	-	-	-	-	-	-	
Special reserve	-	-	-	(398,160)	398,160	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(3,088,200)	-	-	-	-	(3,088,200)	-	(3,088,200)	
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	3,124	-	-	-	-	-	-	-	3,124	-	3,124	
Changes in capital surplus from investments in associates accounted for using the equity method	-	(26,782)	-	-	77,160	-	(77,160)	-	(91,467)	(118,249)	-	(118,249)	
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 year ended December 31, 2021	-	-	-	-	14,642,629	-	-	-	-	14,642,629	614,685	15,257,314	
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	(174,569)	(195,552)	5,518,652	-	-	5,148,531	(34,838)	5,113,693	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,468,060	(195,552)	5,518,652	-	-	19,791,160	579,847	20,371,007	
Others	-	2,329	-	-	-	-	-	-	-	2,329	-	2,329	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,329,698)	(1,329,698)	
BALANCE, DECEMBER 31, 2021	34,313,329	18,440,875	6,109,568	2,712,250	38,965,389	(6,100,687)	11,534,267	-	(91,467)	105,883,524	2,062,744	107,946,268	
Appropriation of 2021 earnings (Note 25)													
Legal reserve	-	-	1,454,522	-	(1,454,522)	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(5,490,133)	-	-	-	-	(5,490,133)	-	(5,490,133)	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)	-	(2,683,140)	
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(994)	-	-	-	-	-	-	-	(994)	-	(994)	
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-	-	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	887	-	-	79,546	-	(79,546)	-	-	887	-	887	
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000	-	9,000,000	
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097	(212,021)	19,140,076	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	313,270	1,843,913	(4,764,433)	(105,801)	-	(2,713,051)	93,621	(2,619,430)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	19,665,367	1,843,913	(4,764,433)	(105,801)	-	16,639,046	(118,400)	16,520,646	
Share-based payment	-	225,000	-	-	-	-	-	-	-	225,000	-	225,000	
Others	-	6,686	-	-	-	-	-	-	-	6,686	-	6,686	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	4,295,992	4,295,992	
BALANCE, DECEMBER 31, 2022	\$ 37,313,329	\$ 24,672,454	\$ 7,564,090	\$ 2,712,250	\$ 51,762,058	\$ (4,256,774)	\$ 6,693,877	\$ (105,801)	\$ (2,774,607)	\$ 123,580,876	\$ 6,240,336	\$ 129,821,212	

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of U.S. Dollars)

	Equity Attributable to Owners of WLC											
	Retained Earnings					Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statement of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 1,050,472	\$ 510,921	\$ 176,757	\$ 101,283	\$ 904,969	\$ (192,287)	\$ 198,398	\$ -	\$ -	\$ 2,750,513	\$ 91,586	\$ 2,842,099
Appropriation of 2020 earnings (Note 25)												
Legal reserve	-	-	22,187	-	(22,187)	-	-	-	-	-	-	-
Special reserve	-	-	-	(12,965)	12,965	-	-	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(100,560)	-	-	-	-	(100,560)	-	(100,560)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	102	-	-	-	-	-	-	-	102	-	102
Changes in capital surplus from investments in associates accounted for using the equity method	-	(872)	-	-	2,512	-	(2,513)	-	(2,978)	(3,851)	-	(3,851)
Issuance of new shares in exchange for the shares of another company	66,862	90,257	-	-	-	-	-	-	-	157,119	-	157,119
Net profit for the year ended December 31, 2021	-	-	-	-	476,803	-	-	-	-	476,803	20,016	496,819
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	(5,684)	(6,368)	179,702	-	-	167,650	(1,135)	166,515
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	471,119	(6,368)	179,702	-	-	644,453	18,881	663,334
Others	-	76	-	-	-	-	-	-	-	76	-	76
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(43,299)	(43,299)
BALANCE, DECEMBER 31, 2021	1,117,334	600,484	198,944	88,318	1,268,818	(198,655)	375,587	-	(2,978)	3,447,852	67,168	3,515,020
Appropriation of 2021 earnings (Note 25)												
Legal reserve	-	-	47,363	-	(47,363)	-	-	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(178,773)	-	-	-	-	(178,773)	-	(178,773)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(87,370)	(87,370)	-	(87,370)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(32)	-	-	-	-	-	-	-	(32)	-	(32)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(117)	-	117	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	29	-	-	2,590	-	(2,590)	-	-	29	-	29
Issuance of ordinary shares for cash	97,688	195,376	-	-	-	-	-	-	-	293,064	-	293,064
Net profit for the year ended December 31, 2022	-	-	-	-	630,156	-	-	-	-	630,156	(6,904)	623,252
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,200	60,044	(155,143)	(3,445)	-	(88,344)	3,049	(85,295)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	640,356	60,044	(155,143)	(3,445)	-	541,812	(3,855)	537,957
Share-based payment	-	7,327	-	-	-	-	-	-	-	7,327	-	7,327
Others	-	217	-	-	-	-	-	-	-	217	-	217
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	139,889	139,889
BALANCE, DECEMBER 31, 2022	<u>\$ 1,215,022</u>	<u>\$ 803,401</u>	<u>\$ 246,307</u>	<u>\$ 88,318</u>	<u>\$ 1,685,511</u>	<u>\$ (138,611)</u>	<u>\$ 217,971</u>	<u>\$ (3,445)</u>	<u>\$ (90,348)</u>	<u>\$ 4,024,126</u>	<u>\$ 203,202</u>	<u>\$ 4,227,328</u>

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

(With Deloitte & Touche auditors’ report dated February 24, 2023)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 23,402,013	\$ 19,122,498
Adjustments for:		
Depreciation expenses	4,385,647	2,799,315
Amortization expenses	65,655	31,498
Expected credit loss recognized (reversed) on trade receivables	105,680	(7,901)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(265,134)	(647,228)
Interest expenses	827,715	417,951
Interest income	(240,793)	(91,952)
Dividend income	(766,857)	(561,499)
Compensation costs of employee share options	233,077	11,490
Share of profit of associates accounted for using the equity method	(3,607,040)	(4,808,211)
Gain on disposal of property, plant and equipment	(68,051)	(20,468)
Loss on lease modification	6	-
Gain on disposal of investments	(7,210,043)	(679,207)
Impairment loss recognized on non-financial assets	87	693,892
Unrealized loss on foreign currency exchange	183,114	89,472
Gain on bargain purchase	(339,526)	-
Changes in operating assets and liabilities		
Increase in contract assets	(581,544)	(1,289,352)
(Increase) decrease in notes receivable	(1,909,911)	346,721
Decrease (increase) in trade receivables	100,992	(3,494,657)
Increase in other receivables	(1,225,918)	(775,485)
Increase in inventories	(2,101,272)	(11,987,254)
Decrease (increase) in other current assets	631,447	(45,654)
(Increase) decrease in other financial assets	(15,476)	174,627
Increase in other operating assets	(446,591)	(626,734)
(Decrease) increase in financial liabilities held for trading	(823,192)	513,105
Increase in contract liabilities	-	1,927
Increase in notes payable	244,589	111,689
Increase in trade payables	3,673,923	999,450
Increase in other payables	1,094,617	674,668
Increase (decrease) in other current liabilities	273,773	(60,224)
(Decrease) increase in net defined benefit liabilities	(211,583)	176,063
(Decrease) increase in other operating liabilities	(556,293)	565,146
Cash generated from operations	14,853,111	1,633,686
Interest received	357,042	69,679
Dividends received	2,166,803	1,359,121
Interest paid	(740,191)	(491,575)
Income tax paid	(2,731,958)	(1,254,756)
Net cash generated from operating activities	13,904,807	1,316,155

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (140,417)	\$ (1,985,957)
Disposal of financial assets at fair value through other comprehensive income	24,004	-
Capital reduction and refund from financial assets at fair value through other comprehensive income	-	3,615
Purchase of financial assets at amortized cost	(183,665)	-
Proceeds from sale of financial assets at amortized cost	-	1,325,403
Disposal of financial assets at fair value through profit or loss	-	4,948,895
Acquisition of investments accounted for using the equity method	(4,980,030)	(3,227)
Increase in prepaid long-term investments	(2,204,073)	-
Acquisition of additional interests in subsidiaries	(11,037,204)	-
Net cash inflow on disposal of subsidiaries	9,242,576	-
Payments for property, plant and equipment	(15,499,282)	(6,415,398)
Proceeds from disposal of property, plant and equipment	154,162	50,410
(Increase) decrease in refundable deposits	(68,728)	13,208
Purchase of intangible assets	(141,056)	(6,248)
Purchase of investment properties	(182)	(2,362)
Acquisition of right-of-use assets	(283,745)	(222,330)
Other investing activities	<u>(1,228,906)</u>	<u>1,308,017</u>
Net cash used in investing activities	<u>(26,346,546)</u>	<u>(985,974)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	13,088,885	485,651
Proceeds from bonds payable	-	7,500,000
Repayment of bonds payable	(46,684)	-
Proceeds from long-term borrowings	21,755,400	4,000,000
Repayment of long-term borrowings	(19,732,834)	(6,064,196)
Increase in long-term notes and bills payable	1,497,914	-
Repayment of the principal portion of lease liabilities	(120,625)	(89,794)
Cash dividends paid	(5,489,781)	(3,088,030)
Proceeds from issuance of ordinary shares	9,000,000	-
Acquisition of subsidiaries	-	(5,003,810)
Changes in non-controlling interests	359,522	(21,666)
Other financing activities	<u>6,685</u>	<u>2,329</u>
Net cash generated from (used in) financing activities	<u>20,318,482</u>	<u>(2,279,516)</u>

(Continued)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>1,133,649</u>	\$ <u>392,508</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,010,392	(1,556,827)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>10,387,581</u>	<u>11,944,408</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ <u>19,397,973</u>	\$ <u>10,387,581</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

(Concluded)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of U.S. Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 762,033	\$ 622,680
Adjustments for:		
Depreciation expenses	142,808	91,153
Amortization expenses	2,138	1,026
Expected credit loss recognized (reversed) on trade receivables	3,441	(257)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(8,633)	(21,075)
Interest expenses	26,953	13,610
Interest income	(7,841)	(2,994)
Dividend income	(24,971)	(18,284)
Compensation costs of employee share options	7,590	374
Share of profit of associates accounted for using the equity method	(117,455)	(156,568)
Gain on disposal of property, plant and equipment	(2,216)	(666)
Gain on disposal of investments	(234,778)	(22,117)
Impairment loss recognized on non-financial assets	3	22,595
Unrealized loss on foreign currency exchange	5,963	2,913
Gain on bargain purchase	(11,056)	-
Changes in operating assets and liabilities		
Increase in contract assets	(18,937)	(41,985)
(Increase) decrease in notes receivable	(62,192)	11,290
Decrease (increase) in trade receivables	3,289	(113,795)
Increase in other receivables	(39,919)	(25,252)
Increase in inventories	(68,423)	(390,337)
Decrease (increase) in other current assets	20,562	(1,487)
(Increase) decrease in other financial assets	(504)	5,686
Increase in other operating assets	(14,542)	(20,408)
(Decrease) increase in financial liabilities held for trading	(26,805)	16,708
Increase in contract liabilities	-	63
Increase in notes payable	7,964	3,637
Increase in trade payables	119,633	32,545
Increase in other payables	35,644	21,969
Increase (decrease) increase in other current liabilities	8,915	(1,961)
(Decrease) increase in net defined benefit liabilities	(6,890)	5,733
(Decrease) increase in other operating liabilities	(18,114)	18,403
Cash generated from operations	483,660	53,199
Interest received	11,626	2,269
Dividends received	70,557	44,257
Interest paid	(24,103)	(16,007)
Income tax paid	(88,960)	(40,858)
Net cash generated from (used in) operating activities	452,780	42,860

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of U.S. Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (4,572)	\$ (64,668)
Disposal of financial assets at fair value through other comprehensive income	782	-
Capital reduction and refund from financial assets at fair value through other comprehensive income	-	118
Purchase of financial assets at amortized cost	(5,981)	-
Proceeds from sale of financial assets at amortized cost	-	43,159
Disposal of financial assets at fair value through profit or loss	-	161,149
Acquisition of investments accounted for using the equity method	(162,163)	(105)
Increase in prepaid long-term investments	(71,771)	-
Acquisition of additional interests in subsidiaries	(359,401)	-
Net cash inflow on disposal of subsidiaries	300,963	-
Payments for property, plant and equipment	(504,698)	(208,903)
Proceeds from disposal of property, plant and equipment	5,020	1,641
(Increase) decrease in refundable deposits	(2,238)	430
Purchase of intangible assets	(4,593)	(203)
Purchase of investment properties	(6)	(77)
Acquisition of right-of-use assets	(9,239)	(7,240)
Other investing activities	<u>(40,016)</u>	<u>42,593</u>
Net cash used in investing activities	<u>(857,913)</u>	<u>(32,106)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	426,209	15,814
Proceeds from bonds payable	(1,520)	244,220
Repayment of bonds payable	-	-
Proceeds from long-term borrowings	708,414	130,251
Repayment of long-term borrowings	(642,554)	(197,466)
Increase in long-term notes and bills payable	48,776	-
Repayment of the principal portion of lease liabilities	(3,928)	(2,924)
Cash dividends paid	(178,762)	(100,555)
Proceeds from issuance of ordinary shares	293,064	-
Acquisition of subsidiaries	-	(162,937)
Changes in non-controlling interests	11,707	(706)
Other financing activities	<u>218</u>	<u>76</u>
Net cash generated from (used in) financing activities	<u>661,624</u>	<u>(74,227)</u>

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of U.S. Dollars)

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	2022	2021
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>36,911</u>	\$ <u>12,779</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	293,402	(50,694)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>338,248</u>	<u>388,942</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 631,650</u>	<u>\$ 338,248</u>

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

(Concluded)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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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, stainless steel, resource business and real estate.

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

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

### 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of WLC and its subsidiaries (collectively, the “Group”) were approved by the board of directors of WLC on February 24, 2023.

### 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)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be 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.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

1) 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.

2) 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.

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

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

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

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

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

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the 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) Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”

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

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

b. Basic of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, 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 the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of WLC and the entities controlled by WLC. Control is achieved when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the WLC.

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

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

e. Foreign currencies

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

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

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

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

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

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

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

f. Inventories

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

Inventories of construction industry include land held for construction site and constructions-in-progress, which are recorded based on acquisition costs or construction costs depends on the type of the construction. Interest expenses on constructions-in-progress are capitalized as part of the construction costs.

g. Investment in associates

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

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

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

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

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

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

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

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

#### h. Property, plant and equipment

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

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

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

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

#### i. Investment properties

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

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

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

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

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

j. Intangible assets

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

Intangible assets are derecognized when they are disposed or are not expected to generate future economic benefits through usage or through disposal.

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

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

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

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

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

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

l. Financial instruments

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

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

## Financial assets

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

### 1) Measurement categories

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

#### a) Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses are recognized in profit or loss. The net gain or loss recognized in profit or loss. Fair value is determined in the manner described in Note 35.

#### b) Financial assets at amortized cost

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

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

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

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

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

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest paid to deposits which is terminated before maturity is higher than demand deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.



c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

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

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

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

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

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

3) Derecognition of financial assets

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

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

### Equity instruments

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

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

### Financial liabilities

#### 1) Subsequent measurement

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

##### a) Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses are recognized in profit or loss. Fair value is determined in the manner described in Note 35.

##### b) Financial guarantee contracts

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

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

#### 2) Derecognition of financial liabilities

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

### Derivative financial instruments

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

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

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

#### m. Hedge accounting

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

##### 1) Fair value hedges

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

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

##### 2) Cash flow hedges

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

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

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

n. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

o. Provisions

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

p. Revenue recognition

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

1) Revenue from the sale of goods and real estate

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

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

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

2) Revenue from the others

a) Revenue from the rendering of services

Service income is recognized when services are rendered. Revenue should be recognized over time by measuring the progress toward complete satisfaction of the performance obligation.

b) Construction contract revenue

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

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

q. Leases

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

a) The Group as lessor

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

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

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

b) The Group as lessee

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

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

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

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

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

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

r. Government grants

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

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

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

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Share-based payment arrangements

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

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

u. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

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

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

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

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



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

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

The Group considers the possible impact when making its critical accounting estimates. The estimates and underlying assumptions are audited on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 4,413	\$ 2,926
Checking accounts and cash in banks	15,013,929	8,473,267
Cash equivalents		
Time deposits	4,265,727	1,801,526
Short-term bills	<u>113,904</u>	<u>109,862</u>
	<u>\$ 19,397,973</u>	<u>\$ 10,387,581</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank balance	0.001%-3.8%	0.001%-2.75%
Short-term bills	0.4%-0.5%	0.16%

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

	<b>Purpose</b>	<b>December 31</b>	
		<b>2022</b>	<b>2021</b>
Other financial assets - current			
Restricted deposits	To meet contract requirements for completing construction	\$ 34,648	\$ 18,139
	To secure short-term borrowings and letters of credit	167,546	370,054
	Repatriation of offshore funds and project grants	40,786	80,493
Refundable deposits	Futures deposits	<u>303,146</u>	<u>61,964</u>
		<u>546,126</u>	<u>530,650</u>
Refundable deposits			
Other - pledged time deposits	To meet contract requirements for completing construction	51,718	51,667
	To meet required security deposit	268	867
Other non-current assets - other			
Restricted deposits	To meet construction project and performance letter of guarantee	11,023	10,854
Pledged time deposits	To meet required security deposit	<u>1,439</u>	<u>-</u>
		<u>64,448</u>	<u>63,388</u>
		<u>\$ 610,574</u>	<u>\$ 594,038</u>

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

	December 31	
	2022	2021
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Commodity futures contracts	\$ -	\$ 1,940
Foreign exchange forward contracts	-	14,207
Options	7,629	-
Interest rate swap contracts	2	-
Non-derivative financial assets		
Contingent consideration (Note 32)	2,567,786	-
Foreign unlisted shares	71,969	-
Financial assets at FVTPL	<u>\$ 2,647,386</u>	<u>\$ 16,147</u>
Current	\$ 7,631	\$ 16,147
Non-current	<u>2,639,755</u>	<u>-</u>
	<u>\$ 2,647,386</u>	<u>\$ 16,147</u>
<u>Financial liabilities held for trading</u>		
Derivative financial liabilities (not under hedge accounting)		
Commodity futures contracts	\$ 21,189	\$ -
Foreign exchange forward contracts	21,470	-
Exchange rate swap contracts	22,113	37,439
Non-derivative financial liabilities		
Contingent consideration (Note 31)	<u>363,192</u>	<u>-</u>
Financial liabilities at FVTPL	<u>\$ 427,964</u>	<u>\$ 37,439</u>
Current	\$ 64,772	\$ 37,439
Non-current	<u>363,192</u>	<u>-</u>
	<u>\$ 427,964</u>	<u>\$ 37,439</u>

- a. As of December 31, 2022 and 2021, outstanding commodity futures not under hedge accounting were as follows:

	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2022</u>							
Commodity futures contracts							
Copper	Buy	5,900	2022.08.15-2022.12.30	2023.01.08-2023.06.21	US\$ 48,178	US\$ 49,332	US\$ 1,154
Copper	Buy	555	2022.11.11-2022.12.30	2023.01.31-2023.03.31	RMB 36,816	RMB 36,797	RMB (19)
Copper	Sell	25	2022.12.02	2023.03.02	US\$ 210	US\$ 209	US\$ 1
Nickel	Sell	4,188	2022.11.15-2022.12.30	2023.01.18-2023.03.20	US\$ 122,940	US\$ 124,780	US\$ (1,840)
Zinc	Buy	25	2022.12.05	2023.02.28	RMB 613	RMB 593	RMB (20)

(Continued)

	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2021</u>							
Commodity futures contracts							
Copper	Buy	9,925	2021.09.01-2021.12.31	2022.01.19-2022.04.20	US\$ 94,424	US\$ 96,834	US\$ 2,410
Copper	Sell	3,050	2021.12.10-2021.12.31	2022.01.19-2022.03.31	US\$ 29,229	US\$ 29,846	US\$ (617)
Nickel	Sell	2,238	2021.11.04-2021.12.31	2022.02.04-2022.03.31	US\$ 44,698	US\$ 46,459	US\$ (1,761)
Copper	Buy	1,770	2021.09.07-2021.12.31	2022.01.31-2022.06.30	RMB 124,483	RMB 124,618	RMB 135
Zinc	Buy	275	2021.10.14-2021.12.10	2022.03.31	RMB 6,520	RMB 6,630	RMB 110
							(Concluded)

- b. As of December 31, 2022 and 2021, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2022</u>			
Sell	USD to RMB	2023.01.31-2023.05.05	USD2,543/RMB17,228
	EUR to MYR	2023.01.31-2023.06.30	EUR1,499/MYR7,048
	EUR to USD	2023.01.03-2023.01.10	EUR7,987/USD8,500
Buy	USD to IDR	2023.01.31	USD91,000/IDR1,429,633,100
	USD to JPY	2023.01.05	USD3,000/JPY412,605
	USD to RMB	2023.01.05	USD16,571/RMB116,504
	EUR to USD	2023.01.05	EUR15,834/USD16,571
	USD to SGD	2023.01.30-2023.02.01	USD13,127/SGD17,778
	EUR to KRW	2023.01.31-2023.02.28	EUR434/KRW592,638
	EUR to TRY	2023.01.31	EUR292/TRY6,000
	EUR to ZAR	2023.01.18-2023.02.17	EUR710/ZAR12,483
	EUR to GBP	2023.01.31-2023.03.31	EUR4,944/GBP4,340
	EUR to BRL	2023.01.17-2023.03.15	EUR5,485/BRL29,982
<u>December 31, 2021</u>			
Sell	EUR to USD	2022.01.18-2022.02.17	EUR18,000/USD20,326
	USD to NTD	2022.01.07-2022.02.10	USD100,000/NTD2,776,800
	USD to RMB	2022.01.13-2022.07.20	USD83,643/RMB536,528
Buy	EUR to MYR	2022.01.14-2022.03.02	EUR1,160/MYR5,590
	USD to NTD	2022.01.06-2022.02.21	USD129,363/NTD3,579,887
	USD to JPY	2022.01.12-2022.01.24	USD9,430/JPY1,077,970
	EUR to USD	2022.01.10	EUR25,405/USD28,694
	USD to SGD	2022.01.12	USD20,207/SGD27,651
	USD to RMB	2022.01.13	USD10,000/RMB63,611

- c. As of December 31, 2022 and 2021, outstanding exchange rate swap contracts not under hedge accounting were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
December 31, 2022	USD to RMB	2023.01.18	USD75,000/RMB516,585
	EUR to USD	2023.01.17	EUR15,955/USD17,000
	EUR to ZAR	2023.01.18	EUR133/ZAR2,390
December 31, 2021	USD to NTD	2022.01.12	USD75,000/NTD2,097,188
	USD to NTD	2022.01.12	USD70,000/NTD1,957,375
	USD to NTD	2022.01.14	USD40,000/NTD1,109,600

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

<b>Notional Amount</b>	<b>Type of Transaction</b>	<b>Buyer/Seller</b>	<b>Premium Paid</b>	<b>Fair Value</b>
USD29,118	Put	Buyer	USD672	USD249

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

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

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

- f. For the years ended December 31, 2022 and 2021, the Group's strategies for commodity futures contracts, foreign exchange forward contracts, exchange rate swap contracts and interest rate swap contracts were to hedge exposures to fluctuations in the prices of raw material, foreign exchange rates and interest rates. However, those derivative financial instruments did not meet the criteria of hedge effectiveness; therefore, they were not accounted for hedge accounting.
- g. Financial Assets - contingent consideration is the amount of consideration to be received by the Group from the acquirer in the disposal of the subsidiary (the "Target Company") on July 27, 2022. In accordance with the agreement of contingent consideration, the acquirer shall respectively pay additional payments when the gross profit of Target Company during the period starting from the settlement date to December 31, 2023 and the gross profit in the year 2024 meet the amount agreed upon by Target Company.
- h. Financial liabilities - contingent consideration according to the agreement of acquisition, the Group is required to make additional payments to the seller if Cogne Acciai Speciali S.p.A.'s earnings before interest, income tax, depreciation and amortization from the settlement date to 2025 meet the contract requirements. The fair value of this obligation at the acquisition date is estimated to be \$355,089 thousand.

## 8. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Fair value hedges - exchange rate swap contracts	\$ -	\$ 89,232
Cash flow hedges - interest rate swap contracts	<u>165,019</u>	<u>-</u>
	<u>\$ 165,019</u>	<u>\$ 89,232</u>
Current	\$ 20,615	\$ 89,232
Non-current	<u>144,404</u>	<u>-</u>
	<u>\$ 165,019</u>	<u>\$ 89,232</u>
<u>Financial liabilities</u>		
Cash flow hedges - gas swap contracts	<u>\$ 222,272</u>	<u>\$ -</u>
Current	\$ 222,272	\$ -
Non-current	<u>-</u>	<u>-</u>
	<u>\$ 222,272</u>	<u>\$ -</u>

- a. The Group entered into exchange rate swap contracts to avoid exchange rate exposure of its foreign-currency trade receivables and trade payables. The conditions of the exchange rate swaps are the same as the one of the corresponding financial assets, so the 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 year were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>December 31, 2021</u>			
Exchange rate swap contracts	USD to RMB	2022.01.14	USD75,000/RMB488,325
	USD to RMB	2022.01.14	USD70,000/RMB455,700
	USD to RMB	2022.06.08	USD20,000/RMB129,220
	USD to RMB	2022.06.08	USD15,000/RMB96,921
			<b>For the Year Ended December 31, 2021</b>
Gain on the hedging instruments			<u>\$ 89,232</u>
Loss on the hedged items			<u>\$ 52,963</u>

- b. The Group converts some of the issued floating rate financial liabilities from floating rate to fixed rate through the interest rate swap contracts in order to reduce the risk of the cash flow of the issued floating rate financial liabilities due to changes in interest rates. The conditions of the interest rate swap contracts are the same as the one of the related financial liabilities, therefore, the management of the Group considers they can be highly effective hedging instruments. The outstanding interest rate swap contracts of the Group at the end of the year were as follows:

December 31, 2022	Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
Exchange rate swap contracts	EUR95,177	2023.05.31-2030.12.18	-0.255%-3.120%	Euribor three to six months

- c. The Group is exposed to the risk that the future cash flows of the assets and liabilities may fluctuate due to changes in market prices of gas that are required for the Group's operations. The Group assesses that the risk may be significant and therefore enters into gas swap contracts for hedging purposes. The breakdown of the cash flow hedge items and derivative financial instruments designated for hedging as of December 31, 2022 were as follows:

Financial Commodity	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Notional Amount (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2022</u>							
Gas	Buy	139,800	2022.04.22- 2022.12.28	2023.01.31- 2023.12.31	EUR17,700	EUR10,907	EUR(6,793)

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2022	2021
<u>Current</u>		
Foreign investments		
Structured deposit	\$ 2,202	\$ -
<u>Non-current</u>		
Foreign investments		
Government bonds	\$ 189,242	\$ -

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

## 10. CONTRACT ASSETS

As of December 31, 2022 and 2021, contract balances were as follows:

	<u>December 31</u>	
	2022	2021
Contract assets		
Cable installation and steel cable sales contract	\$ 1,242,468	\$ 840,341
Solar power systems installation	1,779,769	4,910,003
Less: Allowance for impairment loss	-	-
Contract assets - current	\$ 3,022,237	\$ 5,750,344

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Notes receivable</u>		
Notes receivable	\$ <u>4,537,322</u>	\$ <u>2,627,411</u>
<u>Trade receivables</u>		
Trade receivables	\$ 17,575,200	\$ 11,138,592
Less: Allowance for impairment loss	<u>(280,210)</u>	<u>(92,903)</u>
	<u>\$ 17,294,990</u>	<u>\$ 11,045,689</u>

### a. Notes receivable

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

#### December 31, 2022

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

Note: Classified under short-term borrowings; for related information on guarantee and short-term borrowings, refer to Notes 22 and 37.

### b. Trade receivable

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

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

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

December 31, 2022

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

December 31, 2021

	Not Past Due	Less than 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	\$ 9,374,469	\$ 1,373,270	\$ 224,201	\$ 74,105	\$ 92,547	\$ 11,138,592
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(2,081)</u>	<u>(12,786)</u>	<u>(10,688)</u>	<u>(67,348)</u>	<u>(92,903)</u>
Amortized cost	<u>\$ 9,374,469</u>	<u>\$ 1,371,189</u>	<u>\$ 211,415</u>	<u>\$ 63,417</u>	<u>\$ 25,199</u>	<u>\$ 11,045,689</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 92,903	\$ 94,022
Add: Amounts recovered	-	8,764
Add (less): Net remeasurement of loss allowance	105,680	(7,900)
Add: Acquisition through merger	91,508	-
Less: Amounts written off	(17,859)	(508)
Foreign exchange gains and losses	<u>7,978</u>	<u>(1,475)</u>
Balance at December 31	<u>\$ 280,210</u>	<u>\$ 92,903</u>



## 12. FINANCE LEASE RECEIVABLES

	December 31	
	2022	2021
<u>Undiscounted lease payments</u>		
Year 1	\$ 81,359	\$ 81,359
Year 2	81,359	81,359
Year 3	81,359	81,359
Year 4	81,359	81,359
Year 5	81,359	81,359
Year 6 onwards	<u>369,017</u>	<u>450,376</u>
	775,812	857,171
Less: Unearned finance income	<u>(113,269)</u>	<u>(136,586)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 662,543</u>	<u>\$ 720,585</u>
Current	\$ 60,020	\$ 58,042
Non-current	<u>602,523</u>	<u>662,543</u>
	<u>\$ 662,543</u>	<u>\$ 720,585</u>

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

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The average effective interest rate contracted was 3.30% per annum as of December 31, 2022 and 2021.

The finance lease receivables as of December 31, 2022 and 2021 were neither past due nor impaired.

The amounts of finance lease receivables pledged as collateral or for security are set out in Note 37.

## 13. INVENTORIES

	December 31	
	2022	2021
Manufacturing and trading industries		
Raw materials	\$ 7,852,613	\$ 6,753,215
Raw materials in transit	1,871,877	2,609,416
Supplies	2,256,735	1,780,788
Work-in-process	8,652,837	3,726,215
Finished goods and merchandise	12,807,714	9,435,648
Contracts in progress	<u>462,456</u>	<u>229,425</u>
	<u>33,904,232</u>	<u>24,534,707</u>
Real estate development industry		
Undeveloped land	3,434	3,434
Buildings and land held for sale	208,551	211,858
Contracts in progress	<u>1,964,074</u>	<u>6,909,724</u>
	<u>2,176,059</u>	<u>7,125,016</u>
	<u>\$ 36,080,291</u>	<u>\$ 31,659,723</u>

- a. The cost of goods sold related to inventories for the years ended December 31, 2022 and 2021 were NT\$162,026,574 thousand and NT\$135,868,487 thousand, respectively.
- b. The cost of goods sold for the years ended December 31, 2022 and 2021 included inventory write-downs of NT\$101,667 thousand and reversals of inventory write-downs of NT\$38,114 thousand, respectively. The reversals of previous write-downs for the years ended December 31, 2021 resulted from the inventory closeout.
- c. The inventory for the real estate development business are primarily land and construction costs for future construction and contracts in progress of WLC subsidiary Walsin (Nanjing) Development Co., Ltd.
- d. Walsin (Nanjing) Development Co., Ltd. entered into an agreement with third parties for the sale of real estate as of December 31, 2022 and 2021; the selling prices for the related residential buildings and office buildings were RMB4,710 thousand and RMB2,400 thousand, respectively. The sale of the real estate in the amounts of NT\$19,786 thousand and NT\$9,918 thousand were recognized as operating revenue for the years ended December 31, 2022 and 2021, respectively.

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

	December 31	
	2022	2021
Domestic listed ordinary shares		
HannStar Display Corp.	\$ 3,340,899	\$ 5,423,342
HannStar Board Corp.	2,017,812	2,894,429
TECO Electric & Machinery Co., Ltd.	6,348,587	7,293,386
Global PMX Co., Ltd.	-	15,928
K. S. Terminals Inc.	10,179	-
Domestic unlisted ordinary shares	564,148	560,757
Foreign unlisted ordinary shares	<u>60,607</u>	<u>102,745</u>
	<u>\$ 12,342,232</u>	<u>\$ 16,290,587</u>
Current	\$ -	\$ -
Non-current	<u>12,342,232</u>	<u>16,290,587</u>
	<u>\$ 12,342,232</u>	<u>\$ 16,290,587</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 December 31, 2022 and 2021, the unrealized valuation (losses) gains resulting from these investments in equity instruments were NT\$(4,067,542) thousand and NT\$2,594,208 thousand, respectively, recognized in other comprehensive income (loss).

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, 2022 and 2021, the Group held a total of 230,439 thousand shares of TECO Electric & Machinery Co., Ltd.

## 15. SUBSIDIARIES

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

The consolidated entities as of December 31, 2022 and 2021 were as follows:

Investor	Investee	Main Business	Percentage of Ownership (%)	
			December 31	
			2022	2021
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited (WLHL)	Investment holding	100.00	100.00
	Concord Industries Limited (CIL)	Investment holding	100.00	100.00
	Ace Result Global Limited	Investment holding	100.00	100.00
	Min Maw Precision Industry Corp. (Min Maw)	Solar power systems management, design, and installation	100.00	100.00
	Walsin Info-Electric Corp. (Walsin Info-Electric)	Mechanical and electrical, communications, and power systems	99.51	99.51
	Chin-Cherng Construction Co. (Chin-Cherng)	Investment in the construction of residential and sale of commercial buildings, rental design and interior decoration business	99.22	99.22
	Joint Success Enterprises Limited	Investments	49.05	49.05
	P.T. Walsin Lippo Industries (P.T. Walsin)	Manufacture and sale of cables and wires	70.00	70.00
	PT. Walsin Lippo Kabel	Cables and wires	70.00	70.00
	Waltuo Green Resources Corp.	Waste disposal, resource recovery and cement products	100.00	100.00
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	50.00 (Note 1)	50.00 (Note 1)
	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	100.00	100.00
	Walsin Singapore Pte. Ltd. (former name: New Hono Investment Pte. Ltd.)	Investment holding	100.00 (Note 1)	100.00 (Note 1)
	Walsin America, LLC	Investment holding	100.00 (Notes 3 and 4)	-
	Walsin Lihwa Europe S.a r.l.	Investment holding	100.00 (Note 5)	-
	PT. Walsin Research Innovation Indonesia	Consulting and Management	99.00 (Note 6)	-
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00 (Note 1)	42.00 (Note 1)
	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10 (Note 7)	-
	Walsin (China) Investment Co., Ltd.	Investment holding	100.00	100.00
WLHL	Jiangyin Walsin Steel Cable Co., Ltd. (JHS)	Manufacture and sale of steel cables and wires	100.00	100.00
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	95.71	95.71
	Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	100.00	100.00
	Walsin International Investments Limited	Investments	100.00	100.00
	Borrego Solar System, Inc.	Solar power system	- (Note 2)	73.49
CIL	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	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
	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment holding	100.00	100.00
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	- (Note 8)	100.00 (Note 8)
Chin-Cherng Construction Co.	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	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
	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00
	Joint Success Enterprises Limited	Investments	50.95	50.95
	Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	100.00	100.00
Min Maw Precision Industry Corp. (Min Maw)	Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	100.00	100.00
	PT. Walsin Research Innovation Indonesia	Consulting and management	1.00 (Note 6)	-
Walsin America, LLC	Borrego Energy Holdings, LLC	Solar power system	72.55 (Note 2)	- (Note 2)
Borrego Energy Holdings, LLC	Borrego Energy, LLC	Solar power system	100.00	-
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Investment holding	85.03 (Note 5)	-
MEG S.A.	Cogne Acciai Speciali S.p.A.	Manufacture and sale of stainless steel	82.32	-

Note 1: In January 2020, the Group invested capital to establish PT. Walsin Nickel Industrial Indonesia (“WNII”). Walsin Singapore Pte. Ltd. (“WLS”) formerly known as New Hono Investment Pte. Ltd. held 42% equity of WNII. According to the joint venture agreement signed by the Group and WLS in January 2020, the Group had the right to purchase 100% of WLS’s shares on the terms agreed by all parties to acquire 42% equity of WNII indirectly. On June 25, 2021, the board of directors of the Group resolved to acquire 100% of WLS’s shares and the Group acquired 100% of WLS’s shares at a price US\$178,500 thousand on July 30, 2021. After the transaction, the Group directly and indirectly acquired 92% of WNII’s shares. The Investment Commission of the Ministry of Economic Affairs has approved the investment to pay by the Group’s own foreign exchange. Therefore, the Group communicated

with Golden Harbour International Pte. Ltd. to exercise the early redemption and to pay back the US-currency bonds. The Group will pay the purchase of WLS's shares by the redemption of the bonds. As of December 31, 2021, US\$178,500 thousand has been paid.

Note 2: On May 24, 2022, WLC's board of directors resolved that the subsidiary, Borrego Solar Systems, Inc. would split its business into its 100% subsidiaries New Leaf Energy, Inc. (original name of the announcement: 2022 Solar Development, Inc.) and Borrego Energy, LLC, and sold its subsidiary New Leaf Energy, Inc. The transaction was completed on July 28, 2022 (United States local time July 27, 2022).

Note 3: On May 24, 2022, WLC's board of directors resolved to establish Walsin America, LLC. After the Group's organizational restructuring, Walsin America, LLC acquired 72.55% shares of Borrego Energy Holdings, LLC's shares. Borrego Energy Holdings, LLC owns 100% of Borrego Energy Holdings, LLC's shares.

Note 4: Due to the adjustment of the investment structure of the Group, it was transferred from WLHL to WLC in December 2022.

Note 5: On May 31, 2022, WLC's board of directors resolved to establish Walsin Lihwa Europe S.a r.l. and Walsin Lihwa Europe S.a r.l. acquired 85.03% shares of Luxembourg MEG S.A.

Note 6: The Group established PT. Walsin Research Innovation Indonesia on November 4, 2022.

Note 7: On September 23, 2022, the Group acquired 50.10% shares of PT. Sunny Metal Industry from Ever Rising Limited and Berg Holding Limited at the price of US\$200,000 thousand. On November 4, 2022, WLC's board of directors resolved to transfer PT. Sunny Metal Industry to Walsin Singapore Pte. Ltd.

Note 8: Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd was dissolved on July 13, 2022.

b. The following entities were excluded from consolidation as of December 31, 2022 and 2021:

Investor	Investee	Main Business	Percentage of Ownership (%)		Note
			December 31		
			2022	2021	
WLHL	Walcom Chemicals Industrial Limited	Commerce	65.00	65.00	Note

Note: The investee has a capital of HK\$500 thousand and total assets of HK\$1 thousand. As of December 31, 2022 and 2021, the investee had no sales, and its total assets were less than 1% of the Group's consolidated total assets.

The financial statements of certain subsidiaries included in the consolidated financial statements, namely P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd. and Cogne Acciai Speciali S.p.A. for the year ended December 31, 2022 and P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd. and WLHL's subsidiary Borrego Solar Systems, Inc. for the year ended December 31, 2021 were not audited by the auditor of WLC but by other auditors. As of December 31, 2022 and 2021, the combined total assets of those subsidiaries were NT\$27,113,218 thousand and NT\$10,292,042 thousand, respectively; for the years ended December 31, 2022 and 2021, the combined net operating revenues of these subsidiaries were NT\$3,409,851 thousand and NT\$17,799,306 thousand, respectively.

## 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

Name of Associate	December 31			
	2022		2021	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
<u>Material associates</u>				
Winbond Electronics Corp.	\$ 20,953,105	22.21	\$ 18,357,864	22.21
Walton Advanced Engineering, Inc.	2,109,400	21.01	2,322,664	21.01
Walsin Technology Corp.	8,147,080	18.30	8,166,415	18.30
<u>Associates that are not individually material</u>				
Others	14,979,814		10,604,174	
	<u>\$ 46,189,399</u>		<u>\$ 39,451,117</u>	

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

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

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

Name of Associate	December 31	
	2022	2021
Winbond Electronics Corp.	<u>\$ 17,323,429</u>	<u>\$ 30,050,846</u>
Walton Advanced Engineering, Inc.	<u>\$ 1,244,282</u>	<u>\$ 2,066,495</u>
Walsin Technology Corp.	<u>\$ 7,023,284</u>	<u>\$ 14,846,688</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 years ended December 31, 2022 and 2021 were based on the associates’ financial statements audited by independent auditors for the same period.

a. Material associates

December 31, 2022

	<b>Winbond Electronics Corp.</b>	<b>Walton Advanced Engineering, Inc.</b>	<b>Walsin Technology Corp.</b>
Current assets	\$ 68,537,523	\$ 8,080,399	\$ 42,078,074
Non-current assets	115,627,470	11,240,954	49,653,421
Current liabilities	(27,776,754)	(5,110,938)	(19,230,081)
Non-current liabilities	<u>(53,654,523)</u>	<u>(3,970,323)</u>	<u>(18,917,380)</u>
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	<u>(8,570,720)</u>	<u>(200,109)</u>	<u>(9,303,110)</u>
	<u>\$ 94,162,996</u>	<u>\$ 10,039,983</u>	<u>\$ 44,280,924</u>
Proportion of the Group's ownership	22.21%	21.01%	18.30%
Equity attributable to the Group	\$ 20,913,601	\$ 2,109,400	\$ 8,103,409
Other adjustments	<u>39,504</u>	<u>-</u>	<u>43,671</u>
Carrying amount	<u>\$ 20,953,105</u>	<u>\$ 2,109,400</u>	<u>\$ 8,147,080</u>
Operating revenue	<u>\$ 94,529,790</u>	<u>\$ 9,506,348</u>	<u>\$ 35,297,163</u>
Net profit for the year	\$ 14,986,552	\$ 156,098	\$ 2,295,275
Other comprehensive income (loss)	<u>2,717,903</u>	<u>(1,186,315)</u>	<u>218,387</u>
Total comprehensive income for the year	<u>\$ 17,704,455</u>	<u>\$ (1,030,217)</u>	<u>\$ 2,513,662</u>

December 31, 2021

	<b>Winbond Electronics Corp.</b>	<b>Walton Advanced Engineering, Inc.</b>	<b>Walsin Technology Corp.</b>
Current assets	\$ 72,506,733	\$ 8,361,878	\$ 41,187,886
Non-current assets	80,233,551	13,155,507	52,910,618
Current liabilities	(28,644,931)	(5,019,961)	(21,557,433)
Non-current liabilities	<u>(34,061,841)</u>	<u>(5,259,172)</u>	<u>(19,062,857)</u>
Equity	90,033,512	11,238,252	53,478,214
Non-controlling interests	<u>(7,589,399)</u>	<u>(297,416)</u>	<u>(9,089,372)</u>
	<u>\$ 82,444,113</u>	<u>\$ 10,940,836</u>	<u>\$ 44,388,842</u>
Proportion of the Group's ownership	22.21%	21.01%	18.30%

(Continued)

	<b>Winbond Electronics Corp.</b>	<b>Walton Advanced Engineering, Inc.</b>	<b>Walsin Technology Corp.</b>
Equity attributable to the Group	\$ 18,310,837	\$ 2,298,670	\$ 8,123,158
Other adjustments	<u>47,027</u>	<u>23,994</u>	<u>43,257</u>
Carrying amount	<u>\$ 18,357,864</u>	<u>\$ 2,322,664</u>	<u>\$ 8,166,415</u>
Operating revenue	<u>\$ 99,569,924</u>	<u>\$ 8,118,256</u>	<u>\$ 42,108,708</u>
Net profit for the year	\$ 15,000,122	\$ 118,732	\$ 8,961,076
Other comprehensive income (loss)	<u>4,186,931</u>	<u>(892,554)</u>	<u>1,157,156</u>
Total comprehensive income for the year	<u>\$ 19,187,053</u>	<u>\$ (773,822)</u>	<u>\$ 10,118,232</u> (Concluded)

b. Associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Group's share of:		
Net profit from continuing operations	\$ 389,057	\$ 327,147
Other comprehensive (loss) income	<u>(893,111)</u>	<u>1,839,778</u>
Total comprehensive income for the year	<u>\$ (504,054)</u>	<u>\$ 2,166,925</u>

The Group's share of profit and other comprehensive income of the associates for the years ended December 31, 2022 and 2021 was based on the associates' financial statements audited by independent auditors for the same period. PT. Westrong Metal Industry and PT. CNGR Walsin New Energy and Technology Indonesia for the year ended 2022 and Tsai Yi Corporation (formerly known as Walsin Color Co., Ltd.) for the year ended 2021 were not audited by the auditor of WLC but by other auditors. As of December 31, 2022 and 2021, the carrying amounts of investments accounted for using the equity method were NT\$4,869,105 thousand and NT\$1,053,790 thousand, respectively; for the years ended December 31, 2022 and 2021, the amounts of the share of loss were NT\$313 thousand and NT\$5,936 thousand, respectively.

## 17. PROPERTY, PLANT AND EQUIPMENT

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Assets used by the Group	<u>\$ 65,656,466</u>	<u>\$ 41,474,488</u>

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 3,611,025	\$ 18,671,274	\$ 34,969,055	\$ 7,783,638	\$ 6,305,375	\$ 71,340,367
Additions	80,867	38,133	456,243	558,271	12,079,434	13,212,948
Disposals	(50,357)	(12,016)	(294,063)	(208,508)	(401)	(565,345)
Acquisition through business combination	27,303	2,117,040	11,468,941	126,563	8,905,089	22,644,936
Reclassified	107,209	316,857	2,574,412	429,784	(3,428,262)	-
Transfers from (to) investment properties	-	87,958	-	(100,679)	-	(12,721)
Transfers from inventories	-	1,291,378	-	-	-	1,291,378
Effects of foreign currency exchange differences	<u>623</u>	<u>354,562</u>	<u>1,254,274</u>	<u>17,936</u>	<u>1,404</u>	<u>1,628,799</u>
Balance at December 31, 2022	<u>\$ 3,776,670</u>	<u>\$ 22,865,186</u>	<u>\$ 50,428,862</u>	<u>\$ 8,607,005</u>	<u>\$ 23,862,639</u>	<u>\$ 109,540,362</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 8,067	\$ 7,102,766	\$ 17,527,744	\$ 5,227,302	\$ -	\$ 29,865,879
Depreciation expenses	-	879,711	2,423,403	589,329	-	3,892,443
Disposals	-	(9,863)	(273,116)	(196,262)	-	(479,241)
Reclassified	-	156,976	(344,870)	187,894	-	-
Impairment losses reversed	-	-	(111)	(44)	-	(155)
Transfers from (to) investment properties	-	5,223	-	(17,082)	-	(11,859)
Acquisition through business combination	-	1,566,907	8,513,323	70,907	-	10,151,137
Effects of foreign currency exchange differences	<u>-</u>	<u>88,355</u>	<u>325,815</u>	<u>51,522</u>	<u>-</u>	<u>465,692</u>
Balance at December 31, 2022	<u>\$ 8,067</u>	<u>\$ 9,790,075</u>	<u>\$ 28,172,188</u>	<u>\$ 5,913,566</u>	<u>\$ -</u>	<u>\$ 43,883,896</u>
Carrying amount at December 31, 2022	<u>\$ 3,768,603</u>	<u>\$ 13,075,111</u>	<u>\$ 22,256,674</u>	<u>\$ 2,693,439</u>	<u>\$ 23,862,639</u>	<u>\$ 65,656,466</u>
<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	78,421	90,205	1,600,733	648,730	7,592,258	10,010,347
Disposals	(1,164)	(41,482)	(323,350)	(178,162)	(60)	(544,218)
Reclassified	49,773	1,463,134	8,021,006	209,169	(9,743,082)	-
Transfers from inventories	-	682,342	-	-	-	682,342
Effects of foreign currency exchange differences	<u>-</u>	<u>(68,579)</u>	<u>(135,618)</u>	<u>(29,229)</u>	<u>(120,729)</u>	<u>(354,155)</u>
Balance at December 31, 2021	<u>\$ 3,611,025</u>	<u>\$ 18,671,274</u>	<u>\$ 34,969,055</u>	<u>\$ 7,783,638</u>	<u>\$ 6,305,375</u>	<u>\$ 71,340,367</u>
<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
Depreciation expenses	-	760,482	1,288,451	450,632	-	2,499,565
Disposals	-	(37,511)	(305,754)	(171,011)	-	(514,276)
Reclassified	-	55,108	4,583	(59,691)	-	-
Impairment losses recognized (reversed)	-	71,468	630,232	(7,899)	-	693,801
Effects of foreign currency exchange differences	<u>-</u>	<u>(12,753)</u>	<u>(37,899)</u>	<u>(14,389)</u>	<u>-</u>	<u>(65,041)</u>
Balance at December 31, 2021	<u>\$ 8,067</u>	<u>\$ 7,102,766</u>	<u>\$ 17,527,744</u>	<u>\$ 5,227,302</u>	<u>\$ -</u>	<u>\$ 29,865,879</u>
Carrying amount at December 31, 2021	<u>\$ 3,602,958</u>	<u>\$ 11,568,508</u>	<u>\$ 17,441,311</u>	<u>\$ 2,556,336</u>	<u>\$ 6,305,375</u>	<u>\$ 41,474,488</u>

The machinery equipment of property, plant, and equipment of PT. Walsin Nickel Industrial Indonesia which is the subsidiary of the Group is depreciated on an accelerated basis over their estimated useful lives for 16 years.



Apart from stated above, the above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

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

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

The Group owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, WLC keeps in its possession the land titles with the annotation of the land being pledged to WLC. As of December 31, 2022 and 2021, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand and NT\$542,274 thousand, respectively.

After appropriate evaluation, the Group recognized a reversal of impairment loss on property, plant and equipment of NT\$155 thousand and NT\$(693,801) thousand for the years ended December 31, 2022 and 2021, respectively.

## 18. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Land	\$ 3,443,726	\$ 1,643,343
Buildings	506,666	124,948
Machinery equipment	263,942	-
Office equipment	61,617	-
Transportation equipment	<u>33,404</u>	<u>35,219</u>
	<u>\$ 4,309,355</u>	<u>\$ 1,803,510</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 1,751,920</u>	<u>\$ 291,861</u>
Acquisition through business combination	<u>\$ 933,182</u>	<u>\$ -</u>
Disposals	<u>\$ (48,913)</u>	<u>\$ (7,762)</u>
Depreciation charge for right-of-use assets		
Land	\$ 115,110	\$ 57,774
Buildings	61,748	57,569
Machinery equipment	3,357	-
Office equipment	762	-
Transportation equipment	<u>18,211</u>	<u>16,964</u>
	<u>\$ 199,188</u>	<u>\$ 132,307</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Current	\$ 245,223	\$ 71,470
Non-current	\$ 2,309,732	\$ 243,676

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Land	0.83%-6.123%	0.83%-6.123%
Buildings	1.198%-8%	1.409%-8%
Machinery equipment	3.00%-3.90%	-
Office equipment	3.00%-3.90%	-
Transportation equipment	1.964%-5.75%	3.038%-5.75%

c. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	\$ 52,133	\$ 45,453
Expenses relating to low-value asset leases	\$ 936	\$ 722
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 9,052	\$ 8,688
Total cash outflow for leases	\$ (182,746)	\$ (144,657)

## 19. INVESTMENT PROPERTIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Completed investment properties	\$ 16,123,806	\$ 10,431,063
		<b>Completed Investment Properties</b>
<u>Cost</u>		
Balance at January 1, 2022		\$ 12,991,354
Additions		182
Reclassification from property, plant and equipment		12,721
Others		72,339
Transferred from inventories		5,968,587
Effects of foreign currency exchange differences		33,660
Balance at December 31, 2022		\$ 19,078,843

(Continued)

	<b>Completed Investment Properties</b>
Balance at January 1, 2021	\$ 12,271,365
Additions	2,362
Transferred from inventories	725,571
Effects of foreign currency exchange differences	<u>(7,944)</u>
Balance at December 31, 2021	<u>\$ 12,991,354</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 2,560,291
Depreciation expenses	294,016
Reclassification from property, plant and equipment	11,859
Others	76,950
Effects of foreign currency exchange differences	<u>11,921</u>
Balance at December 31, 2022	<u>\$ 2,955,037</u>
Balance at January 1, 2021	\$ 2,396,439
Depreciation expenses	167,443
Effects of foreign currency exchange differences	<u>(3,591)</u>
Balance at December 31, 2021	<u>\$ 2,560,291</u> (Concluded)

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

The investment properties of the Group increased because the Group changed the purpose of use of the completed commercial building of Walsin (Nanjing) Development Co., Ltd. and transferred it to investment property. The main investment properties of the Group are Walsin Xin Yi Building and the completed investment properties of Walsin (Nanjing) Development Co., Ltd. The building's valuation was commissioned by independent appraisal agencies (third parties). As of December 31, 2022 and 2021, the fair values of the investment properties were NT\$45,032,010 thousand and NT\$35,173,881 thousand, respectively.

## 20. GOODWILL

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Cost</u>		
Opening balance	\$ 152,771	\$ 153,589
Acquisition through business combination (Note 31)	85,585	-
Disposal of subsidiary (Note 32)	(157,359)	-
Effects of foreign currency exchange differences	<u>2,396</u>	<u>(818)</u>
Balance at December 31, 2022	<u>\$ 83,393</u>	<u>\$ 152,771</u> (Continued)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Accumulated impairment</u>		
Opening balance	\$ _____	\$ _____
Balance at December 31, 2022	\$ _____	\$ _____
Carrying amount at December 31, 2022	\$ <u>83,393</u>	\$ <u>152,771</u> (Concluded)

The Group acquired PT. Sunny Metal Industry on September 23, 2022 and recognized the goodwill of NT\$85,585 thousand. As of the issuance date of the financial statements, the Group has not obtained the formal valuation reports. The amount may be subject for adjustments after obtaining the official results. Refer to Note 31.

## 21. OTHER ASSETS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Prepayment for purchases	\$ 3,694,957	\$ 2,502,327
Prepaid expense	999,406	1,241,926
Prepaid sales tax	3,142,781	1,789,340
Prepayment for investments	2,204,073	-
Others	<u>756,197</u>	<u>402,982</u>
	<u>\$ 10,797,414</u>	<u>\$ 5,936,575</u>
Current	\$ 7,880,887	\$ 5,535,226
Non-current	<u>2,916,527</u>	<u>401,349</u>
	<u>\$ 10,797,414</u>	<u>\$ 5,936,575</u>

## 22. BORROWINGS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term borrowings	\$ <u>22,496,307</u>	\$ <u>7,108,766</u>
Current portion of long-term borrowings	\$ <u>1,109,049</u>	\$ <u>10,719,081</u>
Long-term borrowings	\$ <u>40,820,860</u>	\$ <u>24,785,952</u>
Long-term notes and bills payable	\$ <u>1,497,914</u>	\$ _____

- a. Short-term borrowings as of December 31, 2022 and 2021 were as follows:

	December 31			
	2022		2021	
	Interest Rate %	Amount	Interest Rate %	Amount
Procurement loans	-	\$ -	0.64%-0.70%	\$ 2,111,447
Bank lines of credit	0.95%-6.42%	15,566,558	0.69%-3.50%	4,997,319
Discounted notes receivable	1.25%-2.20%	1,554,013	-	-
Other loans	3.384%-5.21%	<u>5,375,736</u>	-	<u>-</u>
		<u>\$ 22,496,307</u>		<u>\$ 7,108,766</u>

Notes receivable financing is based on notes receivable of the Group which are used to apply for a discounted loan. Refer to Note 35 for the amount of discounted notes receivable and relevant terms with recourse rights.

Refer to Notes 6 and 37 for collaterals pledged for short-term borrowings as of December 31, 2022 and 2021.

- b. Long-term borrowings as of December 31, 2022 and 2021 were as follows:

	December 31		
	2022	2021	
	Significant Covenant	Amount	Amount
<u>Long-term secured loan</u>			
Cathay United Bank	From December 15, 2011 to September 27, 2027; after the grace period, repayments are due monthly	\$ 233,439	\$ 287,677
Taipei Fubon Commercial Bank	From December 25, 2013 to October 11, 2023; after the grace period, repayments are due in stages	67,375	77,342
Other long-term secured loan	From January 12, 2019 to December 18, 2030; repayments are due according to contracts	<u>78,365</u>	<u>-</u>
		<u>379,179</u>	<u>365,019</u>
<u>Long-term credit loan</u>			
Bank of Taiwan	Principal repayment at maturity, from March 4, 2019 to March 4, 2022	-	3,000,000
Taipei Fubon Commercial Bank	Principal repayment at maturity, from June 3, 2019 to June 3, 2022	-	1,000,000
Chinatrust Commercial Bank	Principal repayment at maturity, from September 3, 2019 to September 3, 2022	-	1,500,000
Taiwan Cooperative Bank	Principal repayment at maturity, from March 4, 2019 to March 4, 2022	-	1,000,000
Cathay United Bank	Principal repayment at maturity, from March 4, 2019 to March 4, 2022	-	1,500,000
KGI Bank	Principal repayment at maturity, from June 3, 2019 to June 3, 2022	-	1,500,000
Standard Chartered Bank	Principal repayment at maturity, from September 27, 2021 to December 31, 2023	-	5,352,144
Standard Chartered Bank	Principal repayment at maturity, from September 27, 2021 to December 31, 2023	-	2,093,000
Chang Hwa Commercial Bank	Principal repayment at maturity, from June 3, 2019 to June 3, 2022	-	1,000,000

(Continued)

December 31			
		2022	2021
	Significant Covenant	Amount	Amount
The Export-Import Bank of the Republic of China	Loan from December 4, 2020 to December 4, 2027; principal to be repaid evenly in seven phases; 1st repayment is due 48 months after the drawdown date, after which repayments are due once every six months	\$ 1,137,770	\$ 1,137,770
Bank of Taiwan	From September 22, 2020 to October 4, 2027; principal to be repaid in two phases: From the 5th year, repayments are due once every six months; at rates of 20% and 80%, respectively	9,000,000	3,000,000
Taiwan Cooperative Bank	From June 28, 2021 to June 28, 2026; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	2,000,000	2,000,000
DBS Bank	Principal repayment at maturity, from March 30, 2020 to April 15, 2025	7,552,100	9,057,100
Hua Nan Commercial Bank	From March 29, 2021 to March 29, 2026; principal to be repaid in two phases: From the 5th year, repayments are due once every six months	2,000,000	2,000,000
Chinatrust Commercial Bank	Principal repayment at maturity, from October 4, 2022 to October 3, 2025	1,500,000	-
Taiwan Cooperative Bank	From October 4, 2022 to October 4, 2027; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	3,000,000	-
KGI Bank	Principal repayment at maturity, from October 24, 2022 to April 24, 2027	1,500,000	-
Standard Chartered Bank	Principal repayment at maturity, from November 16, 2022 to December 31, 2024	1,555,400	-
Hua Nan Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 28, 2027	2,500,000	-
Agricultural Bank of Taiwan	Principal repayment at maturity, from October 31, 2022 to October 31, 2025	1,000,000	-
Chang Hwa Commercial Bank	Principal repayment at maturity, from March 8, 2022 to October 4, 2027	3,000,000	-
Intesa Sanpaolo S.p.A	Principal repayment at maturity, from December 8, 2019 to June 4, 2025	1,007,776	-
Other long-term credit loans	From April 30, 2019 to September 4, 2029; repayments are due according to contracts	4,797,684	-
		<u>41,550,730</u>	<u>35,139,984</u>
		41,929,909	35,505,033
Less: Current portion of long-term borrowings		<u>(1,109,049)</u>	<u>(10,719,081)</u>
		<u>\$ 40,820,860</u>	<u>\$ 24,785,952</u>
			(Concluded)

1) Under the loan agreements with DBS Bank, WLC should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual consolidated financial statements audited by the independent auditors. The financial ratios are as follows:

- a) Ratio of current assets to current liabilities not less than 100%;
- b) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;
- c) Ratio of Interest Coverage Ratio which included net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%; and
- d) Tangible net worth (net worth less intangible assets) not less than NT\$55,000,000 thousand.

- 2) As of December 31, 2022 and 2021, the effective interest rate ranges of the credit borrowings were 0.10%-5.56% and 0.85%-1.20% per annum, respectively. As of December 31, 2022 and 2021, the effective interest rate ranges of the secured borrowings were 0.55%-4.70% and 1.66%-2.07% per annum, respectively.
  - 3) As of December 31, 2022 and 2021, the Group's current portion of long-term borrowings under the loan agreements were NT\$1,109,049 thousand and NT\$10,719,081 thousand, respectively. The Group's consolidated financial statements for the years ended December 31, 2022 and 2021 showed that the Group was in compliance with the aforementioned financial ratio requirements.
  - 4) Refer to Note 37 for collaterals pledged on bank borrowings as of December 31, 2022 and 2021.
- c. Long-term notes and bills payables as of December 31, 2022 was as follows:

December 31, 2022

Acceptance Agency	Type	Interest Rate	Amount
China Bills and International Bills	Unsecured	1.395-1.50	\$ 1,500,000
Less: Discount on short-term bills payable			<u>(2,086)</u>
			<u>\$ 1,497,914</u>

## 23. BONDS PAYABLE

	<u>December 31</u>	
	<b>2022</b>	<b>2021</b>
Domestic unsecured bonds in 2021	\$ 7,500,000	\$ 7,500,000
Overseas unsecured bonds	341,115	-
Less: Current portion of long-term borrowings	<u>(98,160)</u>	<u>-</u>
	<u>\$ 7,742,955</u>	<u>\$ 7,500,000</u>

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

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

## 24. RETIREMENT BENEFIT PLANS

- a. Defined contribution plan

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

The Group recognized expenses of NT\$109,019 thousand and NT\$95,977 thousand for the years ended December 31, 2022 and 2021, respectively, which is based on the specified ratio in defined contributions plan.

b. Defined benefit plans

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

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

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

	December 31		
	2022	2021	
Present value of defined benefit obligation	\$ 1,332,167	\$ 1,487,554	
Fair value of plan assets	<u>(1,060,075)</u>	<u>(1,037,916)</u>	
Net defined benefit liabilities	<u>\$ 272,092</u>	<u>\$ 449,638</u>	
	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2020	<u>\$ 1,371,774</u>	<u>\$ (1,083,800)</u>	<u>\$ 287,974</u>
Service cost			
Current service cost	10,917	-	10,917
Net interest expense (income)	<u>6,801</u>	<u>(5,366)</u>	<u>1,435</u>
Recognized in profit or loss	<u>17,718</u>	<u>(5,366)</u>	<u>12,352</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(13,584)	(13,584)
Actuarial loss - changes in demographic assumptions	38,641	-	38,641
Actuarial gain - changes in financial assumptions	(15,729)	-	(15,729)
Actuarial loss - experience adjustments	<u>151,322</u>	<u>-</u>	<u>151,322</u>
Recognized in other comprehensive loss	<u>174,234</u>	<u>(13,584)</u>	<u>160,650</u>
Contributions from the employer	-	(11,338)	(11,338)
Benefits paid	<u>(76,172)</u>	<u>76,172</u>	<u>-</u>
Balance at December 31, 2021	<u>1,487,554</u>	<u>(1,037,916)</u>	<u>449,638</u>
			(Continued)

(Continued)



	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of Plan Assets</b>	<b>Net Defined Benefit Liability (Asset)</b>
Service cost			
Current service cost	\$ 10,455	\$ -	\$ 10,455
Net interest expense (income)	<u>9,721</u>	<u>(6,442)</u>	<u>3,279</u>
Recognized in profit or loss	<u>20,176</u>	<u>(6,442)</u>	<u>13,734</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(82,973)	(82,973)
Actuarial gain - changes in financial assumptions	(63,850)	-	(63,850)
Actuarial gain - experience adjustments	<u>(113,715)</u>	<u>-</u>	<u>(113,715)</u>
Recognized in other comprehensive loss	<u>(177,565)</u>	<u>(82,973)</u>	<u>(260,538)</u>
Contributions from the employer	-	(52,475)	(52,475)
Benefits paid	(119,731)	119,731	-
Acquisition of subsidiaries through business combination	118,977	-	118,977
Exchange difference	<u>2,756</u>	<u>-</u>	<u>2,756</u>
Balance at December 31, 2022	<u>\$ 1,332,167</u>	<u>\$ (1,060,345)</u>	<u>\$ 272,092</u> (Concluded)

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating costs	\$ 6,982	\$ 6,240
Selling and marketing expenses	914	945
General and administrative expenses	5,638	4,918
Research and development expenses	<u>200</u>	<u>249</u>
	<u>\$ 13,734</u>	<u>\$ 12,352</u>

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

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates	1.25%-3.00%	0.625%
Expected rates of salary increase	2.25%-2.80%	2.25%

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates		
0.5% increase	<u>\$ (47,681)</u>	<u>\$ (61,945)</u>
0.5% decrease	<u>\$ 50,683</u>	<u>\$ 66,092</u>
Expected rates of salary increase		
0.5% increase	<u>\$ 49,149</u>	<u>\$ 63,726</u>
0.5% decrease	<u>\$ (46,718)</u>	<u>\$ (60,375)</u>

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

## 25. EQUITY

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Share capital		
Ordinary shares	\$ 37,313,329	\$ 34,313,329
Capital surplus	24,672,454	18,440,875
Retained earnings	62,038,398	47,787,207
Others	(443,305)	5,342,113
Non-controlling interests	<u>6,240,336</u>	<u>2,062,744</u>
	<u>\$ 129,821,212</u>	<u>\$ 107,946,268</u>

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of authorized shares (in thousands)	<u>6,500,000</u>	<u>6,500,000</u>
Amount of authorized shares	<u>\$ 65,000,000</u>	<u>\$ 65,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>3,731,333</u>	<u>3,431,333</u>
Amount of issued shares	<u>\$ 37,313,329</u>	<u>\$ 34,313,329</u>

As of January 1, 2021, the balances of WLC's capital account were NT\$32,260,002 thousand, which consisted of 3,226,000 thousand shares at par value of NT\$10.

The Group issued 205,333 thousand shares in exchange shares of TECO Electric & Machinery Co., Ltd. in January 2021. On June 6, 2022, WLC's board of directors resolved to issue 300,000 thousand ordinary shares at a price of NT\$33 per share with August 10, 2022 as the base date for capital increase. On July 21, 2022 WLC chairman of the board adjusted the new share issuing price from NT\$33 to NT\$30, which authorized by the board. As of December 31, 2022, the paid-in capital was NT\$37,313,329 thousand, divided into 3,731,333 thousand ordinary shares at par value of NT\$10.

As of December 31, 2022, 2 thousand GDRs of WLC were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 22 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 18,864,452	\$ 12,639,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,130	3,124
Share of changes in capital surplus of associates	441,175	440,288
Treasury share transactions	2,254,074	2,254,074
Gain on disposal of property, plant and equipment	2,074,231	2,074,231
Others	<u>1,036,392</u>	<u>1,029,706</u>
	<u>\$ 24,672,454</u>	<u>\$ 18,440,875</u>

Note: The premium from shares issued in excess of par (share premium from issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's capital surplus and to once a year).

c. Retained earnings and dividend policy

The shareholders of WLC have held their regular meeting on May 13, 2022, and in that meeting, have resolved the amendments to WLC's Articles of Incorporation (the "Articles"). Under the dividends policy as set forth in the amended Articles, where WLC made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit this requirement is not applicable when the legal reserve has reached the total capital, and then any remaining profit together with prior unappropriated earnings shall be appropriated for special reserve or appropriate reversal of special reserve in accordance with the laws and regulations, and then the balance shall be used by WLC's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. If appropriated earnings are distributed in cash, the cash distribution shall be resolved by WLC's board of directors and reported in the shareholders' meeting. Other than the aforementioned regulations, the distribution shall be after deducting the share of profit of associates accounted for using the equity method and adding cash dividends of associates accounted for using the equity method. WLC shall reserve no lesser than 40% of the balance amount as shareholders' profit after offsetting its loss and tax payments in the previous year, capital reserve, and special reserve

adjusted by the accumulated net deduction of other equity. The profits shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

Before the amendments, where WLC made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (this requirement is not applicable when the legal reserve has reached the total capital) and then any remaining profit together with prior unappropriated earnings shall be appropriated for setting aside or reversing a special reserve in accordance with the laws and regulations, and then shall be used by WLC's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. Other than the aforementioned regulations, WLC shall reserve no lesser than 40% of the balance amount as shareholders' profit after offsetting its loss and tax payments in the previous year, capital reserve and special reserve. 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 25 for the policies on the distribution of employees' compensation and remuneration of directors and supervisors.

The appropriation of earnings for 2021 and 2020, which were approved in the shareholders' meeting on May 13, 2022 and July 15, 2021, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 1,454,522	\$ 681,368	\$ -	\$ -
Special reserve	-	(398,160)	-	-
Cash dividends	<u>5,490,133</u>	<u>3,088,200</u>	1.6	0.9
	<u>\$ 6,944,655</u>	<u>\$ 3,371,408</u>		

The appropriation of earnings for 2022, which were resolved by WLC's board of directors on February 24, 2023, were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 1,974,132	\$ -
Cash dividends	<u>6,716,399</u>	1.8
	<u>\$ 8,690,531</u>	

d. Special reserve

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Special reserve	<u>\$ 2,712,250</u>	<u>\$ 2,712,250</u>

Information regarding above special reserve changes as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 2,712,250	\$ 3,110,410
Reversals	<u>-</u>	<u>(398,160)</u>
Balance at December 31	<u>\$ 2,712,250</u>	<u>\$ 2,712,250</u>

e. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (6,100,687)	\$ (5,905,135)
Share from subsidiaries and associates accounted for using the equity method	<u>1,843,913</u>	<u>(195,552)</u>
Balance at December 31	<u>\$ (4,256,774)</u>	<u>\$ (6,100,687)</u>

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

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 11,534,267	\$ 6,092,775
Unrealized (loss) gain - equity instruments	(4,067,542)	2,611,742
Share from associates accounted for using the equity method	(696,891)	2,906,910
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(75,957)</u>	<u>(77,160)</u>
Balance at December 31	<u>\$ 6,693,877</u>	<u>\$ 11,534,267</u>

3) Loss on hedging instruments

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Cash flow hedges</u>		
Balance at January 1	\$ -	\$ -
Loss on hedging instruments	<u>(105,801)</u>	<u>-</u>
Balance at December 31	<u>\$ (105,801)</u>	<u>\$ -</u>

4) Other equity - others

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (91,467)	\$ -
Originally recognized equity items arising from the acquisition of subsidiary equity instrument put options	(2,683,140)	-
Other comprehensive loss from associates accounted for using the equity method	<u>-</u>	<u>(91,467)</u>
Balance at December 31	<u>\$ (2,774,607)</u>	<u>\$ (91,467)</u>

**26. OPERATING REVENUE**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Sales revenue	\$ 175,754,340	\$ 152,001,410
Sales of real estate	19,786	9,918
Other revenue	<u>4,626,593</u>	<u>4,653,438</u>
	<u>\$ 180,400,719</u>	<u>\$ 156,664,766</u>

**27. NET PROFIT FROM CONTINUING OPERATIONS**

**Non-operating Income and Expense - Gain (Loss) on Disposal of Investment**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
(Loss) gain on disposal of investments - commodity futures	\$ (646,558)	\$ 513,703
Gain on disposal of investments - foreign exchange forward contracts	152,471	167,227
(Loss) gain on disposal of investment - exchange rate swap contracts	(169,573)	14,301
Loss on disposal of investment - options	(25,673)	(16,024)
Gain on disposals of investments - subsidiaries	<u>7,899,376</u>	<u>-</u>
	<u>\$ 7,210,043</u>	<u>\$ 679,207</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Impairment loss reversed (recognized) on property, plant and equipments	\$ 155	\$ (693,801)
Others	<u>(242)</u>	<u>(91)</u>
	<u>\$ (87)</u>	<u>\$ (693,892)</u>

## Employee Benefits Expense, Depreciation and Amortization

For the Year Ended December 31, 2022				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	\$ 4,430,500	\$ 2,906,207	\$ -	\$ 7,336,707
Post-employment benefits	\$ 202,994	\$ 103,448	\$ -	\$ 306,442
Other employee benefits	\$ 602,524	\$ 789,918	\$ -	\$ 1,392,442
Depreciation				
Property, plant and equipments	\$ 3,458,410	\$ 431,174	\$ 2,859	\$ 3,892,443
Right-of-use assets	44,479	154,709	-	199,188
Investment properties	291,837	2,179	-	294,016
	\$ 3,794,726	\$ 588,062	\$ 2,859	\$ 4,385,647
Amortization	\$ 23,497	\$ 42,158	\$ -	\$ 65,655
For the Year Ended December 31, 2021				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	\$ 3,540,027	\$ 2,529,250	\$ -	\$ 6,069,277
Post-employment benefits	\$ 190,141	\$ 115,367	\$ -	\$ 305,508
Other employee benefits	\$ 439,493	\$ 301,869	\$ -	\$ 741,362
Depreciation				
Property, plant and equipments	\$ 1,918,969	\$ 577,770	\$ 2,826	\$ 2,499,565
Right-of-use assets	32,101	100,206	-	132,307
Investment properties	165,918	1,525	-	167,443
	\$ 2,116,988	\$ 679,501	\$ 2,826	\$ 2,799,315
Amortization	\$ 4,225	\$ 27,273	\$ -	\$ 31,498

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 years ended December 31, 2022 and 2021, the employees' compensation amounted to NT\$252,000 thousand and NT\$187,000 thousand, respectively, and the remuneration of directors amounted to NT\$100,050 thousand and NT\$75,000 thousand, respectively. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022 and 2021 were approved by the Group's board of directors on February 24, 2023 and February 22, 2022, respectively.

If there is a change in the amounts before the annual consolidated financial statements are authorized for issue, the differences are recorded in the expenses as an adjustment.

The employees' compensation and the remuneration of directors and supervisors for the years ended December 31, 2021 and 2020 resolved by WLC's board of directors on February 22, 2022 and February 26, 2021, respectively are the same as the amounts recognized in the 2021 and 2020 consolidated financial statements.

Information on the employees' compensation and remuneration of directors and supervisors resolved by WLC's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 792,895	\$ 2,173,361
Income tax on unappropriated earnings	321,642	83,446
Adjustments for prior year	17,976	(7,968)
Land value-added tax	<u>175,864</u>	<u>6,156</u>
	<u>1,308,377</u>	<u>2,254,995</u>
Deferred tax		
In respect of the current year	2,916,207	1,615,411
Adjustments for prior year	<u>37,353</u>	<u>(5,222)</u>
	<u>2,953,560</u>	<u>1,610,189</u>
Income tax expense recognized in profit or loss	<u>\$ 4,261,937</u>	<u>\$ 3,865,184</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before tax from continuing operations	<u>\$ 23,402,013</u>	<u>\$ 19,122,498</u>
Income tax expense calculated at the statutory rate	\$ 4,097,945	\$ 3,931,277
Investment income accounted for using equity method	262,151	481,251
Tax-exempt dividend income	(183,234)	(111,889)
Loss on investments	(2,630)	(384,000)
Others	(58,684)	(23,339)
Unrecognized loss carryforwards/deductible temporary differences	(406,446)	(104,528)
Adjustments for prior years'	55,329	(13,190)
Income tax on unappropriated earnings	321,642	83,446
Land value-added tax	<u>175,864</u>	<u>6,156</u>
Income tax expense recognized in profit or loss	<u>\$ 4,261,937</u>	<u>\$ 3,865,184</u>



b. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax assets		
Tax refund receivable (recorded under other non-current assets		
- others)	\$ 397,168	\$ 28,619
Current tax liabilities		
Income tax payable	\$ 6,103,462	\$ 6,082,152

c. Deferred tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Deferred tax assets</u>		
Loss carryforwards	\$ 1,001,877	\$ 119,774
Pension expense overlimit	23,000	32,000
Unrealized loss on inventories write-down	140,047	42,307
Impairment loss on idle assets	15,000	10,000
Unrealized deferred gross profit	-	2,000
Unrealized impairment loss on long-term investments	7,000	547,000
Difference between financial and tax accounting of the		
depreciation of property, plant and equipment	22,149	21,583
Prepaid expense	1,165,401	899,015
Loss on liquidation of investments	591,000	384,000
Other	482,803	760,870
	<u>\$ 3,448,277</u>	<u>\$ 2,818,549</u>
<u>Deferred tax liabilities</u>		
Difference between financial and tax accounting of the		
depreciation of property, plant and equipment	\$ (81,836)	\$ (67,388)
Provision for land value-added tax	(147,215)	(153,214)
Unrealized gain on investments	(5,364,542)	(2,020,432)
Others	(204,345)	26,384
	<u>\$ (5,797,938)</u>	<u>\$ (2,214,650)</u>

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

	<b>December 31</b>	
<b>Loss Carryforwards</b>	<b>2022</b>	<b>2021</b>
Expiry in 2022	\$ -	\$ 44,883
Expiry in 2023	98	75,676
Expiry in 2024	3,898	85,267
Expiry in 2025	3,439	82,435
Expiry in 2026	6,032	2,186
Expiry in 2027	24,897	-
	<u>\$ 38,364</u>	<u>\$ 290,447</u>

e. As of December 31, 2022, the Group's tax loss carryforwards were as follows:

Expiry Year	Tax Loss Carryforwards
2023	\$ 44,924
2024	90,495
2025	17,700
2026	221,283
2027	511,143
2028	41,729
2031	102,199
2032	<u>10,768</u>
	<u>\$ 1,040,241</u>

f. WLC's income tax returns through 2020, except 2019, have been assessed by the tax authorities.

## 29. EARNINGS PER SHARE

	For the Year Ended December 31					
	2022			2021		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 19,352,097	3,549,689	<u>\$ 5.45</u>	\$ 14,642,629	3,428,520	<u>\$ 4.27</u>
Effect of potentially dilutive ordinary shares						
Employee bonus	-	5,690		-	7,632	
	<u>\$ 19,352,097</u>	<u>3,555,379</u>	<u>\$ 5.44</u>	<u>\$ 14,642,629</u>	<u>3,436,152</u>	<u>\$ 4.26</u>

## 30. SHARE-BASED PAYMENT AGREEMENTS

### Employee Share Option Plan for Cash Capital Increase

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

a. The share-based payment arrangement of WLC as of **December 31, 2022** is as follows:

Type of Agreement	Grant Date	Quantity Granted	Vesting Conditions
Shares retained for employees to subscribe	2022.6.27	30,000 thousand shares	Vesting immediately

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

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

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

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

Share Price on the Grant Date (In Dollars)	Exercise Price (In Dollars)	Expected Ratio of Stock Price Fluctuation	Expected Duration	Expected Dividend Rate	Risk-Free Interest Rate	Fair Value Per Share (In Dollars)
\$34.05	\$30	54.13%	14 days	0.00%	0.72%	\$2.24

### 31. BUSINESS COMBINATIONS

- a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
PT. Sunny Metal Industry	Manufacture and sale of nickel matte	September 23, 2022	50.10	<u>\$ 6,016,800</u>
MEG S.A.	Manufacture and sale of stainless steel	December 1, 2022	85.03	<u>\$ 6,497,972</u>

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

To combine the acquired company's products, technologies and market advantages and expand its stainless steel business, the Group acquired 85.03% of the shares of MEG S.A. at a consideration of \$6,497,972 thousand on December 1, 2022 and held 82.32% of the shares of Cogne Acciai Speciali S.p.A. through MEG S.A. The Group finally held 70% of the shares of Cogne Acciai Speciali S.p.A.

b. Consideration transferred

	<b>PT. Sunny Metal Industry</b>	<b>MEG S.A.</b>
Cash	\$ 6,016,800	\$ 6,497,972
Contingent consideration arrangement (Note 1)	-	355,089
Issue option (Note 2)	<u>-</u>	<u>(137,557)</u>
	<u>\$ 6,016,800</u>	<u>\$ 6,715,504</u>

- 1) According to the agreement of acquisition, the Group is required to pay additional EUR15,000 thousand if MEG S.A.'s earnings before interest, tax, depreciation and amortization from the settlement date to 2025 exceed EUR180,000 thousand. Based on the results of the financial forecast, the management of the Group believes that it is probable to make this payment. The fair value of this obligation at the date of acquisition was estimated at \$355,089 thousand.
- 2) According to the agreement of acquisition, the Group has the right to acquire the remaining equity interest from the minority shareholders for a period of 6.5 to 7 years from the settlement date. The fair value of this option at the acquisition date was estimated to be \$137,557 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

	<b>PT. Sunny Metal Industry</b>	<b>MEG S.A.</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 103,771	\$ 1,373,797
Financial asset at fair value through profit - current	-	10,456
Hedging derivative financial assets - current	-	175,136
Financial assets at amortised cost - current	-	2,153
Net trade receivables	-	6,455,973
Other receivables	4,904	-
Inventories	29,021	9,550,240
Other current assets	1,603,712	648,923
<b>Non-current assets</b>		
Financial asset at fair value through profit - non-current	-	71,200
Property, plant and equipment	7,853,727	4,640,072
Right-of-use assets	-	933,182
Other intangible assets	4,814,767	85,076
Deferred tax assets	-	137,536
Other non-current assets	-	15,494
<b>Current liabilities</b>		
Short-term borrowings	(587,375)	(1,420,750)
Financial liabilities at fair value through profit - current	-	(4,909)
Hedging derivative financial liabilities - current	-	(42,710)
Trade payables	(232,779)	(5,244,797)
Other payables	(5,610,735)	(3,885)
Current tax liabilities	-	(617,198)
Lease liabilities - current	-	(137,417)
Other current liabilities	(2,480)	(1,761,848)

(Continued)

	<b>PT. Sunny Metal Industry</b>	<b>MEG S.A.</b>
Non-current liabilities		
Bonds payable	\$ -	\$ (285,159)
Long-term payable	-	(3,347,986)
Deferred tax liabilities	(134,396)	(112,229)
Lease liabilities - non-current	-	(710,774)
Defined benefit liabilities	-	(118,977)
Other current liabilities	-	(14,515)
	<u>\$ 7,842,137</u>	<u>\$ 10,276,084</u>
		(Concluded)

At the issuance date of the consolidated financial statements, the market valuations and other calculations have not been finalized, and they may change after publishing official assessment report.

d. Non-controlling interests

The non-controlling interests of PT. Sunny Metal Industry is based on the carrying value on the acquisition date and the amount was NT\$1,577,723 thousand. The carrying value is based on the assigned proportionate of the identifiable net assets on the acquisition date. At the issuance date of the consolidated financial statements, the market valuations and other calculations have not been finalized.

The non-controlling interests of MEG S.A. are based on the carrying value on the acquisition date, the amount was NT\$3,082,995 thousand. The carrying value is based on the assigned proportionate of the identifiable net assets on the acquisition date. At the issuance date of the consolidated financial statements, the market valuations and other calculations have not been finalized.

e. Goodwill recognized on acquisitions

	<b>PT. Sunny Metal Industry</b>	<b>MEG S.A.</b>
Consideration transferred	\$ 6,016,800	\$ 6,715,504
Plus: Non-controlling interests	1,577,723	3,082,995
Less: Carrying value of identifiable net assets acquired	(7,842,137)	(10,276,084)
Exchange difference	<u>333,199</u>	<u>138,059</u>
Goodwill recognized on acquisitions (gain on bargain purchase)	<u>\$ 85,585</u>	<u>\$ (339,526)</u>

The goodwill from the merger was expected not to be recognized as tax deductible.

f. Net cash outflow on the acquisition of subsidiaries

	<b>PT. Sunny Metal Industry</b>	<b>MEG S.A.</b>
Consideration paid in cash	\$ 6,016,800	\$ 6,497,972
Less: Cash and cash equivalent acquired	<u>(103,771)</u>	<u>(1,373,797)</u>
	<u>\$ 5,913,029</u>	<u>\$ 5,124,175</u>

g. Impact of business combination on the results of the Group

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

	<b>PT. Sunny Metal Industry</b>	<b>MEG S.A.</b>
Operating revenue	\$ <u>-</u>	\$ <u>1,626,172</u>
Net profit	\$ <u>(14,280)</u>	\$ <u>(273,406)</u>

If the acquisitions of PT. Sunny Metal Industry and MEG S.A. in September and December 2022 had occurred on January 1, 2022, the Group's proposed operating revenue and net profit for fiscal 2022 would have been \$210,605,160 thousand and \$20,786,576 thousand, respectively. These amounts cannot reflect the actual revenue and operating results of the Group, if the business combination is completed on the beginning date of the acquisition year and should not be used to forecast future operating results.

### 32. DISPOSAL OF SUBSIDIARIES

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

a. Consideration received from disposals

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

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

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

	<b>Amount</b>
Current assets	
Cash and cash equivalents	\$ 22,836
Contract assets	3,356,257
Other current assets	59,784
Tax assets	48,384
Non-current assets	
Deferred tax assets	274,265
Goodwill	<u>157,359</u>
Total assets	<u>\$ 3,918,885</u>

(Continued)

	<b>Amount</b>
Current liabilities	
Notes payable and trade payables	\$ (150,190)
Other payables	<u>(313,081)</u>
Total current liabilities	<u>(463,271)</u>
Net assets disposed of	<u>\$ 3,455,614</u> (Concluded)

c. Gain on disposal of subsidiaries

	<b>Amount</b>
Consideration received	\$ 10,029,371
Contingent consideration	2,195,677
Net assets disposed of	(3,455,614)
Costs of disposal	(217,679)
Non-controlling interests	905,234
Exchange difference	35,417
Employee compensation costs - disposal related	<u>(1,039,328)</u>
Gain on disposals	<u>\$ 8,453,078</u>

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

d. Net cash inflow on disposals of subsidiaries

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

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

### 33. OPERATING LEASE ARRANGEMENTS

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

As of December 31, 2022 and 2021, deposits received under operating leases amounted to NT\$339,128 thousand and NT\$329,321 thousand, respectively (recorded under other non-current liabilities).

As of December 31, 2022, the Group's future minimum lease receivables on non-cancelable operating lease commitments are as follows:

	<b>Amount</b>
2023	\$ 1,271,481
2024-2027	1,921,321
After 2028	<u>210,070</u>
	<u><b>\$ 3,402,872</b></u>

### 34. 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.

### 35. FINANCIAL INSTRUMENTS

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

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

December 31, 2022

	<b>Carrying Amount</b>	<b>Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets</u>					
Financial assets at amortized cost					
Structured deposit	\$ 2,202	\$ -	\$ -	\$ 2,202	\$ 2,202
Government bonds	<u>189,242</u>	<u>-</u>	<u>-</u>	<u>189,242</u>	<u>189,242</u>
	<u><b>\$ 191,444</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 191,444</b></u>	<u><b>\$ 191,444</b></u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	<u><b>\$ 7,742,955</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 7,386,233</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 7,386,233</b></u>



December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 7,500,000	\$ -	\$ 7,500,000	\$ -	\$ 7,500,000

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

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 7,631	\$ -	\$ 7,631
Foreign unlisted shares	-	-	71,969	71,969
Contingent consideration	-	-	2,567,786	2,567,786
Derivatives financial assets for hedging	-	165,019	-	165,019
	<u>\$ -</u>	<u>\$ 172,650</u>	<u>\$ 2,639,755</u>	<u>\$ 2,812,405</u>

Financial assets at FVTOCI

Investments in equity instruments				
Listed securities in ROC	\$ 11,717,477	\$ -	\$ -	\$ 11,717,477
Unlisted securities	-	-	624,755	624,755
	<u>\$ 11,717,477</u>	<u>\$ -</u>	<u>\$ 624,755</u>	<u>\$ 12,342,232</u>

Financial liabilities at  
FVTPL

Derivatives not designated as hedging instruments	\$ 21,189	\$ 43,583	\$ -	\$ 64,772
Contingent consideration	-	-	363,192	363,192
Hedging derivative financial liabilities	-	222,272	-	222,272
	<u>\$ 21,189</u>	<u>\$ 265,855</u>	<u>\$ 363,192</u>	<u>\$ 650,236</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 1,940	\$ 14,207	\$ -	\$ 16,147
Derivatives financial assets for hedging	<u>-</u>	<u>89,232</u>	<u>-</u>	<u>89,232</u>
	<u>\$ 1,940</u>	<u>\$ 103,439</u>	<u>\$ -</u>	<u>\$ 105,379</u>
<u>Financial assets at fair value FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 15,627,085	\$ -	\$ -	\$ 15,627,085
Unlisted securities	<u>-</u>	<u>-</u>	<u>663,502</u>	<u>663,502</u>
	<u>\$ 15,627,085</u>	<u>\$ -</u>	<u>\$ 663,502</u>	<u>\$ 16,290,587</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	<u>\$ -</u>	<u>\$ 37,439</u>	<u>\$ -</u>	<u>\$ 37,439</u>

- 2) There were no transfers between Levels 1, 2 and 3 for the years ended December 31, 2022 and 2021.
- 3) Reconciliation of Level 3 fair value measurements of financial instruments.

For the year ended December 31, 2022

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

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

For the year ended December 31, 2021

	<b>Financial Assets at FVTOCI</b>
	<b>Equity Instruments</b>
Balance at January 1, 2021	\$ 435,056
Additions	177,887
Capital reduction and refund	(3,615)
Recognized in other comprehensive income	54,678
Effects of exchange rate changes	<u>(504)</u>
Balance at December 31, 2021	<u>\$ 663,502</u>

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

<b>Financial Instruments</b>	<b>Valuation Technique 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 and discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - exchange rate swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates and discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - interest rate contracts	Discounted cash flow. Future cash flows are estimated based on observable floating rates at the end of the reporting period and fixed interest rates under contracts.
Derivatives - option	Black-Scholes Model. The significant unobservable input value is the market price volatility of the commodity.
Derivatives - gas swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward gas prices at the end of the reporting period and fixed gas prices under contract.

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

<b>Financial Instruments</b>	<b>Valuation Technique 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.
	Net asset method. Fair values are determined based on the book value of companies.
	Discounted cash flow. Present values are determined based on future cash flows discounted at market yield.
Hybrid instruments - bonds	Discounted cash flow. Future cash flows are estimated based on contract rates and discounted at a rate that reflects the credit risk of various counterparties.
Contingent consideration	The estimated fair value is discounted according to the probability of reaching the agreed conditions and based on the credit risk discount rate and other information.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 19,397,973	\$ 10,387,581
Contract assets - current	3,022,237	5,750,344
Notes receivable and trade receivables (including related parties)	21,832,312	13,673,100
Finance lease receivables (current and non-current)	662,543	720,585
Other receivables	3,857,091	1,620,595
Other financial assets	546,126	530,650
Refundable deposits	288,948	207,622
Financial assets at amortized cost - (current and non-current)	191,444	-
Derivative financial assets for hedging (current and non-current)	165,019	89,232
Financial assets at FVTPL (current and non-current)	2,647,386	16,147
Financial assets at FVTOCI (current and non-current)	12,342,232	16,290,587
<u>Financial liabilities</u>		
Financial liabilities at FVTPL (current and non-current)	427,964	37,439
Derivative financial liabilities for hedging (current and non-current)	222,272	-
Financial liabilities at amortized cost		
Short-term borrowings	22,496,307	7,108,766
Contract liabilities	6,014	3,426
Notes payable and trade payables	18,088,851	8,840,868

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other payables	\$ 9,939,969	\$ 4,861,341
Bonds payable	7,742,955	7,500,000
Long-term borrowings (including current portion of notes payable)	43,525,983	35,505,033
Deposits received (recorded under other current and non-current liabilities)	385,210	920,410
		(Concluded)

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 39.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<b><u>Assets</u></b>		
U.S. dollar	\$ 3,798,744	\$ 9,660,314
Euro	1,432,653	795,675
<b><u>Liabilities</u></b>		
U.S. dollar	2,381,338	10,204,046
Euro	310,405	600,096

#### Sensitivity analysis

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

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

	<b>U.S. Dollar Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit or loss	\$ (7,848)	\$ 155,355
<b><u>Euro Impact</u></b>		
<b>For the Year Ended December 31</b>		
	<b>2022</b>	<b>2021</b>
Profit or loss	\$ 23,330	\$ 11,482

#### Hedge accounting

##### For the year ended December 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 Ineffectiveness
						Asset	Liability	
Exchange rate swap contracts	USD to RMB	USD75,000/ RMB488,325	2022.1.14	RMB 498,529	Financial assets for hedging	RMB 10,204	\$ -	\$ -
Exchange rate swap contracts	USD to RMB	USD70,000/ RMB455,700	2022.1.14	RMB 465,153	Financial assets for hedging	RMB 9,453	-	-
Exchange rate swap contracts	USD to RMB	USD20,000/ RMB129,220	2022.6.08	RMB 129,728	Financial assets for hedging	RMB 508	-	-
Exchange rate swap contracts	USD to RMB	USD15,000/ RMB96,921	2022.6.08	RMB 97,308	Financial assets for hedging	RMB 387	-	-

b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 189,242	\$ -
Financial liabilities	7,742,955	7,500,000
Cash flow interest rate risk		
Financial assets	2,202	-
Financial liabilities	66,022,290	42,613,799

Sensitivity analysis

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

If interest rates had been 1% basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have decreased by NT\$660,201 thousand and NT\$426,138 thousand, respectively.

Hedge accounting

For the year ended December 31, 2022

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

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

Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
							Asset	Liability	
Cash flow hedges									
Interest rate swap contracts	EUR	\$ 95,177	2023.05.31-2030.12.18	-0.255%-3.120%	Note	Financial assets for hedging	\$ 5,043	\$ -	\$ -

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

## 2) Credit risk

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

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

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

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

## 3) Liquidity risk

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

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

### December 31, 2022

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 23,605,356	\$ 13,379,779	\$ 28,258,134	\$ 680,861	\$ 65,924,130
Lease liabilities	254,655	454,115	617,027	1,939,529	3,265,326
Fixed interest rate liabilities	98,160	98,160	7,546,635	-	7,742,955
Non-interest bearing liabilities	<u>28,275,365</u>	<u>75,051</u>	<u>59,111</u>	<u>2,546,847</u>	<u>30,956,374</u>
	<u>\$ 52,233,536</u>	<u>\$ 14,007,105</u>	<u>\$ 36,480,907</u>	<u>\$ 5,167,237</u>	<u>\$ 107,888,785</u>



December 31, 2021

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 17,827,847	\$ 16,648,182	\$ 7,000,000	\$ 1,137,770	\$ 42,613,799
Lease liabilities	83,709	68,394	100,609	141,279	393,991
Fixed interest rate liabilities	-	-	7,500,000	-	7,500,000
Non-interest bearing liabilities	14,491,770	29,024	101,825	-	14,622,619
	<u>\$ 32,403,326</u>	<u>\$ 16,745,600</u>	<u>\$ 14,702,434</u>	<u>\$ 1,279,049</u>	<u>\$ 65,130,409</u>

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

December 31, 2022

	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	\$ (44,810)	\$ 15,096	\$ 8,525	\$ -	\$ (21,189)
Foreign exchange forward contracts	(26,741)	6,844	(1,573)	-	(21,470)
Exchange rate swap contracts	(22,113)	-	-	-	(22,113)
Interest rate swap contracts	-	2	20,615	144,404	165,021
Gas swap contracts	(74,893)	(122,352)	(25,027)	-	(222,272)
Futures options	-	7,629	-	-	7,629
	<u>\$ (168,557)</u>	<u>\$ (92,781)</u>	<u>\$ 2,540</u>	<u>\$ 144,404</u>	<u>\$ (114,394)</u>

December 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	\$ 16,434	\$ (19,571)	\$ 5,077	\$ -	\$ 1,940
Foreign exchange forward contracts	13,115	146	946	-	14,207
Exchange rate swap contracts	47,904	-	3,889	-	51,793
	<u>\$ 77,453</u>	<u>\$ (19,425)</u>	<u>\$ 9,912</u>	<u>\$ -</u>	<u>\$ 67,940</u>

e. Transfers of financial assets

1) Transfers of financial assets with recourse

From January 1 to December 31, 2022, the Group transferred part of banker's acceptances on notes receivable to a bank in mainland China. According to the contract, if the notes receivable cannot be recovered when they are due, the bank has the right to require the Group to pay outstanding balance. Therefore, the Group has not transferred the significant risks and remuneration of the notes receivable. The Group continues to recognize all the notes receivable and uses the transferred notes receivable as collateral for the loan. Refer to Note 22 for the relevant loan information.

2) Transfers of financial assets without recourse

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

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
<u>December 31, 2022</u>					
CTBC bank	\$ 151,902	\$ 18,449	US\$ 2,700	\$ -	-
<u>December 31, 2021</u>					
CTBC bank	\$ 150,495	\$ 5,786	US\$ 2,700	\$ -	-

### 36. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Winbond Electronics Corp.	Associate
Walsin Technology Corp.	Associate
Walton Advanced Engineering, Inc.	Associate
Chin-Xin Investment Co., Ltd.	Associate
Changzhou China Steel Precision Materials Co., Ltd.	Associate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate
Tsai Yi Corporation (formerly known as Walsin Color Co., Ltd.)	Associate
Nuvoton Technology Corporation	Associate
Prosperity Dielectrics Co., Ltd.	Associate
PT. Westrong Metal Industry	Associate
HannStar Display Corp.	Substantive related party
Kuong Tai Metal Industrial Co., Ltd.	Substantive related party

(Continued)

Related Party Name	Related Party Category	
HannStar Board Tech. (Jiangyin) Corp	Substantive related party	
HannStar Board Corp.	Substantive related party	
Global Brands Manufacture Ltd.	Substantive related party	
Info-Tek Corp.	Substantive related party	
Hwa Bao Botanic Conservation Corp.	Substantive related party	
	(Concluded)	
b. Sales		
	For the Year Ended December 31	
	2022	2021
Associates	\$ 22,653	\$ 6,458
Other related parties	<u>1,452,637</u>	<u>1,751,701</u>
	<u>\$ 1,475,290</u>	<u>\$ 1,758,159</u>
c. Rental income		
	For the Year Ended December 31	
	2022	2021
Associates	\$ 48,329	\$ 46,197
Other related parties	<u>1,135</u>	<u>1,029</u>
	<u>\$ 49,464</u>	<u>\$ 47,226</u>
d. Purchases of goods		
	For the Year Ended December 31	
	2022	2021
Associates	\$ 58,289	\$ 33,027
Other related parties	<u>4,308</u>	<u>4,961</u>
	<u>\$ 62,597</u>	<u>\$ 37,988</u>
e. Administrative expenses		
	For the Year Ended December 31	
	2022	2021
Associates	\$ 15,053	\$ 14,889
Other related parties	<u>13,630</u>	<u>13,558</u>
	<u>\$ 28,683</u>	<u>\$ 28,447</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. Dividend income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
HannStar Display Corp.	\$ 298,293	\$ 149,816
HannStar Board Corp.	140,259	140,259
Other related parties	<u>7,705</u>	<u>7,705</u>
	<u>\$ 446,257</u>	<u>\$ 297,780</u>

g. Notes receivable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	<u>\$ 9,332</u>	<u>\$ 2,186</u>

h. Trade receivables

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	\$ 2,481	\$ -
Other related parties	<u>42,651</u>	<u>17,229</u>
	<u>\$ 45,132</u>	<u>\$ 17,229</u>

i. Notes payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	<u>\$ 16,553</u>	<u>\$ 10,257</u>

j. Trade payables

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	\$ 225	\$ -
Other related parties	<u>504</u>	<u>601</u>
	<u>\$ 729</u>	<u>\$ 601</u>

k. Other receivables (excluding financing provided)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	\$ 13,056	\$ 19,279
Other related parties	<u>3,062</u>	<u>2,648</u>
	<u>\$ 16,118</u>	<u>\$ 21,927</u>

l. Financing provided

Financing provided for the years ended December 31, 2022 and 2021 were as follows:

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

  

December 31, 2021				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	<u>\$ 350,991</u>	<u>\$ 347,329</u>	<u>\$ 15,310</u>	4.35%

m. Guarantee deposits

December 31			
	2022	2021	
Associates	\$ 7,362	\$ 7,453	
Other related parties	<u>282</u>	<u>282</u>	
	<u>\$ 7,644</u>	<u>\$ 7,735</u>	

n. Disposal of property, plant and equipment

For the Year Ended December 31				
	2022		2021	
	Price	Gain on Disposals	Price	Gain on Disposals
Hwa Bao Botanic Conservation Corp.	<u>\$ 128,800</u>	<u>\$ 78,443</u>	<u>\$ -</u>	<u>\$ -</u>

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

o. Remuneration of key management personnel

The remunerations of directors and key executives were as follows:

December 31			
	2022	2021	
Short-term employee benefits	\$ 265,970	\$ 217,518	
Post-employment benefits	<u>1,299</u>	<u>1,392</u>	
	<u>\$ 267,269</u>	<u>\$ 218,910</u>	

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

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

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Refundable deposits (recorded under other financial assets - current)	\$ 303,146	\$ 61,964
Restricted deposits (recorded under other financial assets - current)	202,194	388,193
Pledged time deposits (recorded under other financial assets - other)	1,439	-
Restricted deposits (recorded under other financial assets - other)	11,023	10,854
Finance lease receivables	60,020	58,042
Long-term finance lease receivables	602,523	662,543
Refundable deposits	51,986	52,534
Discounted notes receivable	<u>1,554,013</u>	<u>-</u>
	<u>\$ 2,786,344</u>	<u>\$ 1,234,130</u>

### 38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at December 31, 2022 and 2021 were as follows:

- a. Outstanding letters of credit not reflected in the accompanying consolidated financial statements as of December 31, 2022 and 2021 were as follows (in thousands):

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
New Taiwan dollar	NT\$ 20,939	NT\$ 47,575
U.S. dollar	US\$ 3,186	US\$ 9,572
Renminbi	RMB 2,189	RMB 13,134
Japanese yen	JPY 54,144	JPY 160,710
Euro	EUR 34,490	EUR 26,852

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
New Taiwan dollar	NT\$ 841,035	NT\$ 665,286
U.S. dollar	US\$ 30	US\$ 30
Renminbi	RMB 16,884	RMB 111,504

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
New Taiwan dollar	NT\$ 496,000	NT\$ 462,000

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
U.S. dollar	US\$ 43,926	US\$ 42,595
Renminbi	RMB 85,530	RMB 259,005

- e. The Group entered into a contract for the construction of new plants on the Group's own land. The amount of the unrecognized commitments were as follow:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
New Taiwan dollar	NT\$2,237,159	NT\$2,702,350
U.S. dollar	US\$ 72,295	US\$ 4,362
Renminbi	RMB 780,815	RMB 395,368
Euro	EUR 70,927	EUR -
Japanese yen	JPY 11,680	JPY -
Indonesian rupiah	IDR89,743,621	IDR -

### 39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 575,500	30.7100	\$ 17,673,605
Japanese yen	236,526	0.2324	54,969
Euro	37,125	32.7200	1,214,730
Hong Kong dollar	2,505	3.9380	9,865
Australian dollar	1,298	20.8300	27,037
Singapore dollar	5,432	22.8800	124,284
Indonesian rupiah	2,267,040,632	0.00198	4,488,740
Renminbi	21,137	4.40934	93,200
Korean won	394,230	0.02457	9,686
Turkish lira	6,605	1.643167	10,854
(Continued)			

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	\$ 645,822	30.7100	\$ 19,833,194
Euro	121	32.7200	3,959
Renminbi	406,181	4.40934	1,790,990
Swiss franc	17	33.2050	564
Indonesian rupiah	300,118,783	0.00198	594,235
Non-monetary items			
U.S. dollar	1,677	30.7100	51,501
Renminbi	233	4.40934	1,027
			(Concluded)

December 31, 2021

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 811,837	27.6800	\$ 22,471,643
Japanese yen	511,128	0.2405	122,926
Euro	30,442	31.3200	953,435
Hong Kong dollar	4,481	3.5490	15,903
Australian dollar	1,579	20.0800	31,714
Singapore dollar	3,291	20.4600	67,335
Indonesian rupiah	1,650,074,291	0.00198	3,267,147
Non-monetary items			
U.S. dollar	320	27.6800	8,864

Financial liabilities

Monetary items			
U.S. dollar	230,939	27.68	6,392,384
Euro	27	31.3200	830
Renminbi	171	4.3416	743
Swiss franc	17	31.1750	513
Indonesian rupiah	52,340,604	0.00198	103,634
Non-monetary items			
U.S. dollar	1,353	27.68	37,439

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gain and loss were NT\$1,748,708 thousand and NT\$237,222 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies in the Group.



#### **40. SEPARATELY DISCLOSED ITEMS**

a. Information on significant transactions and information on investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instrument (Notes 7 and 8)
- 10) Information on investees (Table 8)
- 11) Intercompany relationships and significant intercompany transactions (Table 10)

b. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year;
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year;
  - c) The amount of property transactions and the amount of the resultant gains or losses;
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes;
  - e) The highest balance, the ending period balance, the interest rate range, and total current period interest with respect to the financing of funds; and

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

#### 41. SEGMENT INFORMATION

##### a. Basic information

##### 1) Classification

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

##### a) Wires and cables

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

##### b) Stainless steel

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

##### c) Resource

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

##### d) Real estate

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

##### e) Administration and investing

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

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

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

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

### 3) Identification of operating segment

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

## b. Financial information

### 1) Segment revenues and results:

						(NT\$ in Thousand)
	Wires and Cables	Stainless Steel	Resource	Real Estate	Administration and Investing	Total
<u>For the year ended December 31, 2022</u>						
Revenue from external customers	58,861,592	79,025,174	23,469,051	1,972,699	17,072,203	\$ 180,400,719
Segment profit (loss)	2,983,318	4,463,460	7,011,709	94,428	(5,054,201)	9,498,714
Net non-operating income (expenses)						(586,922)
Net interest income (expenses)						
Share of profit of associates accounted for using the equity method						3,607,040
Dividend income						766,857
Gain on disposal of property, plant and equipment						68,051
Gain on disposal of investments						7,210,043
Foreign exchange gain						1,748,708
Gain on financial assets and liabilities at fair value through profit or loss						265,134
Impairment loss						(87)
Net other income						<u>824,475</u>
Consolidated income before income tax						<u>\$ 23,402,013</u>
<u>For the year ended December 31, 2021</u>						
Revenue from external customers	62,302,436	67,417,565	8,571,368	1,882,235	16,491,162	\$ 156,664,766
Segment profit (loss)	2,267,026	5,876,831	4,009,584	214,240	977,871	13,345,552
Net non-operating income (expenses)						(325,999)
Net interest income (expenses)						
Share of profit of associates accounted for using the equity method						4,808,211
Dividend income						561,499
Gain on disposal of property, plant and equipment						20,468
Gain on disposal of investments						679,207
Foreign exchange gain						(237,222)
Gain on financial assets and liabilities at fair value through profit or loss						647,228
Impairment loss						(693,892)
Net other income						<u>317,446</u>
Consolidated income before income tax						<u>\$ 19,122,498</u>

### 2) Segment assets and liabilities

	Wires and Cables	Stainless Steel	Resource	Real Estate	Administration and Investing	Total
<u>Segment assets</u>						
December 31, 2022	\$ 9,871,071	\$ 45,004,557	\$ 43,443,642	\$ 30,296,978	\$ 124,049,301	<u>\$ 252,665,549</u>
December 31, 2021	12,961,862	40,460,833	17,042,352	28,324,476	84,245,375	<u>\$ 183,034,898</u>
<u>Segment liabilities</u>						
December 31, 2022	5,690,853	26,924,149	27,486,296	15,638,505	47,963,838	<u>\$ 123,703,641</u>
December 31, 2021	8,815,068	18,842,990	7,578,444	12,893,795	26,958,333	<u>\$ 75,088,630</u>

Note: Due to the adjustment of departmental organization, segment assets and liabilities were reclassified on 2021 for reference and comparison.

### 3) Geographical information

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

	<b>Revenue from External Customers (Note)</b>		<b>Non-current Assets</b>	
	<b>2022</b>	<b>2021</b>	<b>December 31 2022</b>	<b>2021</b>
Asia	\$ 155,926,113	\$ 134,031,146	\$ 60,969,279	\$ 54,005,146
United States of America	18,346,783	17,315,503	245,719	225,071
Europe	4,040,919	3,662,416	5,891,034	-
Others	<u>2,086,904</u>	<u>1,655,701</u>	<u>-</u>	<u>-</u>
	<u>\$ 180,400,719</u>	<u>\$ 156,664,766</u>	<u>\$ 67,106,032</u>	<u>\$ 54,230,217</u>

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

### 4) Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021.

TABLE 1

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ 2,255,050 (US\$ 70,000)	\$ - (US\$ -)	\$ - (US\$ -)	-	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 49,432,350 (US\$ 1,609,650)	\$ 49,432,350 (US\$ 1,609,650)
		PT. Sunny Metal Industry	Other receivables	Yes	7,745,668 (US\$ 250,750)	7,700,533 (US\$ 250,750)	5,397,283 (US\$ 175,750)	5.80-6.90	Operating capital	-	Equipment purchase	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		PT. Westrong Metal Industry	Other receivables	Yes	2,780,100 (US\$ 90,000)	2,763,900 (US\$ 90,000)	1,228,400 (US\$ 40,000)	6.79	Operating capital	-	Equipment purchase	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)

Notes:

1. According to the financing regulations provided by Walsin Lihwa Corporation, the limit on the amount of financing provided to a single enterprise that holds directly or indirectly 100% of the voting rights of a subsidiary cannot exceed 40% of the equity presented in the consolidated financial statements of Walsin Lihwa Corporation.

a. The limit on the amount of financing provided to a single enterprise was as follows:

PT. Walsin Nickel Industrial Indonesia = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)  
PT. Sunny Metal Industry = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)  
PT. Westrong Metal Industry = \$123,580,876×40% = \$49,432,350 (US\$1,609,650)

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

The limit on the amount of financing provided = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)

2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.

3. The currency exchange rate as of December 31, 2022 was as follows: US\$ to NT\$ = 1:30.71.
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TABLE 1-1

## WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (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	\$ 360,721 (RMB 80,000)	\$ 352,747 (RMB 80,000)	\$ 352,747 (RMB 80,000)	4.35	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,720,129 (US\$ 56,013)	\$ 1,720,129 (US\$ 56,013)
		Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	5,636,263 (RMB 1,250,000)	5,511,675 (RMB 1,250,000)	3,549,132 (RMB 804,912)	4.05	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Yantai Walsin Stainless Steel Co., Ltd.	Other receivables	Yes	10,367,832 (US\$ 202,000) (RMB 860,000)	9,995,452 (US\$ 202,000) (RMB 860,000)	6,427,864 (US\$ 140,304) (RMB 480,600)	1.15-3.00	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	Yes	1,988,336 (US\$ 45,000) (RMB 120,000)	1,822,884 (US\$ 45,000) (RMB 100,000)	1,369,530 (US\$ 44,596) (RMB -)	1.15	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Changshu Walsin Specialty Steel Co., Ltd.	Other receivables	Yes	3,114,798 (RMB 170,000) (US\$ 73,000)	2,550,484 (RMB \$ 70,000) (US\$ 73,000)	1,387,772 (RMB -) (US\$ 45,190)	1.15	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Dongguan Walsin Wire & Cable Co., Ltd.	Other receivables	Yes	2,577,200 (US\$ 80,000) (RMB -)	2,149,700 (US\$ 70,000) (RMB -)	742,540 (US\$ 24,179) (RMB -)	1.15	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Jiangyin Walsin Steel Cable Co., Ltd.	Other receivables	Yes	2,117,686 (US\$ 10,000) (RMB 400,000)	1,409,435 (US\$ 10,000) (RMB 250,000)	714,418 (US\$ 8,059) (RMB 105,896)	1.15-3.00	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Other receivables	Yes	289,935 (US\$ 9,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Operating capital	-	-	-	430,032 (US\$ 14,003)	1,720,129 (US\$ 56,013)
2	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	3,156,307 (RMB 700,000)	3,086,538 (RMB 700,000)	968,651 (RMB 219,682)	2.70	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
3	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	19,619,260 (US\$ 400,000) (RMB 1,500,000)	18,898,010 (US\$ 400,000) (RMB 1,500,000)	12,769,666 (US\$ 254,000) (RMB 1,127,000)	0.98-2.60	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		Walsin Lihwa Corporation	Other receivables	Yes	11,114,175 (US\$ 345,000)	7,677,500 (US\$ 250,000)	3,470,230 (US\$ 113,000)	4.3-4.4	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)
		PT. Walsin Nickel Industrial Indonesia	Other receivables	Yes	8,053,750 (US\$ 350,000)	3,071,000 (US\$ 100,000)	3,071,000 (US\$ 100,000)	6.4-6.7	Operating capital	-	Operating capital	-	-	-	7,833,998 (US\$ 255,102)	7,833,998 (US\$ 255,102)

(Continued)

Notes:

1. According to the financing regulations provided by Walsin (China) Investment Co., Ltd., Dongguan Walsin Wire & Cable Co., Ltd. and Walsin International Investments Ltd., the total limit on the amount of the financing provided to 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 a one-time funding, the amount for an individual loan shall not exceed 40 % of the financing company’s equity as stated in the financing company’s latest consolidated financial statements. If it is a revolving funding, the amount for an individual loan shall not exceed 10 % of the financing company’s equity in the financing company’s latest consolidated financial statements.
- a. The limit on the amount of financing provided to a single enterprise was as follows:

Jiangyin Walsin Steel Cable Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. =  $\text{US}\$140,033 \times 10\%$  = US\$14,003 (\$430,032)

Walsin (China) Investment Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Walsin Lihwa Corporation =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Walsin (Nanjing) Development Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Yantai Walsin Stainless Steel Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Jiangyin Walsin Specialty Alloy Materials Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Changshu Walsin Specialty Steel Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Dongguan Walsin Wire & Cable Co., Ltd. =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Hangzhou Walsin Power Cable & Wire Co., Ltd. =  $\text{US}\$140,033 \times 40\%$  = US\$56,013 (\$1,720,129)

PT. Walsin Nickel Industrial Indonesia =  $\text{US}\$637,755 \times 40\%$  = US\$255,102 (\$7,833,998)

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

Walsin Lihwa Corporation =  $\$123,580,876 \times 40\%$  = \$49,432,350 (US\$1,609,650)

Walsin (China) Investment Co., Ltd. =  $\text{US}\$140,033 \times 40\%$  = US\$56,013 (\$1,720,129)

Walsin International Investments Limited =  $\text{US}\$637,755 \times 40\%$  = US\$255,102 (\$7,833,998)

2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.

3. The currency exchange rates as of December 31, 2022 were as follows: US\$ to NT\$ = 1:30.71; RMB to NT\$ = 1:4.40934 US\$ to RMB = 1:6.9646.
- (Concluded)
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CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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		
4	Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	\$ 315,631 (RMB 70,000)	\$ 308,654 (RMB 70,000)	\$ 135,010 (RMB 30,619)	2.70	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 49,432,350 (US\$ 1,609,650)	\$ 49,432,350 (US\$ 1,609,650)
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	901,802 (RMB 200,000)	881,868 (RMB 200,000)	411,494 (RMB 93,323)	2.70	Operating capital	-	Operating capital	-	-	-	49,432,350 (US\$ 1,609,650)	49,432,350 (US\$ 1,609,650)

Notes:

1. According to the financing regulations of Changshu Walsin Specialty Steel Co., Ltd. and Jiangyin Walsin Specialty Alloy Materials Co., Ltd., the limit on the amount of financing provided to 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.

a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin (China) Investment Co., Ltd. = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)

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

The limit on the amount of financing provided = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
3. The currency exchange rates as of December 31, 2022 were as follows: US\$ to NT\$ = 1:30.71; RMB to NT\$ = 1:4.40934; US\$ to RMB = 1:6.9646.



TABLE 1-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ 853,053 (US\$ 26,480)	\$ 813,201 (US\$ 26,480)	\$ 813,201 (US\$ 26,480)	2.48	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 49,432,350 (US\$ 1,609,650)	\$ 49,432,350 (US\$ 1,609,650)

Notes:

1. According to the financing regulations 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 latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40 % of the parent company’s equity in the parent company’s latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10 % of the parent company’s equity in the parent company’s latest consolidated financial statements.
- a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin (Nanjing) Development Co., Ltd. = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)
- b. The limit on the amount of financing provided was as follows:

The limit on the amount of financing provided = \$123,580,876 × 40% = \$49,432,350 (US\$1,609,650)
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
3. The currency exchange rates as of December 31, 2022 were as follows: US\$ to NT\$ = 1:30.71; RMB to NT\$ = 1:4.40934; US\$ to RMB = 1:6.9646.

TABLE 1-4

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan 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		
9	Walsin Info-Electric Corporation	Walsin Lihwa Corporation	Other receivables	Yes	\$ 130,000	\$ 130,000	\$ -	-	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 126,222	\$ 126,222

Notes:

1. According to the financing regulations provided by Walsin Info-Electric Corporation, 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 latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40% of the parent company’s equity in the parent company’s latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10% of the parent company’s equity in the parent company’s latest consolidated financial statements.

a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin Lihwa Corporation =  $\$315,554 \times 40\%$  = \$126,222

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

The limit on the amount of financing provided =  $\$315,554 \times 40\%$  = \$126,222
2. The board of directors of the Group will soon propose an improvement plan for the excess amount of funds lent to individual targets.

TABLE 2

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	Walsin Lihwa Corporation	PT. Walsin Nickel Industrial Indonesia	b	\$ 27,912,319 (US\$ 908,900)	\$ 2,899,350 (US\$ 90,000)	\$ - (US\$ -)	\$ - (US\$ -)	\$ -	-	\$ 123,580,876	Yes	No	No
		Borrego Energy, LLC	b	357,710 (US\$ 11,648)	368,520 (US\$ 12,000)	368,520 (US\$ 12,000)	- (US\$ -)	-	0.30	123,580,876	Yes	No	No

Notes:

1. The information on Walsin Lihwa Corporation and its subsidiaries is listed and labeled on the entitled “No.” column.

a. “0” represents Walsin Lihwa Corporation.  
b. Subsidiaries are numbered consecutively starting from 1.
2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories

a. A company with which Walsin Lihwa Corporation does business.  
b. A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.  
c. A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.  
d. A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.  
e. A company that fulfills Walsin Lihwa Corporation’s contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.  
f. A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation’s joint-investment company in proportion to their shareholding percentages.  
g. A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
3. According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation’s current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The 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\$123,580,876 × 100% = \$123,580,876

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

PT. Walsin Nickel Industrial Indonesia.: US\$395,174 × 250% × 92% = US\$908,900  
Borrego Energy, LLC: US\$6,422 × 250% × 72.55% = US\$11,648
4. The currency exchange rates as of December 31, 2022 were as follows: US\$ to NT\$ = 1:30.71.
5. The Group's plan to improve the excess amount of single corporate endorsement guarantees will be proposed by the audit committee soon.

**TABLE 3**

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2022**  
**(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	December 31, 2022				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	\$ 3,340,899	9.90	\$ 3,340,899	
	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	2,017,812	12.06	2,017,812	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	230,438,730	6,348,587	10.77	6,348,587	
	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	201,788	9.39	201,788	
	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	55,794	2.97	55,794	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	12,904	1.16	12,904	
	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	12,000,000	132,152	15.00	132,152	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	96,264	4.01	96,264	

**TABLE 3-1**

**CONCORD INDUSTRIES CONSTRUCTION CO. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2022**  
**(In Thousands of Renminbi)**

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
XiAn Walsin Metal Product 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	12,828	6.02	12,828	

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chin-Cherng Construction Co.	<u>Share</u> Gsharp Corporation	-	Financial assets at fair value through other comprehensive income - non-current	270,000	\$ -	2.73	\$ -	

WALSIN INFO-ELECTRIC CORP.

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Info-Electric Corp.	<u>Share</u> K. S. Terminals Inc.	-	Financial assets at fair value through other comprehensive income - non-current	145,000	\$ 10,179	0.09	\$ 10,179	
	W T International Inc.	-	Financial assets at fair value through other comprehensive income - non-current	228,000	2,278	5.43	2,278	
	Ufi Space Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	297,069	42,569	0.95	42,569	
	InSynerger Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	750,000	20,397	6.60	20,397	
	Landing AI	-	Financial assets at fair value through other comprehensive income - non-current	265,583	4,044	0.54	4,044	

PT. WAL SIN LIPPO INDUSTRIES

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of U.S. Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Pt. Walsin Lippo Industries	<u>Government bonds</u> Indonesia Government Bonds	-	Financial assets at amortized cost - non-current	-	\$ 6,162	N/A	\$ 6,162	



COGNE ACCIAI SPECIALI S.P.A.

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of Euro)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cogne Acciai Speciali S.p.A.	<u>Share</u> Geo Storage	-	Financial assets at fair value through profit or loss - non-current	N/A	\$ 2	-	\$ 2	
	Metal Interconnector	-	Financial assets at fair value through profit or loss - non-current	2,114,787	2,197	1.64	2,197	

TABLE 4

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Corporation	Share													
	Walsin Lihwa Holdings Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	473,730,393	\$ 26,803,960	-	\$ 8,448,083 (Note 1)	365,000,000	\$ 11,178,225	\$ -	\$ -	108,730,393	\$ 24,073,818
	Walsin Lihwa Europe S.a r.l.	Investments accounted for using the equity method	Capital investment	Subsidiaries	-	-	12,000	4,146,986 (Note 2)	-	-	-	-	12,000	4,146,986
	Walsin Singapore Pte. Ltd. (formerly known as New Hono Investment Pte. Ltd)	Investments accounted for using the equity method	Capital investment	Subsidiaries	42,000,000	5,828,396	380,000,000	13,774,869 (Note 2)	-	-	-	-	422,000,000	19,603,265
	PT. Sunny Metal Industry	Investments accounted for using the equity method	Ever Rising Limited and Berg Holding Limited	-	-	-	50,100	6,010,659 (Note 3)	-	-	-	-	-	-
	PT. Sunny Metal Industry	Investments accounted for using the equity method	Walsin Singapore Pte. Ltd. (formerly known as New Hono Investment Pte. Ltd)	Subsidiaries	-	-	-	-	50,100	6,251,000	6,010,659	240,341 (Note 4)	-	-
	PT. Westrong Metal Industry	Investments accounted for using the equity method	Capital investment	Associated companies	-	-	590,000	4,590,864	-	-	-	-	590,000	4,590,864

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

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

Note 3: The amount included the purchase amount, investment income or loss and changes in other equity.

Note 4: The difference between the price of equity under capital surplus-acquiring or disposing of subsidiaries and the carrying value.

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 YEAR ENDED DECEMBER 31, 2022  
(In Thousands of Renminbi)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/ Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Holdings Limited	<u>Share</u> Borrego Solar Systems, Inc.	Investments accounted for using the equity method	New Leaf Energy, Inc. and Borrego Energy, LLC	Subsidiary	1,460,458	\$ 787,885	-	\$ -	1,460,458	\$ -	\$ 787,885 (Notes 1 and 2)	\$ -	-	\$ -
	<u>Share</u> New Leaf Energy, Inc. (formerly named 2022 Solar Development, Inc.)	Investments accounted for using the equity method	Borrego Solar Systems, Inc.	Subsidiary	-	-	1,460,458	675,004 (Note 2)	-	-	-	-	-	-
	<u>Share</u> New Leaf Energy, Inc. (formerly named 2022 Solar Development, Inc.)	Investments accounted for using the equity method	ECP	-	-	-	-	-	1,371,729	2,772,189	980,903 (Note 3)	1,791,286	-	-
	<u>Share</u> New Leaf Energy, Inc. (formerly named 2022 Solar Development, Inc.)	Investments accounted for using the equity method	Walsin America, LLC	Subsidiary	-	-	-	-	88,729	-	104,703 (Note 4)	-	-	-
	<u>Share</u> Walsin America, LLC	Investments accounted for using the equity method	New Leaf Energy, Inc. and Borrego Energy, LLC	Subsidiary	-	-	N/A	32,450 (Notes 4 and 5)	-	-	-	-	-	-
Walsin America, LLC	<u>Share</u> Borrego Energy Holdings, LLC	Investments accounted for using the equity method	Capital investment	Subsidiary	-	-	N/A	32,450 (Note 5)	-	-	-	-	N/A	32,450
Borrego Energy Holdings, LLC	<u>Share</u> Borrego Energy Holdings, LLC	Investments accounted for using the equity method	Capital investment	Subsidiary	-	-	N/A	44,727 (Note 5)	-	-	-	-	N/A	44,727

Notes:

- The amount included the loss of investments and cumulative translation adjustment for the period.
- The subsidiary Borrego Solar Systems, Inc. has been dissolved after the merger with its subsidiary New Leaf Energy, Inc.
- The amount included the disposal of related direct costs and related costs of employees' compensation.
- The amount included Walsin Lihwa Holdings' contribution of New Leaf Energy, Inc.'s shares to establish its subsidiary Walsin America, LLC and also the cash capital increase.
- The amount included cash capital increase, recognized investment gain or loss, and cumulative translation adjustment.
- The adjustments between the price of equity under capital surplus-acquiring or disposing of subsidiaries and its carrying value.
- Due to the investment structure adjustments of the Group, it was transferred from WLHL to WLC in December 2022.

TABLE 4-2

WALSIN SINGAPORE PTE. LTD.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of U.S. Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Singapore Pte. Ltd. (Formerly known as New Hono Investment Pte. Ltd.)	<u>Share</u> PT. Sunny Metal Industry	Investments accounted for using the equity method	Walsin Lihwa Corporation	Parent company	-	\$ -	50,100	\$ 189,531 (Note)	-	\$ -	\$ -	\$ -	50,100	\$ 189,531

Note: The amount included the purchase amount, recognized investment income or loss and changes in other equity.

WALSIN LIHWA EUROPE S.A R.L.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of Euro)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Europe S.a r.l.	<u>Share</u> MEG S.A	Investments accounted for using the equity method	Eugenoi Marzorati and three others	-	-	\$ -	5,102	\$ 177,148 (Note)	-	\$ -	\$ -	\$ -	50,102	\$ 177,148

Note: The amount included the purchase amount, recognized investment income or loss and changes in other equity.

TABLE 5

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Company Name	Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Relationships	Information on Previous Title Transfer If Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationships	Transaction Date	Amount			
Walsin Lihwa Corporation	Plant	2022/03/02-2022/12/26	\$ 1,293,729	Based on the terms in the contract	Chung-Lu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Yantai Walsin Stainless Steel Co., Ltd.	Plant	2022/01/14-2022/12/31	RMB 154,868	Based on the terms in the contract	China Construction Eighth Engineering Division. Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
PT. Sunny Metal Industry	Plant	2022/10/14-2022/10/21	US\$ 52,296	Based on the terms in the contract	PT. Perintis Makmur Indonesia etc.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-

**TABLE 6**

**WALSIN LIHWA CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	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	\$ (326,711)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ -	-	
	Koung Tai Metal Industrial Co., Ltd.	Director of the related party	Sales	(1,447,563)	(1)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	42,651	1	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	(255,763)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	150,819	4	
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(242,061)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	Similar	102,984	3	

**TABLE 6-1**

**WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars and Renminbi)**

Company Name	Related Party	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	\$ 326,711	2	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ -	-	
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Sales	RMB (79,290)	(2)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 2,513	3	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Dongguan Walsin Wire & Cable Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Purchases	RMB 79,290	12	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 (2,513)	(38)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Sales	RMB (32,480)	(4)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 4,145	4	



## CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars and Renminbi)

Company Name	Related Party	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	
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (198,637)	(6)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 25,973	2	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (278,697)	(8)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 19,682	2	
	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 50,664	1	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (8,381)	(2)	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 28,542	1	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (2,695)	(1)	
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Purchases	RMB 32,480	1	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (4,145)	-	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin Lihwa Corporation	Parent company	Purchases	255,763	16	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(150,819)	(54)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 278,697	79	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 19,682	(31)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (28,542)	(7)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 2,695	2	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 198,637	32	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (25,973)	(11)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (50,664)	(6)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 8,381	3	
	Walsin Lihwa Corporation	Parent company	Purchases	242,061	9	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(102,984)	(10)	

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	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	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Trade receivables \$ 150,819	1.29	\$ -	-	\$ -	\$ -
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Trade receivables 102,984	1.26	-	-	-	-
	PT. Sunny Metal Industry	50.1% indirectly owned subsidiary	Other receivables 5,481,736	-	-	-	-	-
	PT. Westrong Metal Industry	29.5% indirectly owned associate	Other receivables 1,228,863	-	-	-	-	-

**TABLE 7-1**

**WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES**

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

**DECEMBER 31, 2022**

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

Company Name	Related Party	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. Walsin Lihwa Corporation	100% owned subsidiary Parent company	Other receivables RMB 264,805	-	\$ -	-	\$ -	\$ -
			Trade receivables RMB 53,230	-	-	-	-	-
Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited Yantai Walsin Stainless Steel Co., Ltd.	Parent company	Other receivables US\$ 4,900	-	-	-	-	-
		Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 140,443 RMB 481,667	-	-	-	-	-
	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 45,237	-	-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 44,640	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% owned subsidiary	Other receivables US\$ 8,067 RMB 106,151	-	-	-	-	-
			Other receivables RMB 81,237	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate	Other receivables RMB 81,237	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 179,818	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 96,282	-	-	-	-	-
	Dongguan Walsin Wire & Cable Co., Ltd. Walsin (Nanjing) Development Co., Ltd.	100% owned subsidiary	Other receivables US\$ 24,210	-	-	-	-	-
		Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 807,674	-	-	-	-	-
Walsin International Investments Limited	Walsin Lihwa Corporation PT. Walsin Nickel Industrial Indonesia	Parent company	Other receivables RMB 788,305	-	-	-	-	-
		Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 701,665	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 2,915,745	-	-	-	-	-
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 220,228	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 128,409	-	-	-	-	-

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

**TABLE 7-2**

**CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**DECEMBER 31, 2022**  
**(In Thousands of Renminbi)**

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables      \$    25,973	7.45	\$       -	-	\$    5,250	\$       -
Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables       30,702	-	-	-	-	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables       93,552	-	-	-	-	-

**TABLE 7-3**

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

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**DECEMBER 31, 2022**  
**(In Thousands of Renminbi)**

Company Name	Related Party	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 Limited	Walsin (Nanjing) Development Co., Ltd.	Subsidiary	Other receivables      \$    198,436	-	\$           -	-	\$           -	\$           -

**TABLE 7-4**

**WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**DECEMBER 31, 2022**  
**(In Thousands of U.S. Dollars)**

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Parent company	Other receivables      \$    179,800	-	\$           -	-	\$           -	\$           -

**TABLE 8**

**WALSIN LIHWA CORPORATION**

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Information of investees that Walsin Lihwa Corporation has controlling power or significant influence over was as follows (in thousands of New Taiwan dollars U.S. dollars and Hong Kong dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments holding	\$ 3,317,552	\$ 14,495,777	108,730,393	100.00	\$ 24,073,818	\$ 7,661,077	\$ 7,661,054	
	Concord Industries Limited	British Virgin Islands	Investments holding	13,611,135	13,611,135	308,498,375	100.00	5,210,454	(210,389)	(210,389)	
	Ace Result Global Limited	British Virgin Islands	Investments holding	1,587,416	1,587,416	44,739,988	100.00	354,722	(34,906)	(34,906)	
	Min Maw Precision Industry Corp.	Taiwan	Solar power systems management, design, and installation	180,368	180,368	32,791,149	100.00	388,436	22,733	22,733	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	17,660	(1,543)	(1,543)	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385	100.00	563,204	88,275	88,275	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	611,688	611,688	577,583,403	99.22	6,182,490	(239,992)	(238,136)	
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	314,008	2,025	2,015	
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	953,239	26,703	18,692	
	PT. Walsin Lippo Kabel	Indonesia	Production and sale of cables and wires	11,656	11,656	1,050,000	70.00	12,000	(1,001)	(701)	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	5,832,774	6,067,971	3,069,275	
	Joint Success Enterprises Limited	British Virgin Islands	Investments holding	1,164,273	1,164,273	36,058,184	49.05	5,084,267	(508,445)	(172,225)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	7,744,232	1,026,112	369,503	
	Tsai Yi Corporation (Formerly known as Walsin Color Co., Ltd.)	Taiwan	Management and investments holding	457,610	457,610	49,831,505	33.97	799,618	4,840	1,644	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	174,997	(15,248)	(4,067)	
	Winbond Electronics Corp.	Taiwan	Research, development, production and sale of semiconductors and related components	7,429,920	7,429,920	883,848,423	22.21	20,953,105	12,927,165	2,863,601	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.01	2,109,400	258,067	54,220	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,147,080	1,640,227	300,162	
	Powertec Electrochemical Corp.'s	Taiwan	Basic industrial chemical manufacturing and energy technical services	2,945,925	2,945,925	318,522,792	22.46	-	-	-	
	Walsin Singapore Pte. Ltd.(formerly known as New Hono Investment Pte. Ltd)	Singapore	Investments holding	16,790,710	5,003,810	422,000,000	100.00	19,603,265	2,465,074	2,022,543	
	PT. Sunny Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	-	-	-	-	(25,416)	(6,141)	(Note 4)
	Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	6,692,862	-	12,000	100.00	4,146,986	148,026	148,026	
	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	22,223	-	6,930	99.00	21,342	25	25	
	Walsin America, LLC	USA	Investments	185,752	-	N/A	100.00	(17,487)	(1,001,746)	-	(Note 5)
	PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	-	140,651	29.17	278,241	(869)	(313)	
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	4,680,030	-	590,000	29.50	4,590,864	(3,352)	-	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Holding Limited	Walsin International Investments Limited	Hong Kong	Investments	HK\$ 4,653,372	HK\$ 4,653,372	\$ 4,653,371,702	100.00	\$ 19,584,996	\$ 993,233	\$ 993,233	(Note 5) (Note 1)
	Walcom Chemicals Industrial Limited	Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000	65.00	0.842	-	-	
	Walsin America, LLC	USA	Investments	-	-	N/A	-	-	(1,001,746)	(1,001,746)	
	Borrego Solar Systems, Inc.	USA	Grid-connected solar electric systems	US\$ -	US\$ 15,000	-	-	-	(1,013,915)	(744,463)	
Walsin America, LLC	Borrego Energy Holdings, LLC	USA	Investments	US\$ 38,147	US\$ -	N/A	72.55	143,078	(1,380,776)	(1,001,746)	
Borrego Energy Holdings, LLC	Borrego Energy, LLC	USA	Grid-connected solar electric systems	US\$ 52,576 (Note 2)	US\$ -	N/A	100.00	197,220	(1,380,776)	(1,380,776)	
Concord Industries Limited	Walsin Specialty Steel Corp.	British Virgin Islands	Commerce and investments	US\$ 92,393 (Note 3)	US\$ 101,400 (Note 3)	92,393,195	100.00	1,383,391	351,416	351,416	
Chin-Cherng Construction Co.	Joint Success Enterprises Limited Dinghsin Development Co., Ltd.	British Virgin Islands Taiwan	Investments	1,202,993	1,202,993	37,461,816	50.95	5,097,232	(508,445)	(259,053)	
			Investment of real estate and related business	8,540	8,540	2,119,200	35.32	38,212	2,559	904	
	Concord II Venture Capital Co., Ltd. Chin-Xin Investment Co., Ltd.	Taiwan Taiwan	Venture capital and consulting affairs	1,603	1,603	172,342	0.17	1,131	(15,248)	4	
			Investments	54,154	54,154	3,264,092	0.67	142,143	1,026,112	6,882	
Walsin Singapore Pte. Ltd. (Formerly known as New Hono Investment Pte. Ltd)	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	US\$ 42,000	US\$ 42,000	42,000	42.00	5,097,031	6,067,971	2,548,548	
	PT. Sunny Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 200,000	-	50,100	50.10	5,820,497	(25,416)	(82,853)	(Note 4)
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Luxembourg	Investments	EUR 207,216	-	5,102	85.03	5,796,269	(225,154)	148,084	

Note 1: On May 24, 2022, WLC’s board of directors resolved that its subsidiary Borrego Solar Systems, Inc. would split its business into its 100% subsidiaries New Leaf Energy, Inc. (original name of the announcement: 2022 Solar Development, Inc.) and Borrego Energy, LLC, and sold its subsidiary New Leaf Energy, Inc.; the transaction was completed on July 28, 2022 (United States local time July 27, 2022).

Note 2: The amount of the payment of US\$10,372 thousand was deducted for Borrego Energy, LLC employees’ compensation, which was paid by Walsin Lihwa Corporation.

Note 3: The amount included capitalization of retained earnings of US\$4,500 thousand.

Note 4: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Corporation to Walsin Singapore Pte. Ltd.

Note 5: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Holding Limited to Walsin Lihwa Corporation.

Note 6: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Hong Kong dollars.

(Concluded)



TABLE 9

## WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

## A. Walsin Lihwa Corporation

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ 614,200 (US\$ 20,000)	b	\$ 799,719 (US\$ 26,041) (Note 2)	\$ - -	\$ - -	\$ 799,719 (US\$ 26,041) (Note 2)	\$ (43,738)	100.00	\$ (43,738)	\$ 841,752	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	479,905 (US\$ 15,627)	b	459,299 (US\$ 14,956) (Note 3)	- -	- -	459,299 (US\$ 14,956) (Note 3)	90,369	95.71	86,492	1,207,083	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	5,468,837 (US\$ 178,080)	b	2,591,310 (US\$ 84,380) (Note 4)	- -	- -	2,591,310 (US\$ 84,380) (Note 4)	(142,964)	40.00	(57,187)	681,239	-
Walsin (China) Investment Co., Ltd.	Investments	2,413,806 (US\$ 78,600)	b	2,413,806 (US\$ 78,600) (Note 5)	- -	- -	2,413,806 (US\$ 78,600) (Note 5)	(217,027)	100.00	(217,027)	4,300,323	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	2,978,870 (US\$ 97,000)	b	2,978,870 (US\$ 97,000) (Note 6)	- -	- -	2,978,870 (US\$ 97,000) (Note 6)	337,522	100.00	337,522	1,048,836	-
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	- -	b	1,197,690 (US\$ 39,000) (Note 7)	- -	1,197,690 (US\$ 39,000)	- -	(1,028)	-	(1,028)	- (Note 8)	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	798,460 (US\$ 26,000)	b	798,460 (US\$ 26,000) (Note 9)	- -	- -	798,460 (US\$ 26,000) (Note 9)	(191,422)	100.00	(191,422)	1,485,939	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	1,504,790 (US\$ 49,000)	b	1,504,790 (US\$ 49,000) (Note 10)	- -	- -	1,504,790 (US\$ 49,000) (Note 10)	(230,096)	100.00	(230,096)	1,763,939	-
XiAn Walsin Metal Product Co., Ltd. (Note 13)	Manufacture and sale of specialized stainless steel plates	1,699,799 (US\$ 55,350)	b	925,907 (US\$ 30,150)	- -	- -	925,907 (US\$ 30,150)	(14,022)	100.00	(14,022)	(792,817)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	10,289,846 (US\$ 335,065) (Note 11)	b	6,538,988 (US\$ 212,927)	- -	- -	6,538,988 (US\$ 212,927)	(678,277)	100.00	(678,277)	4,100,422	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	\$ 1,338,956 (US\$ 43,600)	b	\$ 401,687 (US\$ 13,080)	\$ - -	\$ - -	\$ 401,687 (US\$ 13,080)	\$ 238,066	30.00	\$ 71,420	\$ 519,403	\$ 937,269 (US\$ 30,520)
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	30,710 (US\$ 1,000)	b	30,710 (US\$ 1,000)	- -	- -	30,710 (US\$ 1,000)	(97,643)	100.00	(97,643)	(518,896)	-
Dong Guan Cogne Steel Products Co., Ltd.	Stainless Steel Products	835,312 (US\$ 27,200)	b	- -	- -	- -	- -	32,389	100.00	32,389	163,535	-
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	5,291,208 (RMB 1,200,000)	b	- (US\$ -)	- -	- -	- (US\$ -)	-	19.00	-	- (Note 12)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	44,093 (RMB 10,000)	b	9,336 (US\$ 304)	- -	- -	9,336 (US\$ 304)	1,332	20.00	265	9,736	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 14)	Communications equipment and electronic components	686,080 (RMB 155,597)	b	- RMB -	- -	- -	- RMB -	31,798	6.02	-	56,563	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	1,535,500 (US\$ 50,000)	b	1,529,358 (US\$ 49,800) (Note 15)	- -	- -	1,529,358 (US\$ 49,800) (Note 15)	(526,029)	99.60	(523,937)	9,233,321	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	4,409 (RMB 1,000)	b	- RMB -	- -	- -	- RMB -	(12,868)	99.60	(12,818)	(18,100)	-

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

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
\$ 19,767,658 (US\$ 643,688)	\$ 19,706,392 (US\$ 641,693)	N/A (Note 19)

(Continued)

Notes:

1. Investments can be classified into three categories as follows:
  - a. Direct investment in mainland China.
  - b. Reinvestment in mainland China through companies in a third country companies.
  - c. Others.
2. Including US\$15,000 thousand investment through Walsin (China) Investment Co., Ltd.
3. Including US\$14,950 thousand investment through Walsin (China) Investment Co., Ltd.
4. Including US\$13,300 thousand investment through Walsin (China) Investment Co., Ltd., US\$53,000 thousand investment through Ace Result Global Ltd. and US\$22,730 thousand dividends appropriated from Dongguan Walsin Wire & Cable Co., Ltd., Jiangying Walsin Steel Cable Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd.
5. Capital investment of US\$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.
6. Including US\$20,000 thousand investment through Walsin Specialty Steel Corp. and US\$42,000 thousand dividends appropriated from Changshu Walsin Specialty Steel Co., Ltd. and Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.
7. Including US\$4,800 thousand investment through Walsin (China) Investment.
8. The liquidation and deregistration of Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd were completed on July 13, 2022.
9. Investment through Walsin (China) Investment Co., Ltd.
10. 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.
11. Including investments of its own capital of RMB578,796 thousand from Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand investments through Changzhou Wujin NSL Co., Ltd. Including US\$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. which were merged.
12. The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and the fair value.
13. XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
14. Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
15. The amount included investment through Joint Success Enterprise Limited approved in the previous years.
16. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
17. The currency exchange rates as of December 31, 2022 were as follows: US\$ to NT\$ = 1:30.71, RMB to NT\$ = 1:4.40934. The average exchange rates of December 31, 2022 were as follows: US\$ to NT\$ = 1:29.805, RMB to NT\$ = 1:4.41084.
18. The basis for recognizing investment gains and losses in the current period is the financial report audited by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.
19. Upper limit on investment:

WLC was approved as the operation headquarter by the Industrial Development Bureau, Ministry of Economic Affairs and is thus exempted from the related regulations of “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”.

(Concluded)

TABLE 9-1

B. Chin-Cherng Construction Co.

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

(In Thousands of U.S. and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	US\$ 50,000	Note 1	US\$ 25,475	\$ -	\$ -	US\$ 25,475	\$ (119,258)	50.95	\$ (60,762)	\$ 1,071,169	\$ -
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	1,000	Note 1	-	-	-	-	(2,917)	50.95	(1,486)	(2,100)	-

2. The upper limit on investment in mainland China

Accumulated Investment in Mainland China as of December 31, 2022 (US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
US\$25,475	US\$25,475	NT\$3,738,655 (Note 3)

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

Note 2: The basis for recognizing investment gains and losses in the current period is the financial statements audited by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.

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

$$\text{NT\$6,231,092} \times 60\% = \text{NT\$3,738,655 thousand.}$$

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

(Concluded)

**TABLE 10**

**WALSIN LIHWA CORPORATION AND INVESTEEES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, US Dollars and Renminbi)**

No.	Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Walsin Lihwa Corporation	2022 Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	\$ 102,984	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	150,819	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	326,711	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	Sales	242,061	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	255,763	The terms are set by quotations on the local market and are similar to those of general customers	-
		PT. Sunny Metal Industry	Transactions between parent company and subsidiaries	Other receivables	5,481,736	Based on capital demand	2
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	36,445	Based on capital demand	-
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 264,805	Based on capital demand	-
		Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Trade receivables	RMB 53,230	The terms are set by quotations on the local market and are similar to those of general customers	-
2	Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 198,436	Based on capital demand	-
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.	Transactions between subsidiaries	Other receivables	US\$ 140,443	Based on capital demand	3
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 481,667 US\$ 44,640	The terms are set by quotations on the local market and are similar to those of general customers	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 8,067 RMB 106,151	Based on capital demand	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 45,237	Based on capital demand	1
		Walsin (Nanjing) Development Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 807,674	Based on capital demand	1
		XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 179,818	Based on capital demand	-
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 96,282	Based on capital demand	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 24,210	Based on capital demand	-

(Continued)

No.	Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
4	Walsin International Investments Limited	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	RMB 788,305	Based on capital demand	1
		PT. Walsin Nickel Industrial Indonesia	Transactions between subsidiaries	Other receivables	RMB 701,665	Based on capital demand	1
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 2,915,745	Based on capital demand	5
5	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 25,973	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 19,682	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 198,637	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 278,697	The terms are set by quotations on the local market and are similar to those of general customers	1
6	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 3,105	Based on capital demand	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 2,695	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 28,542	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 93,552	Based on capital demand	-
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	-
8	Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 8,381	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 50,664	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 30,702	Based on capital demand	-
9	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 128,409	Based on capital demand	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 4,145	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 32,480	The terms are set by quotations on the local market and are similar to those of general customers	-
10	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries and parent company	Other receivables	RMB 220,228	Based on capital demand	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between subsidiaries	Sales	RMB 79,290	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 subsidiaries	Trade receivables	RMB 2,513	The terms are set by quotations on the local market and are similar to those of general customers	-
11	Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	US\$ 179,800	Based on capital demand	2

(Continued)

No.	Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Walsin Lihwa Corporation	<u>2021</u> Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	\$ 81,510	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	281,518	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 parent company and subsidiaries	Trade receivables	245,996	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	4,515	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	2,773,189	The terms are set by quotations on the local market and are similar to those of general customers	1
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	595,996	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 parent company and subsidiaries	Sales	668,583	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	18,689	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	7,723	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	Other receivables	32,849	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 parent company and subsidiaries	Other receivables	37,008	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 261,794	Based on capital demand	1
		Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Trade receivables	RMB 10,259	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 177,412	Based on capital demand	-
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.	Transactions between subsidiaries	Other receivables	US\$ 60,175	Based on capital demand	2
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 363,643	Based on capital demand	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 44,636	Based on capital demand	1
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 8,717	Based on capital demand	1
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 214,155	Based on capital demand	-
		Walsin (Nanjing) Development Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 8,955	Based on capital demand	-
		XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 55,825	Based on capital demand	1
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 698,586	Based on capital demand	2
		Dongguan Walsin Wire & Cable Co., Ltd	Transactions between parent company and subsidiaries	Other receivables	RMB 176,213	Based on capital demand	-
					RMB 37,250	Based on capital demand	-
					US\$ 68,544	Based on capital demand	1

(Continued)

No.	Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
4	Walsin International Investments Limited	PT. Walsin Nickel Industrial Indonesia Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries Transactions between subsidiaries	Other receivables Other receivables	RMB 1,596,871 RMB 2,558,656	Based on capital demand Based on capital demand	4 6
5	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 27,311	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 6,386	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 242,772	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 233,251	The terms are set by quotations on the local market and are similar to those of general customers	1
6	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transaction between subsidiaries	Other receivables	RMB 10,581	Based on capital demand	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transaction between subsidiaries	Trade receivables	RMB 1,213	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transaction between subsidiaries	Sales	RMB 40,500	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin (China) Investment Co., Ltd.	Transaction between subsidiaries	Other receivables	RMB 99,473	Based on capital demand	-
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	-
8	Changshu Walsin Specialty Steel Co., Ltd.	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transaction between subsidiaries	Trade receivables	RMB 1,130	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transaction between subsidiaries	Trade receivables	RMB 5,739	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.	Transaction between subsidiaries	Sales	RMB 817	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transaction between subsidiaries	Sales	RMB 32,926	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 37,911	Based on capital demand	-
9	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Sales	RMB 6	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 83,540	Based on capital demand	-
10	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries and parent company	Other receivables	RMB 553,394	Based on capital demand	1
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between subsidiaries	Sales	RMB 49,712	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 subsidiaries	Trade receivables	RMB 14,014	The terms are set by quotations on the local market and are similar to those of general customers	-
12	Jiangyin Walsin Steel Cable Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 581	The terms are set by quotations on the local market and are similar to those of general customers	-
13	Nanjing Walsin Property Management Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 5,420	Based on capital demand	-

(Concluded)



**TABLE 11****WALSIN LIHWA CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Winbond Electronics Corp.	247,527,493	6.63
Chin-Xin Investment Co., Ltd.	247,399,375	6.63
LGT Bank (Singapore) Investment Fund under the custody of Standard Chartered	262,598,000	7.03
TECO Electric & Machinery Co., Ltd.	210,332,390	5.63

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.